



BLUESTONE CAPITAL PARTNERS SERVES AS ADVISOR TO LMN SOLUTIONS IN ITS STRATEGIC MERGER WITH NATIONAL SECURITY PARTNERS

On December 19, 2012, LMN Solutions, LLC (“LMN”) completed its strategic merger with National Security Partners (“NSP”). LMN is a mission-focused provider of software development, large-scale data processing (“Big Data”), data science, and cyber-analytic solutions. The Company’s solutions bring together several leading-edge technologies, including cloud computing, mobile applications, and geospatial intelligence systems, to facilitate secure, real-time multi-agency access to, and exploitation of, massive quantities of both structured and unstructured data, providing significant opportunities for the Intelligence Community (“IC”) to dramatically advance mission effectiveness. The combined company will bring to market a comprehensive understanding of the strategic policies and initiatives faced by the IC and a set of solutions targeted at combating the most complex counterterrorism and national security threats faced by our Nation.



Given the persistent uncertainty surrounding the Federal budget, strategic buyers continue to set their sights on companies that are focused on higher growth segments of the market and possess sustainable, tangible barriers to entry. The strategic merger of LMN and NSP is highly consistent with this market trend and exemplifies several of the characteristics driving acquisition activity by strategic buyers in the defense and government services market today. Illustrative examples of these characteristics include the following:

- Difficult to penetrate customers that are at the forefront of defending our Nation’s interests in the digital domain and that possess a keen understanding of the unique ways in which agencies across the IC collaborate to most effectively execute classified national security operations are in high demand across the strategic buyer community.
- Innovative companies focused on emergent technologies in areas such as cloud computing and web-centric architectures that enhance mission performance continue to garner significant interest and premium value from a wide range of acquirers.
- Given the scarcity of technical talent in the market, particularly those with the requisite security clearances, technical certifications, and operational knowledge of the IC’s mission requirements, acquirers are aggressively seeking to add highly credentialed employees.

There is a significant imbalance in today’s market between the limited supply of well-positioned companies and the voracious appetite of the buyer community for properties possessing similar characteristics to LMN. Given the pent up demand, particularly among well-capitalized strategic acquirers, this imbalance will continue to favor companies that possess sustainable competitive differentiators.

Contact Us
1650 Tysons Boulevard, Suite 1530
McLean, Virginia, 22102
p. (703) 462-5600
f. (703) 852-4496
e. info@bluestonecapitalpartners.com

John Allen
CEO

Michael Ivey
Senior Vice President

Susan Gabay
Managing Director

Bob Kwaja
Vice President

Greg Van Beuren
Managing Director

Garrett Asta
Associate Vice President