



Patriarch Partners, LLC Acquires Scan-Optics, LLC

08-15-2005

NEW YORK -- Patriarch Partners, LLC, an investment fund based in New York and Charlotte, has acquired substantially all of the assets, liabilities, and employees of Scan-Optics, Inc. including its UK and Canada subsidiaries, and intends to continue to operate the company going forward as a privately held company, Scan-Optics, LLC.

Upon the completion of this acquisition, Scan-Optics, LLC signed a new credit agreement with Patriarch Partners Agency Services, LLC which will make available to the company a new revolving credit facility that will provide the necessary resources to allow the company to execute its business plans.

"We believe that Scan-Optics' deep history and strong reputation for delivering quality and innovative products, positions well the Company for a bright future that allows them to offer continued value to the marketplace," states Lynn Tilton, Chief Executive Officer and Principal at Patriarch Partners.

In order to achieve improved operational efficiencies, Scan-Optics, LLC also announced the outsourcing of its manufacturing operations. Going forward, its core product assembly will be performed by Columbia Tech, based in Worcester, Massachusetts, a subsidiary of Coghlin Companies Inc. Columbia Tech is a privately owned and operated business that provides custom manufacturing services to a wide array of industries.

"Our partnership with Columbia Tech changes a significant fixed cost into a variable cost that more accurately corresponds to our order schedules. The Columbia Tech partnership also reduces our overall cost associated with assembling core products and provides us with greater bandwidth to handle large orders," states Paul M. Yantus, Chief Executive Officer of Scan-Optics, LLC.

Scan-Optics, LLC in a separate transaction also sold its contract manufacturing division to CMD Technologies, Inc., a newly formed Connecticut corporation, located in Manchester, CT. CMD Technologies is led by Scan-Optics' former head of manufacturing, Joseph P. Crouch. CMD Technologies will continue to provide custom manufacturing services to former customers of Scan-Optics, Inc.

In discussing the transition, Mr. Yantus stated, "Scan-Optics, LLC remains committed to the mission of producing high quality - low cost document management solutions that create value for our customers. We will carry forward the tradition of applying people, process, and technologies that assist our customers in converting information into knowledge. I look forward to leading the Company over the coming years."

About Patriarch Partners LLC

Patriarch Partners LLC, is an investment fund based in New York and Charlotte, North Carolina. Patriarch provides portfolio management services to 8 leveraged funds and a private equity fund, which funds own and manage a diverse portfolio of international companies and credit facilities with an aggregate asset value of approximately \$4.5 billion including equity ownership positions (majority and minority) in more than 60 companies.

About Scan-Optics, LLC

Scan-Optics, LLC, with headquarters in Manchester, Connecticut, is recognized internationally as an innovator and solution provider in the information management and imaging business. It designs and services products and systems for character recognition, image processing and display, data capture, data entry, and storage and retrieval. Scan-Optics' systems and software are marketed worldwide to commercial and government customers directly and through distributors. Additional information is available at www.scanoptics.com.