

NxtStar grounds its advice in experience, not fads.

In addition to the collective experience of our partners, we can also bring strategic partnerships with an elite panel of companies.

Business Description

NxtStar Ventures, LLC is a consulting and venture company. Our partners are all former CEOs of successful life insurance or related financial services companies. Because of our partners' varied and extensive operating backgrounds, NxtStar successfully navigates all issues relating to development and superior execution of important initiatives.

NxtStar focuses on two main activities:

Providing CEO-level advice and consulting to clients in the life insurance and retail financial services businesses. This advice is always grounded in our partners' extensive and varied operating experiences, rather than current consulting fads or theories.

Helping launch new ventures, such as start-ups, acquisitions, and new initiatives, for existing companies. NxtStar's participation in new ventures can take many forms, depending on the circumstances and needs. Oftentimes, NxtStar partners have strong relationships with potential manufacturing or distribution partners.

Projects are usually undertaken for a modest retainer, plus a success fee or an equity stake – instead of hourly rates. This immediately aligns the interests of NxtStar with those of our clients.

EXPERTISE

What Sets NxtStar Apart

NxtStar's Services

Typically, NxtStar's assignments fall into the following categories:

Advice & Consulting

Strategic Reviews

This includes a multi-dimensional review of current strategies and an analysis of possible strategic changes. NxtStar is capable of dealing with both high-level issues and more difficult issues surrounding effective execution at the ground level.

Interim CEO Assignments

NxtStar partners provide a level of CEO expertise that is simply not available elsewhere for interim CEO positions. Typically, these assignments involve troubled companies (or divisions) that are in need of immediate actions to increase growth and cash flow, and often in need of management evaluation and a new strategy.

Mergers & Acquisitions

CEOs and boards benefit from our partners' objective, yet hands-on, experience involving purchase or sale transactions. Unlike the investment banking community who focuses primarily on transactions, we assist with the difficult issues and decisions that confront a CEO.

Strategic & Operational Projects

NxtStar is able to bring resources together in a way that can quickly jump start faltering projects. These projects frequently include the need for a strong change in management and new ideas.

Innovative Marketing Programs

NxtStar can help clients design leading-edge product and marketing programs that are connected to new, alternative distribution channels. If successful, the fulfillment can be outsourced.

Reinsurance

There are many business problems that can be solved through the creative use of reinsurance transactions and relationships. NxtStar's partners are well-experienced in all uses of reinsurance and are part of a large reinsurance network of providers.

Executive Mentoring

NxtStar provides mentoring services at all top management levels for companies that need an objective and outside view. Our partners often apply their operating experiences and company and distribution contacts, while serving as a sounding board for the executive.

Arbitration & Expert Witness Assignments

Due to their understanding of the very narrow and complicated issues of financial services, NxtStar partners frequently engage in assignments requiring negotiation, arbitration, and expert witnessing.

Ventures

Start-Ups

NxtStar will help entrepreneurs develop business plans, assemble management teams, and provide other capabilities, including manufacturing or distribution partners for new businesses.

Acquisitions

NxtStar will participate in the acquisition of existing businesses that need new initiatives and ideas to dramatically fuel growth in revenues and profits. Typically, NxtStar will continue to play a management or active board role in these ventures.

Existing Companies

In some cases, an existing company has a longer-term strategic need for a new business line or initiative, but is unable to build that capability currently, due to short-term considerations. NxtStar will build the capability as a separate business, usually funded by private equity firms, enabling the client to purchase the business at a later time.

O u r U n i q u e A p p r o a c h

Focus on Actual Execution

NxtStar's partners are former CEOs with successful careers in all phases of life insurance and related retail financial services. Each is actively involved with every NxtStar assignment.

Our partners always focus on hands-on operational issues, not just high-level strategic thinking. With this focus, NxtStar assists in both designing and executing new businesses and initiatives that take advantage of the rapid changes in the worlds of life insurance and retail financial services. Because of their insight, the partners help clients take advantage of emerging trends and opportunities.

Our compensation, usually through success fees or equity stakes, fully aligns our interests with our clients' interest.

Partner Involvement

NxtStar's unique process includes structured internal forums to review each project, so that the blend of all of our partners' experiences provides additional value. We have a very wide range of industry contacts and maintain formal strategic partnerships with an elite panel of companies that are able to collaborate, as needed.

Our approach to compensation is unique. Projects are usually undertaken for a modest retainer, plus a success fee or equity stake, which fully aligns the interests of NxtStar with those of our clients.

FLEXIBLE

O u r S u c c e s s S t o r i e s

Diverse Assignments

The breadth of our partners' collective experiences gives NxtStar the credibility to work on a wide range of assignments. The following are a few examples of our assignments:

Clicks and Mortar Strategy Led to Smaller Capital Requirement

NxtStar was hired by a client who had developed a dot.com business plan for the marketing of insurance-related products. NxtStar reshaped the plan into a clicks and mortar strategy, which enabled the client to utilize existing distribution relationships and to partner with existing companies. This enriched our client's story and resulted in a smaller capital requirement.

Quick Turnaround in Sales and New Business Profits

During a transition of its U.S. operations, an international insurer asked a NxtStar partner to provide interim CEO services and a new management strategy. The management hierarchy was flattened, the strategy was implemented, and a permanent CEO was hired using a new profile. Within the year, they turned around a four year decrease in sales to profitable sales that increased by over 100%.

New Sales Campaign

A large global financial institution started a reinsurance operation. Two NxtStar partners helped position the client's unique concepts and to establish a new sales campaign.

Interim CEO Implemented New Financial & Business Processes

A start-up distribution company was struggling to execute effectively. A NxtStar partner was brought in as interim CEO to implement new financial and business processes. Within four months, the company was functioning smoothly, had a new short-term game plan, and a permanent CEO.

RESULTS

Provided Advice and Support for a Successful Merger

Two CEOs of successful companies wished to merge. Support for this was soft, at both the board and management team levels. NxtStar was hired to make the case for the merger and to develop a vision for the combined operation that would garner support and enthusiasm from the various stakeholders. NxtStar also helped the CEOs deal with all of the major issues, so that, by the time of the merger's approval, most of the operating questions had already been answered.

Analysis of a New Distribution Channel

A major life insurer had identified, as a strategic option, the marketing of their current products through a new distribution channel with which they had no experience. NxtStar analyzed the distribution channel and identified pivot points from which the new strategy could be launched using existing capabilities.

Broadened Product Lines of National Distributor

A national insurance distribution company focusing on life insurance wished to enter a new line of business in a material way. NxtStar developed a realistic strategy by analyzing current capabilities, recommending attractive market segments, and identifying the key factors that would make the initiative successful. NxtStar not only provided the strategy, but it also introduced the distribution company to both product manufacturer and distribution partners.

Our Partners

NxtStar's partners come from various professions, including accounting, actuarial science, law, human resources, and technology. The following is a short summary of their backgrounds:

Donald W. (Butch) Britton, Partner

President of American General Life Companies

President of First Colony Life Insurance Company

Executive Vice-President-Marketing of First Colony Life Insurance Company

Ronald J. Helow, Partner

CEO and Founder of Registry Systems, an Internet Technology Co.

Co-Founder of Scorex, an International Credit Scoring Company

Co-Founder and EVP of First Penn-Pacific Life Insurance Company

Ronald M. Butkiewicz, Partner

Chairman and CEO of ILona Financial Group (Irish Life of North America)

Co-Founder and CEO of First Penn-Pacific Life Ins. Co.

Group Executive of Teledyne Inc.

Lawrence T. Rowland, Partner

President of Swiss Re Life & Health-North America

President & CEO of Lincoln National Reinsurance Company

Senior Vice President of First Penn-Pacific Life Insurance Company

Daniel T. Cox, Partner

Chairman and CEO of Aon Consulting Worldwide

Chairman and CEO of Life Insurance Company of Virginia

Chairman and CEO of Union Fidelity Life Insurance Company

Managing Director of William M. Mercer, Incorporated

Gabriel L Shaheen, Partner

President and CEO of Lincoln National Life Insurance Company

Managing Director of Lincoln National – UK

President and CEO of Lincoln National Reinsurance Companies

Barry J. Grosman, Partner

President & CEO of The Marketing Alliance

President and CEO of American Mayflower Life Insurance Company

Senior Vice President-Sales of First Colony Life Insurance Company

D o n a l d W . (B u t c h) B r i t t o n

Mr. Britton is a partner of NxtStar Ventures, LLC. He is heavily experienced in all facets of life insurance company management and is regarded as expert in distribution issues. He has a particularly deep understanding of all aspects of the brokerage marketplace.

Prior to joining NxtStar, Mr. Britton was President of American General Life Companies. In that role, he was responsible for distribution, product manufacturing and product management. He built a new distribution channel model involving 11 distinct channels, while at the same time eliminating the pervasive problem of channel conflict. Sales doubled to \$2.5 billion in the three years that he held that position. There were many other successes in other areas of his responsibility during that same timeframe.

He also spent nearly 20 years with First Colony Life Insurance Company. First Colony is the premier brokerage life insurance company, a reputation it achieved during much of Mr. Britton's career with that company. He was made President of the First Colony Life Independent Brokerage Group at the time of the purchase of First Colony by GE Capital. While President, he had full responsibility for the First Colony Life operation, producing net income of over \$68 million in 1997 and doubling sales in the life channel. The company was also very successful in the structured settlement business. He was Executive Vice President for the 5 years prior to becoming President.

Mr. Britton is a Fellow of the Society of Actuaries and received both a B.A. and M.A. from East Carolina University. He has been very active with and is on the board of LIMRA International.

R o n a l d M . B u t k i e w i c z

Mr. Butkiewicz is Managing Partner of NxtStar Ventures, LLC. As his entire career has been spent in life insurance and retail financial services, he brings expertise to all aspects of product manufacturing, marketing and operations. His interest is at both the strategic and the execution levels.

Mr. Butkiewicz was CEO of ILona Financial Group, Inc. (formerly Irish Life of North America), which was the holding company for the U.S. operations of Irish Life & Permanent. He joined Irish Life in 1987 to build a U.S. presence for them. As a result of a small acquisition in 1988, the company started with \$30 million of assets and \$3 million of GAAP revenues. By 1998, assets were in excess of \$2.5 billion, GAAP revenues were \$325 million and net income was \$22 million.

Mr. Butkiewicz began his career as a life insurance accountant and held a number of financial and general management positions. He was Chief Financial Officer of UNICOA, which was the life insurance holding company for Teledyne, Inc. Later, he became a Group Executive for Teledyne and had responsibility for a group of life insurance companies. In 1979, he co-founded First Penn-Pacific Life Insurance Company, which became the second company to market universal life, but the first to be built around the universal life concept. First Penn was sold to Lincoln National Corporation in 1981 and he remained as President and CEO through 1986.

He is also a director of a number of companies and currently serves on the Long-Range Planning Committee of the Society of Actuaries. He is a former Director of Irish Life plc and of the American Council of Life Insurance. Mr. Butkiewicz received his B.A. from Aquinas College, with a major in accounting, and his M.B.A. from the University of Chicago.

Daniel T. Cox

Mr. Cox is a partner of NxtStar Ventures, LLC. His main focus is general management and he is deeply experienced in all aspects of employee benefit and human resources consulting. He also has a background in the operational aspects of the life insurance business.

Mr. Cox was hired by Aon Corporation in 1986 to build a consulting business. Under his leadership, Aon built a \$750 million human resource consulting firm, with over 5,700 employees in 18 countries.

While at Aon, Mr. Cox also served as Chairman of a number of its life operations, including Life Insurance Company of Virginia and Union Fidelity Life Insurance Company. Both of these operations achieved substantially improved results during Mr. Cox's tenure.

Mr. Cox served as an Executive Vice President of Aon Corporation from 1991 to 2000, with various Corporate responsibilities including Information Technology, Human Resources, Corporate Benefits, and Aon University.

Prior to joining Aon, Mr. Cox was Managing Director of William M. Mercer-Meidinger. During his 11 year association with Mercer, he served as area head for the Chicago-Milwaukee area; area head for the Southeast area; and office head for the Nashville office. He also was lead consultant to some of Mercer's more important clients and was recognized as an expert on funding non-qualified benefits through corporate owned life insurance.

Mr. Cox received a BA in economics with highest honors from the University of North Carolina at Chapel Hill, where he was president of Phi Beta Kappa. Upon graduation, he was named a Corning Glass Traveling Fellow. He also received an MA in Economics from Vanderbilt University.

Mr. Cox is a fellow of the Society of Actuaries and a member of the American Academy of Actuaries. He is a Director of The Children's Memorial Hospital and a member of the Board of Visitors of the Kenan-Flagler Business School.

Barry J. Grosman

Mr. Grosman is a partner of NxtStar Ventures, LLC. His main focus is sales and marketing, however, he is experienced in all aspects of life insurance operations. He has experience in both Agency and Home Office roles. In addition, he has an extensive knowledge of the New York market and its laws and regulations.

Most recently, Mr. Grosman was President and CEO of The Marketing Alliance, an affiliation of over 100 Brokerage Insurance Agencies.

Prior to that position, he was President and CEO of American Mayflower Life, the New York operating subsidiary of First Colony Life, and after its purchase, GE Capital Life Assurance Company of New York. During his 12 years in New York, Mr. Grosman had considerable involvement with the New York State Insurance Department (NYSID). He was a Board Member of the Life Insurance Council of New York (LICONY), the only non-actuary member of the NYSID/LICONY Core Committee for the Modernization of Section 4228 (Agency Compensation Plans), and was Chairman of the LICONY Regulation 60 Committee and the LICONY CEO Policy Forms Committee.

In addition, Mr. Grosman served as Senior Vice President-Sales for First Colony during its rise to prominence in the 1980's. In this role, he was heavily involved in Marketing, Advertising and Sales Promotion, and Product Development. He participated in the design and introduction of the original Universal Life products and the original Retired Lives Reserve products.

Mr. Grosman graduated from Virginia Polytechnic Institute and State University (Virginia Tech) with a BS in Management. He is also a Chartered Life Underwriter.

Ronald J. Helow

Mr. Helow is a partner of NxtStar Ventures, LLC. His primary focus is on the use of newer technologies to solve business problems for the financial services sector. He views technology as a means to build a business, not as an end in itself.

Mr. Helow founded Registry Systems Corporation, which had offices in San Rafael, California, New York City and Chicago. Registry helped insurance companies design and implement mission critical projects using advanced computer technologies. Services included general business consulting, evaluating existing technology capabilities, creating technology plans, and developing custom software from prototyping through production implementation.

Registry had particular expertise in designing and implementing technology solutions that link companies, their distribution systems, and consumers. The company also had extensive experience in helping companies develop architectures and implementations linking legacy applications with Internet technologies. Registry worked closely with internal Information Technology organizations in these development activities and also provided mentoring in Internet technologies.

Prior to founding Registry Systems, Mr. Helow co-founded Scorex, an international company that builds computer statistical models and application software for evaluating consumer credit and other risk categories for large financial and retail companies worldwide. Scorex has become one of the most successful companies in its field, with client companies including seven of the top ten banks in the U.K., as well as American Express, Avco Financial, and many other international firms.

In 1979, Mr. Helow co-founded First Penn-Pacific Life Insurance Company, the second company to market a Universal Life policy, which was sold to Lincoln National Corporation.

Mr. Helow graduated from the University of Notre Dame with a BS in electrical engineering. He also has an MBA from the University of Chicago and a law degree from the University of Florida.

Lawrence T. Rowland

Mr. Rowland is a partner of NxtStar Ventures, LLC. His areas of expertise include both sales and marketing leadership, as well as strategic business development. He has had a track record of success in leading change and innovation.

Most recently, Mr. Rowland was President of Swiss Re Life & Health-North America, the largest life and health reinsurer in the world. The North American operation alone has \$1.5 trillion of inforce business. While serving in this capacity, he faced the challenges of integrating Lincoln Re (acquired by Swiss Re in December, 2001) into the Swiss Re organization, right-sizing the staff, and maintaining pre-acquisition sales levels for both organizations.

Prior to the Swiss Re acquisition, Mr. Rowland was President and CEO of Lincoln Re for five years. He was fully responsible for all reinsurance operations, where his challenges included growing the organization, expanding international capabilities, and management of two troubled lines of business.

During his tenure with Lincoln Re, Mr. Rowland was also Senior Vice President of Individual Markets, where he had responsibility for the Individual Life, Disability Income, and Lincoln National Risk Management operations. Prior to that position, he was Vice President of Reinsurance Sales, where he was responsible for the overall sales management of the U.S. based sales staff.

Mr. Rowland received a Bachelor of Science degree from Northern Illinois University, as well as his Masters in Business Administration.

G a b r i e l L S h a h e e n

Mr. Shaheen is a Partner of NxtStar Ventures, LLC. His focus is on both general and financial management of the insurance industry, with a particular specialty in reinsurance. He has an extensive network of both domestic and international insurance companies.

Immediately prior to joining NxtStar, Mr. Shaheen was President and CEO of Lincoln National Life Insurance Company. In this capacity, he directed all of Lincoln's insurance manufacturing and distribution activities in the U.S., as well as overseeing the integration of CIGNA and Aetna's individual life operations into Lincoln's, following the purchase of those operations. Segments included one of the largest annuity companies in the industry selling through career agents, independent distributors and stock brokers; a premier estate-planning life insurance organization selling through career agents and brokerage outlets; a specialty products and markets division selling through insurance brokers, stock brokers and banks; and the first insurance internet manufacturing and sales organization in the U.S.

During his 22 years at Lincoln, Mr. Shaheen also held the positions of Managing Director of Lincoln UK, which manufactured and sold life insurance, pensions and unit trusts throughout the UK, and President and CEO of Lincoln Re. Many of his years at Lincoln were spent in the Reinsurance organization.

With a proven track record as a business leader in insurance and reinsurance, Mr. Shaheen has achievements in strategic planning, financial management, sales development and training innovations within the insurance industry. Mr. Shaheen is a hands-on, decisive leader who is creative and analytical, with proven skills in achieving turnarounds and growth in both profits and sales. Mr. Shaheen maintained a high degree of trust and visibility with both home office and field personnel. Successes include re-engineering, leading change, and staff development.

Mr. Shaheen received a BA in Mathematics from the University of Michigan and attended Michigan's Graduate School of Business Administration where he received his Master's in Actuarial Science. He is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. He has been a board member of the Indiana State Chamber of Commerce and a member of Lt. Governor Joe Kernan's Indiana Insurance Industry Working Group. He is also a board member of a number of non-profit organizations.

F o r M o r e I n f o r m a t i o n

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