



HERITAGE

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**Heritage Partners, Black Canyon Capital and Management Complete *Private IPO*[®]
Recapitalization of Saunders & Associates, Inc.**

BOSTON and LOS ANGELES, May 12, 2008 – Heritage Partners, the leading private equity firm focused on family/founder owned businesses, jointly with Black Canyon Capital and Saunders’ management team, today announced the completed recapitalization of Saunders & Associates, Inc. The investment was structured as a Heritage *Private IPO*[®], allowing Saunders’ management to cash out certain founding shareholders while providing ongoing management with personal liquidity, and ample capital for future growth while at the same time permitting them to retain operating control of the company.

Saunders, headquartered in Phoenix, AZ, is a premier, global manufacturer of test measurement and production equipment supplying the \$5 billion worldwide frequency control device (FCD) manufacturing industry. The FCD industry produces components that act as the essential sequencing or timing devices found in almost all electronic products and systems including cell phones, PDAs, GPS devices, automobiles, telecommunications, etc. Saunders provides mission critical test measurement and production equipment to the FCD industry including ion etching systems, network analyzers and complex temperature testing equipment.

“We are very excited to invest alongside the management team of Saunders in their quest to take the company to the next level,” said Peter Hermann, a General Partner of Heritage. “We believe that with management’s experience in this sector of the test and measurement industry and Heritage’s 22-year track record of investing alongside successful entrepreneurs, Saunders is poised for great success.”

“We found Heritage’s approach of providing business owners with significant personal liquidity while allowing them to retain control to be an ideal fit for our shareholders,” said Dwane Rose, CEO & President of Saunders. “Heritage’s expertise in investing in privately-held businesses and Black Canyon’s experience in the test & measurement industry made them compelling partners. We look forward to our partnership and the opportunities it will provide us to continue the company’s exciting growth trajectory.”

As part of the transaction, the company has entered into a new senior credit facility arranged by Gladstone Capital Corporation. Saunders was advised by RSM EquiCo and represented by Snell & Wilmer LLP. Heritage Partners was represented by Choate, Hall & Stewart LLP. Skadden, Arps, Slate, Meagher & Flom LLP provided legal counsel to Black Canyon Capital. Gladstone Capital Corporation was represented by Cooley Godward Kronish LLP.

About Heritage Partners

Heritage Partners, a Boston-based private equity firm, specializes in providing equity for family-owned businesses and closely-held companies. Through its unique *Private IPO*[®] structure, Heritage enables the owners of successful middle-market companies to realize significant personal liquidity while maintaining a large equity investment and ongoing control of their business. For more than two decades, Heritage has served as an experienced strategic partner for entrepreneurs seeking to grow their companies through acquisitions, organic business and operational improvements. For more information, please see: www.heritagepartnersinc.com.

About Black Canyon Capital

Black Canyon Capital is a Los Angeles based private capital firm focused on investing in control and non-control private equity and structured debt securities. Black Canyon is partnered with Canyon Capital Advisors, one of the largest multi-strategy asset managers in the United States, with over \$20 billion of assets under management. Since its inception in September of 2004 Black Canyon has completed more than \$1 billion of equity and debt investments. More information can be found at www.blackcanyoncapital.com

About Saunders & Associates, Inc.

Saunders, headquartered in Phoenix, AZ, is a premier, global manufacturer of test, measurement, and production equipment supplying the global frequency control device (“FCD”) manufacturing industry. FCDs are the essential sequencing devices found in almost all electronics including mobile phones, PDA’s, GPS devices, automobiles, airplanes, telecom networking systems, computers, etc. The FCD industry, therefore, is at the heart of the accelerating global proliferation of electronic products. More information can be found at www.saunders-assoc.com