

KPMG Corporate Finance LLC acted as financial adviser to CD Listening Bar, Inc. on its acquisition of Alliance Entertainment, LLC



KPMG Corporate Finance has acted as financial advisor to **CD Listening Bar, Inc. (dba Super D)**



on its acquisition of



Alliance Entertainment, LLC
A Portfolio Company of
Platinum Equity & **THE GORES GROUP**

September 2013

About the engagement

KPMG Corporate Finance LLC (KPMG CF) acted as financial adviser to CD Listening Bar, Inc. (dba Super D) on its acquisition of 100 percent of the stock of Alliance Entertainment, LLC (Alliance Entertainment), a portfolio company of The Gores Group and Platinum Equity. Founded in Irvine, California during 1990, CD Listening Bar started as an independent music store. In 1994, the wholesaling division, Super D, was founded offering 200 top selling titles. By building a stock selection of over 450,000 highly unique titles, Super D has created an outstanding selection for thousands of retail stores and Internet sellers worldwide. Super D currently has one of the largest worldwide selection of CDs and DVDs from 32 countries in the world and distributes them to independent music retailers, chain music retailers, Internet retailers, international retailers, and special market retailers worldwide. Orders are shipped on the same day to over 1,500 retailers and 25,000 packages a day directly to consumers worldwide.

Alliance Entertainment is the largest wholesale distributor of CD, DVD, and Blu-Ray titles in the United States, providing distribution, fulfillment, and other services to such retailers as Barnes & Noble, Amazon.com, Wal-Mart.com, Target.com, and BestBuy.com. Alliance Entertainment manages a physical inventory of 400,000 CD, DVD, and Blu-Ray titles in its state-of-the-art 662,000 square foot distribution center in Shepherdsville, KY. Alliance Entertainment has 2,900 unique customers and ships to 14,500 locations throughout the United States. Alliance Entertainment also specializes in the development of highly customized technology and fulfillment services supporting e-commerce.

The acquisition creates one of the world's largest wholesaler of music and video. "Combining the best of both Alliance Entertainment and Super D into the world's largest wholesaler of music and video with our continued focus on service, selection, and technology creates enormous possibilities for the company as we approach \$1B in annual sales," said **Jeff Walker**, President of Super D.

KPMG CF advised Super D on a wide range of strategic and financial matters, including various options for structuring the transaction, raising the debt financing, negotiating with the sellers and lending group, and the completion of due diligence through the consummation of the transaction. Key factors supporting this successful transaction included KPMG CF's specialized knowledge and experience within the industry, the team's ability to structure complex transactions, build a consensus with multiple constituents, and coordinate and execute a compressed due diligence and transaction time line of 90 days from start to finish.

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KPMG CF provides a broad range of investment banking and advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A and project finance to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, debt restructurings, equity recapitalizations, infrastructure project finance, capital advisory, real estate, portfolio solutions, and other advisory initiatives.

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