

## The Carlyle Group

### News Release

**For Immediate Release**  
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**Contact: Elizabeth Gill**  
**+1 (202) 729-5385**

### **The Carlyle Group Makes Minority Investment in Avalon Advisors**

### **Avalon Management Team Looks to Expand Investment Offering and Client Base**

**Washington, DC and Houston, TX** – Global alternative asset manager The Carlyle Group, and Avalon Advisors LLC, a Houston-based wealth advisor and asset manager with nearly \$4 billion in assets under management, today announced that Carlyle has made a minority investment in Avalon. The transaction was signed late last week and financial terms were not disclosed.

Equity for the investment comes from Carlyle Global Financial Services Partners, a \$1.1 billion fund that invests in a range of financial services companies. Platform Partners, a private investment firm, will participate in the recapitalization with a significant portion of its existing stake in Avalon and continue to serve as a strategic partner.

Carlyle Managing Director [Randy Quarles](#) said, “We are pleased to form this partnership with Avalon. The firm has committed leadership, a talented team and an excellent track record of investment performance and client service. Avalon has deep market penetration and focused expansion plans that we look forward to supporting.”

Robert Gauntt, one of the founding partners of Avalon said, “We believe this new partnership will better enable us to expand our spectrum of investment solutions with a partner who can provide expertise in complementary asset capabilities. This investment by Carlyle is in line with our desire to maintain operating independence with a partner who understands our business, our client base and works collaboratively with management.”

Fred Lummis, Chairman and CEO of Platform Partners, said, “Despite a very difficult economy over the past several years, Avalon has performed extremely well in large part because they delivered on their promises of client service. In times of stress, this means team continuity, advisor access, investment accountability and nimble product development. It is not surprising that more individuals and institutions are looking for this type of service, and we look forward to working with Carlyle to support the Avalon team.”

Founded in 2001, Avalon Advisors manages equity, fixed income and balanced portfolios for wealthy families, endowments, foundations, trusts and institutions across the United States. The firm is led by four of the founding partners, Robert Gauntt, Henry Lartigue, Willie Langston and Kevin Lilly. Avalon employs 25 people, combining the in-house talents of nationally recognized investment managers with experienced client advisors to provide superior investment management and holistic advice to their clients. Avalon has grown into one of the largest independent asset management firms in the Southwest, with nearly \$4 billion in client assets.

The Carlyle Financial Services team, which focuses on financial services companies around the world, including banks, insurance companies, asset managers and financial service providers, has made 11 investments to date.

**Advisors:**

- Silver Lane Advisors served as financial advisor to Avalon
- Vinson & Elkins LLP served as legal counsel to Avalon
- Dechert LLP served as regulatory counsel to Avalon
- Samoset Capital Group LLC served as an advisor to Carlyle
- Davis Polk and Wardwell LLP served as legal counsel to Carlyle

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**Avalon Advisors LLC**

Founded in 2001, Avalon Advisors, LLC is a leading Houston, Texas-based investment advisory firm with nearly \$4 billion in assets. The firm provides advisory services to high net worth families, foundations, endowments and institutions. Avalon has consistently ranked among the nation's largest money managers in Forbes' and other such publications. Web: [http://www.platformllc.com/investments\\_avalon.html](http://www.platformllc.com/investments_avalon.html)

**About The Carlyle Group**

The Carlyle Group is a global alternative asset manager with approximately \$153 billion of assets under management across 89 funds and 49 fund of fund vehicles as of March 31, 2011\*. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Fund of Funds Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America focusing on aerospace, defense, & government services, consumer & retail, energy, financial services, healthcare, industrial, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,100 people in 35 offices across six continents. Web: [www.carlyle.com](http://www.carlyle.com); Case Studies: [www.carlylegroupcreatesvalue.com](http://www.carlylegroupcreatesvalue.com); Video: [www.youtube.com/OneCarlyle](http://www.youtube.com/OneCarlyle). (\*Includes acquisitions of AlpInvest Partners B.V. and Emerging Sovereign Group LLC on July 1, 2011.)

**Platform Partners, LLC**

Platform Partners, LLC is a private investment firm specializing in partnering with entrepreneurs and management teams to build industry-leading companies. Platform seeks to invest between \$10 and \$50 million of equity capital in companies with a history of operating profitability. The firm prefers to take a majority or significant minority equity stake and active board participation. Platform was founded in 2006 and is based in Houston, Texas. Web: <http://www.platformllc.com/index.html>

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