

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13E-3

Rule 13e-3 Transaction Statement under Section 13(e)
of the Securities Exchange Act of 1934

DAVE & BUSTER'S, INC.
(Name of Subject Company (Issuer))

D&B ACQUISITION SUB, INC.
D&B HOLDINGS I, INC.
DAVID O. CORRIVEAU
WALTER S. HENRION

INVESTCORP, S.A.
DAVE & BUSTER'S, INC.
JAMES W. CORLEY
WILLIAM C. HAMMETT, JR.

(Names of Persons Filing Statement)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(including associated rights)
(Title of Class of Securities)

23833N104
(CUSIP Number of Class of Securities)

SIMON MOORE
PRESIDENT
D&B ACQUISITION SUB, INC.
C/O GIBSON, DUNN & CRUTCHER LLP
200 PARK AVENUE
NEW YORK, NY 10166
(212) 351-4000

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Person(s) Filing Statement)

COPY TO:
E. MICHAEL GREANEY, ESQ.
GIBSON, DUNN & CRUTCHER LLP
200 PARK AVENUE
NEW YORK, NY 10166
(212) 351-4000

This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement subject to Regulation 14A (sections 240.14a-1 through 240.14b-2), Regulation 14C (sections 240.14c-1 through 240.14c-101) or Rule 13e-3(c) (section 240.13e-3(c)) under the Securities Exchange Act of 1934 (the "Act").
- b. The filing of a registration statement under the Securities Act of 1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies:

Check the following box if the filing is a final amendment reporting the results of the transaction:

CALCULATION OF FILING FEE

TRANSACTION VALUATION*

AMOUNT OF FILING FEE

\$ 146,532,792.00

\$13,481.02
=====

* Estimated for purposes of calculating the amount of the filing fee only. This calculation assumes the purchase of all of the issued and outstanding shares of common stock, par value \$0.01 per share (the "Common Stock") of Dave & Buster's, Inc., a Missouri corporation ("Dave & Buster's"), including associated rights (the "Rights" and together with the "Common Stock" the "Shares"), at a price per Share of \$12.00 in cash, less 913,545 shares owned by stockholders who have agreed not to tender their shares.

[X] Check box if any part of the fee is offset as provided by Section 240.0-11(a)(2) and identify the filing with which the offsetting fee was

previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:	\$13,481.02	Filing Party:	D&B Acquisition Sub, Inc.
Form or Registration No.:	Schedule T0-T	Date Filed:	June 4, 2002

This Statement on Schedule 13E-3 is filed by D&B Acquisition Sub, Inc., a Missouri corporation ("Purchaser"), D&B Holdings I, Inc., a Delaware corporation ("Parent"), Investcorp, S.A., a Luxembourg corporation, Dave & Buster's, Inc., a Missouri Corporation ("Dave & Buster's"), and each of David O. Corriveau, James W. Corley, Walter S. Henrion, and William C. Hammett, Jr. (collectively, the "Filing Persons"). This statement relates to the offer by Purchaser to purchase all of the issued and outstanding shares of common stock, par value \$0.01 per share (the "Shares"), of Dave & Buster's, together with any associated rights, at a price of \$12.00 per Share, net to the seller in cash, upon the terms and subject to the conditions contained in the Offer to Purchase, dated June 4, 2002, and the accompanying Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively (which, together with any amendments or supplements thereto, constitute the "Offer").

ITEMS 1 AND 2.

Reference is made to the information set forth in the Offer to Purchase in its entirety which hereby is incorporated by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) through (c) Reference is made to the information set forth in the Offer to Purchase in its entirety which hereby is incorporated by reference.

None of the Filing Persons, nor to their best knowledge, any of the persons listed on Schedule I to the Offer to Purchase, has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining him, her or it, as the case may be, from future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

ITEMS 4. THROUGH 12.

Reference is made to the information set forth in the Offer to Purchase in its entirety which hereby is incorporated by reference.

ITEM 13. FINANCIAL STATEMENTS.

(a) The audited consolidated financial statements of Dave & Buster's as of and for the fiscal years ended February 3, 2002, and February 4, 2001, are incorporated herein by reference to the Financial Statements and Supplementary Data section included as Item 8 to Dave & Buster's Annual Report on Form 10-K for the fiscal year ended February 3, 2002, filed with the Commission on April 24, 2002.

(b) The pro forma financial statements of Dave & Buster's are not material to the Offer.

ITEMS 14 AND 15.

Reference is made to the information set forth in the Offer to Purchase in its entirety which hereby is incorporated by reference.

ITEM 16. EXHIBITS.

- (a)(1) Offer to Purchase, dated June 4, 2002.*
- (a)(2) Letter of Transmittal, dated June 4, 2002.*
- (a)(3) Notice of Guaranteed Delivery, dated June 4, 2002.*
- (a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees, dated June 4, 2002.*
- (a)(5) Letter to Clients, dated June 4, 2002.*
- (a)(6) Press release issued by Dave & Buster's on May 30, 2002.*
- (a)(7) Summary advertisement dated June 4, 2002.*
- (c)(1) Opinion of Houlihan Lokey Howard & Zukin dated May 30, 2002.
- (d)(1) Merger Agreement, dated as of May 30, 2002, among Parent, Purchaser and Dave & Buster's.*
- (d)(2) Support and Exchange Agreement, dated as of May 30, 2002, by and among Parent, Purchaser, and each of the parties listed on Exhibit A thereto.*
- (d)(3) Form of Stockholders' Agreement to be entered into by and among Parent, Purchaser, David D. Corriveau, James W. Corley, Walter S. Henrion, William C. Hammett, Jr., and the stockholders of Parent listed on Exhibit A thereto (included as Exhibit D to the Support and Exchange Agreement filed herewith as Exhibit (d)(2)).
- (d)(4) Guarantee of Investcorp Bank E.C., dated May 30, 2002
- (d)(5) Confidentiality Agreement, dated March 26, 2002, by and between Investcorp International Inc. and Dave & Buster's.
- (d)(6) Term Sheet for Proposed Management Equity Arrangements.
- (f)(1) Section 351.455 of the General and Business Corporation Law of the State of Missouri (included as Schedule II of the Offer to Purchase and incorporated herein by reference).*

Items marked with an asterisk (*) are incorporated by reference to the Schedule TO-T filed by D&B Acquisition Sub, Inc. on June 4, 2002.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: June 4, 2002

D&B ACQUISITION SUB, INC.

By: /s/ Simon Moore

Name: Simon Moore
Title: President

D&B HOLDINGS I, INC.

By: /s/ Simon Moore

Name: Simon Moore
Title: President

INVESTCORP, S.A.

By: /s/ Gary Long

Name: Gary Long
Title: Secretary

DAVE & BUSTER'S, INC.

By: /s/ David O. Corriveau

Name: David O. Corriveau
Title: President

/s/ David O. Corriveau

David O. Corriveau

/s/ James W. Corley

James W. Corley

/s/ Walter S. Henrion

Walter S. Henrion

/s/ William C. Hammett, Jr.

William C. Hammett, Jr.

[HOULIHAN LOKEY HOWARD & ZUKIN LETTERHEAD]

May 30, 2002
The Special Committee of the Board Directors
Dave & Buster's, Inc.
2481 Manana Drive
Dallas, TX 75220

Dear Members of the Special Committee:

We understand that Dave & Buster's, Inc. (hereinafter the "Company") is considering entering into an Agreement and Plan of Merger pursuant to which affiliates of Investcorp International, Inc. ("Investcorp") would commence a tender offer for all of the outstanding common stock of the Company at a purchase price of \$12.00 per share (the "Offer"). In the event that at least 80% of the Company's outstanding shares (determined on a fully diluted basis) are tendered to Investcorp, Investcorp would effectuate a merger between the Company and a newly created acquisition entity, D&B Acquisition Sub, Inc. ("Newco") (the "Merger"). In connection with the Merger, the Company's shareholders would receive \$12.00 per share in exchange for their shares of Company common stock. We further understand that it is Investcorp's intent to complete the Merger, subject to a financing condition, provided that at least 66.66% of the Company's shares are tendered in the Offer. We further understand that certain management shareholders of the Company, including the Company's founders, will participate as buyers in the Merger through a roll-over of approximately \$13 million of the Company's common stock held by such management shareholders. The Offer, the resulting Merger, and other related transactions disclosed to us are referred to collectively herein as the "Transaction." It is our understanding that the Company has formed a Special Committee of the Board of Directors (the "Special Committee") to consider certain matters relating to the Transaction.

You have requested our opinion (the "Opinion") as to the matters set forth below. This Opinion does not address the Company's underlying business decision to effect the transactions; nor does it constitute a recommendation to any shareholder as to whether they should tender in connection with the Transaction. Houlihan Lokey has no obligation to update the Opinion. At the request of the Special Committee, we have not negotiated any portion of the Transaction.

In connection with this Opinion, we have made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

1. reviewed the Company's annual reports to shareholders on Form 10-K for the three fiscal years ended on or about January 31, 2002, a draft of the quarterly report on Form 10-Q for the quarter ended May 5, 2002, Company-prepared internal financial statements for the five fiscal years ended on or about January 31, 2002 and interim draft financial statements for the three month period ended May 5, 2002, which the Company's management has identified as being the most current financial statements available;

2. reviewed copies of the Agreement and Plan of Merger dated as of May 30, 2002 by and among the Company, D&B Acquisition Sub, Inc. and D&B Holdings I, Inc.;

[ADDRESSES OF HOULIHAN LOKEY HOWARD & ZUKIN]

3. met with and held discussions with certain members of the senior management of the Company to discuss the operations, financial condition, future prospects and projected operations and performance of the Company, and met with and held discussions with the Special Committee and its counsel regarding the Transaction and related matters;

4. visited certain facilities and business offices of the Company;

5. reviewed forecasts and projections prepared by the Company's management with respect to the Company for the years ending on or about January 31, 2003 through 2012;

6. reviewed the historical market prices and trading volume for the Company's publicly traded securities;

7. reviewed certain other publicly available financial data for certain companies that we deem comparable to the Company, and publicly available prices and premiums paid in other transactions that we considered similar to the Transaction;

8. reviewed various documents related to the Transaction including financing commitments and a Form of Guarantee from Investcorp; and

9. conducted such other studies, analyses and inquiries as we have deemed appropriate.

We have relied upon and assumed, without independent verification, that the financial forecasts and projections provided to us have been reasonably prepared and reflect the best currently available estimates of the future financial results and condition of the Company, and that there has been no material change in the assets, financial condition, business or prospects of the Company since the date of the most recent financial statements made available to us.

We have not independently verified the accuracy and completeness of the information supplied to us with respect to the Company and do not assume any responsibility with respect to it. Furthermore, we have assumed that all such information was complete and accurate in all material respects, that no material changes occurred in the information reviewed between the date the information was provided and the date of this Opinion and that there were no facts or information regarding the Company that would cause the information supplied to us to be incomplete or misleading in any material respect. We have not made any physical inspection or independent appraisal of any of the properties or assets of the Company. Our Opinion is necessarily based on business, economic, market and other conditions as they exist and can be evaluated by us at the date of this letter. We have not assumed any obligation to update the Opinion. This Opinion is solely for the use and benefit of the Special Committee and the Board of Directors of the Company.

Based upon the foregoing, and in reliance thereon, it is our opinion that the consideration to be received by the unaffiliated stockholders of the Company in connection with the Offer and the Merger is fair to them from a financial point of view.

/s/ HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.
HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.

INVESTCORP BANK E.C.

INVESTCORP
P.O. Box 5340, Manama, Bahrain
Telephone: 532000
Telex: 9664 INCORP BN
Fax: 530816

Dave & Buster's, Inc.
2481 Manana Drive
Dallas, Texas 75220

The undersigned, INVESTCORP BANK E.C. ("Investcorp"), hereby guarantees that D&B Acquisition Sub, Inc. ("Purchaser") and D&B Holdings I, Inc. ("Parent") will each perform its obligations under the Agreement and Plan of Merger dated as of May 30, 2002 by and among Purchaser, Parent and Dave & Buster's Inc. (the "Company") (the "Agreement"); provided, however, that this guarantee shall terminate immediately following the Effective Time of the Merger. The undersigned hereby represents and warrants to the Company that (i) it has full corporate power and authority to execute and deliver this agreement and perform its obligations hereunder, (ii) it has taken all actions necessary to authorize the execution, delivery and performance of this agreement by it, (iii) such execution, delivery and performance do not conflict with, violate or otherwise result in a default under its Certificate of Incorporation, By-laws or other organizational documents and (iv) this agreement is the legal, valid and binding obligation of Investcorp, enforceable against Investcorp in accordance with its terms.

INVESTCORP BANK E.C.

By: /s/ Salman A. Abbasi

Name: Salman A. Abbasi
Title: Authorized Representative

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT, dated as of March 26, 2002 (this "Agreement"), is by and between Dave & Buster's, Inc., a Missouri corporation (the "Company"), and Investcorp International Inc. ("Recipient").

The Company proposes to engage in discussions with Recipient regarding one or more alternatives to enhance the Company's stockholder value (a "Transaction"), and in connection therewith, the parties hereto acknowledge that Recipient will be given certain Proprietary Information (as defined herein). As a material inducement to the Company's disclosure of such information, Recipient, intending to be legally bound, hereby covenants and agrees with the Company as follows:

1. The term "Proprietary Information" as used herein means any information regarding the Company and its subsidiaries obtained by Recipient from or through the Company, but does not include information which (i) becomes generally available to the public other than as a result of a disclosure by Recipient or its representatives; (ii) was within Recipient's possession prior to its being furnished to Recipient by or on behalf of the Company pursuant hereto, provided that the source of such information was not known to Recipient to be bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or any other party with respect to such information; (iii) became available to Recipient on a non-confidential basis from a source other than the Company, provided such source is not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or any other party with respect to such information; or (iv) was independently developed by Recipient without reference to the proprietary information, provided such independent development can reasonably be proven by Recipient by written records.

2. Recipient acknowledges and agrees that the Proprietary Information is entrusted to Recipient after being informed of its confidential and secret status by the Company, has been developed by the Company for and on behalf of the Company through substantial expenditures of time, effort and money and is used in its business, and is of such value and nature as to make it reasonable and necessary to protect and preserve the confidentiality and secrecy of the Proprietary Information. Further, Recipient acknowledges that the disclosure of the Proprietary Information could cause substantial injury and loss of profits and goodwill to the Company.

3. Recipient shall not in any way disclose any of the Proprietary Information, directly or indirectly, and make no use of the Proprietary Information except as required for an evaluation of a potential transaction with the Company; provided, however, Recipient may disclose the Proprietary Information to its attorneys, advisors, lenders and representatives (collectively, the "Representatives") who need to know such information for the purposes of consummating a Transaction with the Company (it being understood that (a) each such Representative shall be informed by the Recipient of the confidential nature of the Proprietary Information, shall receive a copy of this Agreement and shall be directed by Recipient to not use or disclose the Proprietary Information and (b) in any event, the Recipient shall be responsible for any breach of this Agreement

by the Representatives who have access). All files, records, documents, information, data and similar items relating to the Proprietary Information, whether prepared by Recipient or otherwise coming into Recipient's possession, shall remain the exclusive property of the Company and shall be promptly delivered to the Company or destroyed (with such destruction to be certified to the Company) upon termination of Recipient's discussions with the Company regarding a Transaction.

4. If Recipient is requested in any legal proceeding to disclose any Proprietary Information, it will give the Company prompt notice of such request so that the Company may seek an appropriate protective order. If, in the absence of a protective order, Recipient is nonetheless compelled to disclose Proprietary Information, by a court or governmental body having the apparent authority to order such disclosure, it may disclose the Proprietary Information without liability hereunder; provided however, that Recipient gives the Company written notice of the Proprietary Information to be disclosed as far in advance of its disclosure as is practicable and, at the Company's request, Recipient uses commercially reasonable efforts to obtain assurances that confidential treatment will be accorded to the Proprietary Information.

5. Recipient shall also keep secret and confidential, and will not disclose to any third party, the existence or terms of this Agreement, the existence or terms of any negotiations or discussions with the Company, and the fact that Recipient is considering, discussing or has any contact with the Company with respect to a Transaction. Recipient will disclose such information only to those of its employees who have a need to know the same for purposes of conducting negotiations, and shall instruct such employees of the obligations of confidentiality and non-disclosure hereunder. Recipient shall not directly or indirectly make any public announcements relating in any way to the Transaction or its discussions or negotiations relating thereto, without the prior written consent of the Company, which consent shall not be unreasonably withheld following execution of a definitive agreement with respect to a Transaction. In the event that any publicity occurs prior to an authorized public announcement, any response by Recipient will be pursuant to prior mutual agreement with the Company.

6. Recipient is aware, and will advise its Representatives who are informed of the matters that are the subject of this Agreement, of the restrictions imposed by the federal securities laws on the purchase or sale of securities by any person who has received material, non-public information from the issuer of such securities and on the communication of such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell such securities in reliance upon such information.

7. Recipient agrees that, for a period of six months from the date of this Agreement, neither it nor any of its affiliates will, without the prior written consent of the Company: (i) acquire, offer to acquire or agree to acquire, directly or indirectly, by purchase or otherwise, any of the outstanding voting securities, or direct or indirect rights to acquire such voting securities, of the Company; (ii) make, or in any way participate in, any solicitation of proxies to vote, or seek to advise or influence any person or entity with respect to the voting of, any voting securities of the Company; (iii) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving the Company or its securities or assets; (iv) form, join or in any way participate in a "group" (as defined in Section 13(d)(3) of the Securities

Exchange Act of 1934, as amended) in connection with any of the foregoing; or (v) request the Company to amend or waive any provision of this paragraph. Recipient will promptly advise the Company or any inquiry or proposal made to it with respect to any of the foregoing.

8. Recipient recognizes and acknowledges that the ascertainment of damages in the event of its breach of any provision of this Agreement would be difficult, and Recipient agrees that the Company, in addition to all other remedies it may have, shall have the right to injunctive relief if there is such a breach.

9. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.

10. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which he or it may be entitled.

11. Recipients obligations hereunder shall expire one year from the date hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

DAVE & BUSTER'S, INC.

By: /s/ David O. Corriveau

David O. Corriveau, President

INVESTCORP INTERNATIONAL INC.

By: /s/ Simon Moore

Name: Simon Moore

Title: Principal

MANAGEMENT ARRANGEMENTS

Note: To the extent any provisions herein (as applied to Corriveau, Corley, Henrion or Hammett) are inconsistent with those set forth in the Stockholder Agreement, the terms of the Stockholder Agreement shall govern.

NEW STOCK OPTIONS

- Number: An aggregate of 10.0% of fully diluted common stock of D&B Holdings I, Inc. ("Holdings"), of which an aggregate of 3.0% will be granted to Messrs. Corriveau, Corley and Henrion, 2.5% will be reserved for future grants and the balance (4.5%) will be granted at or promptly after closing to members of management other than Messrs. Corriveau and Corley.
- Exercise Price: Per share price paid by Investcorp for shares of Dave & Buster's, Inc. (the "Company") in the proposed equity tender offer ("Cost").
- Term: 7 years and 30 days.
- Vesting:
- (a) Up to 20% per year (the "Annual Portion") for 5 years, based upon achievement of the EBITDA performance targets in five-year projections prepared by Management (the "Management Plan") attached as Schedule A. If the Company's EBITDA performance equals or exceeds 85% of a target in a given year but is less than 100% of the target, one-half of the Annual Portion for that year, plus an additional percentage of the Annual Portion determined on a straight-line basis from 85% to 100% of achievement of such EBITDA target, will vest. Options that do not vest in any year may vest in any subsequent year within such five-year period based upon cumulative results.
 - (b) Upon an Initial Public Offering ("IPO"), options that are unvested as of the IPO closing date shall thereafter vest in three installments on the first, second and third anniversaries of the closing of the IPO (without regard to any performance targets).
 - (c) Upon a sale of the Company prior to an IPO (i) 50% of the unvested options will vest if, in connection with such sale,

Investcorp realizes a 15% annual internal rate of return ("IRR") on a fully-diluted basis and (ii) an additional 5% of the unvested options will vest for each additional 1% IRR realized by Investcorp in connection with such sale.

- (d) Any options remaining unvested will vest 7 years from closing (without regard to any performance targets).

Effect of Termination of Employment:

Unvested options expire immediately upon termination of employment for any reason, except if employment is terminated by the Company without cause, by the employee for good reason or by reason of employee's death or disability, in which case a pro rata portion (equal to the ratio the number of days elapsed in such year prior to termination bears to 365) of the Annual Portion for such year will vest at the end of such year if the performance targets for such year are met. Vested options expire per Schedule B.

"FOUNDER" STOCK OPTIONS

Number: 2.5% (in the aggregate) of fully diluted common stock of Holdings to be granted to Messrs. Corriveau and Corley.

Exercise Price: Cost.

Term: 7 years and 30 days.

Vesting: (a) Upon a sale of the Company (i) up to 50% of the unvested options will vest if, in connection with such sale, Investcorp realizes a 15% annual IRR on a fully-diluted basis and (ii) an additional 5% of the unvested options will vest for each additional 1% IRR realized by Investcorp in connection with such sale.

- (b) Any options remaining unvested will vest 7 years from closing.

Effect of Termination of Employment:

Unvested options expire immediately upon termination of employment for any reason. Vested options expire per Schedule B.

NEW RESTRICTED STOCK

Number: 3.0% (in the aggregate) of fully diluted common stock of Holdings to be granted to Messrs. Corriveau and Corley.

Lapse of Restrictions: (a) Up to 20% per year for 5 years, based upon achievement of the EBITDA performance targets in the Management Plan. If the Company's EBITDA performance equals or exceeds 85% of a target in a given year but is less than 100% of the target, one-half of the Annual Portion for that year, plus an additional percentage of the Annual Portion determined on a straight-line basis from 85% to 100% of achievement of such EBITDA target, will become unrestricted. Shares for which restrictions do not lapse in

any year may become unrestricted in any subsequent year within such five-year period based upon cumulative results.

- (b) Upon an IPO, shares that remain restricted as of the IPO closing date shall thereafter have their restrictions lapse in three installments on the first, second and third anniversaries of the closing of the IPO.
- (c) Upon a sale of the Company prior to an IPO (i) up to 50% of the restricted shares will become unrestricted if, in connection with such sale, Investcorp realizes a 15% annual IRR on a fully-diluted basis and (ii) an additional 5% of the restricted shares will become unrestricted for each additional 1% IRR realized by Investcorp in connection with such sale.
- (d) Any shares remaining restricted will vest 7 years from closing (without regard to any performance targets).

Effect of Termination of Employment:

Shares remaining subject to restrictions will be cancelled immediately upon termination of employment for any reason, except if employment is terminated by the Company without cause, by the employee for good reason or by reason of employee's death or disability, in which case a pro rata portion (equal to the ratio the number of days elapsed in such year prior to termination bears to 365) of the Annual Portion for such year will become unrestricted at the end of such year if the performance targets for such year are met.

PUTS/CALLS

Applicability: Applies to restricted shares and option shares.

Call: Company may call shares upon any termination of employment prior to an IPO per Schedule C.

Put: If the call is unexercised, under certain circumstances the Executive may require the Company to repurchase the shares per Schedule C.

FMV: Fair market value of the shares determined annually in good faith by the Company's board of directors.

OTHER PROVISIONS

Withholding: Exercise price and tax withholding obligations may be satisfied by having option shares withheld.

Tag/Drag Rights: The restricted shares and option shares will have the right to participate pro rata in a sale of the Company and Investcorp will have the right to require such participation. These tag/drag rights expire upon an IPO.

Restrictions on Transfer:	Prior to an IPO, restricted shares and option shares will be subject to restrictions on transfer with flexibility for estate planning purposes.
IPO and Secondary Offerings:	Management holders of restricted shares, options and option shares will be subject to customary underwriter lock-up arrangements for the IPO and secondary offerings. Generally, participation by senior management in the IPO is not available.
EBITDA Performance Targets:	All compensation payable as a result of meeting targets counted as an expense for determining whether and to what extent EBITDA targets have been met for the applicable performance period (as per GAAP).
Existing Executive Retention Agreements:	Messrs. Corriveau, Corley and Hammett have agreed that the foregoing Management Arrangements shall supercede all rights under their respective Executive Retention Agreements which will be terminated effective at closing. Participation in the foregoing Management Arrangements by any other employee of the Company who has an Executive Retention Agreement shall be conditioned on similar termination of such employee's rights thereunder.
Noncompete	Messrs. Corriveau and Corley will each enter into 2 year noncompete agreements at the closing substantially in the form previously delivered by Investcorp.

SCHEDULE B

TERMINATION EVENT	UNVESTED OPTIONS TERMINATE	VESTED OPTIONS TERMINATE
Executive terminated by Company for Cause	Immediately	30 days after terminating event(1)
Executive quits without Good Reason	Immediately	90 days after terminating event(1)
Executive quits with Good Reason	Immediately(2)	180 days after terminating event(1)
Executive terminated by the Company without Cause	Immediately(2)	180 days after terminating event(1)
Death or disability	Immediately(2)	One year after terminating event(1)

(1) Subject to (2) below, the options are exercisable only to the extent vested on the day of the terminating event.

(2) A pro rata portion (equal to the ratio the number of days elapsed in such year prior to termination bears to 365) of the Annual Portion for such year will vest at the end of such year if the targets for such year are met.

SCHEDULE C

CALL PROVISION

CALL PRICE

	IF WITHIN 3 YEARS FROM GRANT DATE	IF AFTER 3 YEARS FROM GRANT DATE
Employee terminated without Cause	FMV	FMV
Employee leaves with Good Reason	FMV	FMV
Employee leaves without Good Reason	Lower of Cost or FMV(1)	FMV
Employee is terminated for Cause	Lower of Cost or FMV(1)	Lower of Cost or FMV
Death, disability, retirement	FMV	FMV

PUT PROVISION

PUT PRICE

	IF WITHIN 3 YEARS AFTER GRANT DATE (2 YEARS IN THE CASE OF TERMINATION WITHOUT CAUSE)	IF AFTER 3 YEARS FROM GRANT DATE (2 YEARS IN THE CASE OF TERMINATION WITHOUT CAUSE)
Employee terminated without Cause	Lower of Cost or FMV(1)	FMV
Employee leaves with Good Reason	FMV	FMV
Employee leaves without Good Reason	No put	FMV
Employee is terminated for Cause	No put	No put
Death, disability, retirement	FMV	FMV

(1) Within the 1st year, it will be at Cost

MANAGEMENT ARRANGEMENTS
(ROLLOVER EQUITY)

ROLLOVER RESTRICTED STOCK

Number: Existing shares of restricted stock held by:

David Corriveau
James Corley
Walter Henrion
W.C. Hammett

Lapse of Restrictions: The restrictions shall be as contained in the existing restricted stock agreements governing such shares.
[Under Review]

Effect of Termination of Employment: The effect of termination shall be as described in the existing restricted stock agreements governing such shares.

ROLLOVER OPTIONS

Number: Existing options held by:

Walter Henrion
W.C. Hammett (net of \$100,000 gross proceeds)

Exercise Price: A discount from the per share price paid by Investcorp for shares of the Company in the proposed equity tender offer which will preserve, in the aggregate, the in-the-money value to the holder of the options being rolled over.

Term: Remaining life of such options under the existing option agreements governing such options.

Vesting: Fully vested.

Effect of Termination of Employment: Expire per Schedule B attached to the term sheet for the new equity arrangements.

OTHER PROVISIONS

Stockholder Agreement The rollover equity described above will be subject to the terms of the Stockholder Agreement.

New Equity The new equity to be issued or reserved for issuance (new stock options, new restricted stock and "Founder" stock options) will dilute the rollover equity and the cash equity pro rata.