DLT Group Holdings, LLC
And Subsidiaries

Consolidated Financial Report
December 31, 2010

Contents

McGladrey

Independent Auditor's Report

To the Board of Directors
DLT Group Holdings, LLC
Herndon, Virginia

We have audited the accompanying consolidated balance sheets of DLT Group Holdings, LLC and Subsidiaries (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DLT Group Holdings, LLC and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Vienna, Virginia
March 10, 2011

DLT Group Holdings, LLC And Subsidiaries

Consolidated Balance Sheets
December 31, 2010 And 2009
(Amounts In Thousands, Except For Member Units)

Assets	**2010**	2009
Current Assets		
Cash and cash equivalents	$ 6,949	$ 6,000
Accounts receivable, net	110,033	112,965
Prepaid expenses	5,106	7,774
Total current assets	122,088	126,739
Property And Equipment, net of accumulated depreciation and amortization of $414 and $81, respectively	1,249	1,162
Other Assets		
Deferred finance charges, net of accumulated amortization of $125 and $70, respectively	378	353
Deposits	76	76
Intangibles, net of accumulated amortization of of $4,159 and $877, respectively	16,921	20,203
Goodwill	43,647	43,431
	61,022	64,063
	$ 184,359	$ 191,964

Liabilities And Members' Equity		
Current Liabilities		
Disbursements in excess of available cash	$ -	$ 7,585
Accounts payable	125,315	134,514
Accrued expenses	8,430	9,876
Deferred revenue	4,957	4,329
Total current liabilities	138,702	156,304
Long-Term Liabilities		
Deferred rent	81	24
Commitments And Contingencies (Note 8)		
Members' Equity		
Series A Units; 61,332 units authorized, issued and outstanding	25,269	23,398
Series C Units; 100 units authorized, issued and outstanding	4,423	4,088
Series B Units; 38,668 units authorized, issued and outstanding	11,612	10,432
Retained earnings (accumulated deficit)	4,272	(2,282)
	45,576	35,636
	$ 184,359	$ 191,964

See Notes To Consolidated Financial Statements.

DLT Group Holdings, LLC And Subsidiaries

Consolidated Statements Of Operations
Year Ended December 31, 2010 And Period From October 13, 2009 (Inception) Through December 31, 2009
(Amounts In Thousands, Except For Member Units)

	2010	2009
Gross billings	$ 790,125	$ 157,810
Less costs associated with agent transactions (Note 1)	342,424	70,641
Revenue, net	447,701	87,169
Cost of revenue	399,526	77,450
Gross profit	48,175	9,719
Operating expenses	34,953	8,721
Transaction related expenses (Note 2)	-	2,500
Operating income (loss)	13,222	(1,502)
Other income (expense):		
Interest income	110	26
Interest expense	(306)	(44)
	(196)	(18)
Net income (loss)	$ 13,026	$ (1,520)

See Notes To Consolidated Financial Statements.

DLT Group Holdings, LLC And Subsidiaries

Consolidated Statements Of Members' Equity
Year Ended December 31, 2010 And Period From October 13, 2009 (Inception) Through December 31, 2009
(Amounts In Thousands, Except For Member Units)

	Series A Units	Series C Units	Series B Units	Retained Earnings	Total
Balance, October 13, 2009	$ -	$ -	$ -	$ -	$ -
Purchase of Series A units	23,000	-	-	-	23,000
Series C and B units issued	-	2,050	5,250	-	7,300
Additional equity valuation	-	1,925	4,931	-	6,856
Accrued yield	398	113	251	(762)	-
Net loss	-	-	-	(1,520)	(1,520)
Balance, December 31, 2009	23,398	4,088	10,432	(2,282)	35,636
Accrued yield	1,871	529	1,180	(3,580)	-
Distributions	-	(194)	-	(2,892)	(3,086)
Net income	-	-	-	13,026	13,026
Balance, December 31, 2010	$ 25,269	$ 4,423	$ 11,612	$ 4,272	$ 45,576

See Notes To Consolidated Financial Statements.

DLT Group Holdings, LLC And Subsidiaries

Consolidated Statements Of Cash Flows
Year Ended December 31, 2010 And Period From October 13, 2009 (Inception) Through December 31, 2009
(Amounts In Thousands, Except For Member Units)

	2010	2009
Cash Flows From Operating Activities		
Net income (loss)	$ 13,026	$ (1,520)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,835	1,028
Allowance for doubtful accounts	373	-
Deferred rent	57	24
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,559	2,433
Prepaid expenses	2,668	21,340
Increase (decrease) in:		
Accounts payable	(9,199)	(41,961)
Accrued expenses	(1,446)	314
Deferred revenue	628	1,600
Net cash provided by (used in) operating activities	12,501	(16,742)
Cash Flows From Investing Activities		
Acquisition of business, net of cash acquired	(216)	(7,456)
Acquisition of property and equipment	(515)	(20)
Net cash used in investing activities	(731)	(7,476)
Cash Flows From Financing Activities		
Disbursements in excess of available cash	(7,585)	7,585
Borrowings on line of credit	-	15,000
Principal payments on line of credit	-	(15,000)
Distributions paid	(3,086)	-
Deferred finance charges	(150)	(367)
Proceeds from equity units issued	-	23,000
Net cash (used in) provided by financing activities	(10,821)	30,218
Change in cash and cash equivalents	949	6,000
Cash And Cash Equivalents		
Beginning	6,000	-
Ending	$ 6,949	$ 6,000
Supplemental Disclosure Of Cash Flow Information		
Interest paid	$ 306	$ 44
Supplemental Disclosure Of Non-Cash Investing And Financing Acitivities		
Accrued yield on member units	$ 3,386	$ 762
Equity units issued as consideration	$ -	$ 14,156
Acquisition Of Business		
Cash purchase price	$ 216	$ 27,633
Fair value of net tangible liabilities acquired	-	20,081
Additional equity consideration	-	14,156
Working capital settlement in connection with acquisition of business	-	2,641
Intangible assets acquired including goodwill	$ 216	$ 64,511

See Notes To Consolidated Financial Statements.

Note 1. Nature Of Business And Significant Accounting Policies

Corporate structure: DLT Group Holdings, LLC (Holdings) was incorporated under the laws of the state of Delaware on September 25, 2009. Holdings was created solely for the purpose of consummating the acquisition of DLT Solutions, Inc. (Subsidiary) on October 13, 2009. Following Holdings acquisition of Subsidiary, Holdings and Subsidiary (collectively, the Company) continued the business operations of Subsidiary. Holdings has no operations other than its ownership interest in its wholly-owned subsidiaries.

DLT Solutions Canada, Inc., now a 100 percent owned subsidiary of Subsidiary, was incorporated in 2006 in New Brunswick, Canada, to expand the business of the Company into various provinces in Canada. There were no significant operations in this subsidiary in 2009 or 2010.

Nature of business: The Company is a value-added reseller providing leading information technology solutions primarily to the public sector, including the Department of Defense (DoD), civilian agencies, the intelligence community of the U.S Government, state and local governments, and higher educational institutions. The Company is a premier technology solutions partner and reseller with expertise in database and database application, storage hardware and software, security, open-source, and computer aided design (CAD) products and solutions. The Company delivers technology and solutions through six divisions: Enterprise Applications, Enterprise Platforms, Autodesk, Enterprise Data Management, Infrastructure and Peripherals, and Professional Services. The Company has created a value-added role between the selected vendor partners and public sector customers by leveraging a solid government contract portfolio, operational systems that are integrated with vendor partner business processes, pro-active marketing efforts, and long-standing relationships with vendor sales representatives.

Revenue recognition: The accompanying financial statements have been prepared using the accrual method of accounting. Revenue is recognized when a customer order has been executed, the sales price is fixed and determinable, delivery of services or products has occurred, and collection of the sales price is considered probable and can be reasonably estimated. Revenue from hardware and software product sales is generally recognized when title to the products sold passes to the customer, with provisions established for estimated product returns. Based upon the Company's standard shipping terms, title generally passes upon the customer's receipt of the products. The Company also sells third-party services, such as maintenance contracts, and recognizes revenue in the same manner as hardware and software sales. Revenue from other services such as engineering, installation and training services are recognized when the services have been performed. The Company recognizes revenue from the sale of third-party software maintenance agreements on a net basis at the time of sale. Payments received before delivery has occurred or services have been performed are recorded as deferred revenue.

Cash and cash equivalents: The Company considers all temporary investments with a maturity of three months or less and cash held in overnight repurchase accounts to be cash and cash equivalents. The Company, from time to time, has deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation.

Accounts receivable: Accounts receivable are carried at the original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. The allowance for doubtful accounts at December 31, 2010 and 2009, was $961 and $588, respectively.

Billed accounts receivable are considered past due if the invoice has been outstanding more than 30 days. The Company records interest income when received.

Note 1. Nature Of Business And Significant Accounting Policies (Continued)

Property and equipment: Property and equipment are stated at cost and depreciated on a straight-line basis over their useful lives, ranging from three to ten years. Leasehold improvements are amortized over the shorter of the lease term or the expected useful life. Repair and maintenance costs are expensed as incurred.

Valuation of long-lived assets: The Company reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Goodwill and other indefinite-lived intangibles: The Company records as goodwill and other indefinite-lived intangibles (trade names), the excess of the fair value of the purchase price over the fair value of the identifiable net assets acquired. The Company follows a two-step process for impairment testing of goodwill and indefinite-lived intangibles, which is performed annually, as well as when an event triggering impairment may have occurred. The first step tests for impairment, while the second step, if necessary, measures the impairment. The Company has elected to perform its annual analysis at the end of its reporting year. No indicators of impairment were identified in 2009 or 2010.

Intangible assets: Initially valued at fair value, in accordance with FASB ASC Section 820.10, identifiable intangible assets include customer/vendor relations, contract backlog, maintenance contracts and relationships, and non-competition agreements. These assets are amortized on an accelerated basis over their estimated useful lives, which range from two to six years.

Members' assets and liabilities: In accordance with the generally accepted method of presenting limited liability company financial statements, the financial statements do not include the personal assets and liabilities of the members, including their obligation for income taxes on their distributive shares of the net income of the limited liability company, nor any provision for income tax expense.

Income taxes: The Company, as a limited liability corporation, is taxed as a partnership under the provisions of the Internal Revenue Code. As such, in lieu of corporate income taxes, the shareholders separately account for their pro-rata share of the Company's items of income, deductions, losses and credits. Accordingly, no provision or liability for income taxes has been included in the financial statements. Distributions are paid to members to assist in paying personal income taxes resulting from amounts passed through from the Company.

The Company applies the provisions of FASB ASC Section 740.1 relating to accounting for uncertainty in income taxes. This guidance provides a financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The cumulative effective of adopting this guidance in 2009 was immaterial. As of December 31, 2010, there were no amounts recorded in the financial statements for such positions. The Company and its subsidiaries are not subject to income tax examinations by the U.S. federal, state and local authorities for years prior to 2007.

Deferred finance charges: Deferred finance charges are amortized using the effective interest method over the term of the related debt financing.

(Amounts In Thousands)

Note 1. Nature Of Business And Significant Accounting Policies (Continued)

Share-based compensation: The Company accounts for all share-based payment transactions, including grants of stock appreciation rights, in the financial statement based on their fair values. That cost is measured based on the fair value of the equity or liability instruments issued.

Fair value of financial instruments: The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amount approximates fair value because of the short maturity of those instruments.

Accounts receivable and accounts payable: The carrying amount approximates the fair value due to the short-term nature of those instruments.

Line of credit: The carrying amount approximates fair value because the interest rate fluctuates with the lender's prime rate.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 2. Acquisition

On October 13, 2009, TZP Capital Partners (TZP) acquired approximately 61 percent of the outstanding units of DLT Group Holdings, LLC, in order to establish a platform with which to make future acquisitions. The remaining units are primarily held by the previous owners (sellers). The Company's net assets were adjusted to their fair values on the date of acquisition, which resulted in the following:

Cash consideration	$	23,133
Equity units issued as consideration		14,156
Payments held in escrow		4,500
		41,789
Plus working capital settlement payable		2,641
Purchase price of DLT Group Holdings, LLC	$	44,430
Cash	$	20,177
Accounts receivable		115,398
Prepaid expenses		29,114
Property and equipment		1,223
Other long-term assets		132
Identifiable intangible assets		21,080
Accounts payable		(176,475)
Accrued expenses		(9,650)
Net assets acquired		999
Purchase price in excess of net assets acquired (goodwill)		43,431
Purchase price of DLT Group Holdings, LLC	$	44,430

(Amounts In Thousands)

Note 2. Acquisition (Continued)

The equity units issued as consideration were valued by a third-party valuation specialist utilizing a hybrid of methods including the discounted cash flow method, guideline public company method, and comparative transactions. As part of the equity consideration valuation, it was determined that there was additional inherent value attributable to the shareholders when valuing the equity as a whole, exclusive of control premiums and minority share discounts. This additional value was proportionately attributed to the various unit holders. Separately identifiable intangibles were also valued by a third-party valuation specialist. Customer related intangibles and non-compete agreements were valued using the discounted cash flow method and the trade name was valued using the relief from royalty method.

The Company's 2009 financial statements included a liability for the final working capital adjustment of $2,613 per the terms of the securities purchase agreement (the agreement), which is included as part of accrued expenses on the balance sheet. The amount was settled in full during 2010 for the amount recorded in 2009.

The agreement had a provision where the Company reimbursed the buyer (TZP) for the buyer related transaction expenses of $2,500.

Three escrow agreements were set up as part of the agreement as follows: The first account totaled $1,500 and was intended to be for a special distribution to the sellers for excess tax payments resulting from the sale of their outstanding units to TZP. This amount was distributed in full to the sellers in December 2009. The other two accounts totaled $2,500 and $500, respectively, for a general indemnity escrow and a special indemnity escrow. The special indemnity escrow was distributed in full to the sellers in June 2010. The general indemnity escrow is to be released on March 31, 2011, less any indemnities. At this time management anticipates that the full amount will be released to the sellers.

In addition, the terms of the agreement call for certain changes to the allocation of equity between TZP and the sellers based on future period changes in defined working capital amounts. As of December 31, 2010, this provision has not resulted in any changes to equity or the related allocation.

Note 3. Identifiable Intangible Assets

Identifiable intangible assets as of December 31, 2010, consist of the following:

	Estimated Life (Years)	Gross Amount	Accumulated Amortization	Net
Customer/Vendor Relations	6	$ 10,100	$ (2,280)	$ 7,820
Maintenance Contracts/Relationships	6	3,300	(1,556)	1,744
Contract Backlog	2	200	(198)	2
Non-Compete Agreements	5	500	(125)	375
		$ 14,100	$ (4,159)	9,941
Not Subject to Amortization				
Trade Names				6,980
				$ 16,921

(Amounts In Thousands)

Note 3. Identifiable Intangible Assets (Continued)

Identifiable intangible assets as of December 31, 2009, consist of the following:

	Estimated Life (Years)	Gross Amount	Accumulated Amortization	Net
Customer/Vendor Relations	6	$ 10,100	$ (443)	$ 9,657
Maintenance Contracts/Relationships	6	3,300	(360)	2,940
Contract Backlog	2	200	(49)	151
Non-Compete Agreements	5	500	(25)	475
		$ 14,100	$ (877)	13,223
Not Subject to Amortization				
Trade Names				6,980
				$ 20,203

The Company evaluated various aspects of business operations, relationships with its vendors and customers, overall industry and market conditions and other objective and subjective considerations in its determination of the fair values assigned to the identifiable assets and the related estimated lives which are being utilized to amortize certain of these assets. The Company performs an evaluation related to the net carrying value of these assets when events or circumstances indicate that the carrying amount of an asset may not be recoverable and monitors the business environment associated with these costs to determine if it needs to revise the estimated lives being utilized to amortize these assets.

Amortization expense recognized on all amortizable intangible assets totaled $3,282 and $877 for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009.

Estimated future aggregate amortization expense for each of the next five years is as follows:

Years Ending December 31,	
2011	$ 3,185
2012	2,227
2013	1,990
2014	1,656
2015	883
	$ 9,941

The following is a summary of changes to goodwill for the year ended December 31, 2010:

Goodwill, December 31, 2009	$ 43,431
Payment to sellers for additional income tax amounts	216
Goodwill, December 31, 2010	$ 43,647

During the year, in conjunction with the acquisition described in Note 2, the Company made an additional payment to the sellers for additional personal income tax amounts due from income generated by the Company prior to the acquisition in October 2009. The stock purchase agreement provided a provision that the buyer would be liable to the sellers for these amounts to the extent that they exceeded the amounts in escrow.

(Amounts In Thousands)

Note 4. Property And Equipment

The cost of property and equipment as of December 31, 2010 and 2009, and depreciation and amortization expense for the periods then ended were charged to operations as follows:

		2010		
Asset Category	**Estimated Useful Lives**	**Cost**	**Depreciation/ Amortization Expense**	**Accumulated Depreciation/ Amortization**
Furniture and equipment	7 years	$ 173	$ 35	$ 36
Computer equipment	3 years	180	76	16
Computer software	3 years	618	191	209
Leasehold improvements	5 years	692	126	153
		$ 1,663	$ 428	$ 414

		2009		
Asset Category	Estimated Useful Lives	Cost	Depreciation/ Amortization Expense	Accumulated Depreciation/ Amortization
Furniture and equipment	7 years	$ 173	$ 8	$ 8
Computer equipment	3 years	95	14	14
Computer software	3 years	286	32	32
Leasehold improvements	5 years	689	27	27
		$ 1,243	$ 81	$ 81

Note 5. Financial Credit Risk, Concentrations, And Major Vendors

Substantially all of the Company's sales and accounts receivable are derived from sales to federal, state and local governments. All accounts receivable are made on an unsecured basis.

A substantial amount of the Company's billings are derived from sales of products and services from five major vendors: Oracle, Autodesk, Symantec, Quest, and Red Hat. Billings on their products totaled $650,039 and $118,366 for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, respectively. This represented approximately 82 percent and 75 percent of total billings for the two periods, respectively. Purchases from these five vendors represented approximately 82 percent and 75 percent of the Company's cost of revenue for the same two periods, respectively.

(Amounts In Thousands)

Note 6. Debt

Line of credit: The Company had a $30 million credit facility with a financial institution that expires on October 12, 2013. The facility was modified during 2010 to extend the limit to $50 million. The credit facility bears interest based on the higher of the bank's prime lending rate or the Federal Funds Rate plus 0.5 percent. The applicable interest rate at December 31, 2010 and 2009, was 0.75 and 4.25 percent, respectively. The line of credit is secured by substantially all of the Company's assets. The agreement also requires the Company to maintain a fixed charge coverage ratio and to not exceed a maximum capital expenditures threshold. As of December 31, 2010, there were no borrowings against the facility.

The line also allows the Company to draw LIBOR notes from any outstanding balances on the line. These notes charge interest at a rate equal to the one month LIBOR plus one percent, to be no less than one percent. As of December 31, 2010, the Company had no borrowings outstanding on the LIBOR notes.

In November 2010, the lender entered into an Intercreditor Agreement with one of the Company's significant vendors which allowed this vendor to secure a first lien on inventory and receivables associated with the master reseller agreement between the Company and the vendor and any related cash proceeds from related sales. In addition, the vendor secured a $5 million letter of credit from the Company's credit facility, which reduces the available borrowing limit on the credit facility to $45 million.

Note 7. Profit Sharing Plan

The Company has a 401(k) profit sharing plan for all eligible employees. Employees are eligible to participate on the first of the month following their date of hire. The Company will contribute $0.50 on the dollar up to the first four percent of the employee's contributions. Employer's contributions are subject to a five-year vesting schedule. For the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, the Company included in operations discretionary contributions of $277 and $60, respectively.

Note 8. Commitments And Contingencies

Reseller agreements: The Company has entered into value added reseller agreements with its major vendors. These agreements grant authorization as a reseller, specify use of vendor intellectual property, obligations of both parties, pricing and other pertinent matters.

Claims and assessments: In the normal course of business, the Company is subject to certain claims and assessments. Management believes that there are no claims or assessments outstanding which would materially affect the financial position of the Company.

Leasing arrangements: The Company leases office space under operating lease agreements expiring through 2015. Future minimum rental payments required under these leases are as follows:

Years Ending December 31,		
2011	$	1,059
2012		1,089
2013		1,119
2014		1,150
2015		323
	$	4,740

(Amounts In Thousands)

Note 8. Commitments And Contingencies (Continued)

As part of these agreements, the Company is responsible for the taxes and maintenance related to the facility. Total rent expense charged to operations for the year ended December 31, 2010, and for the period from October 13, 2009 (Inception) through December 31, 2009, was $1,087 and $178, respectively.

Intercreditor agreement: One of the Company's major vendors entered into an intercreditor agreement with the bank to establish the priorities of their respective liens and security interest in the assets of the Company as discussed further in Note 6.

Claims and assessments: In the normal course of business, the Company is subject to certain claims and assessments. Management believes that there are no claims or assessments outstanding which would materially affect the financial position of the Company.

Note 9. Management Agreement

The Company has entered into a management agreement with its majority shareholder, whereby, the shareholder is paid certain fees for general management, transactional, financial and other corporate advisory services. The annual management fee is the greater of $150 or 1.5 percent of the annual EBITDA amount, as defined by management and Board of Directors, with $37.5 due each quarter in arrears and any additional fee due to be paid subsequent to the fourth quarter. Fees and related expenses due under this agreement for the year ended December 31, 2010, and for the period from October 13, 2009 (Inception) through December 31, 2009, were $293 and $42, respectively.

Note 10. Members' Equity

At December 31, 2010, the Company had three classes of member units under the Amended and Restated Limited Liability Company Agreement, dated October 13, 2009. Series A and B units are given voting rights equal to the number of units which they hold at that time. Series C units do not have voting rights. Each class accrues a yield of eight percent per year, calculated on the then outstanding unpaid capital value. No cash dividends attributable to this yield were paid during the year ended December 31, 2010, or the period from October 13, 2009 (Inception) and December 31, 2009.

Unit holders are entitled to payment when distributions are declared by the Board of Directors as follows: Series A unit holders receive distributions until all unpaid yield and unpaid capital value have been paid in full; followed by Series C and lastly Series B. Once all unpaid yield and unpaid capital value have been paid in full, the remaining distributions are to be allocated ratably among the Series A and B unit holders.

To the extent that the Company has assets legally available, unit holders are entitled to payment upon liquidation as follows: Series A unit holders are entitled to an amount equal to $3 million; Series C unit holders receive distributions until all unpaid yield and unpaid capital value have been paid in full; followed by Series A and lastly Series B. Once all unpaid yield and unpaid capital value have been paid in full, the remaining assets are to be allocated ratably among the Series A and B unit holders.

The tax basis of the Series B and Series C units varies from the reported book value due to fair value adjustments that were made to record the units at their relative fair value at the time of the acquisition in 2009. The tax basis for the outstanding series of units as of December 31, 2010 and 2009, is as follows:

	2010	2009
Series A	$ **25,269**	$ 23,397
Series B	**15,932**	14,752
Series C	**6,948**	6,612

(Amounts In Thousands)

Note 11. DLT Value Appreciation Plan

The Company has a member unit appreciation rights plan (the DVAP Plan) in order to provide an incentive to eligible employees of the Company, which becomes effective on January 1, 2010. The maximum number of units that can be issued under the DVAP Plan cannot exceed 500,000 units. The base price of an equivalent unit shall not be less than 1/5,000 of the fair value of a common membership interest on the grant date. Under the DVAP Plan, employees are granted units that vest over four years, with one-fifth of the units granted vesting beginning on the first anniversary of the grant. The units expire after ten years. A unit entitles the holder to a payout of cash upon exercise of the differential between the current fair value per unit and its exercise price.

The Company recorded $306 and $0, respectively, of stock based compensation expense during the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009. The related liability is recorded as part of accrued expenses on the balance sheet. The Company elects to measure the value of their grants using the intrinsic value. The value per share used in this calculation is determined by a third party valuation specialist, using primarily a discounted cash flow valuation methodology, as of each reporting date.

Based on an estimate from a valuation specialist, the weighted average fair value per grant was estimated at $12 for the year ended December 31, 2010. No grants were issued during the period from October 13, 2009 (Inception) through December 31, 2009. The exercise price of the membership appreciation rights at the time of issuance was $9 for 2010. For each employee that was issued membership appreciation rights during 2010, half of the member appreciation rights are exercisable as of the fifth anniversary of the grant date or upon a change in control and the other half are exercisable when the Company reaches a target minimum gross margin amount as stated in the agreements. The target has not been met as of December 31, 2010, but is considered probable of being met.

A summary of the status of the Company's DVAP Plan as of December 31, 2010, is as follows:

	Shares Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding at beginning of period	-	$ -		
Granted	263,038	9.00		
Exercised	-	-		
Forfeited	16,644	9.00		
Outstanding at end of period	246,394	$ 9.00	9.0	$ 306
Exercisable at end of period	-	$ -	-	$ -

Note 12. Subsequent Events

Management has reviewed the business activities through March 10, 2011, the issue date of our financial statements, and had the following subsequent events to report.

During January 2011, the Board of Directors declared and paid distributions to assist the members in paying their personal taxes totaling $2,798,713.

McGladrey

Independent Auditor's Report On The Supplementary Information

To the Board of Directors
DLT Group Holdings, LLC
Herndon, Virginia

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, of the Successor Company. The supplementary information, including information presented for the period from January 1, 2009 to October 12, 2009 (Predecessor) and comparison to 2010 consolidated financial information, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The Total* (Memorandum Only) column is the combination of the Successor and Predecessor bases of accounting and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Vienna, Virginia
March 10, 2011

DLT Group Holdings, LLC And Subsidiaries
(Formerly DLT Solutions Holdings, Inc.)

Proforma Statements Of Operations
Years Ended December 31, 2010 And 2009
(Amounts In Thousands)

	2010 (Successor)	Period From January 1, 2009, To October 12, 2009 (Predecessor)	Period From October 13, 2009 (Inception) To December 31, 2009 (Successor)	Total * (Memorandum Only)
Gross billings	$ 790,125	$ 454,818	$ 157,810	$ 612,628
Less costs associated with agent transactions (Note 1)	342,424	190,061	70,641	260,702
Revenue, net	447,701	264,757	87,169	351,926
Cost of revenue	399,526	233,204	77,450	310,654
Gross profit	48,175	31,553	9,719	41,272
Operating expenses	34,953	19,614	8,721	28,335
Transaction related expenses (Note 2)	-	2,509	2,500	5,009
Operating income (loss)	13,222	9,430	(1,502)	7,928
Other income (expense):				
Interest income	110	144	26	170
Interest expense	(306)	(1)	(44)	(45)
	(196)	143	(18)	125
Net income (loss)	$ 13,026	$ 9,573	$ (1,520)	$ 8,053

*Represents the results of operations for the twelve-month period ended December 31, 2009, for the operating subsidiary, DLT Solutions, LLC. Due to the acquisition of DLT Solutions, LLC and its parent on October 13, 2009, by TZP Capital Partners, different bases of accounting may have been used to prepare the January 1, 2009 to October 12, 2009, income statement and the October 13, 2009, to December 31, 2009, statement of operations. The differences include increased depreciation and amortization of certain tangible and intangible assets recorded at fair value. As a result of these different bases of accounting, these periods are not necessarily comparable to one another. The results presented for the twelve-month period from January 1, 2009, to December 31, 2009, may not be indicative of those that would have been reported if the acquisition had occurred on January 1, 2009.

DLT Group Holdings, LLC
And Subsidiaries

Consolidated Financial Report
December 31, 2010

Contents

McGladrey

Independent Auditor's Report

To the Board of Directors
DLT Group Holdings, LLC
Herndon, Virginia

We have audited the accompanying consolidated balance sheets of DLT Group Holdings, LLC and Subsidiaries (the Company) as of December 31, 2010 and 2009, and the related consolidated statements of operations, members' equity, and cash flows for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DLT Group Holdings, LLC and Subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Vienna, Virginia
March 10, 2011

DLT Group Holdings, LLC And Subsidiaries

Consolidated Balance Sheets
December 31, 2010 And 2009
(Amounts In Thousands, Except For Member Units)

Assets	**2010**	2009
Current Assets		
Cash and cash equivalents	$ **6,949**	$ 6,000
Accounts receivable, net	**110,033**	112,965
Prepaid expenses	**5,106**	7,774
Total current assets	**122,088**	126,739
Property And Equipment, net of accumulated depreciation and amortization of $414 and $81, respectively	**1,249**	1,162
Other Assets		
Deferred finance charges, net of accumulated amortization of $125 and $70, respectively	**378**	353
Deposits	**76**	76
Intangibles, net of accumulated amortization of of $4,159 and $877, respectively	**16,921**	20,203
Goodwill	**43,647**	43,431
	61,022	64,063
	$ **184,359**	$ 191,964

Liabilities And Members' Equity		
Current Liabilities		
Disbursements in excess of available cash	$ **-**	$ 7,585
Accounts payable	**125,315**	134,514
Accrued expenses	**8,430**	9,876
Deferred revenue	**4,957**	4,329
Total current liabilities	**138,702**	156,304
Long-Term Liabilities		
Deferred rent	**81**	24
Commitments And Contingencies (Note 8)		
Members' Equity		
Series A Units; 61,332 units authorized, issued and outstanding	**25,269**	23,398
Series C Units; 100 units authorized, issued and outstanding	**4,423**	4,088
Series B Units; 38,668 units authorized, issued and outstanding	**11,612**	10,432
Retained earnings (accumulated deficit)	**4,272**	(2,282)
	45,576	35,636
	$ **184,359**	$ 191,964

See Notes To Consolidated Financial Statements.

DLT Group Holdings, LLC And Subsidiaries

Consolidated Statements Of Operations
Year Ended December 31, 2010 And Period From October 13, 2009 (Inception) Through December 31, 2009
(Amounts In Thousands, Except For Member Units)

	2010	2009
Gross billings	$ 790,125	$ 157,810
Less costs associated with agent transactions (Note 1)	342,424	70,641
Revenue, net	447,701	87,169
Cost of revenue	399,526	77,450
Gross profit	48,175	9,719
Operating expenses	34,953	8,721
Transaction related expenses (Note 2)	-	2,500
Operating income (loss)	13,222	(1,502)
Other income (expense):		
Interest income	110	26
Interest expense	(306)	(44)
	(196)	(18)
Net income (loss)	$ 13,026	$ (1,520)

See Notes To Consolidated Financial Statements.

DLT Group Holdings, LLC And Subsidiaries

Consolidated Statements Of Members' Equity
Year Ended December 31, 2010 And Period From October 13, 2009 (Inception) Through December 31, 2009
(Amounts In Thousands, Except For Member Units)

	Series A Units	Series C Units	Series B Units	Retained Earnings	Total
Balance, October 13, 2009	$ -	$ -	$ -	$ -	$ -
Purchase of Series A units	23,000	-	-	-	23,000
Series C and B units issued	-	2,050	5,250	-	7,300
Additional equity valuation	-	1,925	4,931	-	6,856
Accrued yield	398	113	251	(762)	-
Net loss	-	-	-	(1,520)	(1,520)
Balance, December 31, 2009	23,398	4,088	10,432	(2,282)	35,636
Accrued yield	1,871	529	1,180	(3,580)	-
Distributions	-	(194)	-	(2,892)	(3,086)
Net income	-	-	-	13,026	13,026
Balance, December 31, 2010	$ 25,269	$ 4,423	$ 11,612	$ 4,272	$ 45,576

See Notes To Consolidated Financial Statements.

DLT Group Holdings, LLC And Subsidiaries

Consolidated Statements Of Cash Flows
Year Ended December 31, 2010 And Period From October 13, 2009 (Inception) Through December 31, 2009
(Amounts In Thousands, Except For Member Units)

	2010	2009
Cash Flows From Operating Activities		
Net income (loss)	$ 13,026	$ (1,520)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,835	1,028
Allowance for doubtful accounts	373	-
Deferred rent	57	24
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	2,559	2,433
Prepaid expenses	2,668	21,340
Increase (decrease) in:		
Accounts payable	(9,199)	(41,961)
Accrued expenses	(1,446)	314
Deferred revenue	628	1,600
Net cash provided by (used in) operating activities	12,501	(16,742)
Cash Flows From Investing Activities		
Acquisition of business, net of cash acquired	(216)	(7,456)
Acquisition of property and equipment	(515)	(20)
Net cash used in investing activities	(731)	(7,476)
Cash Flows From Financing Activities		
Disbursements in excess of available cash	(7,585)	7,585
Borrowings on line of credit	-	15,000
Principal payments on line of credit	-	(15,000)
Distributions paid	(3,086)	-
Deferred finance charges	(150)	(367)
Proceeds from equity units issued	-	23,000
Net cash (used in) provided by financing activities	(10,821)	30,218
Change in cash and cash equivalents	949	6,000
Cash And Cash Equivalents		
Beginning	6,000	-
Ending	$ 6,949	$ 6,000
Supplemental Disclosure Of Cash Flow Information		
Interest paid	$ 306	$ 44
Supplemental Disclosure Of Non-Cash Investing And Financing Acitivities		
Accrued yield on member units	$ 3,386	$ 762
Equity units issued as consideration	$ -	$ 14,156
Acquisition Of Business		
Cash purchase price	$ 216	$ 27,633
Fair value of net tangible liabilities acquired	-	20,081
Additional equity consideration	-	14,156
Working capital settlement in connection with acquisition of business	-	2,641
Intangible assets acquired including goodwill	$ 216	$ 64,511

See Notes To Consolidated Financial Statements.

Note 1. Nature Of Business And Significant Accounting Policies

Corporate structure: DLT Group Holdings, LLC (Holdings) was incorporated under the laws of the state of Delaware on September 25, 2009. Holdings was created solely for the purpose of consummating the acquisition of DLT Solutions, Inc. (Subsidiary) on October 13, 2009. Following Holdings acquisition of Subsidiary, Holdings and Subsidiary (collectively, the Company) continued the business operations of Subsidiary. Holdings has no operations other than its ownership interest in its wholly-owned subsidiaries.

DLT Solutions Canada, Inc., now a 100 percent owned subsidiary of Subsidiary, was incorporated in 2006 in New Brunswick, Canada, to expand the business of the Company into various provinces in Canada. There were no significant operations in this subsidiary in 2009 or 2010.

Nature of business: The Company is a value-added reseller providing leading information technology solutions primarily to the public sector, including the Department of Defense (DoD), civilian agencies, the intelligence community of the U.S Government, state and local governments, and higher educational institutions. The Company is a premier technology solutions partner and reseller with expertise in database and database application, storage hardware and software, security, open-source, and computer aided design (CAD) products and solutions. The Company delivers technology and solutions through six divisions: Enterprise Applications, Enterprise Platforms, Autodesk, Enterprise Data Management, Infrastructure and Peripherals, and Professional Services. The Company has created a value-added role between the selected vendor partners and public sector customers by leveraging a solid government contract portfolio, operational systems that are integrated with vendor partner business processes, pro-active marketing efforts, and long-standing relationships with vendor sales representatives.

Revenue recognition: The accompanying financial statements have been prepared using the accrual method of accounting. Revenue is recognized when a customer order has been executed, the sales price is fixed and determinable, delivery of services or products has occurred, and collection of the sales price is considered probable and can be reasonably estimated. Revenue from hardware and software product sales is generally recognized when title to the products sold passes to the customer, with provisions established for estimated product returns. Based upon the Company's standard shipping terms, title generally passes upon the customer's receipt of the products. The Company also sells third-party services, such as maintenance contracts, and recognizes revenue in the same manner as hardware and software sales. Revenue from other services such as engineering, installation and training services are recognized when the services have been performed. The Company recognizes revenue from the sale of third-party software maintenance agreements on a net basis at the time of sale. Payments received before delivery has occurred or services have been performed are recorded as deferred revenue.

Cash and cash equivalents: The Company considers all temporary investments with a maturity of three months or less and cash held in overnight repurchase accounts to be cash and cash equivalents. The Company, from time to time, has deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation.

Accounts receivable: Accounts receivable are carried at the original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. The allowance for doubtful accounts at December 31, 2010 and 2009, was $961 and $588, respectively.

Billed accounts receivable are considered past due if the invoice has been outstanding more than 30 days. The Company records interest income when received.

Note 1. Nature Of Business And Significant Accounting Policies (Continued)

Property and equipment: Property and equipment are stated at cost and depreciated on a straight-line basis over their useful lives, ranging from three to ten years. Leasehold improvements are amortized over the shorter of the lease term or the expected useful life. Repair and maintenance costs are expensed as incurred.

Valuation of long-lived assets: The Company reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

Goodwill and other indefinite-lived intangibles: The Company records as goodwill and other indefinite-lived intangibles (trade names), the excess of the fair value of the purchase price over the fair value of the identifiable net assets acquired. The Company follows a two-step process for impairment testing of goodwill and indefinite-lived intangibles, which is performed annually, as well as when an event triggering impairment may have occurred. The first step tests for impairment, while the second step, if necessary, measures the impairment. The Company has elected to perform its annual analysis at the end of its reporting year. No indicators of impairment were identified in 2009 or 2010.

Intangible assets: Initially valued at fair value, in accordance with FASB ASC Section 820.10, identifiable intangible assets include customer/vendor relations, contract backlog, maintenance contracts and relationships, and non-competition agreements. These assets are amortized on an accelerated basis over their estimated useful lives, which range from two to six years.

Members' assets and liabilities: In accordance with the generally accepted method of presenting limited liability company financial statements, the financial statements do not include the personal assets and liabilities of the members, including their obligation for income taxes on their distributive shares of the net income of the limited liability company, nor any provision for income tax expense.

Income taxes: The Company, as a limited liability corporation, is taxed as a partnership under the provisions of the Internal Revenue Code. As such, in lieu of corporate income taxes, the shareholders separately account for their pro-rata share of the Company's items of income, deductions, losses and credits. Accordingly, no provision or liability for income taxes has been included in the financial statements. Distributions are paid to members to assist in paying personal income taxes resulting from amounts passed through from the Company.

The Company applies the provisions of FASB ASC Section 740.1 relating to accounting for uncertainty in income taxes. This guidance provides a financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The cumulative effective of adopting this guidance in 2009 was immaterial. As of December 31, 2010, there were no amounts recorded in the financial statements for such positions. The Company and its subsidiaries are not subject to income tax examinations by the U.S. federal, state and local authorities for years prior to 2007.

Deferred finance charges: Deferred finance charges are amortized using the effective interest method over the term of the related debt financing.

(Amounts In Thousands)

Note 1. Nature Of Business And Significant Accounting Policies (Continued)

Share-based compensation: The Company accounts for all share-based payment transactions, including grants of stock appreciation rights, in the financial statement based on their fair values. That cost is measured based on the fair value of the equity or liability instruments issued.

Fair value of financial instruments: The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amount approximates fair value because of the short maturity of those instruments.

Accounts receivable and accounts payable: The carrying amount approximates the fair value due to the short-term nature of those instruments.

Line of credit: The carrying amount approximates fair value because the interest rate fluctuates with the lender's prime rate.

Use of estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Note 2. Acquisition

On October 13, 2009, TZP Capital Partners (TZP) acquired approximately 61 percent of the outstanding units of DLT Group Holdings, LLC, in order to establish a platform with which to make future acquisitions. The remaining units are primarily held by the previous owners (sellers). The Company's net assets were adjusted to their fair values on the date of acquisition, which resulted in the following:

Cash consideration	$ 23,133
Equity units issued as consideration	14,156
Payments held in escrow	4,500
	41,789
Plus working capital settlement payable	2,641
Purchase price of DLT Group Holdings, LLC	$ 44,430
Cash	$ 20,177
Accounts receivable	115,398
Prepaid expenses	29,114
Property and equipment	1,223
Other long-term assets	132
Identifiable intangible assets	21,080
Accounts payable	(176,475)
Accrued expenses	(9,650)
Net assets acquired	999
Purchase price in excess of net assets acquired (goodwill)	43,431
Purchase price of DLT Group Holdings, LLC	$ 44,430

(Amounts In Thousands)

Note 2. Acquisition (Continued)

The equity units issued as consideration were valued by a third-party valuation specialist utilizing a hybrid of methods including the discounted cash flow method, guideline public company method, and comparative transactions. As part of the equity consideration valuation, it was determined that there was additional inherent value attributable to the shareholders when valuing the equity as a whole, exclusive of control premiums and minority share discounts. This additional value was proportionately attributed to the various unit holders. Separately identifiable intangibles were also valued by a third-party valuation specialist. Customer related intangibles and non-compete agreements were valued using the discounted cash flow method and the trade name was valued using the relief from royalty method.

The Company's 2009 financial statements included a liability for the final working capital adjustment of $2,613 per the terms of the securities purchase agreement (the agreement), which is included as part of accrued expenses on the balance sheet. The amount was settled in full during 2010 for the amount recorded in 2009.

The agreement had a provision where the Company reimbursed the buyer (TZP) for the buyer related transaction expenses of $2,500.

Three escrow agreements were set up as part of the agreement as follows: The first account totaled $1,500 and was intended to be for a special distribution to the sellers for excess tax payments resulting from the sale of their outstanding units to TZP. This amount was distributed in full to the sellers in December 2009. The other two accounts totaled $2,500 and $500, respectively, for a general indemnity escrow and a special indemnity escrow. The special indemnity escrow was distributed in full to the sellers in June 2010. The general indemnity escrow is to be released on March 31, 2011, less any indemnities. At this time management anticipates that the full amount will be released to the sellers.

In addition, the terms of the agreement call for certain changes to the allocation of equity between TZP and the sellers based on future period changes in defined working capital amounts. As of December 31, 2010, this provision has not resulted in any changes to equity or the related allocation.

Note 3. Identifiable Intangible Assets

Identifiable intangible assets as of December 31, 2010, consist of the following:

	Estimated Life (Years)	Gross Amount	Accumulated Amortization	Net
Customer/Vendor Relations	6	$ 10,100	$ (2,280)	$ 7,820
Maintenance Contracts/Relationships	6	3,300	(1,556)	1,744
Contract Backlog	2	200	(198)	2
Non-Compete Agreements	5	500	(125)	375
		$ 14,100	$ (4,159)	9,941
Not Subject to Amortization				
Trade Names				6,980
				$ 16,921

(Amounts In Thousands)

Note 3. Identifiable Intangible Assets (Continued)

Identifiable intangible assets as of December 31, 2009, consist of the following:

	Estimated Life (Years)	Gross Amount	Accumulated Amortization	Net
Customer/Vendor Relations	6	$ 10,100	$ (443)	$ 9,657
Maintenance Contracts/Relationships	6	3,300	(360)	2,940
Contract Backlog	2	200	(49)	151
Non-Compete Agreements	5	500	(25)	475
		$ 14,100	$ (877)	13,223
Not Subject to Amortization				
Trade Names				6,980
				$ 20,203

The Company evaluated various aspects of business operations, relationships with its vendors and customers, overall industry and market conditions and other objective and subjective considerations in its determination of the fair values assigned to the identifiable assets and the related estimated lives which are being utilized to amortize certain of these assets. The Company performs an evaluation related to the net carrying value of these assets when events or circumstances indicate that the carrying amount of an asset may not be recoverable and monitors the business environment associated with these costs to determine if it needs to revise the estimated lives being utilized to amortize these assets.

Amortization expense recognized on all amortizable intangible assets totaled $3,282 and $877 for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009.

Estimated future aggregate amortization expense for each of the next five years is as follows:

Years Ending December 31,	
2011	$ 3,185
2012	2,227
2013	1,990
2014	1,656
2015	883
	$ 9,941

The following is a summary of changes to goodwill for the year ended December 31, 2010:

Goodwill, December 31, 2009	$ 43,431
Payment to sellers for additional income tax amounts	216
Goodwill, December 31, 2010	$ 43,647

During the year, in conjunction with the acquisition described in Note 2, the Company made an additional payment to the sellers for additional personal income tax amounts due from income generated by the Company prior to the acquisition in October 2009. The stock purchase agreement provided a provision that the buyer would be liable to the sellers for these amounts to the extent that they exceeded the amounts in escrow.

(Amounts In Thousands)

Note 4. Property And Equipment

The cost of property and equipment as of December 31, 2010 and 2009, and depreciation and amortization expense for the periods then ended were charged to operations as follows:

		2010		
Asset Category	Estimated Useful Lives	Cost	Depreciation/ Amortization Expense	Accumulated Depreciation/ Amortization
Furniture and equipment	7 years	$ 173	$ 35	$ 36
Computer equipment	3 years	180	76	16
Computer software	3 years	618	191	209
Leasehold improvements	5 years	692	126	153
		$ 1,663	$ 428	$ 414

		2009		
Asset Category	Estimated Useful Lives	Cost	Depreciation/ Amortization Expense	Accumulated Depreciation/ Amortization
Furniture and equipment	7 years	$ 173	$ 8	$ 8
Computer equipment	3 years	95	14	14
Computer software	3 years	286	32	32
Leasehold improvements	5 years	689	27	27
		$ 1,243	$ 81	$ 81

Note 5. Financial Credit Risk, Concentrations, And Major Vendors

Substantially all of the Company's sales and accounts receivable are derived from sales to federal, state and local governments. All accounts receivable are made on an unsecured basis.

A substantial amount of the Company's billings are derived from sales of products and services from five major vendors: Oracle, Autodesk, Symantec, Quest, and Red Hat. Billings on their products totaled $650,039 and $118,366 for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, respectively. This represented approximately 82 percent and 75 percent of total billings for the two periods, respectively. Purchases from these five vendors represented approximately 82 percent and 75 percent of the Company's cost of revenue for the same two periods, respectively.

(Amounts In Thousands)

Note 6. Debt

Line of credit: The Company had a $30 million credit facility with a financial institution that expires on October 12, 2013. The facility was modified during 2010 to extend the limit to $50 million. The credit facility bears interest based on the higher of the bank's prime lending rate or the Federal Funds Rate plus 0.5 percent. The applicable interest rate at December 31, 2010 and 2009, was 0.75 and 4.25 percent, respectively. The line of credit is secured by substantially all of the Company's assets. The agreement also requires the Company to maintain a fixed charge coverage ratio and to not exceed a maximum capital expenditures threshold. As of December 31, 2010, there were no borrowings against the facility.

The line also allows the Company to draw LIBOR notes from any outstanding balances on the line. These notes charge interest at a rate equal to the one month LIBOR plus one percent, to be no less than one percent. As of December 31, 2010, the Company had no borrowings outstanding on the LIBOR notes.

In November 2010, the lender entered into an Intercreditor Agreement with one of the Company's significant vendors which allowed this vendor to secure a first lien on inventory and receivables associated with the master reseller agreement between the Company and the vendor and any related cash proceeds from related sales. In addition, the vendor secured a $5 million letter of credit from the Company's credit facility, which reduces the available borrowing limit on the credit facility to $45 million.

Note 7. Profit Sharing Plan

The Company has a 401(k) profit sharing plan for all eligible employees. Employees are eligible to participate on the first of the month following their date of hire. The Company will contribute $0.50 on the dollar up to the first four percent of the employee's contributions. Employer's contributions are subject to a five-year vesting schedule. For the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, the Company included in operations discretionary contributions of $277 and $60, respectively.

Note 8. Commitments And Contingencies

Reseller agreements: The Company has entered into value added reseller agreements with its major vendors. These agreements grant authorization as a reseller, specify use of vendor intellectual property, obligations of both parties, pricing and other pertinent matters.

Claims and assessments: In the normal course of business, the Company is subject to certain claims and assessments. Management believes that there are no claims or assessments outstanding which would materially affect the financial position of the Company.

Leasing arrangements: The Company leases office space under operating lease agreements expiring through 2015. Future minimum rental payments required under these leases are as follows:

Years Ending December 31,		
2011	$	1,059
2012		1,089
2013		1,119
2014		1,150
2015		323
	$	4,740

(Amounts In Thousands)

Note 8. Commitments And Contingencies (Continued)

As part of these agreements, the Company is responsible for the taxes and maintenance related to the facility. Total rent expense charged to operations for the year ended December 31, 2010, and for the period from October 13, 2009 (Inception) through December 31, 2009, was $1,087 and $178, respectively.

Intercreditor agreement: One of the Company's major vendors entered into an intercreditor agreement with the bank to establish the priorities of their respective liens and security interest in the assets of the Company as discussed further in Note 6.

Claims and assessments: In the normal course of business, the Company is subject to certain claims and assessments. Management believes that there are no claims or assessments outstanding which would materially affect the financial position of the Company.

Note 9. Management Agreement

The Company has entered into a management agreement with its majority shareholder, whereby, the shareholder is paid certain fees for general management, transactional, financial and other corporate advisory services. The annual management fee is the greater of $150 or 1.5 percent of the annual EBITDA amount, as defined by management and Board of Directors, with $37.5 due each quarter in arrears and any additional fee due to be paid subsequent to the fourth quarter. Fees and related expenses due under this agreement for the year ended December 31, 2010, and for the period from October 13, 2009 (Inception) through December 31, 2009, were $293 and $42, respectively.

Note 10. Members' Equity

At December 31, 2010, the Company had three classes of member units under the Amended and Restated Limited Liability Company Agreement, dated October 13, 2009. Series A and B units are given voting rights equal to the number of units which they hold at that time. Series C units do not have voting rights. Each class accrues a yield of eight percent per year, calculated on the then outstanding unpaid capital value. No cash dividends attributable to this yield were paid during the year ended December 31, 2010, or the period from October 13, 2009 (Inception) and December 31, 2009.

Unit holders are entitled to payment when distributions are declared by the Board of Directors as follows: Series A unit holders receive distributions until all unpaid yield and unpaid capital value have been paid in full; followed by Series C and lastly Series B. Once all unpaid yield and unpaid capital value have been paid in full, the remaining distributions are to be allocated ratably among the Series A and B unit holders.

To the extent that the Company has assets legally available, unit holders are entitled to payment upon liquidation as follows: Series A unit holders are entitled to an amount equal to $3 million; Series C unit holders receive distributions until all unpaid yield and unpaid capital value have been paid in full; followed by Series A and lastly Series B. Once all unpaid yield and unpaid capital value have been paid in full, the remaining assets are to be allocated ratably among the Series A and B unit holders.

The tax basis of the Series B and Series C units varies from the reported book value due to fair value adjustments that were made to record the units at their relative fair value at the time of the acquisition in 2009. The tax basis for the outstanding series of units as of December 31, 2010 and 2009, is as follows:

	2010	2009
Series A	$ **25,269**	$ 23,397
Series B	**15,932**	14,752
Series C	**6,948**	6,612

(Amounts In Thousands)

Note 11. DLT Value Appreciation Plan

The Company has a member unit appreciation rights plan (the DVAP Plan) in order to provide an incentive to eligible employees of the Company, which becomes effective on January 1, 2010. The maximum number of units that can be issued under the DVAP Plan cannot exceed 500,000 units. The base price of an equivalent unit shall not be less than 1/5,000 of the fair value of a common membership interest on the grant date. Under the DVAP Plan, employees are granted units that vest over four years, with one-fifth of the units granted vesting beginning on the first anniversary of the grant. The units expire after ten years. A unit entitles the holder to a payout of cash upon exercise of the differential between the current fair value per unit and its exercise price.

The Company recorded $306 and $0, respectively, of stock based compensation expense during the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009. The related liability is recorded as part of accrued expenses on the balance sheet. The Company elects to measure the value of their grants using the intrinsic value. The value per share used in this calculation is determined by a third party valuation specialist, using primarily a discounted cash flow valuation methodology, as of each reporting date.

Based on an estimate from a valuation specialist, the weighted average fair value per grant was estimated at $12 for the year ended December 31, 2010. No grants were issued during the period from October 13, 2009 (Inception) through December 31, 2009. The exercise price of the membership appreciation rights at the time of issuance was $9 for 2010. For each employee that was issued membership appreciation rights during 2010, half of the member appreciation rights are exercisable as of the fifth anniversary of the grant date or upon a change in control and the other half are exercisable when the Company reaches a target minimum gross margin amount as stated in the agreements. The target has not been met as of December 31, 2010, but is considered probable of being met.

A summary of the status of the Company's DVAP Plan as of December 31, 2010, is as follows:

	Shares Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contract Term (Years)	Aggregate Intrinsic Value
Outstanding at beginning of period	-	$ -		
Granted	263,038	9.00		
Exercised	-	-		
Forfeited	16,644	9.00		
Outstanding at end of period	246,394	$ 9.00	9.0	$ 306
Exercisable at end of period	-	$ -	-	$ -

Note 12. Subsequent Events

Management has reviewed the business activities through March 10, 2011, the issue date of our financial statements, and had the following subsequent events to report.

During January 2011, the Board of Directors declared and paid distributions to assist the members in paying their personal taxes totaling $2,798,713.

McGladrey

Independent Auditor's Report On The Supplementary Information

To the Board of Directors
DLT Group Holdings, LLC
Herndon, Virginia

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole for the year ended December 31, 2010, and the period from October 13, 2009 (Inception) through December 31, 2009, of the Successor Company. The supplementary information, including information presented for the period from January 1, 2009 to October 12, 2009 (Predecessor) and comparison to 2010 consolidated financial information, is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The Total* (Memorandum Only) column is the combination of the Successor and Predecessor bases of accounting and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

McGladrey & Pullen, LLP

Vienna, Virginia
March 10, 2011

DLT Group Holdings, LLC And Subsidiaries
(Formerly DLT Solutions Holdings, Inc.)

Proforma Statements Of Operations
Years Ended December 31, 2010 And 2009
(Amounts In Thousands)

	2010 (Successor)	Period From January 1, 2009, To October 12, 2009 (Predecessor)	Period From October 13, 2009 (Inception) To December 31, 2009 (Successor)	Total * (Memorandum Only)
Gross billings	$ 790,125	$ 454,818	$ 157,810	$ 612,628
Less costs associated with agent transactions (Note 1)	342,424	190,061	70,641	260,702
Revenue, net	447,701	264,757	87,169	351,926
Cost of revenue	399,526	233,204	77,450	310,654
Gross profit	48,175	31,553	9,719	41,272
Operating expenses	34,953	19,614	8,721	28,335
Transaction related expenses (Note 2)	-	2,509	2,500	5,009
Operating income (loss)	13,222	9,430	(1,502)	7,928
Other income (expense):				
Interest income	110	144	26	170
Interest expense	(306)	(1)	(44)	(45)
	(196)	143	(18)	125
Net income (loss)	$ 13,026	$ 9,573	$ (1,520)	$ 8,053

*Represents the results of operations for the twelve-month period ended December 31, 2009, for the operating subsidiary, DLT Solutions, LLC. Due to the acquisition of DLT Solutions, LLC and its parent on October 13, 2009, by TZP Capital Partners, different bases of accounting may have been used to prepare the January 1, 2009 to October 12, 2009, income statement and the October 13, 2009, to December 31, 2009, statement of operations. The differences include increased depreciation and amortization of certain tangible and intangible assets recorded at fair value. As a result of these different bases of accounting, these periods are not necessarily comparable to one another. The results presented for the twelve-month period from January 1, 2009, to December 31, 2009, may not be indicative of those that would have been reported if the acquisition had occurred on January 1, 2009.