

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents
February 17, 2011

Subject: Public Equity

Action Requested: Approval of Coliseum Capital Partners L.P.

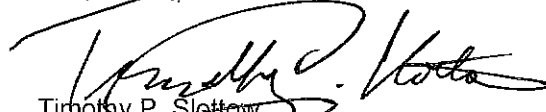
Background and Summary: We recommend an initial commitment of \$30 million from the Long Term Portfolio to Coliseum Capital Partners L.P. a New York, NY, based fund that will make equity and equity-like investments.

Coliseum Capital was formed in 2006 to invest in a concentrated portfolio of micro- and small-cap companies. The fund will invest throughout the capital structure of North American businesses that can be valued on the basis of cash flow. They may invest up to 35 percent of the capital in illiquid securities.

Coliseum Capital is a value-focused manager. The strategy is to pursue investments trading below intrinsic value due to difficulties with capital structure or poor operating performance. Coliseum will build a position, engage with management in a constructive manner and then implement a plan with management to improve the company's cash flow and unlock value. The fund may hold cash if an insufficient number of suitable opportunities can be found at any given point and time.

An investment in Coliseum Capital Partners L.P. will further the University's goal to maximize long term risk-adjusted returns to the Long Term Portfolio.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

February 2011