

BAYVIEW CAPITAL GROUP ANNOUNCES LATEST TRANSACTION



WAYZATA, MINNESOTA, January 28, 2008 – Bayview Capital Group announced today that its client, Audio Research Corporation (“Audio Research”), has been acquired by Quadrivio SGR S.p.A. (“Quadrivio”), an Italian private equity firm. Remaining Audio Research executives participated in the buyout alongside Quadrivio.

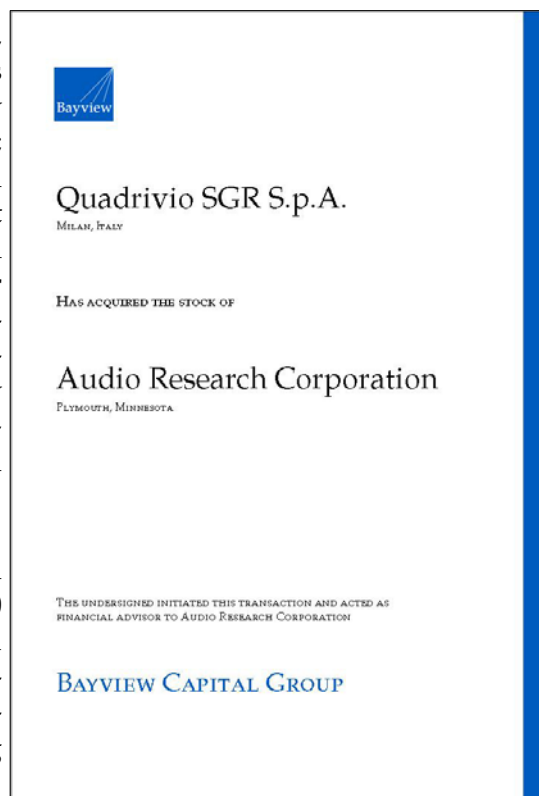
Audio Research Corporation, of Plymouth, Minnesota, is one of hi-fi’s oldest and most respected brands. Founded in 1970, the Company’s high performance stereo amplifiers, preamplifiers, and source components have won dozens of awards, including the prestigious Golden Ear Award from the Absolute Sound in 2007 for its current line of Reference products.

Following the transaction, Audio Research founder, CEO and principal shareholder William Z. Johnson is transitioning into an advisory role. Other company managers are assuming greater leadership positions; Terry Dorn, previously VP of Marketing, has been elevated to President. “This is an exciting moment for Audio Research, in which past achievements will now have assurance of continuity in years ahead for music lovers world-wide,” says Dorn. “Audio Research will now have ready access to additional capital resources for product development and company infrastructure which will enhance our ability to provide superior products and services to our valued business partners.”

Quadrivio SGR S.p.A. is a private equity firm based in Milan, Italy. Quadrivio manages a fund of 100 million Euro. It seeks majority transactions and takes a proactive role in partnering with management post-closing. The fund has eight portfolio companies in addition to Audio Research, including other holdings in the hi-fi audio marketplace.

Bayview Capital Group LLC is a boutique mergers and acquisitions firm specializing in the representation and sale of premier middle-market companies in traditional manufacturing and service industries. Bayview works with a limited client base so it can devote concentrated resources and personalized attention to each transaction. Client company revenues range between \$10 million and \$100 million. The company was founded in 1995 and operates with offices in Wayzata, Minnesota.

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