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Joseph J. DeVito

“Dealmaker of the Year – Advisor Category”

CRAIN'S 2014 M&A AWARDS



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Finance: M&A Awards

WINNER: DEALMAKER BUYER/SELLER

Huron Capital Partners LLC, Detroit
Brian Demkowicz, Mike Beauregard, John Higgins, Peter Mogk

It was another busy year in 2013 for what is consistently the state's most active private equity firm. And with it came a third straight award this year as dealmaker of the year.

The year began with the official closing in January of the firm's fourth and biggest fund, the **Huron Fund IV LP**, which had targeted \$400 million and ended up oversubscribed at \$500 million. That made it the second-largest private equity fund in state history, trailing only the \$865 million raised in 1999 by Southfield-based **Questor Management Co. LLC**.

That was just the prelude to 12 months of wheeling and dealing that saw 10 acquisitions and three recapitalizations that returned profits to investors.

Huron created two platform companies into which it plans to roll future acquisitions. The first came with the acquisition in January of Scottsville, N.Y.-based **Six Month Smiles**, a provider of cosmetic orthodontic products.

The second was the forming in July of Sarasota, Fla.-based **Dynamic Dental Partners Group**, a particularly complicated deal that involved bringing together five dental businesses representing 31 practices in Florida, Arizona and Virginia.

Huron also did four add-on acquisitions for current platform companies:

■ In March, **International Blends Coffee** of Clinton, Mo., and in No-

vember, Muskogee, Okla.-based **Henderson Coffee Corp.**, both being folded into **Ronnoco Coffee LLC** of St. Louis.

■ In July, Fort Wayne, Ind.-based **Kodiak Fire & Safety Consulting**, a provider of fire investigation and safety consulting services, as an add-on for Baltimore-based **Hughes Associates Inc.**, a fire-protection engineering consultant.

■ In October, Denver-based **Lange Graphics Inc.** as an add-on for Chicago-based **OneTouchPoint Corp.**, a document and digital media management company.

In addition, Huron was able to leverage increased earnings and the availability of bank debt to recapitalize three of its portfolio companies, allowing it to return capital to investors in its second and third funds. Those investors included the state of Michigan, the **University of Michigan** and Michigan-based pension funds and families.

According to Chicago-based **William Blair & Co.**, a financial services firm, M&A activity in the U.S. was off 20 percent last year, but Huron managed to increase its deal flow for the fourth straight year. It also hired five investment professionals in the year for a total of 23.



Demkowicz

"We got right out of the box with the closing of our big fund and the closing of a platform deal, so we started the year with a lot of momentum," said Brian Demkowicz, Huron Capital's managing partner. "It was a very active year on both the investing and harvesting sides, and I was thrilled to bring five investment professionals to Michigan."

— Tom Henderson

WINNER: DEALMAKER ADVISER

Howard & Howard Attorneys PLLC, Royal Oak
Joseph DeVito

Transactions in Southeast Michigan manufacturing are often multinational, and multicultural, in complexity.

When German-based industrial conglomerate **ThyssenKrupp AG** sought to sell its stake in the **TWB Co. LLC** joint venture in Monroe to a Chinese buyer last year, the deal got hairy.

Joseph DeVito, a partner and head of the corporate law team at Royal Oak-based **Howard & Howard Attorneys PLLC**, saved the \$100 million-plus deal, which closed in July.

ThyssenKrupp, which DeVito represented and previously served as its assistant general counsel in North America, owned 55 percent of TWB and Ohio-based **Worthington Industries Inc.** 45 percent.

Problems arose when Worthington wanted to become the majority shareholder to safeguard its investment from the Chinese buyers, **Wuhan Iron and Steel (Group) Co.**, De-

Vito said.

"Worthington's negotiation style was 'my way or the highway,'" DeVito said. "It wasn't working and the Chinese wanted out."

DeVito stepped up to mediate between Worthington and Wuhan, hoping the deal could get done for his own client, ThyssenKrupp.

DeVito was able to get both parties back to the table and persuade Wuhan to agree to a deal in which it would take 45 percent and Worthington 55 percent.

Also in 2013, DeVito led three other sales that were each near \$100 million:

■ Several subsidiaries of **MAG IAS LLC** in Sterling Heights to Paris-based **Fives Group**.

■ Family-owned, Warren-based **Paslin Co.** to the Connecticut-based private equity firm **Tower Three Partners**.

■ A minority interest in Wixom-based **Plasan Carbon Composites Inc.** to Japan-based **Toray Industries Inc.**

Quarterbacking deals is about understanding people as much as numbers, DeVito said.

"Deals are part science and part art," he said. "As a dealmaker, you have to have a good sense of where the edge is and when you've pushed the other side to it."

— Dustin Walsh



DeVito

Unique: M&A finalist

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ture ... as the next logical step was to diversify into other industries and technologies through M&A."

BDO USA LLP and **Plante Moran PLLC** were advisers for Taglich. **Donnelly Penman & Partners Inc.** and **Hilliard Lyons** advised American Capital on the deal.

Taglich approved Unique's plan, and it went on the hunt.

Nine months later, Unique closed on a \$16 million deal to acquire Louisville, Ky.-based **PrescoTech Industries Inc.** in December. That allowed the automotive

supplier to diversify into home and commercial heating, ventilation and air conditioning.

Unique's customer makeup is 95 percent automotive and PrescoTech's is 90 percent nonautomotive, but the manufacturing processes are similar, Weinhardt said.

Unique's plant in Guadalupe, Mexico, provides ample growth opportunity for the PrescoTech line, Weinhardt said.

The combined companies expect revenue of \$130 million in 2014.

— Dustin Walsh