

Case Study: Family Owned Business / Estate Planning



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Magnatech International, Inc. Robesonia, PA

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| Business: | Industry leading designer and assembler of machinery serving the high and medium pressure reinforced hose markets. |
| Background: | Individual owner sought to exit the business for estate planning purposes. HRCo won the auction, in large part due to our flexibility and responsiveness. |
| Structure: | HRCo provided the seller with a cash transaction and created a solution to diversify his real estate holdings. |
| Co-investors: | MassMutual (DL Babson), Altus Capital, Company Management, Limited Partners, and HRCo Executive Affiliates |
| HRCo Team: | Scott Oakford (Board Chair), Mark Riser, Chris Lund |
| HRCo Value-Add: | <ul style="list-style-type: none">• Secured cash-flow loans and mezzanine financing• Assembled BOD and investor group with relevant experience in capital equipment• Created substantial management ownership, clear objectives and compensation programs• Augmented sales initiatives through discussions with an HRCo portfolio company in a related industry |
| Results: | <ul style="list-style-type: none">• Investment closed in April 2006 |
| Management Partners | <ul style="list-style-type: none">• Shawn Anderson• Scott Klemas• Rose Hagy |

