

# Buyouts

Vol. 18, No. 3. January 17, 2005

## Laud Collier Locks Up First Deal

It has been almost two years since **Paul Laud** and **Colby Collier** left **CIT Group** to form their own buyout shop, **Laud Collier & Co.**, and just before the New Year began, the firm finalized its inaugural investment, acquiring **Rutland Plastic Technologies Inc.** out of **Canterbury Capital Partners'** portfolio. The transaction, which included an equity investment from **HSBC Capital**, came to roughly \$30 million, according to sources.

Laud Collier structured the deal with a 60% equity footing, coupled with a senior debt arrangement from **PNC Business Credit** and a mezzanine tranche from **Stonehenge Capital Partners**, through its **Mezzanine Opportunities LLC** fund. Laud Collier, meanwhile, is investing its own equity at this time on a deal-by-deal basis. The firm had been in the market to raise a fund, but is now currently focusing on deals in order to establish a track record apart from CIT. Sources have said the fund was targeted at "around a couple hundred million dollars," and no time-frame was given for when Laud Collier will head back to the market.

Rutland, based in North Carolina, is a manufacturer of plastisol compounds and polyurethanes for commercial applications, which can range from use in inks

for screen printing to automotive filtration compounds, among other general industrial uses. The company generates roughly \$50 million in revenue.

Plastisol differs from typical plastic in that it starts out as a liquid and becomes a solid when there is heat applied. Other plastics generally begin as a solid, turn into a liquid with heat, and are then molded and cooled into the desired shape.

While this is the first transaction for Laud Collier as a firm, the principals have an extensive history in the chemicals and plastics space. "This marks the tenth platform in the plastics industry that we've been involved in," Laud Collier President and Managing Member **Paul Laud** told *Buyouts*. Past deals include investments in Atlantic Extrusions, Elkay Products, and Berry Plastics.

**Colby Collier**, an executive vice president and managing member at the firm, said, "We've been aware of Rutland since the 2001/2002 time period...The company had a rocky period in the late 1990s. The industry went through a shakeup and the pace of migration offshore was probably at its most severe. Plus there was a significant ramp-up of raw material prices."

But looking ahead, the firm believes Rutland has emerged from the down time stronger. The company has made significant advances in establishing itself as a global player. More than 40% of Rutland's

screen printing inks business is international, and the firm anticipates that this will only increase in time. "With the weakness of the dollar, it is relatively easy for us to export and gain entry into other markets," Collier said.

Also, Laud said Rutland has a reputation as a leader in plastisol research and development, which helps to differentiate the company from other market participants. "They are whizzes at developing novel chemistries, and they're able to come up with formulations that are not easily copied or replicated by their competitors," he said.

Laud Collier will look at potential add-on acquisitions as a way to grow the business, and the firm sees organic growth coming as more and more businesses switch from polymer or non-polymer based materials to plastisol applications.—*K.M.*

### SNAPSHOT

**TARGET:** Rutland Plastic Technologies Inc.

**SPONSOR:** Laud Collier, HSBC Capital

**SELLER:** Canterbury Capital Partners.

**PURCHASE PRICE:** \$30M

**ADVISORS:** CCP: Cobblestone Advisors

**LEGAL COUNSEL:** Laud Collier: Mayer Brown Rowe & Maw LLP