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ALM

Exec steers factoring company toward \$40 million

Dealmaker: Executive James Terlizzi

The Deal: Terlizzi represented the Boca Raton factoring company Peachtree Settlement Funding in obtaining a \$40 million equity investment from private equity firms LLR Partners and Greenhill Capital.

Details: In a deal announced Feb. 7, Peachtree sold a "small minority stake" in its 9-year-old company to raise money to grow the 200-person factoring company's assets and products.

Peachtree buys receivables from individuals entitled to personal injury court awards, life insurance policies and lottery prizes for a discount of the established value. Peachtree then pools the assets and sells them to institutional investors such as insurance companies.

The deal took about six weeks to complete, Terlizzi said. "We weren't out in the market seeking to raise capital," Terlizzi said. "The transaction made itself apparent. The real basis for this transaction is the capital market access afforded by our relationship with LLR Partners and Greenhill Capital, not the \$40 million."

LLR is a \$620 million private equity firm based in Philadelphia that invests in various industries, including financial services. Greenhill Capital is a \$423 million private equity fund based in New York that focuses on financial services, energy and telecommunications.

Terlizzi said he is confident that Peachtree's fiduciary relationship with LLR and Greenhill could provide the needed access to capital grab a larger share of a fractured market.

"The only real limitation on our growth is how quickly can we access the capital market for new products, and how quickly can we ramp up the purchasing of that product?" said Terlizzi, who declined to identify the new product.

Background: Terlizzi is Peachtree's chief executive. He was admitted to practice law in New Jersey in 1989 but does not practice in Florida.