

The Daily Deal

PRIVATE EQUITY

LLR, Greenhill buy into Peachtree

by Kelly Holman

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LLR Partners Inc. and **Greenhill Capital Partners LLC** said Monday, Feb. 7, they completed a \$40 million equity investment in **Peachtree Settlement Funding LLC**.

Philadelphia-based LLR invested \$26 million in the deal, while Greenhill Capital Partners, the New York private equity arm of investment banking firm **Greenhill & Co.**, chipped in \$14 million to jointly acquire a minority interest in the Boca Raton, Fla.-based specialty finance business from its management team.

Additional transaction terms were not disclosed.

Peachtree has annual revenues of nearly \$100 million, LLR partner Mitchell Hollin said. It purchases high credit quality specialty finance assets such as structured legal settlements, life insurance policies and lottery prizes.

For example, lottery payments are usually paid to winners over a 20-year to 30-year term. Peachtree can provide lottery winners with more immediate liquidity by paying a lump sum for some or all of their future payments.

Hollin said Peachtree was an attractive investment opportunity because of its leading market position and seasoned management team. "It's a very profitable business with positive cash flow on a pre-tax income basis," he said.

He declined to comment on the exact stake size LLR and Greenhill Capital will own in Peachtree.

Besides Hollin, LLR's deal team included vice president David Reuter and analyst Brian Borradaile.

The timing of the firm's investment couldn't have been more opportune, Hollin said.

"Different facets of this industry have gone through regulatory changes over the last several years, but the landscape is much clearer today that allows a scaled player to grow in this space," he said.

The LLR dealmaker would not comment on Peachtree's Ebitda except to say the Florida company is a very profitable business with positive cash flow on a pre-tax income basis.

Hollin said Peachtree also fits in LLR's focus on financial service businesses, an area that makes up about 25% of the firm's current portfolio. LLR also invests in business services, healthcare and information technology businesses.

KPMG LLP advised LLR on accounting and due diligence issues, while **Ballard, Spahr, Andrews & Ingersoll LLP** partner Richard Braemer provided counsel to LLR.

Foley & Lardner LLP partner Todd Pfister served as counsel to Peachtree, which did not use an investment banking adviser.

Officials from Greenhill Capital, which oversees a \$423 million private equity fund, were traveling and unavailable for comment by press time.

Peachtree chief executive James Terlizzi, who will remain CEO of the business, said the investment will provide Peachtree with better access to capital markets and investors for Peachtree's products.