

The Daily Deal

LLR, Greenhill fund Tammac

by Luisa Beltran

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LLR Partners Inc. and Greenhill Capital Partners LLC have invested \$35 million, including debt, in Tammac Holdings Corp. for a majority stake in the speciality finance company.

LLR, Greenhill and Robert Tambur, Tammac's founder and chairman, will split ownership of the company, which provides financing to customers and dealers of mobile homes. Tambur will own a little more than 33% while LLR and Greenhill will have less, said Mitchell Hollin, an LLR partner.

Austin Capital Group llc and SCP Private Equity Partners LP are also investors, but their stake is modest, Hollin said.

On March 31, the parties signed the transaction agreement. The deal is expected to close, pending regulatory approval, by the end of May or early June.

Tammac's management hasn't changed, and Tambur will remain as head of the company.

"LLR and Greenhill are supporting Bob Tambur in taking the business to the next level," Hollin said.

RBS Greenwich Capital and Textron Financial supplied a "multi-hundred million" credit facility, Hollin said. It is expected to be used to fund the company's operations, one person said.

James Brown, of Brown & Associates, advised Tammac. Michael King, Andrew Peken, Dan Gewirtz and Helyn Goldstein of Weil, Gotshal & Manges LLP were legal advisers.

LLR and Greenhill did not use investment bankers. Richard Braemer and Ed Ghisu of Ballard Spahr Andrews & Ingersoll LLP provided legal guidance to both private equity firms.

Tambur founded Wilkes-Barre, Pa.-based Tammac in 1976.

In December 2003, Tammac began discussions with several parties, all investment banks and private equity firms, about its future.

"We were at a point in the space where we needed more capital to grow," Tambur said in an interview. "Either it was sell the company outright or look for a partner and continue to be part of the company and business."

Tambur said he brought in an outside investor because he wants to expand the company. He plans to boost its origination volume of its consumer loans, which currently totals \$165 million a year, while also increasing its dealer network. Tammac now provides inventory financing to 75 dealers, and Tambur hopes to add another 75 in three years.

"We want to expand the business and are projecting to add additional dealers and expand retail financing," Tambur said.

LLR Partners of Philadelphia typically invests \$10 million to \$40 million in companies within the mid-Atlantic region that have revenue of \$20 million to \$200 million. The firm focuses on business and financial services, healthcare and information technology.

Greenhill Capital Partners, an affiliate of investment bank Greenhill & Co., has raised nearly \$1 billion in capital. Officials from Greenhill Capital did not return calls for comment Thursday.