



# Strategic buyers are undeterred

By James P. Marra

Neither the worldwide financial market collapse, nor the anaconda-like tightening of new credit extension, nor the presidential election home stretch could stop the Northeast Ohio deal market, which for the second straight month posted its best performance of the year in terms of closed transactions.

Parker Hannifin stole the spotlight, adding about \$458 million to annualized revenue during the month in four separate transactions, or one more than the sum total of Cavaliers and Browns regular season victories during October. On the first of the month, Parker pulled off a rare trifecta, purchasing Legris SA (\$340 million French manufacturer of fluid circuit components), Origa Group (\$98 million European and U.S. manufacturer of actuators, lubricators, cylinders and valves), and Hargraves Technology (\$14 million North Carolina-based manufacturer of diaphragm pumps and control valves). On the final day of the month, Parker added the maraschino cherry to this acquisition sundae by purchasing a Malaysia-based provider of electromagnetic interference (EMI) shielding products.

The fact that strategic acquirers dominated the month of October should come as no shock to anyone paying attention to leveraged

buyout credit problems. Also active were industrial stalwarts Lincoln Electric, Eaton and Lubrizol, each of which completed the purchase of a non-U.S.-based business.

Though hamstrung by the relative lack of debt financing, several private equity firms registered transactions during the month. In a PEG-to-PEG swap, Indianapolis-based Hammond Kennedy Whitney sold Coeur, its disposable medical imaging products business, to the always-reliable Riverside Company. In yet another PEG-to-PEG deal, Morgenthaler Partners sold Mark Andy, its St. Louis-based printing equipment provider, to American Industrial Partners. Finally, well-known Macedonia-based Patio Enclosures announced plans to merge with Indiana-based Branstrator Sunrooms, currently owned by Cleveland PEG Resilience Capital Partners.

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## SELECTED MERGERS & ACQUISITIONS

Local companies in bold

Deal data provided by Brown Gibbons Lang and Capital IQ.

Closed	Target	Buyer	Seller
Oct. 31	EmiTherm Sdn Bhd	<b>Parker Hannifin Corp.</b>	-
Oct. 31	Greif Inc., Steel Pail Business in Greenville	<b>Cleveland Steel Container Corp.</b>	Greif Inc.
Oct. 31	<b>Realty One</b>	Howard Hanna Real Estate Services, Inc.	Real Living, Inc.
Oct. 24	HealthMedia Inc.	Johnson & Johnson	AvTech Ventures; <b>Chrysalis Ventures Inc.</b> ; Ardesta LLC; <b>Arboretum Ventures</b> ; Avalon Investments
Oct. 20	<b>Akron Neonatology Inc.</b>	Pediatrix Medical Group Inc.	-
Oct. 15	<b>Medical Transcription Education Center Inc.</b>	Webmedx Inc.	-
Oct. 14	<b>Americas Best Value Inn</b>	-	Motel 6 Operating L.P
Oct. 13	<b>Mill River Plaza</b>	-	-
Oct. 10	Coeur Inc.	<b>The Riverside Co.</b>	Hammond, Kennedy, Whitney & Co. Inc.
Oct. 10	SK Chemicals Co., Thermoplastic Polyurethane and Conductive Polymer Business and Assets	<b>Lubrizol Corp.</b>	SK Chemicals Co.
Oct. 8	Mark Andy Inc.	American Industrial Partners	<b>Morgenthaler</b>
Oct. 7	Osram Sylvania Products Inc.	<b>Momentive Performance Materials Quartz Inc.</b>	Osram Sylvania Inc.
Oct. 2	Integ Holdings Ltd.	<b>Eaton Corp.</b>	-
Oct. 1	Richter Chemie-Technik GmbH	IDEX Corp.	<b>The Riverside Co.</b>
Oct. 1	Brastak Soldas Especiais Ltda.	<b>Lincoln Electric Holdings Inc.</b>	-
Oct. 1	Hargraves Technology Corp.	<b>Parker Hannifin Corp.</b>	-
Oct. 1	<b>Bargmann Management</b>	Invacare Corp.	-
Oct. 1	<b>Link Solutions LLC</b>	<b>Netknowledge Inc.</b>	-
Oct. 1	Parker-Origa GmbH	<b>Parker Hannifin Corp.</b>	HOERBIGER Holding AG

Closed	Target	Buyer	Seller
Oct. 29	<b>Yoder Brothers Inc.</b> , Chrysanthemum and Aster Business	Syngenta AG	<b>Yoder Brothers Inc.</b>
Oct. 24	<b>National City Corp.</b>	PNC Financial Services Group Inc.	Corsair Capital LLC
Oct. 24	Developers Diversified, 13 Stabilized Assets	-	<b>Developers Diversified Realty Corp.</b>
Oct. 15	SmarTire Systems Inc., Substantially All Assets	<b>Bendix Commercial Vehicle Systems LLC</b>	SmarTire Systems Inc.
Oct. 8	<b>Patio Enclosures Inc.</b>	Branstrator Corp. / Resilience Capital Partners	-
Oct. 6	Northcentral University	<b>Primus</b> ; RockBridge Equity Partners, LLC	-
Oct. 5	Innotrac Corp.	GSI Commerce Inc.	Chatham Capital Partners, Inc.; <b>IPOF Fund</b>

## DEALS OF THE MONTH

Two well-known Cleveland names were involved in October transactions. Realty One was gobbled up by Pittsburgh-based Howard Hanna, now the fourth-largest residential real estate brokerage in the country. Including the Realty One acquisition, HH now counts more than 2,800 sales associates in Ohio and nearly 4,400 systemwide. The acquirer said no corporate jobs would be shed as a result of the merger, which is good news for the local economy.

Though not closed, PNC Financial announced that it would acquire National City Corp. Like Realty One, National City ends up getting acquired by a Pittsburgh-based firm. Unlike Realty One, there will be blood. The announced departure of National City CEO Peter Raskind at the end of the year was the beginning of what many expect will be an exodus, forced or otherwise, of a large number of Cleveland-based professionals from the bank. The deal dulls hope that the local economy will recover easily from a recession that is picking up unwelcome steam.