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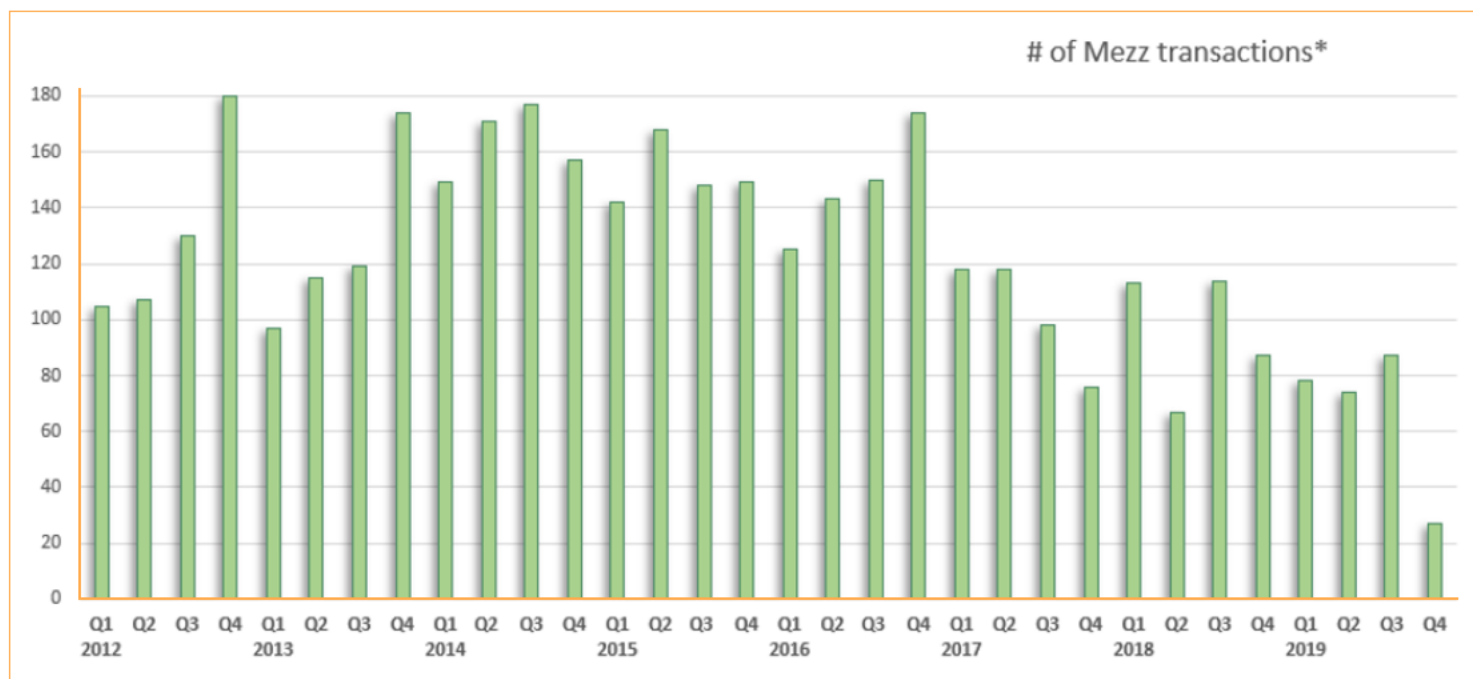
## Sutton Place Strategies

10 Years

ANNIVERSARY

Mezzanine Market Perspective  
Q4 2019**BREAKING DOWN THE MARKET**

Mezzanine activity for the LTM period ending September 30 declined **11.9%** from 370 to **326** deals when compared YoY. However, after the past few quarters of consecutive slight declines in the number of deals, mezzanine activity increased in Q3'19 by **17.5%** from Q2'19. Sponsored deals with a mezzanine component also increased in Q3'19 from the previous quarter by **32.6%**. There were approximately **87** mezzanine deals closed in Q3'19; **49.4%** were sponsor buyouts and **10.3%** were sponsor-backed add-ons. The most active industry in Q3'19 was **IT**, followed by **Services**, **Industrials**, and **Healthcare**.



\*closed mezzanine investments of \$3 MM and greater with the target located in the U.S. and Canada. Includes unitranchise and senior secured financings with pricing or other features similar to mezzanine.

**NOTABLE MEZZANINE TRANSACTIONS**

LaSalle Capital Group acquired Joseph's Frozen Foods from Brynwood Partners in October. Based in Haverhill, MA, Joseph's is a provider of pastas and pasta products for the foodservice and retail industries. **Newspring Mezzanine Capital** provided subordinated debt to support the acquisition. Piper Sandler and Holland & Knight provided sell-side financial and legal advice, respectively.

In December, **GMB Mezzanine** provided subordinated debt for Legality's acquisition of Inventus from RPX Corporation. Legality is an e-discovery software management company backed by Gridiron Capital. William Blair acted as the financial advisor to Inventus and Finn Dixon & Herling served as legal counsel to Legality.



## NOTABLE MEZZANINE TRANSACTIONS (CONT.)

**Yukon Partners** provided equity and mezzanine financing for Westview Capital Partners' investment in Receivable Solutions, a provider of revenue cycle management services to hospitals and health systems. The transaction closed in October with Abacus Finance Group and Crescent Capital also supporting the transaction with senior debt. Bowstring Advisors was the sell-side financial advisor with Nelson Mullins Riley & Scarborough as sell-side legal counsel. Dorsey & White and Latham & Watkins were the buy-side legal counsels.

Strength Capital Partners acquired CALco Pallets, a manufacturer of wooden and plastic pallets, in a transaction that closed in December. **Midwest Mezzanine** and **Northcreek Mezzanine** provided subordinated debt with Midwest also investing equity alongside Strength Capital. Byline Bank supported the transaction with senior debt. Peakstone Group acted as the financial advisor to CALco and Jaffe Raitt Heuer & Weiss served as legal counsel to Strength Capital.

Maysteel Industries, a portfolio company of Littlejohn Capital, merged with Porter's Group, a provider of metal fabrication solutions. **Patriot Capital** provided subordinated debt for the transaction. Porter's Group was a portfolio company of Resilience Capital Partners, and Resilience Capital continues to hold a stake in the combined company.

In November, **Assurance Mezzanine Fund** provided mezzanine financing to support Sancus Capital Group's acquisition of Pawz Inc., which operates an e-commerce platform that sells apparel, merchandise, jewelry, and other dog-themed products to support dog shelters.

**Greyrock Capital Group** provided Hanover Partners with subordinated debt and equity in support of their acquisition of Westside Equipment in a transaction that closed in November. Westside Equipment is based in Madera, CA and manufactures tomato and pistachio harvesting equipment

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