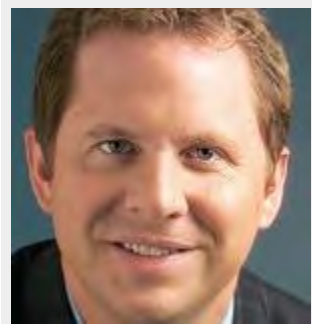


Best deal, \$25 million-\$100 million

Winner: Strength Capital Partners L.L.C.



McCammon

Strength Capital Partners L.L.C.'s purchase in July of two Houston companies for \$80.5 million has been named the best deal of 2007 in the range of \$25 million to \$100 million.

The deal epitomizes Strength's investment model, according to Steven Hilfinger, partner in the Detroit office of **Foley & Lardner L.L.P.** and a member of its M&A group — finding well-run companies in niches that aren't sexy or eye-catching but have significant barriers to entry by the competition and which are making money.

Moreover, the companies can use an infusion of capital to grow and add management resources.

Strength's founders and managing partners are Mark McCammon and Michael Bergeron.

Birmingham-based Strength Capital bought **rePipe Construction** and **PM Construction and Rehabilitation** from Houston parent, **rePipe Inc.** They had combined revenue of about \$57 million last year, and at the time of the purchase had a total of 220 employees.

The deal was financed with \$19.2 million from Strength Capital's second fund of \$140 million and debt arranged by the Chicago office of **BMO Capital Markets Corp.**

The deal was complicated by the need for aggressive timing — it was 80 days from signing a letter of intent to closing — a tightening credit market, bonding issues particular to the sewer business, and the decision to fold the companies into one of Strength's portfolio companies, Detroit-based **Inland Management.**

That in turn required Inland to be split into two entities to align businesses by sector: **Inland Industrial Services Group L.L.C.** and **Inland Pipe Rehabilitation L.L.C.**

Both Texas companies, which kept their management and location, and Inland's sewer repair business were aligned under the Inland Pipe brand.

In November, Strength Capital announced that with its second fund more than 75 percent invested, it was launching its third and largest fund, of \$250 million.

— Tom Henderson