

LBO Wire

Fund News

Monomoy Closes Second Fund At \$400M Hard Cap

By Daniel Hausmann

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Monomoy Capital Partners has surpassed the \$350 million target for its second fund, which closed at \$400 million.

That puts Monomoy Capital Partners II LP at its hard cap for limited partner commitments. Including a separate executive fund and financial commitments of the firm, the fund can to invest up to \$420 million when including partner and executive capital.

"There was a lot of enthusiasm for our second fund and for committing to restructuring or special situations investments in the lower middle market," Monomoy Partner Daniel Collin said.

While not disclosing returns for his firm's \$280 million first fund, Collin said some of that enthusiasm was owed to the fact that across the Monomoy portfolio, annual earnings before interest, taxes, depreciation and amortization increased five times.

The New York firm exited two companies from Monomoy Capital Partners LP in the past three months, selling chemical maker SRC Inc. to Buckingham Capital Partners LLC and Stelaris Capital LP for five times its invested capital. The firm also exited its \$8 million investment in Barjan LLC, selling the company to TSC Global LLC, a fellow distributor of consumer products to travel centers and truck stops.

Fund-raising for the latest fund was largely wrapped up in late summer, Collin said. The firm spent the last several months processing limited partner commitments and tying up loose ends. The fund hit the market in late 2009 and held a \$210 million first closing in the spring.

Fund II hasn't made an investment yet, but when it does, will invest \$10 million to \$60 million in equity in turnaround deals worth less than \$250 million in value. Fund I is roughly 80% invested.

Senior lenders who waited out the trough to secure higher but still discounted valuations are expected to be the source of deals in 2011, Collin said.

Kirkland & Ellis LLP served as legal counsel to Fund II. MVision Private Equity Advisors was the placement agent.

The firm's latest vehicle, Monomoy Capital Partners II LP, handily exceeded its \$350 million target.

Reach Monomoy at 212-699-4000.

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