

LBO Wire**Greenbriar Goes With The Flow In Ryan Herco Deal**

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Greenbriar Equity Group LLC acquired distributor Ryan Herco Flow Solutions from Morgenthaler Partners, ending a process that started near the end of the summer.

Deal terms weren't disclosed. Ryan Herco distributes products used in the flow of purified water, including filters, pipes, valves and fittings. The company has a broad end market that ranges from wastewater treatment to semiconductor fabrication and food and beverage.

Morgenthaler Co-Managing Partner Al Stanley declined to discuss returns.

Greenbriar focuses on transportation deals and includes distribution in that scope. Greenbriar Managing Director John Daileader likened the acquisition of Ryan Herco to American Tire Distributors Holdings Inc., a company Greenbriar sold, along with Berkshire Partners LLC and Investcorp, to TPG Capital for \$1.3 billion last year.

Former American Tire Chief Executive Dick Johnson advised Greenbriar on the investment in Ryan Herco and will be working with the company down the road.

Morgenthaler acquired Flow Solutions Inc. in 2006 and merged it the following year with Ryan Herco Products Corp. Feeling that they have built the business up and that the company was ready to take the next step, Morgenthaler hired Robert W. Baird & Co. to shop the business in summer 2010. There were no specific metrics the firm was looking at when it decided to sell the company, Stanley said. The company had acquired the assets of Corrosion Products & Equipment's piping products division and Peninsula Valve & Fitting Co. last year.

The limited auction process started around Labor Day, according to Daileader, with some eagerness to close before year end. Once it became clear that wasn't feasible, talks slowed but picked up again in the new year, Daileader said.

Greenbriar plans to continue Burbank, Calif.-based Ryan Herco's expansion east. Besides expansion deals that add locations, the company will look to grow organically by adding new sites and expanding its product line. The company has over 70,000 products all related to water flow.

Ryan Herco Chief Executive Dave Patterson couldn't be reached for comment. The company's financial performance wasn't disclosed.

Ryan Herco was a portfolio company of Morgenthaler Venture Partners Fund VII LP, an \$850 million fund closed in 2001.

Rye, N.Y.-based Greenbriar invested from Greenbriar Equity Fund II LP, a \$1 billion fund that closed in 2007.

Reach Greenbriar at 206-824-6000; Morgenthaler Partners at 216-416-7500.

<http://www.morgenthaler.com>

The firm bought the company--which distributes products used in the flow of purified water, including filters, pipes, valves and fittings--from Morgenthaler Partners. Besides expansion deals that add locations, Ryan Herco will look to grow organically by adding new sites and expanding its product line.

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