These are all adjectives executives used to describe the winners and finalists in the second-annual MiBiz M&A Deals and Dealmakers Awards, presented in cooperation with the Association for Corporate Growth Western Michigan chapter.

Read through the profiles in this special section highlighting this year’s awardees, and you’ll get a rare peek into the strategic playbooks of several of the region’s smartest and most sophisticated dealmakers. They helped put together deals that combined competitors, allowed legacy furniture brands to stay in business, gave companies access to new growth markets and positioned businesses to capitalize on new strategic advantages.

Combined, the value of the deals profiled here exceeds the $10 billion mark. They also represent some of the largest and most complex deals done in their industries last year.

While Roop credits the organization and the leadership team for pursuing the deal on “a very accelerated timeframe,” he attributes the successful completion of the deal to a very simple, yet often overlooked trait.

“It was that Midwest sensibility,” he remarked in a recent interview.

The other executives and their teams involved in the deals profiled in this section share a similar quality. Turn the page and share in their stories.

Brian Edwards, Editor & Publisher

Joe Boomgaard, Managing Editor
Congratulations to all of the Winners and Finalists of the 2014 M&A Deals & Dealmakers Awards!

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Blockbuster deal for Elan positions Perrigo for global growth

By MARK SANCHEZ | MiBiz

Perrigo Co.'s blockbuster $8.6 billion deal for Elan Corp. took just six weeks to put together.

The deal was set to begin when investment bank Citigroup Global Markets, representing Elan, contacted Perrigo's financial adviser, Barclays, and Chairman and CEO Joe Papa to invite the company to participate in a formal sale process.

The Dublin, Ireland-based Elan, after earlier rejecting a takeover proposal and receiving additional unsolicited inquiries, was up for sale.

Perrigo was one of a dozen companies around the world that Elan's representatives contacted between June 18 and June 20 of 2013.

Perrigo signed a nondisclosure agreement with Elan on June 21, as did four other potential bidders. A little more than a month later, Perrigo had won the auction. The two companies agreed to a deal where Perrigo would create a new corporation domiciled in Dublin — dubbed the “new Perrigo” — and acquire Elan.

Perrigo and Elan signed the deal July 28, 2013, and announced it the next day. Under the agreement, Elan shareholders received $16.50 in cash and stock in the “new Perrigo.”

Chris Roop, who led Perrigo's corporate development team at the time of the transaction, recalls that the process went quickly as the company worked with its investment banks in the U.S. and Europe.

“We engaged with intent, I would say,” said Roop, who now runs Perrigo's Animal Health division in Omaha, Neb. “Getting the organization and troops around performing the diligence, coming to a perspective on value, and developing the tactical plan to actually pull it off, we did on a very accelerated timeframe. It really was an achievement of the organization and the leadership team, of pulling together and having a common goal and running toward it.

“That was a Midwest sensibility.”

The acquisition of Elan, which closed Dec. 18, 2013, gave Perrigo a base in Europe from which to grow globally and earned the company the MiBiz 2014 Deal of the Year Award in the more than $100 million category.

A regulatory filing late last year with the U.S. Securities and Exchange Commission stated that Perrigo directors urged shareholders to approve the deal because it created “an industry-leading global health care company with the balance sheet liquidity and operational structure to accelerate Perrigo's growth and capitalize on international market opportunities.”

The deal was expected to generate $150 million in cost savings, including the benefits of a lower tax rate by domiciling the new corporation in Ireland. It also brought to Perrigo increasing royalty payments for Elan's Tysabri multiple sclerosis drug.

In the fourth quarter of the 2014 fiscal year that ended June 28, Perrigo attributed $288 million to acquisitions, $146.7 million of which came from royalties on the global sale of Tysabri by Biogen Idec Inc., according to Perrigo's annual financial report to federal securities regulators.

Biogen purchased Tysabri earlier in 2013 from Elan, which originally developed the drug and received royalties from its sale.

Papa was by far the largest of a string of acquisitions by Perrigo, and executives expect that deal-making trend to continue.

In an August conference call with brokerage analysts to discuss quarterly results, CEO Papa said Perrigo's appetite for further acquisitions remains strong.

“We continue to be very active. We think there are some great opportunities to build on the platform that we already have,” Papa said.

Perrigo prefers to target new product categories with “appropriate” regulatory burdens and hurdles for market entry where competitors “can't replicate it overnight,” Roop said.

Perrigo's acquisition strategy focuses on both geographic expansion around the world and expansion into adjacent product categories where it can sell additional store-brand products to national retailers. In recent years, Perrigo has moved into pet care and infant nutrition to drive growth. The strategy leverages an extensive distribution network to major retailers and allows Perrigo to “put another item on the truck” of items heading down the road to a customer,” Roop said.

“We are very systematic from a process perspective,” Roop said in explaining the acquisition strategy. “Is this a category that is sizeable, that is growing and that is important to our customers? Is this an aisle in the store that matters to customers? And do we have something that we can leverage into it?”

Among Perrigo's top customers for over-the-counter, store-brand medication and pet care products are Walmart, CVS, Walgreens, Kroger, Target, Meijer, Dollar General, Rite Aid, Sam's Club, Costco, Petco and Petsmart.

Future acquisitions could take the company into ophthalmics, diabetes care and adult nutrition, Papa said.

“These are all clearly things that we are very excited about to bolt-on some additional acquisitions and sell more products to our existing customers,” Papa said.

Consolidation in the pharmaceutical industry provides plenty of opportunity for Perrigo, which remains headquartered in Allegan. Papa told analysts that the present M&A market in the industry is “the most dynamic” he's seen in his 31 years in the business.

“Trends are escalating,” Papa said. “There is a lot of things on the table from other companies who have placed themselves up for sale.”

But with that increased activity, as well as the low cost of capital today, comes increased competition for deals that have driven up values and prices for acquisition targets, Roop said.

“It's a very active and very fluid market, and by virtue of that, it's difficult to transact at times,” Roop said. “It's really an ‘eat or be eaten’ kind of dynamic and asset values have escalated. Values are up and prices are up and the competition is fierce, and that's driven both by a scarcity of high-quality assets and very accommodating financial markets where the cost of capital is just very cheap today.”

That dynamic requires Perrigo to stick with rigorous acquisition criteria that focus on return on investment capital and where a target fits strategically with long-term growth plans.

“So it's really kind of stepping back and looking at situations and looking at the values that things trade for and coming to a perspective of whether to pay that value away or not, and how much of that value you've kept for yourself and the business,” Roop said.

Ultimately, he said, an acquisition needs to fit well with Perrigo's core mission.

“At the end of the day, it has to pass the hurdle that we are delivering quality, affordable health care,” Roop said.
SpartanNash $1.3B merger hinged on keeping debt in check, executing on integration

By JOE BOOMGAARD | MiBiz jboomgaard@mibiz.com

he structure of the “transforma-
tion” merger last year that created
SpartanNash Inc. set the Byron
Center-based company on a course
to take advantage of the growing consoli-
dation trend in the supermarket industry.

Set up as a $1.3 billion all-stock transaction
between Spartan Stores Inc. and Minneapolis-
based Nash Finch Co., the merger positioned
SpartanNash with consolidated indebtedness of around $660 million at the time of the close
on Nov. 19, according to filings.

Going into the process, it was important for SpartanNash not to wind up as an overlev-
eraged company that would be unable to seek out future deals and invest in growth, said President and CEO Dennis Eidson. The all-stock merger offered “the most efficient, cost-saving model to combine the two companies,” he said.

In the deal, Spartan Stores shareholders own approximately 52.7 percent of the equity of the com-
bined company, while Nash Finch shareholders own approximately 42.3 percent.

An integral piece in making the deal work was a $1 billion revolving loan facility Spartan Stores negotiated with Wells Fargo Bank and Bank of America to pay off the debt from both companies. New York City-based investment bank Moelis & Co. advised on the financial transactions.


“Unlike a typical acquisition which would have created an overleveraged operation, we structured the deal so that we can act on our growth strategy,” Eidson said. “Both companies had been consider-
ing this deal for years – it made sense geogra-
phically and was a good business fit. Truthfully, the deal sold itself.”

With an expected $1 billion in sales for 2014, its first year as a consolidated company, SpartanNash – the finalist in the 2014 MiBiz M&A Deal of the Year Award — became one of the largest food distributors in the country with 1,900 independent customers and 167 corporate-owned retail locations. The company also claims to be the largest food distributor (by rev-

ue) to military commissaries and exchanges in the U.S., a line of business entirely attributable to Nash Finch. SpartanNash serves customers in 44 states, the District of Columbia, Europe, Cuba, Puerto Rico, the Azores, Bahrain and Egypt.

“Both companies had been considering this deal for years — it made sense geographically and was a good business fit. Truthfully, the deal sold itself.”

— DENNIS EDISON
SPARTAN NASH INC.

Integrating two operations of the size of Spartan Stores and Nash Finch was no small undertaking, Eidson said. The company divided itself into 13 key functions and created an integration management team, led by a vice president from each of the com-
bies, to head up the three-year process.

SpartanNash also worked with global consul-
tancy EY for integration planning and due diligence. Importantly, the process resulted in a “flexible tem-
plate” for SpartanNash to use in integrating future deals as well, Eidson said.

“Without a doubt our success to date has been the result of our due diligence and utilizing a robust integration management process,” he said. “Clearly, it is critical to have a great plan — and just as impor-
tant to remain disciplined in executing the plan and holding teams accountable to it.”

The company saw the integration process as crucial for it to realize the $52 million in synergies it expected to achieve with the merger. The company is currently on track to hit “and likely exceed” that target, Eidson said.

“Yet we know we can’t let up,” he said.

Free from the burden of excessive debt and with a larger scale and geographic footprint, SpartanNash has invested growth, including $20 million in the North Dakota market, which is benefitting from an oil boom. That investment included store remodels that brought the Family Fare Supermarkets brand outside of Michigan for the first time, Eidson said.

“This has us poised for growth and positioned to act on new deals in the future,” he said. “We also prepared to be acquisitive, being mindful of our debt. The food industry has very low margins so we used this discipline to not over leverage the company.”

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A year ago, David Kennedy and David Bubnar found themselves facing a major decision. The co-owners of Burgaflex North America Inc. could continue to grow their Fenton-based manufacturing company along the same trajectory they had in the past. Or they could cut a deal with Grand Rapids-based private equity firm Blackford Capital to jumpstart growth even further.

Amid calls from customers to expand into international markets, the company closed the deal with Blackford in July 2014. The acquisition marked the fourth company the firm has added to its Michigan Prosperity Fund since 2012.

“Kennedy saw an opportunity to do more, but he knew … that he needed a new skill set and capital to transition from a founder-owned business to a large global supplier with a large footprint and very important customers,” said Jeff Helmsinski, managing director at Blackford.

Burgaflex manufactures coolant system tube and hose assemblies primarily for the heavy truck market, agricultural and off-road industries from five production facilities around Fenton, Mich., about 20 miles south of Flint. Its heavy equipment customers include Caterpillar Inc., Deere & Company, AB Volvo and Daimler Group.

The company launched as a startup in 2004 and grew sales to an annual run rate of about $60 million this year, growing about 200 percent from 2011 to 2014, said Martin Stein, managing director at Blackford.

“We’ve got a deal that has a lot of the hallmarks of a great company just starting up: growth, good management, customer relationships,” Stein said. “In addition, we were able to craft a compelling capital structure to support more growth.”

The company structured the deal around a joint partnership, with Kennedy retaining his role as CEO and Bubnar serving as a consultant for the company.

The high-growth trajectory of Burgaflex and the company’s presence in the highly cyclical heavy truck market prompted a unique deal structure allowing more cash on the balance sheet, Helmsinski said. That deal structure contributed to Blackford winning the MiBiz M&A Deal of the Year Award in the $10 million to $100 million category.

“At Burgaflex, we’ve got an extraordinarily high rate of growth and the requests by our customers to expand internationally, which is going to require a lot of capital,” Helmsinski said. “The lower leveraged capital structure gives us a greater availability of cash to do that.”

The deal was financed with a combination of senior debt, mezzanine debt, preferred equity, equity capital and a rollover equity stake. Mercantile Bank acted as the primary lender and Capital Finance Corp. served as the mezzanine debt lender. Both contributed equity to the deal as well.

The law firm of Barnes & Thornburg LLP, which has offices in Grand Rapids, and accounting and consulting firm BDO USA LLP advised on the deal.

Under Blackford’s leadership, the company plans to expand its international market into Europe, South America and Asia, Stein said. Burgaflex also aims to diversify its product portfolio, particularly with HVAC components.

Blackford expects the company’s traditionally high growth trajectory to continue as it launches into international markets.

“Doubling or quadrupling the size of this company over the next three to five years is certainly not out of the question,” Stein said. “We are all on the same page with our growth strategy and ensuring that you have a place and ensuring that you have a strong board in place and ensuring that you have a clear path for growth is essential,” Stein said. “We are all on the same page with our growth strategy and fully behind it – and have made sure we have the capital structure to support that growth.”
Deal to acquire GR Spring & Stamping positions Gill for growth, adds locations

By NICK MANES | MiBiz
nmanes@mibiz.com

As the automotive sector continues on the road to recovery, companies in the supply chain have looked for ways to add capacity, either through new facilities or by acquiring other suppliers. The latter strategy led Grand Rapids-based Gill Industries Inc. to acquire Grand Rapids Spring & Stamping Inc. (GRS&S) in March. The deal brought together two long-time suppliers with a reach into myriad industries ranging from automotive to furniture to multi-use vehicles.

The two companies never directly competed with each other because of their differing capabilities and broad customer base, Gill CEO Richard Perreault told MiBiz. That meant the deal was more about gaining customers in growing markets and increasing global capacity than simply buying out a competitor. “What this deal has done is added location for us,” Perreault said. “It added both a northern and southern location. The automotive trend is to grow more toward Mexico, so that basically adds capacity for us in those growing regions.”

Gill’s move to gain new markets through acquisitions fits with the recent findings of global consultancy EY’s Capital Confidence Barometer of automotive executives, in which 61 percent of companies said gaining access to new product categories or geographies was a key driver of M&A activity.

In the acquisition of GRS&S, Gill gained a number of important global Tier 1 and OEM customers. Along the way, Perreault said his company worked closely with Grand Rapids Spring’s existing book of business to appease all possible stakeholders.

The complementary nature of the deal and the position it provides Gill Industries going forward led to the company being named a finalist in the MiBiz 2014 M&A Deals and Dealmakers of the Year Awards in the $10 million to $100 million category.

“Obviously, in any transaction, I’d like to say only the shareholders make the decisions, but it doesn’t work this way,” Perreault said. “The customers have to give their informal approval prior to the deal being done. They need to feel comfortable with the new owners: us. “We were very close to the main customers and we visited them either here in the States or in Japan or Germany to make sure that they felt comfortable with what we were trying to do.”

The acquisition of GRS&S marked the fourth transaction Gill has made since 2006 and was by far the company’s largest, Perreault said.

Perreault declined to discuss the terms of the deal, but noted that its size in the $50 million to $100 million range caused Gill Industries to seek outside help for the first time in the company’s history of dealmaking.

“The availability of credit and historically low interest rates also made the timing of the deal work,” Perreault said, noting the environment allowed for needed growth with very cheap debt financing.

Perreault said, noting the environment allowed for needed growth with very cheap debt financing.

“Obviously, in any transaction, I’d like to say only the shareholders make the decisions, but it doesn’t work this way. The customers have to give their informal approval prior to the deal being done. They need to feel comfortable with the new owners: us.”

– RICHARD PERREAULT, GILL INDUSTRIES INC.

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Congratulations to this year’s M&A Award winners!
Merging two high-end brands provides Kindel efficiencies

By NICK MANES | MiBiz
nmanes@mibiz.com

A complementary deal between two manufacturers in the niche of high-end, luxury furniture has paid off for the more than a century-old Kindel Furniture Co., LLC.

This spring, Grand Rapids-based Kindel Furniture acquired the assets, intellectual property and operations of fellow high-end manufacturer Karges Furniture Co. of Evansville, Ind.

Kindel Chairman James Fisher charged CEO Rob Burch and other executives with finding acquisition targets that would allow for scaled growth, while keeping manufacturing capabilities in the United States and specifically in Grand Rapids, Burch told MiBiz.

The target companies needed to fit the niche of being a small, high-end furniture company or an upholstery manufacturer that would complement Kindel Furniture’s offerings and “would be a good fit from a product perspective” and that were “consistent with the brand and strategy and values of the company.”

“The real opportunity here is you’ve got the high end of the market where a lot of the manufacturing has moved offshore and a number of the manufacturers have gone out of business,” Burch said.

The deal also positions the combined company to better use its manufacturing capacity in Grand Rapids, said Remos Lenio, managing partner at DWH LLC in Grand Rapids, who advised Kindel on the deal.

“This deal took two companies operating under capacity and put them together in one facility, leading to operational savings,” Lenio said. “It’s really a great call with two tremendous, high-end brand names.”

The complementary nature of the two companies was shown most by their differentiation in terms of design, Burch said. Karges’ pieces tend to be “a little more decorated” and the company is known for being a little toward the higher end of the luxury spectrum, whereas Kindel Furniture is noted for “American traditional” design, he said.

The resulting operational savings and the combination of the two complementary brands earned Kindel Furniture the MiBiz 2014 M&A Deals and Dealmakers of the Year Award in the less than $10 million category.

Transition and Integration

As Kindel has worked throughout the summer on the integration of the two companies, Burch said the market has been receptive to the combination of the two legacy, high-end brands.

The company has transitioned Karges’ manufacturing capabilities to the Kindel facility on Eastern Avenue in Grand Rapids and added Gertchen Keith, a fifth-generation Karges family member, as its vice president of sales and marketing.

Since the transaction closed, Kindel has seen a solid mix of retail, designer and trade business, Burch said, noting that sales are up 20 percent for the year even without the addition of the Karges brand.

“(The acquisition) adds to our product offering with a very well-respected brand,” he said. “We have been pleased by the amount of business since the transaction.”

In general, the furniture industry has been doing well in 2014. According to the Furniture Insights newsletter issued in August by High Point, N.C.-based consultancy Smith Leonard PLLC, furniture factory orders rose 5 percent for the month of June, the last month for which data were available. The report noted that shipments were only up 4 percent for the month as shipments lagged orders.

“We do see that the upholstery business seems better than case goods, but overall, we are pleased to see the consistent improvement in orders and shipments,” Managing Partner Ken Smith said in the newsletter.

Despite that positive growth, Burch told MiBiz that there was a decent amount of hesitation on the part of some outside stakeholders in the run-up to the deal. In one case, a major distributor said it would be moving away from the Karges brand as a result of the acquisition. However, Kindel had factored such “curveballs” into its due diligence, Burch said, adding that executives on both sides worked as closely as possible with retailers and distributors before the deal closed.

“There are going to be at least three to five really big things that come up that will be problems,” Burch said. “Even after you go through deal process, you still have an integration. Acquisitions are messy. You have to be able to accept and work through the messiness of these things.”

To assist with the deal, Kindel brought in organizations such as business consulting group DWH LLC and Grand Rapids law firm Smith Haughey Rice & Roegge PC, both of which Burch said really helped make the acquisition possible.

Commitment to craft

Kindel and Karges are known for, and remain committed to, the process of handcrafting furniture, Burch said. That means that any two models of the same Kindel dining room chair, for example, have slight differences because they’re handmade.

But while the craftsmen still use time-tested techniques to make the furniture, Kindel has found that technological advances have helped make the company’s processes more efficient, Burch added.

“I think the finishes have gotten better,” he said. “There has been an improvement in technology. Kindel combines technology and a degree of automation, but every piece is what we could call very ‘hand-touched’ or hand-influenced, whether it’s carving, multi-step finishing or upholstery.”

As MiBiz previously reported, the transaction was part of a longer-term growth strategy where Kindel aims to acquire a portfolio of companies in the high-end, luxury furniture sector. Burch declined to comment on any specific targets, but did say the company continues to monitor the landscape.

“This acquisition is part of a broader strategy for Kindel to really be known as the best in the world at executing these high-end designs,” Burch said. “It’s a bold statement. … We are confident this was really good for Kindel.”

Other high-end manufacturers have faced their share of challenges in recent years. Case in point: Furniture Brands International, now known as Heritage Home Group LLC, a St. Louis-based furniture manufacturer, filed for bankruptcy in 2013.

Described as one of the largest companies in the luxury furniture space, Heritage Home’s ongoing reorganization could be beneficial to the newly-merged Kindel and Karges brands.

“With Heritage Home in bankruptcy, there is some opportunity to gain market share,” said Tim Stump, president of Stump & Co., a Charlotte, N.C.-based furniture industry MiBiz advisory firm. “Kindel is a great brand at the high end and solidly financed by the management. (With this acquisition), they have scaled the company to be bigger.”
Lambert, Edwards & Associates enters public policy business with Sterling Corp. deal

By JOHN WIEGAND | MiBiz

jwiegand@mibiz.com

Lambert, Edwards & Associates Inc.’s acquisition in April of Lansing-based Sterling Corp. thrust the Grand Rapids-based public relations and investor relations firm into a new service area: public affairs and legislative communications.

It also allowed the company to expand its reach in Lansing and to new markets, including Washington, D.C.

The deal, which closed in April, fulfills a multi-part growth strategy to expand the firm’s service portfolio and its geographic presence through acquisitions and organic growth, said Jeff Lambert, president and managing partner of LE&A.

“Talks with Sterling Corp. regarding the acquisition began a year prior to the deal’s close,” he said.

Beyond public affairs capabilities, Sterling brought a specialization in campaign fund-raising to LE&A. The Grand Rapids firm plans to overlap Sterling’s fundraising capacity into the for-profit sector — allowing LE&A to integrate cause marketing and other fundraising platforms into larger client programs.

“One of the hidden gems of the deal is the fund-raising piece,” Lambert said. “It gives us access into areas where we can help create an idea and then fund it to conclusion.”

Sterling currently manages all of the fundraising campaigns for the Michigan Senate Republican caucus and Senate majority leaders, including Sen. Randy Richardville, R-Monroe, and Sen. Arlan Meekhof, R-West Olive.

While Sterling previously contracted out its digital marketing and social media projects, moving those capabilities in-house at LE&A significantly reduced the cost to its customers, said Steve Linder, president and managing partner of Sterling.

For LE&A, the deal represents a trend where public relations firms are increasingly more involved in the public arena, Linder said. Sterling’s national client base will now also have the capacity to look within the company to address public relations issues in the political and legislative space.

Sterling’s founder, Jeff Timmer, to move on to managing a congressional campaign. Linder and Mark Pischea remained in their leadership roles at Sterling.

The two firms have taken a hands-on approach to integration — spending as much time as possible together on live client projects, Lambert said. The grand opening of the new office will be a key component of the integration strategy for the next year, he said.

“The deal is also expected to contribute a 20 percent spike in annual revenues, which are currently around $8 million,” Lambert said. The transaction, which was structured as an earn-out, allowed Sterling’s founder, Jeff Timmer, to move on to managing a congressional campaign. Linder and Mark Pischea remained in their leadership roles at Sterling.

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Sterling functions as a division of LE&A and retained its branding, location and team members — a key component of the Grand Rapids-based firm’s acquisition strategy, Lambert said.

In public relations, you are essentially buying a book of business so you want to acquire that team that has the relationship with the clients and keep that momentum going forward,” he said.

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Roop helped Perrigo execute $9.5B in acquisitions in 30 months, including Elan deal

By MARK SANCHEZ | MiBiz

Working on Wall Street at JPMorgan Chase & Co., Christopher Roop was asked a few years ago by a colleague if he knew of anyone from his days at the former Bear Stearns who was still looking for work.

Perrigo Co., which JPMorgan represented, was hiring someone to lead its corporate development team. While Roop didn’t know of anyone who was interested in the position, he decided to look into the job for himself, seeing it as a potential opportunity to return to his Midwestern roots.

“That kind of piqued my interest in my own mind because I always had a desire to get back to Midwest sensibility, and this was an opportunity to do just that and to also kind of leverage the network and skill set you develop as an M&A practitioner on Wall Street,” Roop said.

He called Perrigo CFO Iuddy Brown and, even though she didn’t “know me from Adam,” explained his background to her.

The phone call to Brown started a process that not only brought Roop back to the Midwest but placed him into a key role where he helped to execute six acquisitions for Perrigo over 30 months with a value totaling $9.5 billion.

“One thing led to another, and eight weeks later I was packing my bags,” he said. “It was all serendipity.”

Prior to Perrigo, Roop worked as an investment banker in New York City at JPMorgan doing M&A work in the pharmaceutical industry. He previously held a similar role at Bear Stearns before the firm imploded during the financial crisis in 2008.

The first transaction Roop worked on at Perrigo was the $285 million acquisition of Sergeant’s Pet Care in July 2012 that moved the company into the animal health business. His most recent deal was a blockbuster for Perrigo — the $8.7 billion acquisition last year of Dublin, Ireland-based Elan Pharmaceuticals.

Roop’s role in the Elan acquisition earned him the MiBiz 2014 Dealmaker of the Year Award in the Buyer/Seller category.

“Chris was instrumental in the Elan deal from start to finish, facilitating and/or driving all aspects of negotiation, valuation, structure, board/regulatory approvals, communication, integration planning and closing,” Art Shannon, Perrigo’s vice president of investor relations, wrote in nominating Roop for the award. “His leadership and intellect have been highly valuable contributors not only to our company’s growth but to our team as well. He has recruited and trained a young M&A team who are actively developing and shepherding an active funnel of larger and more complex projects each year.”

The 35-year-old Roop, who in July became senior vice president and general manager of Perrigo Animal Health and relocated to Omaha, Neb., takes pride in that role and in helping to put together a complex deal for Perrigo to acquire Elan.

That deal took about six weeks from the time Perrigo was first contacted about the possibility of buying Elan to when it was announced publicly in July 2013. The acquisition closed Dec. 18, 2013.

Roop calls the Elan transaction the “capstone” of his time working in M&A. Now domiciled in Dublin but with its corporate headquarters still in Allegan, Perrigo is now in a solid position in the European market to grow globally because of the deal.

“That was a very transformative acquisition for the company, and it’s put us in a fantastic spot and a great platform for future growth and future M&A as we try to build the business (outside the U.S.) in a similar fashion to how we’ve done it here,” Roop said. “It was a significant transaction and it was incredibly complicated and complex, and it had a myriad of issues to get through. I was fortunate to be part of the team that pulled it all together.”

As Perrigo remains in an acquisition mode, Roop has been able to open a greater dialogue between the company and “a broader constituency and a broader community” among M&A advisers on Wall Street, where he worked for 10 years. Perrigo has long been served by a few Wall Street investment banks.

“What I brought to the table at Perrigo was an opportunity to open up a dialogue and open up my network to the benefit of Perrigo, and to see kind of new horizons and to have different people thinking about great ideas for us,” Roop said.

Prior to joining Perrigo, Roop served as executive director in the Healthcare M&A group at JPMorgan Investment Banking. He was a lead adviser on major deals in the pharmaceutical industry, including Pfizer Inc.’s $16.6 billion acquisition in 2009 of Wyeth and its $16.6 billion sale of a consumer health care business to Johnson & Johnson in 2006. He was also a lead adviser on the 2010 sale of Qualitest Pharmaceuticals to Endo International for $1.2 billion.

Perrigo’s acquisition strategy centers on moving into adjacent product categories. In recent years, the producer of store-brand medications and generic drugs moved into infant formula and animal health, for example.

The idea is to provide the national retailers a greater lineup of lower-cost, store-brand products. The company typically identifies targets by working through investment banks.

Perrigo has become known within the industry as a buyer, which has generated opportunities coming forward from both sellers and investment bankers and a steady pipeline of potential deals.

“We’re very visible to the public markets and our strategy is very well understood, and we are very visible with it,” Roop said. “We have someone in Allegan every day.”

All potential acquisitions are weighed against rigorous criteria that include the return on investment capital and leveraging Perrigo’s existing distribution and product development categories.

Companies pursuing an acquisition strategy must develop core criteria they can use to decide whether or not a deal brings value to the business, Roop said.

“You have to have the criteria, but it’s not just (that) you have to have the criteria,” he said. “You have to stay incredibly disciplined to what has made you successful and to not get caught up in extenuating factors of circumstances that drive you to move away from that knitting, so to speak.”

Visit www.mibiz.com
Acrisure CEO balances opportunities as insurance industry consolidation heats up

By MARK SANCHEZ | MiBiz
msanchez@mibiz.com

n a 13-month period from July 2013 to August 2014, Acrisure LLC completed 25 acquisitions that took the insurance and benefits firm from $40 million in annualized revenue to more than $200 million. At the same time, it expanded its geography from three states to 14.

Another 10 acquisitions are pending that will add three more states to the Caledonia-based Acrisure’s footprint, and CEO Greg Williams says the company has no intention of slowing down its dealmaking.

“We are a well-oiled M&A machine,” said Williams, a finalist in the Buyer/Seller category in the MiBiz 2014 Deals and Dealmakers of the Year Awards. “We’d love to keep growing at the same pace we are. We don’t know that we’ll be able to do that, but certainly that is something we’d like to keep doing.”

Williams formed Acrisure in 2005 and began acquiring independent insurance agencies in the Midwest, including The Campbell Group in Caledonia in December 2008. Backed financially by San Francisco-based private equity firm Genstar Capital LLC and now targeting deals across the country, Acrisure has deployed about $300 million in capital since July 2013 as a consolidation wave sweeps across the highly fragmented industry.

A midyear report from Chicago-based M&A firm Optima Partners that tracks deals in the insurance industry ranked Acrisure as one of the 10 most active buyers in the nation.

While M&A activity in the industry is on the rise, the report showed activity during the first half of 2014 hit its highest level since 2008.

“The empirical evidence would suggest the last half of 2014 is the start of a prolonged active period for agent-broker M&A transactions,” the Optima Partners report stated.

One of the top 10 privately owned insurance agencies in the U.S., Acrisure looks to acquire independent insurance agencies with a successful track record, annual revenues of $5 million to $10 million, and whose ownership wants to grow the business and will continue to manage the agency in the local market. Acrisure typically structures deals as cash-and-stock transactions. Sellers usually receive about 80 percent to 90 percent of the transaction price in cash. The remaining 10 percent to 20 percent typically comes in Acrisure stock.

Acquisition opportunities come by word of mouth and by working with investment banks and M&A brokers “that know us very well,” Williams said. The firm’s growing reputation has also attracted sellers, he added. When Acrisure buys an agency in a market, the local executive team has incentives to bring a new opportunity for a prospective deal.

“Our agency partners are sending us deals. We have new deals sent to us literally on a daily basis,” Williams said. “As we grow, our deal flow just increases.”

In pursuing a deal, Acrisure seeks to acquire independent agencies that provide geographic diversity and will expand its footprint into new markets — especially major markets — or bring in a specialized service.

“We’re not looking to acquire something just for the sake of acquiring. We’re looking for somebody to bring a new product or a new expertise to us that we don’t have. As a result we have an ever-expanding product mix and expertise and talent pool that we can bring to our customers,” said Williams, who views each deal as essentially forming a partnership with the sellers to support their growth in their market.

“We are really aligning ourselves with accomplished business professionals across the country,” he said. “Fundamentally, we’re not changing who they are or how they operate.”

A consolidation trend nationally provides Acrisure plenty of opportunity for further growth through acquisitions. That very opportunity poses challenges, however, in striking the right balance at the corporate level to support that growth and the firm’s local partners, Williams said.

The federal Affordable Care Act has also “created some unknowns” that come with risks and challenges to constantly manage and to disseminate what it means for clients, he said.

As Acrisure has grown rapidly and maintained its acquisition strategy, Williams said he’s proud of how well the company has performed.

“When you’re growing fivefold in a very short period of time, it challenges everybody,” he said. “The team here has really stepped up and done a phenomenal job of managing the process and kind of accepting the personal challenges that it creates and the sacrifices that it creates in terms of time, energy and effort.”
WNJ’s Lewis provided calming influence over Mercantile Bank’s first acquisition

By MARK SANCHEZ | MiBiz
msanchez@mibiz.com

Gordon Lewis worked on his first bank merger 40 years ago as a first-year associate at Warner Norcross & Judd LLP. The deal involved three banks in Grand Haven, Traverse City and Owosso that were merging into Old Kent Bank.

Since that deal, Lewis has worked on nearly 100 bank mergers or acquisitions, representing either the seller or the buyer. He most recently served as lead counsel in Grand Rapids-based Mercantile Bank Corp.’s $131.5 million deal with the former Firstbank Corp. in Alma.

Lewis takes great pride in his role in the Mercantile/Firstbank deal that closed June 1. He calls what he described as by both banks as a “merger of equals” as a “fully positive transaction” where negotiations centered on what was the best way to bring the two corporations together, rather than how to get the best deal for your client.

“That was the extremely rare, true ‘merger of equals’ transaction,” said Lewis, whose role in the deal earned him MiBiz’s 2014 Dealmaker of the Year Award in the Adviser category.

“It was completely positive in the tone of the negotiations. When you negotiate a merger of equals, it’s a different sort of negotiation than if you’re buying someone or being bought. The merger agreement is entirely reciprocal. Whatever you give, you get,” he said. “We got to negotiate on the basis of ‘what’s the right thing to do in this particular provision of the agreement? What’s equally fair to both parties and how that should be?’”

Mercantile Bank CEO Michael Price calls Lewis a “true professional” who provided a calming influence in the first acquisition that Mercantile had ever done. Lewis kept the bank focused on “the proper order of things” and identified “what you better look out for,” Price said.

Lewis’ lengthy experience in bank M&A proved invaluable during negotiations, Price said.

“It was great to have a resource like that,” he said. “He’s been around the block a few times. He knows how mergers can get off track and some of the big issues that pop up. He was very good at helping us plan and getting over any issues.”

The Mercantile/Firstbank deal is just one of the transactions that Lewis has advised on during the past year. He represented Spartan Stores Inc. in its $1.3 billion merger with Nash Finch Co. in 2013, worked with United Bancorp Inc. in Ann Arbor as it was acquired in January by Old National Bancorp of Evansville, Ind., and serves as lead counsel for Founders Financial Corp. in Grand Rapids that’s also merging into Old National.

“Things got a little hectic around here” in the last year, Lewis said.

That was a decided change of pace from the prior years. As an M&A attorney who specializes in bank transactions, he saw little activity during and after the 2008-2010 recession. The economic period and the resulting turmoil for the banking industry posed a challenge for his practice, Lewis said.

“As a lawyer, there’s nothing I can do to make a deal opportunity happen. In my business, we’re sort of at mercy to the marketplace producing deals for us to pursue,” he said. “You can be the best merger guy in the universe and from 2008 to 2013, there was the occasional deal.”

Now that economic conditions are better, the resulting rebound in M&A activity in the banking industry — as well as in the rest of the economy as a whole — represents opportunity, he said. The risk of buying has declined, contributing to an environment that’s more conducive for M&A activity, he said.

“If you were to acquire a bank, even a seemingly healthy bank, you didn’t know what landmines were buried in their loan portfolio that might spring up,” Lewis said.

With a healthy economy now and a few good years after the recession, banks are getting more comfortable with the risks of doing a deal, he said.

“Transactions will continue to occur as long as the economy is good,” Lewis said.

There’s no typical deal size that Lewis targets. He notes that he’s presently working on a merger involving a privately owned bank of less than $100 million in assets with a “quite small” purchase price. On the other end of the spectrum is the $1.3 billion Spartan Stores/Nash Finch transaction.

“Merger partners come in all sizes,” Lewis said.

Key to making a deal go smoothly for a client is teamwork among the attorneys involved, he said.

“When we do deals here, it’s not about me,” said Lewis, who takes on the role of project manager when handling a transaction. At the peak of the process, more than 20 people at Warner Norcross & Judd worked on the Mercantile/Firstbank deal, he said.

“Everybody knows their job. Everybody has done this before, and everybody works as a team and we get it done,” Lewis said.

Lewis notes that the pace of accomplishing the legal work helps to make a transaction succeed.

“When we start into a major acquisition transaction, we drive night and day to get everything done as soon as we can because time has a way of killing deals. You just never know what the future is going to bring, and the day you could have brought it in earlier is the one day that causes a corporate or world event that makes the deal impossible,” he said.

When they seek a transaction, sellers in the market need to make sure they “spiff themselves up,” just as people would do to their home when they put it up for sale, and “pick the right time” to get the maximum price.

On the buyer side, “it’s all about evaluating value and risk,” he said. “You have to get comfortable with accepting risks in transactions. You have to evaluate them as best you can so you know what they are, and manage them.

Active buyers typically have a set process to follow for each transaction, Lewis said. Old Kent Bank, for instance, “had a well-oiled team” of executives and attorneys that handled acquisitions and “didn’t need a whole lot of advice. They needed execution,” he said.

The greater need for legal advice is on the seller’s side. After all, Lewis notes, the owners of a business can only sell it once.

“When you are representing sellers, you typically are advising a completely inexperienced group,” he said. “Every sell-side engagement I’ve had — directors and officers, they’ve never done this before. They need advice and guidance on how to conduct the process.”


PHOTO: KATY BATDORFF

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As economy improves, deal activity heats up for Charter Capital’s Kerschen

By MARK SANCHEZ | MiBiz

John Kerschen is seeing the middle market heat up for Charter Capital’s Kerschen.

The transition out of the deep economic recession and business activity.

“Surround yourself with a good team and plan ahead,” he said. “Unless you are an active acquirer or an active seller, transactions in today’s legal and financial world are complex. Unless you do it on a regular basis, it’s very difficult to keep up with all of the requirements, all of the regulations, and the best practices and tools that are out there. It may cost you some money, it may take some time and slow you down, but don’t be afraid to invest in a quality team to surround yourself. (If you don’t), you may save a few dollars on the front end but you put a lot larger dollars at risk on the other side.”

Kerschen also co-manages the $15.1 million Michigan Accelerator Fund I that invested more than $5 million into nine life sciences companies, serves as the fund manager for the new Novus Biotechnology Fund in Kalamazoo that this year closed its first round by raising $2 million, and advised Grand Rapids Aseptic Manufacturing on a $9.8 million transaction.

Likewise on the seller side, sellers have to have a plan well ahead of a transaction for how their company will fit into a prospective buyer’s operations. They need to have a succession plan for transitioning the business, he said.

“How do you transition operations and leadership and what risks does that provide?” Kerschen said. “In today’s world, most business owners of any size or success are getting inbound calls from buyers, brokers, competitors and it’s not unusual for them to react to one inquiry or two inquiries and cut a deal before they’ve really figured out where the market is and if it really fits their organization.”

Sellers need to question whether the buyer is right for their companies on a number of levels, he said.

“If you plan ahead, you know how an acquisition opportunity fits into your strategic plan, you know what risks you are capable or willing to take on, what your team is capable of taking on, and what your capital structure can support, rather than doing those things in a compressed time and an emotional time,” Kerschen said.

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WEST MICHIGAN'S BIGGEST DEALS: 2014 (ranked by value)

<table>
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<tr>
<th>Acquirer name</th>
<th>Target</th>
<th>Date effective</th>
<th>Description</th>
<th>Value of transaction ($ in millions)</th>
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<tbody>
<tr>
<td>Whirlpool Corp. (Benton Harbor)</td>
<td>Fineldo SpA Indesit Co. (Italy)</td>
<td>Pending</td>
<td>Whirlpool acquired a controlling 66.8 percent stake in Fineldo to expand its presence in the European market. The transaction is expected to close by the end of 2014.</td>
<td>$1,003</td>
</tr>
<tr>
<td>Whirlpool Corp. (Benton Harbor)</td>
<td>Hefei Rongshida Sanyo Electric Co. Ltd. (China)</td>
<td>Pending</td>
<td>Whirlpool announced in August 2013 that it would acquire a controlling 51 percent stake in the Chinese appliance maker. On Sept. 16, 2014, Whirlpool said it had received approval from the China Securities Regulatory Commission (CSRC), which is the final key regulatory approval in the acquisition process, according to a statement. Whirlpool expects the acquisition to close in the late third quarter or in the fourth quarter of 2014.</td>
<td>552</td>
</tr>
<tr>
<td>Haworth Inc. (Holland)</td>
<td>Poltrona Frau Group (Italy)</td>
<td>March 25, 2014</td>
<td>Holland-based Haworth acquired 58.6 percent of the shares in Poltrona Frau Group that had been held by two private shareholders: private equity firm Charme Investments Ltd. and Moschini S.r.l. Haworth offered the two groups the 2.98 euros per share for their shares. After the acquisition – one of the largest in Haworth’s history – the company said it would seek to acquire the remaining 41.4 percent share of the company through a tender offer to shareholders. Based on currency exchange rates, the value of the entire deal could total $550 million to $600 million, Haworth Chief Financial Officer John Munney told MiBiz at the time.</td>
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</tr>
<tr>
<td>Stryker Corp. (Kalamazoo)</td>
<td>Small Bone Innovations Inc. (Morrisville, Pa.)</td>
<td>Pending</td>
<td>Asset acquisition of privately held Small Bone Innovations Inc., a Morrisville, Pa.-based maker of products for small joint replacement.</td>
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<tr>
<td>NN Inc. (Johnson City, Tenn.)</td>
<td>Autocam Corp. (Kentwood)</td>
<td>Pending</td>
<td>Publicly traded NN Inc. acquired closely held Autocam Corp. for $244.5 million in cash, $25 million in stock and the assumption of $330.5 million in debt. NN Inc. (Nasdaq: NBR) makes high-precision metal bearing components, industrial plastic and rubber products for a variety of industries. Autocam supplies components for fuel systems, engines, transmissions and electric motors.</td>
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<td>Stryker Corp. (Kalamazoo)</td>
<td>Berchthold Holding AG (Germany)</td>
<td>April 15, 2014</td>
<td>In February 2014, Stryker announced its intent to acquire Berchthold Holding AG. On April 15, 2014 the acquisition closed for an aggregate purchase price of approximately $172 million. Berchthold, a privately held business with operating facilities in Germany and the United States, sells surgical infrastructure equipment including surgical tables, equipment booths and surgical lighting systems.</td>
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<td>Herman Miller Inc. (Zeeland)</td>
<td>Design Within Reach Inc. (Stamford, Conn.)</td>
<td>July 28, 2014</td>
<td>Herman Miller expects to broaden its consumer distribution network by acquiring an 84 percent stake for $154 million in the Stamford, Conn.-based furniture seller, which has 38 retail locations in the U.S. and Canada, as well as a catalog and e-commerce business.</td>
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<tr>
<td>Mercantile Bank Corp. (Grand Rapids)</td>
<td>Firstbank Corp. (Alma)</td>
<td>June 1, 2014</td>
<td>After the $151.5 million stock transaction, the combined bank operates under the Mercantile Bank name and remains headquartered in Grand Rapids. The merged bank has $2.9 billion in assets and 53 offices throughout Michigan's central Lower Peninsula.</td>
<td>151.5</td>
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<tr>
<td>Stryker Corp. (Kalamazoo)</td>
<td>Pivot Medical Inc. (Sunnyvale, Calif.)</td>
<td>March 7, 2014</td>
<td>Stryker acquired Pivot Medical Inc. in an all-cash transaction for an undisclosed amount. Based on an analysis of the company’s SEC filings, the purchase amount is thought to be in the range of $148 million. Pivot is a privately held business selling innovative products for hip arthroscopy with operating facilities in Sunnyvale, Calif.</td>
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<tr>
<td>Chemical Financial Corp. (Midland)</td>
<td>Northwestern Bancorp Inc. (Traverse City)</td>
<td>Pending</td>
<td>Chemical Bank expands its footprint in Michigan’s Lower Peninsula with the purchase of Traverse City-based Northwestern Bancorp for $120 million in cash. NBW has 25 offices in 11 counties with assets of $975 million and $750 million in deposits. The transaction is expected to close in the third quarter of 2014, pending shareholder approval.</td>
<td>120</td>
</tr>
<tr>
<td>Stryker Corp. (Kalamazoo)</td>
<td>Patient Safety Technology Inc. (Irvine, Calif.)</td>
<td>March 24, 2014</td>
<td>In March 2014, Stryker completed its acquisition of Patient Safety Technologies Inc. (PST) for an aggregate purchase price of $120 million. PST conducts its business through its wholly owned subsidiary, SurgiCount Medical Inc. PST’s proprietary Safety-Sponge System and SurgiCount 360 compliance software help prevent Retained Foreign Objects in the operating room.</td>
<td>120</td>
</tr>
<tr>
<td>Old National Bancorp (Evansville, Ind.)</td>
<td>Founders Financial Corp. (Grand Rapids)</td>
<td>Pending</td>
<td>The cash-and-stock deal valued at $88.2 million is expected to close in the first half of 2015, subject to Founders’ shareholder and regulatory approvals. Founders had $468 million in assets and $378 million in loans as of June 30. It operates four full-service banking centers in metro Grand Rapids. The deal gives Old National an entry into the key Grand Rapids market.</td>
<td>88.2</td>
</tr>
<tr>
<td>Perrigo Company plc (Allegan)</td>
<td>Portfolio of OTC products from Aspen Global Inc.</td>
<td>Feb. 28, 2014</td>
<td>On Feb. 28, 2014, the company acquired a basket of value-brand OTC products sold in Australia and New Zealand from Aspen Global Inc. for $53.7 million in cash. The acquisition of this product portfolio broadens the Perrigo’s product offering in Australia and New Zealand and furthers the company’s strategy to expand the Consumer Healthcare portfolio internationally. Acquisition fees expended were de minimis.</td>
<td>53.7</td>
</tr>
<tr>
<td>Fox Factory Holding Corp. (Scots Valley, Calif.)</td>
<td>Sport Truck USA Inc. (Coldwater)</td>
<td>March 31, 2014</td>
<td>Fox Factory Holding Corp. (Nasdaq: FOXX) acquired the assets of aftermarket suspension distributor Sport Truck Inc. of Coldwater for approximately $43 million including approximately $1 million of estimated closing adjustments. The transaction was financed with debt and includes a potential earn-out opportunity of up to a maximum of $29.3 million payable over the next three years if conditions are met.</td>
<td>43</td>
</tr>
<tr>
<td>Electronic Cigarettes International Group Ltd. (Nunica)</td>
<td>Must Have Ltd. (Great Britain)</td>
<td>April 22, 2014</td>
<td>On April 22, 2014, the company completed the acquisition of Must Have Ltd. (VIP), an England and Wales incorporated limited company for 2.3 million shares of the company's common stock, approximately $9 million, $11 million of promissory notes and approximately $11.4 million in respect of VIP's surplus cash. Additional payments include up to $5 million as an earn-out conditioned upon certain performance and employment conditions.</td>
<td>31.4</td>
</tr>
<tr>
<td>Electronic Cigarettes International Group Ltd. (Nunica)</td>
<td>FIN Electronic Cigarette Corp. (Atlanta, Ga.)</td>
<td>Feb. 28, 2014</td>
<td>On Feb. 28, 2014, the company completed the acquisition of FIN Electronic Cigarette Corporation Inc., a Delaware corporation, for 10 million shares of common stock, an aggregate cash payment of $10 million and $15 million of promissory notes that became due 90 days from the date of issuance, on May 29, 2014, and were amended on May 30, 2014.</td>
<td>25</td>
</tr>
<tr>
<td>Mackinac Financial Corp. (Manistique)</td>
<td>Peninsula Financial Corp. (Ishpeming)</td>
<td>Pending</td>
<td>The parent company of MBank expands in Michigan’s Upper Peninsula by acquiring Peninsula Bank, which operates six banking centers in Marquette and Ishpeming. The combined operation would have assets of about $710 million and deposits of $581 million. The transaction, expected to close in 2014, calls for Mackinac Financial to pay $13.3 million in cash and $10.5 million in equity. The transaction is expected to close late in the third quarter or early in the fourth quarter of 2014, according to a company filing.</td>
<td>23.8</td>
</tr>
</tbody>
</table>

The list is based on MiBiz reporting and analysis of publicly available information on merger and acquisition transactions that have been announced or closed this year involving companies in West and Mid Michigan. To provide updated information on transactions, contact editor@mibiz.com.

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### Acquirer name, Target, Date effective, Description, Value of transaction ($ in millions)

<table>
<thead>
<tr>
<th>Acquirer name</th>
<th>Target</th>
<th>Date effective</th>
<th>Description</th>
<th>Value of transaction ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland Copper Co. Inc. (Longueuil, Quebec)</td>
<td>Copperwood Project in Michigan’s Upper Peninsula owned by Orvana Minerals Corp. (Toronto, Ontario)</td>
<td>June 17, 2014</td>
<td>Copper exploration and development firm Highland Copper Co. Inc. (TSXV: H) of Longueuil, Quebec acquired the Copperwood Project near Wakefield in Gogebic County in Michigan’s Upper Peninsula from Toronto-based Orvana Minerals Corp. (TSX: ORV). In the deal, which closed June 17, Highland acquired all the outstanding shares of Orvana Resources U.S. Corp. for $13 million in cash at closing and $7 million via a secured promissory note. Orvana will also receive $5 million in cash or shares of Highland if certain conditions are met.</td>
<td>20</td>
</tr>
<tr>
<td>Perrigo Company plc</td>
<td>Distribution &amp; licensing agreement from Fera Pharmaceuticals LLC (Locust Valley, N.Y.)</td>
<td>Feb. 18, 2014</td>
<td>On Feb. 18, 2014, Perrigo acquired a distribution and license agreement for the marketing and sale of methazolemide from Fera Pharmaceuticals LLC, a privately-held specialty pharmaceutical company, for a cash payment of $173 million. The acquisition of this agreement further expands the company’s ophthalmic offerings. Acquisition fees expensed were de minimus.</td>
<td>17.3</td>
</tr>
<tr>
<td>Neogen Corp. (Lansing)</td>
<td>Chem-Tech Ltd. (Pleasantville, Iowa)</td>
<td>Jan. 2, 2014</td>
<td>On Jan. 2, 2014, Neogen Corp. announced it acquired the stock of Chem-Tech Ltd., a manufacturer of insecticides for the animal and food industries, based in Pleasantville, Iowa. There was no prior relationship between Chem-Tech and Neogen. Consideration for the purchase, which was determined through arms-length negotiations, was approximately $172 million, with a potential contingent payment based on future revenues of the Chem-Tech products acquired. The source of the consideration was Neogen Corp.’s cash balances.</td>
<td>17.2</td>
</tr>
<tr>
<td>Electronic Cigarettes International Group Ltd. (Nunica)</td>
<td>Vapestick Holdings Ltd. (Great Britain)</td>
<td>Jan. 9, 2014</td>
<td>On Jan. 9, 2014, the company completed the acquisition of all of the issued and outstanding ordinary shares of Vapestick Holdings Limited, a company incorporated under the laws of England and Wales, pursuant to a share exchange agreement for an aggregate cash payment of approximately $5.8 million and the issuance of nearly 6.6 million shares of ECIG’s common stock.</td>
<td>5.8</td>
</tr>
<tr>
<td>Electronic Cigarettes International Group Ltd. (Nunica)</td>
<td>Hardware Interactive Inc. (Tortola, British Virgin Islands)</td>
<td>Pending</td>
<td>On July 2, 2014, Electronic Cigarettes International Group Ltd. entered into an asset purchase agreement by and between Hardware Interactive Acquisition Company, a Delaware corporation and a wholly-owned subsidiary of ECIG; seller, Hardware Interactive Inc., a British Virgin Islands company; and the selling owners of Hardware Interactive.</td>
<td>5</td>
</tr>
<tr>
<td>Universal Forest Products Inc. (Grand Rapids)</td>
<td>High Level Components LLC (Locust, N.C.)</td>
<td>March 31, 2014</td>
<td>UFPI purchased the assets of High Level Components, a building component manufacturer based in Locust, N.C. High Level had annual sales of $8.8 million. The purchase price was $2.944 million.</td>
<td>2.9</td>
</tr>
<tr>
<td>Universal Forest Products Inc. (Grand Rapids)</td>
<td>Container Systems Inc. (Franklinton, N.C.)</td>
<td>March 14, 2014</td>
<td>UFPI purchased the assets of Container Systems at reported price of $2.4 million. Container Systems is a manufacturer of crates and containers for industrial applications and the moving-and-storage industry and is located in Franklinton, N.C. CSI had annual sales of $3.0 million.</td>
<td>2.4</td>
</tr>
<tr>
<td>Universal Forest Products Inc. (Grand Rapids)</td>
<td>Upshur Forest Products LLC (Gilmer, Texas)</td>
<td>March 27, 2014</td>
<td>UFPI purchased a 60 percent share and 91 percent of the voting rights of Upshur, a sawmill located in Gilmer, Texas. The purchase price was reported as $1.744 million. Upshur had annual sales of $8.9 million.</td>
<td>1.7</td>
</tr>
</tbody>
</table>

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**SERIAL BUYERS**

Since the beginning of 2013, several of the West Michigan region’s public companies have been gobbling up acquisitions at a rapid pace. The half-dozen companies below have been among the most active, completing 30 acquisitions with a combined value of more than $12.9 billion over the past 21 months.

### PERRIGO CO. PLC

- **( Allegan/Dublin)**
- **No. of deals:** 7
- **Combined value:** $9.2 billion
- **Acquired:** Elan Corp. plc, Rosemont Pharmaceuticals, Velcera Inc., Fera Pharmaceuticals ophthalmic portfolio, Aspen Global Inc. OTC drug portfolio, Fera Pharmaceuticals methazolemide distribution and license

### ELECTRONIC CIGARETTES INTERNATIONAL GROUP LTD.

- **(Nunica)**
- **No. of deals:** 4
- **Combined value:** $82.2 million
- **Acquired:** Vapestick Holdings Ltd., FIN Electronic Cigarette Corp., Must Have Ltd., Hardware Interactive

### STRYKER CORP.

- **(Kalamazoo)**
- **No. of deals:** 6
- **Combined value:** $3.3 billion
- **Acquired:** Trauson Holdings Co. Ltd., Mako Surgical, Patient Safety Technologies, Small Bone Innovations, Pivot Medical Inc., Berntithold Holding AG

### NEOGEN CORP.

- **(Lansing)**
- **No. of deals:** 4
- **Combined value:** $42.7 million
- **Acquired:** Primatech USA, Snyvet Inc., Scidera Genomics, Chem-Tech Ltd.

### UNIVERSAL FOREST PRODUCTS INC.

- **(Grand Rapids)**
- **No. of deals:** 6
- **Combined value:** $12.3 million
- **Acquired:** Milliy Mill Co., Premiere Laminating Services, SE Panel & Lumber, High Level Components, Upshur Forest Products, Container Systems

### HERMAN MILLER INC.

- **(Zeeland)**
- **No. of deals:** 3
- **Combined value:** $318.2 million
- **Acquired:** Maharam Fabric Corp., Design Within Reach, Dongguan Sun Hing Steel Furniture Factory Ltd. assets
<table>
<thead>
<tr>
<th>Acquirer name</th>
<th>Target</th>
<th>Date reported</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animart Inc. (Bever Dam, Wis.)</td>
<td>Michigan Veterinary Services Inc. (Vermontville)</td>
<td>June 4, 2014</td>
<td>Privately held provider of animal health and veterinary products as well as show equipment for dairy and livestock producers acquired the vertically integrated supplier of animal health products and veterinary services.</td>
</tr>
<tr>
<td>Apreida LLC (Waterton, Mass.)</td>
<td>Celfox Inc. (Kalamazoo)</td>
<td>Jan. 1, 2014</td>
<td>Contract research organization Celfox Inc. of Kalamazoo was acquired by Apreida LLC (now Cyprotech US LLC) for about $1 million plus a consideration of 5 percent based on net sales in the next four years. Celfox specializes in providing in vitro toxicology services to the cosmetic and personal care industries.</td>
</tr>
<tr>
<td>Benepay LLC (Grand Rapids)</td>
<td>Lyceum Business Services LLC (Guthersburg, Va.)</td>
<td>June 2, 2014</td>
<td>Closely held companies merge to form Benepay Technologies LLC, a software developer and a full-service payroll/HR provider. The combined company will have offices in Michigan, Maryland, Texas, New Jersey, Ohio and Florida.</td>
</tr>
<tr>
<td>Benetue Group (Francois)</td>
<td>Rec Boat Holdings LLC (Cleveland)</td>
<td>July 24, 2014</td>
<td>French sailboat and motorboat manufacturer Benetue Group acquired Cleveland-based Rec Boat Holdings LLC from Beverly Hills, Calif.-based Yankin Automotive Group. Estimated revenues for Rec Boats approximated $150 million, according to trade media reports. Note: Platinum Equity bought the brands four years prior out of bankruptcy for $70 million.</td>
</tr>
<tr>
<td>Blackford Capital Associates Inc. (Grand Rapids)</td>
<td>Grand Transformers Inc. (Grand Haven)</td>
<td>March 17, 2014</td>
<td>Brothers Greg and Jerry Retzlaff wanted to retire and sought a buyer that would keep the company in Grand Haven, retain the management team and continue growing the business. Blackford Capital raised $3.42 million from investors to help finance the deal, according to an SEC filing. The amount cited in the filing covered a portion of the equity committed to the deal.</td>
</tr>
<tr>
<td>Caster Concepts Inc. (Albion)</td>
<td>Modern Suspension Systems (Rockford, Ill.)</td>
<td>May 1, 2014</td>
<td>The Albion-based manufacturer of industrial casters and wheels purchased the assets of Modern Suspension Systems of Rockford, Ill. and moved its operations to Caster Concepts' plant in Albion. The deal did not include Modern Suspension's trays, trolleys and case-camera business.</td>
</tr>
<tr>
<td>Crystal Flash Energy (Grand Rapids)</td>
<td>Owens Petroleum (Albion) and Home heating division of Brenner Oil Group (Holland)</td>
<td>February and May</td>
<td>Grand Rapids-based energy distributor Crystal Flash Energy continues to execute its M&amp;A strategy by buying up small family-run fuel dealers in the state. The Owens acquisition also gave the company a platform for growth in northern Indiana.</td>
</tr>
<tr>
<td>DASCOM Americas Corp (Verona, Va.)</td>
<td>Printek Inc (Benton Harbor)</td>
<td>July 3, 2014</td>
<td>DASCOM Americas, a supplier of complete business printing solutions, acquired controlling interest in Printek, which will continue to operate as a separate and independent company under the legal entity Printek LLC. The acquisition allows both brands to increase their global footprint in new and underserved markets.</td>
</tr>
<tr>
<td>Ferris Coffee &amp; Nut Co. (Grand Rapids)</td>
<td>JPS Coffee (Holland)</td>
<td>May 27, 2014</td>
<td>Coffee roaster and nut distributor Ferris acquired JPS Coffee, a specialty café located in downtown Holland for more than two decades. The move allowed Ferris to tap into JPS Coffee’s experience in the retail coffee sector as the company continues to build its business outside of West Michigan.</td>
</tr>
<tr>
<td>Fox PowerSports LLC (Grand Rapids)</td>
<td>Two Illinois Harley-Davidson dealerships from Revolution Motorsports (New Delhi, La.)</td>
<td>Feb. 18, 2014</td>
<td>Fox PowerSports LLC acquired Chicago Harley-Davidson in Glenview, Ill. and Lake Shore Harley-Davidson in Libertyville, Ill. from New Orleans-based Revolution Motorsports. Terms of the deal were not disclosed.</td>
</tr>
<tr>
<td>Gill Industries Inc. (Grand Rapids)</td>
<td>Grand Rapids Spring &amp; Stamping Inc. (Grand Rapids)</td>
<td>March 3, 2014</td>
<td>Gill Industries looked to further diversify its business and enhance its product offerings with the acquisition of GR Spring &amp; Stamping Inc. Combined, the company now employs about 1,550 employees in the U.S., Mexico, India and other parts of Asia.</td>
</tr>
<tr>
<td>Gordon Food Service (Grand Rapids)</td>
<td>Glazer Food Co. (Housten, Texas)</td>
<td>March 31, 2014</td>
<td>Gordon Food Service Inc. of Wyoming acquired foodservice distribution business Glazer Foods Co. of Houston, the company’s first foreign acquisition. GFOS operates around the Midwest, northeast and southeast regions of the U.S., as well as in Canada.</td>
</tr>
<tr>
<td>Hill Hotel Group LLC (Boulder, Colo.)</td>
<td>Holiday Inn on Kalamazoo West (Kalamazoo)</td>
<td>June 27, 2014</td>
<td>A division of Boulder, Colo.-based Hill Hotel Group LLC acquired the Holiday Inn at Kalamazoo West fromKalamazoo-based hotel operator Grand patric Hospitality Group.</td>
</tr>
<tr>
<td>Huntington Bancshares Inc. (Columbus, Ohio)</td>
<td>Bank of America branches</td>
<td>May 14, 2014</td>
<td>Huntington purchased 13 BoA offices in Michigan, including locations in Holland and Muskegon. The agreement follows an earlier deal in April in which BoA bought 10 branches. The most recent deal includes $500 million in deposits.</td>
</tr>
<tr>
<td>Indiana Packers Corp. (Delphi, Ind.)</td>
<td>Quincy Street Inc.</td>
<td>July 1, 2014</td>
<td>The Indiana-based pork production company and distributor expands its market presence with the acquisition of closely held Holland company that makes ready-to-eat meats and serves as a private label manufacturer of food products.</td>
</tr>
<tr>
<td>Industrial Innovations Inc. (Grand Rapids)</td>
<td>Automation division of Advance Products Corp. (Benton Harbor)</td>
<td>March 21, 2014</td>
<td>The supplier of die casting solutions was acquired by a closely held maker of products for the die casting and foundry industries.</td>
</tr>
<tr>
<td>Kindel Furniture Inc. (Grand Rapids)</td>
<td>Karges Furniture (Evansville, Ind.)</td>
<td>April 30, 2014</td>
<td>Kindel Furniture Co. acquired the assets, intellectual property and operations of Karges Furniture, which makes luxury, hand-made, American furniture. Kindel plans to expand its domestic and international distribution in the deal. Karges production operations will transition to Grand Rapids by this fall.</td>
</tr>
<tr>
<td>LexisNexis Risk Solutions (Atlanta, Ga.)</td>
<td>Syllex LLC (Kalamazoo)</td>
<td>May 21, 2014</td>
<td>LexisNexis Risk Solutions acquired closely held Kalamazoo-based Syllex, a software development company that creates mobile and Web-based public safety applications for public security agencies and law enforcement.</td>
</tr>
<tr>
<td>LTV Equity Partners (Grand Rapids)</td>
<td>Martin Yale Industries Inc. (Wabash, Ind.)</td>
<td>June 38, 2014</td>
<td>Michigan private equity firm acquires print finishing division of Evansville, Ind.-based Escalade Inc. in a corporate carve-out transaction. The Martin Yale Industries business unit will retain the division's senior operations management and will operate as Martin Yale Industries LLC.</td>
</tr>
<tr>
<td>MedBio Inc. (Grand Rapids)</td>
<td>Concept Molds Inc. (Schoolcraft)</td>
<td>Feb. 12, 2014</td>
<td>Medical device supplier MedBio expands its tooling capabilities with the acquisition of the closely held Concept Molds Inc. of Schoolcraft.</td>
</tr>
<tr>
<td>Motus Integrated Technologies LLC (Vernonville, Mich.)</td>
<td>Royal Holdings company (Holland and Greensvinn, Conn.)</td>
<td>June 2, 2014</td>
<td>Motus is a new Tier 1 supplier that plans to invest in R&amp;D at its Holland-based headquarters to breathe new life into JCSA’s sun visor, headliner and overhead systems businesses. Positioned with global sales of more than $350 million and no debt, the company has five manufacturing facilities in Europe and North America.</td>
</tr>
<tr>
<td>OBI Environments (Ottawa, Ontario)</td>
<td>Company owned dealership of Herman Miller Inc. (Zeeland)</td>
<td>March 1, 2014</td>
<td>Herman Miller Inc. sold Workplace Resource Montreal, a company-owned dealership, to Ottawa-based OBI Environments, the oldest independent Herman Miller dealer in Canada.</td>
</tr>
<tr>
<td>Paragon Die &amp; Engineering (Grand Rapids)</td>
<td>Rio Grande Tool Co. (Brownsville, Texas)</td>
<td>Aug. 22, 2014</td>
<td>Grand Rapids-based Paragon Die &amp; Engineering Co. acquired the assets of Rio Grande Tool Co. of Brownsville, Texas. The transaction positions Paragon to better serve customers in the southern U.S. with tool repair and maintenance needs.</td>
</tr>
<tr>
<td>Praxair Inc. (Danbury, Conn.)</td>
<td>Lake Welding Supply Co. (Mishawaka)</td>
<td>April 3, 2014</td>
<td>The acquisition enables Praxair to expand its business through Lake Welding’s retail stores in Holland, Ferrysburg and Manitowoc. Lake Welding’s sales are approximately $25 million.</td>
</tr>
<tr>
<td>Scott Group Custom Carpets LLC (Grand Rapids)</td>
<td>Hokansom Carpets Inc. (Huntington, Texas)</td>
<td>Sept. 16, 2014</td>
<td>Scott Group expands its carpet business in Houston and strengthens its presence in major U.S. markets, including Los Angeles, New York City and Chicago. The deal also diversifies Scott Group's product line into the residential market.</td>
</tr>
<tr>
<td>Terra Contracting Services Inc. (Kalamazoo)</td>
<td>Trucking and Field Services Division of Team Services LLC (Kalkaska)</td>
<td>April 1, 2014</td>
<td>Kalamazoo-based subsidiary of Diakorokk, Il.-based Great Lakes Dredge &amp; Dock Corp. acquired the Trucking and Field Services Division of Team Services LLC, based in Kalkaska. The acquisition enables Terra to establish a foothold in the northern Michigan energy market, which is the center of Michigan’s O&amp;G industry.</td>
</tr>
<tr>
<td>TG Manufacturing (Grand Rapids)</td>
<td>C&amp;R Machinery (Sand Lake)</td>
<td>July 18, 2014</td>
<td>TG Manufacturing acquired the C&amp;R Machinery Corp., which has process expertise in CNC turning, machining and assembly. C&amp;R supplied a diverse customer base in energy, industrial engineering and packaging. C&amp;R’s CNC turning capabilities add a critical component to TG’s capabilities.</td>
</tr>
<tr>
<td>Todd Wenzel Automotive Trim Systems Co. Ltd. (Shanghai, China)</td>
<td>Jim Wadron Buick GMC (Davison)</td>
<td>July 30, 2014</td>
<td>Grand Rapids-based auto dealer group acquires Flint-area dealership, adding to its Grand Rapids and Hudsonville franchises. With the new acquisition, the Wenzel Auto Group’s anticipated sales are approximately $120 million, Wenzel told MLive.</td>
</tr>
<tr>
<td>Yanfeng Automotive Trim Systems Co. Ltd. (Shanghai, China)</td>
<td>Aluminium Interiors Business of Johnson Controls Inc. (Holland)</td>
<td>Pending</td>
<td>Spin out of a $3 billion (annual revenues) automotive interiors business into a joint venture that will be 70 percent owned by Yanfeng Automotive Trim Systems Co. Ltd. With Yanfeng, JCI’s Automotive Trim Systems joint venture will retain a 30 percent stake. The non-cash transaction involves both companies contributing assets to form the JV, which will reportedly become a global supplier with annual revenues of $7.5 billion. The transaction is expected to close in the first half of 2015.</td>
</tr>
<tr>
<td>Zeigler Automotive Group (Kalamazoo)</td>
<td>Rosen Nissan (Gurnee, Ill.)</td>
<td>Sept. 22, 2014</td>
<td>Nissan corporate connected Zeigler Auto Group with the dealership’s previous owner, who was looking to retire. Zeigler is currently operating the dealership from temporary space nearby as it looks to build a brand new store in the next two years. The acquisition should push the Zeigler Auto Group to sales of 30,000 new vehicles this year and revenues of around $180 million. President Aaron Zeigler told MLive.</td>
</tr>
</tbody>
</table>
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BEST MANAGED NONPROFITS
November 2014

CORPORATE WELLNESS
February 2015

CFO AWARDS
May 2015

M&A AWARDS
October 2015 - Presented in cooperation with Association for Corporate Growth Western Michigan Chapter

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