

# Private Equity Filling Two Roles: Growth Capital and Personal Liquidity

▶ Now that the public equity market is even more volatile, managers, insiders and existing investors who historically have counted on this market to provide them with some personal liquidity for their holdings are looking elsewhere.

The Private Equity market is increasingly filling that gap. The Shattan Group not only raises growth capital from institutional investors but...

*we frequently help founders and investors achieve a measure of liquidity for their holdings – without giving up control of their companies.*

In fact, in four recent financings, we brought in institutional investors who provided liquidity for selling shareholders, various founders and even a Venture Capital firm who had changed their industry focus and wanted out of their position.

The Private Equity market continues to grow rapidly. With \$100 billion estimated in Private Equity commitments this year alone – selling shareholders are increasingly taking advantage of this burgeoning market as larger deals and secondary proceeds become more common.

Importantly, however, the Private Equity market is not for start-ups. The companies which take advantage of this market - and they are doing so in increasing numbers - are more developed businesses, with real track records, and strong growth prospects. Private Equity provides these companies with an opportunity to obtain capital from significant long-term oriented institutional investors, along with the ability to tap the investors' contacts and knowledge base, while continuing to grow the company.

Still, where does all of this leave the entrepreneur who has labored for many years building his/her company, and who wants to continue building it, but also has all of his or her net worth tied up in the business?

*From left to right:  
Kevin Fechtmeyer,  
Tom Shattan,  
Greg Mendel*



*Providing owners and managers with money for diversification, and even a little extra “walking around money” is a concept Private Equity investors understand, and we at The Shattan Group increasingly are called upon to help arrange.*

Especially when the individual continues to build the business toward the day when all parties can realize on their investment – whether via an IPO, merger, sale or recapitalization.

**Bottom Line:** enabling an owner to achieve some liquidity, while retaining control and pursuing the corporate goals, can be to everyone's advantage. ▶

*To learn more about how The Shattan Group is addressing these issues, call us at 212.308.9200 or visit our new website at:*

**[www.shattan.com](http://www.shattan.com)**



Specialists in Private Equity Financings