

## Longtime investment banker launches new venture

By Michael Schwartz

A former local investment banker's new venture is giving him a different taste of the buy-side.

Jeff Moore, who retired last year from investment banking firm Matrix Capital Markets Group, has launched a new private equity firm in Richmond along with partner Jim Young.

RTK Family Capital will use funds from Moore and Young to target the acquisition of controlling stakes in three to five companies over the next two to three years.

The firm will model itself as a "family office," meaning a private equity firm that funds its deals largely with the personal money of its partners, rather than by gathering money in pools from outside investors.

"Private equity is usually someone else's money," Moore said. "We're family money."

The launch of RTK adds another player to Richmond's private equity market that presently includes Markel | Eagle Partners, Falcon Affiliates, Boxwood Capital Partners, Blue Heron Capital and Markel Ventures.

RTK's first investment was to purchase a controlling stake in Richmond Electric Supply Co. Other deals are in the works, including courting a firm in southwestern Virginia and a bid this month on a manufacturer in North Carolina.

"We're looking for good companies that we feel like we can understand, add value and try to take to the next level," Young said.

Moore, a Richmond native and University of Richmond graduate, said the firm's sweet spot is targeting companies with \$1 million to \$5 million in operating earnings in Virginia and its contiguous states.

They'll stick mostly to industrial and consumer products manufacturers and distributors, as well as building materials companies and niche construction firms, allowing them keep in line with their own business experience.

Depending on the deal, Moore and Young will look to be active on the boards of the companies they purchase and will typically want to leave the existing manager in place. They look for a 70 to 80 percent ownership stake and have management or the seller take on an equity stake.

"We're not here to run the day-to-day," Moore said.

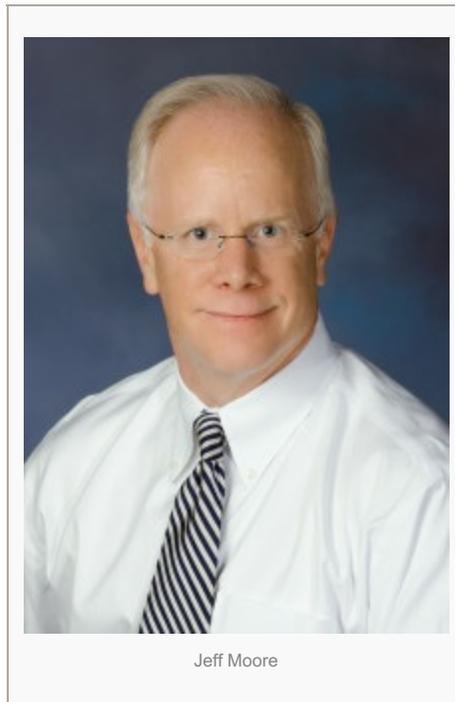
Unlike some private equity firms, Moore said RTK doesn't go into deals with immediate exit strategies but instead looks for longer-term holds.

"It's not a mercenary strategy," he said. "It's to build a family of companies."

Moore wouldn't say specifically how big a war chest RTK is playing with, but he said the firm has the wherewithal to put in up to \$10 million in equity on any one transaction. It will fund the bulk of each deal using Moore and Young's personal funds as the main source of equity and then work with banks for further financing as needed.

For anything over that threshold, they may look to team up with other family office or private equity firms, Moore said.

Moore's wealth for the new venture comes from nearly three decades in investment banking as managing director of Matrix Capital, a company he helped found in 1988.



Much of Young's fortune comes from the sale of Riddleberger Brothers, a commercial construction company in the western part of the state that he sold to Comfort Systems in 2008. The Virginia Tech graduate still lives in Mt. Crawford, just south of Harrisonburg near his former Riddleberger Brothers home base.

The pair began operating RTK in earnest after Moore stepped down from his position at Matrix Capital last December.

Moore said he was ready for a change and gets a charge out of working these deals and helping the companies grow.

"(Private equity deals) excite me much more than what's going on today in the M&A market advisory business," he said.

The pair believes they have the combined skills to allow the firm and their investments to thrive – Moore with the deal-making background and Young with experience running the sorts of companies they'll look to buy.

"Jeff knows how to evaluate a business, how to put a deal together," Young said.

Moore added, "We're a combination of operations and financial expertise."

As for the name, RTK Capital, Moore said the inspiration came from sitting around his dinner table; each letter is a first initial of his wife, son and daughter.