

# SOUTHERN LITHOPLATE

## RAYMOND JAMES CAPITAL PARTNERS, L.P.

has provided \$4.0 million of  
growth capital to

### Southern Lithoplate, Inc.



*Southern Lithoplate, based in Raleigh, NC,  
is a leading manufacturer of offset printing  
plates and related chemistries, which are sold to  
newspaper and commercial printing customers  
throughout North America.*

## The Challenge

Twelve years ago, the Casson family acquired the assets of Southern Lithoplate, Inc. while it was operating under bankruptcy protection. Since that time, Ed Casson Jr., chairman and CEO of Southern Lithoplate, has built substantial equity value in the business by positioning the company as a key supplier of lithoplates to local and community-based newspapers. Ed initially came to Raymond James Capital seeking to recapitalize Southern Lithoplate for estate planning purposes. He wanted to achieve substantial personal liquidity while providing his two sons, who had become key managers, with a significant equity stake in the business. While working toward closing the recapitalization, Southern Lithoplate identified an opportunity to acquire a world-class manufacturing facility that would allow the company to participate in an exciting new market niche. The potential to create considerable additional value over the next two to three years was attractive to Ed and the Casson family.

## The Alternatives

Ed could have gone ahead with only the recapitalization, but this would have kept him from fully participating in any future value created by the acquisition. Ed could have completed the recapitalization and acquisition; however, this would have led to a highly leveraged balance sheet. What Ed needed was growth capital from an equity partner who was able to take a minority position in his company and who ultimately could assist in his desire to achieve liquidity and make strategic acquisitions.

## The Solution

Raymond James Capital listened carefully to how we could help Ed take advantage of Southern Lithoplate's acquisition opportunity. Within the course of two weeks, we changed our initial recapitalization structure to a growth capital investment of \$4 million and wired funds to Southern Lithoplate so that the acquisition could be completed. The growth capital structure we created allowed Ed and his sons to maintain majority ownership of their business, thus giving them the opportunity to fully participate in the future upside of the business. The investment also provided Southern Lithoplate with a strong, secure post-acquisition balance sheet. Furthermore, Raymond James Capital designed the transaction structure to include a redemption mechanism for Ed to achieve partial liquidity over the next one to three years.

## The Closing

*"I began by seeking a financial partner who could provide me with the means of passing my family business on to my sons. What I found was even more: a financial partner who could turn on a dime. Raymond James Capital's demonstrated ability to rapidly change course in midstream has given me the security to know that I have a partner who listens and responds to the needs of my business."*

**Ed Casson Jr., Chairman and CEO**

Southern Lithoplate, Inc.

**RAYMOND JAMES®**  
CAPITAL, INC.