

Huntsman Gay Sells Power Holdings for \$380 Million

By David Carey - Dec 21, 2012

Huntsman Gay Global Capital LLC, the private-equity firm whose ranks include the retired professional football star [Steve Young](#) and former Citigroup Inc. executive [Gary Crittenden](#), has sold the operating units of Power Holdings to rival Kelso & Co. for \$380 million in cash, Crittenden said.

Power Holdings, whose two subsidiaries perform maintenance and construction work for electric utilities in the southeast, is the third company sold by the \$1.1 billion investment pool Huntsman Gay raised in 2009, Crittenden, one of six managing partners at the [Palo Alto](#), California-based firm, said in an interview.

The sale exemplifies the growing penchant of buyout firms to exit holdings by selling them to other private-equity houses as a lackluster economy has hurt demand for initial public offerings and many corporations have hoarded cash rather than spring for acquisitions. In the first nine months of 2012, so-called secondary buyouts accounted for one-third of all private equity exits, the most since 2006, according to data compiled by Bloomberg and Preqin Ltd., a London-based research firm.

Huntsman Gay was created in 2008 by Utah industrialist [Jon Huntsman Sr.](#) and Robert Gay, formerly of Bain Capital LLC. Crittenden declined to specify Huntsman Gay's return on the Power Holdings investment.

"I can say that it's a very attractive return for our fund," Crittenden said. "This transaction certainly met our expectations."

Power's Units

Power Holdings's units are [T&D Solutions LLC](#), an Alexandria, Louisiana-based utility servicer that Huntsman Gay bought from its founding family in February 2010, and [Associated Diversified Services Inc.](#), of Hartselle, [Alabama](#), which it acquired later that year. Four subsequent add-on acquisitions expanded their territorial reach, Crittenden said. In the aftermath of [Hurricane Sandy](#), crews from T&D and Associated Diversified pitched in to restore power in [New York](#).

Revenue and earnings before interest, depreciation, amortization and taxes grew more than 10 percent since 2010, spurred by upgrades to power systems and utilities outsourcing repair work they used to perform themselves, said Crittenden.

The sale follows Huntsman Gay's \$1.4 billion sale in August of Sunquest Information Systems, a medical software company, to [Roper Industries Inc. \(ROP\)](#) Last year the firm sold oilfield services company Grand Isle Shipyard Inc., which it had acquired in 2009, to Nana Development Corp. for an undisclosed amount.

Huntsman Gay still owns nine companies in its 2009 fund, which is about 80 percent invested, Crittenden said.

Kelso & Co., a 41-year-old New York-based firm, will purchase the units through the \$5.1 billion fund it raised in 2008. George E. Matelich, a Kelso partner, didn't return a message seeking comment.

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