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Investment Dealers' Digest

The News Magazine of the Financial Community

August 3, 1992

\$9.00

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PEOPLE WATCH



Edited by Hal Lux

Los Angeles' newest player

Why did Lloyd Greif, former vice chairman and managing director of investment banking at Sutro & Co., walk away from the firm to start

up his own investment banking operation?

"I guess you could say I got a ten-year itch," he jokes. But seriously, Greif, who resigned in March, says the decision ultimately came down to his perception of an overlooked opportunity in Los Angeles.

"There is no strong player serving middle market companies in this town," he says. "Yet the vast concentration of companies in L.A. are medium size or emerging growth concerns. We want to be the Goldman Sachs of the middle market tier."

Greif, 37 years old, launched Greif & Co. in July. The firm will perform the standard repertoire of banking activities from public offerings and private placements to M&A transactions and LBO's. Greif claims the firm has already secured its first M&A deal, beating out several bulge bracket players in a transaction for a privately held, well-known company on the West Coast.

In leaving Sutro, Greif took two of the firm's investment banking VP's with him: Steven Cesinger and Jourdi de Werd. Each is now a VP at Greif, and will work alongside Greif as part of a three-person core finance group.

Greif spent 10 years at Sutro and organized some of the company's better known deals, including the 1986 IPO of LA Gear and the \$295 million leveraged buyout of

Bumble Bee Seafoods by Unicorn Co., Ltd. of Thailand. Bumble, says Greif, was billed as the first US cross-border LBO by a Thai firm.

Before leaving Sutro this year, Greif worked on the cross-border sale of STOR Furnishings International to IKEA of Sweden, and "on his way out the door" he participated in the IPO for ICU Medical, Inc.

Greif defines the middle market as companies with an M&A purchase price between \$10 and \$200 million, any float above \$5 million for public offerings, and deals above \$3 million for private placements. Many of these companies include California's ubiquitous medical technology and electronic high-tech firms, but Greif notes he brings a certain flair for the food industry, while Cesinger has experience in the region's entertainment and media business.

"If you look at these companies, they are the primary target for venture capital, mezzanine and LBO dollars in the US," says Greif. "And if you look at LBO statistics for the first half of this year, the



Greif & Co: founding members

vast preponderance of transactions have been under \$100 million in purchase price."

Greif's new company will compete directly with many of California's leading middle market financiers, including Sutro, Montgomery Securities and Roberston Stephens & Co. But says Greif, "They're all based in San Francisco. That town used to be the financial capital of the West, but not so in the 1980's and 1990's."

Greif's activities are currently limited to its three-person finance group, but the firm's founder expects to triple or quadruple the size of his staff in the first two years of operation. Later on, he says, the firm has intentions of becoming a full-service securities firm. **D.A.**