

PORTLAND, ORE.

Riverlake Partners Targets \$150M For Second Fund

BY MATTHEW MONKS

2/27/2008 – Riverlake Partners LLC is raising \$150 million for its second fund, which held a first close at \$62 million earlier this month.

Riverlake Equity Partners Fund II LP, with a \$175 million hard cap, will be substantially larger than the firm's \$34 million debut fund, which closed in 2004.

That fund is about 70% invested across seven portfolio companies. It has realized one investment to date, selling bulk material equipment maker Stock Equipment Co. in 2006. The firm returned four times its \$4 million to \$6 million investment in that exit.

The second fund, which will hold a second and possibly final close by the end of the second quarter, will follow the same strategy as the first fund, with a focus on manufacturing and services businesses in the Northwestern U.S. worth \$15 million to \$50 million. As a larger fund, the second fund will likely make eight to ten platform investments.

E.L.K. Capital Advisors is acting as placement agent for the second fund and is making rounds to potential new investors after the firm rallied commitments from its existing limited partners for the first close.

Limited partners have been intrigued by Riverlake Partners' strong operational approach, but wary of its short track record.

The firm was founded in 2002 by Erik Krieger, who co-founded technology focused investment bank Pacific Crest Securities from 1989 to 2002. His two partners, Charles Grant and Victor Petroff, have manufacturing backgrounds. Petroff ran and oversaw a turnaround of Tyco International Inc.-owned Precision Interconnect, which makes cables for the medical industry. Grant was a senior executive with SPX Corp., and currently serves as chief executive of SP Industries Inc., a Riverlake portfolio company, which makes lab research equipment.

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