

*By Jeffrey Kelley
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On the Richmond equivalent of Wall Street, two financial gurus have set up a new shop to help small-business owners who are ready to cash out.

Seare Marriott & Co. LLC, an investment bank established in late 2004 in Utah, recently opened its Richmond office in the James Center. Its managing directors are Greg Seare and Justin Marriott, two pals who met in the 1990s at the start of their careers in finance.



Greg Seare (left) and Justin Marriott have set up their new office in the James Center in downtown Richmond. Photo By: DON LONG

Investment banks play a major role in facilitating mergers and acquisitions or helping companies find buyers. Investment banks work the deals in the current private-equity buyout boom felt around the globe. Private-equity groups buy companies, attempt to make them stronger, then hope to sell at a profit. Many private-equity groups have used debt to finance the recent rash of takeovers, but as the credit market is crunched, such buyouts are expected to wane.

"I think most of the shakeout, if there is going to be one, is going to happen in the bigger deals," Marriott said. "There is still an abundance of private capital in the market. Deals might get done with more equity in the future."

"What we tell our clients is, 'If you've ever thought of selling your

business or taking money out, there is not a better time than now," Seare said.

Most of the companies Seare Marriott sells are small. Most are service-oriented -- a manager of plant nurseries at Home Depot stores, for example. The bank steers clear of selling real estate or high-technology firms. "Those are things that I joke we're too dumb to understand," Seare said. "If we can't explain it in 30 seconds, then we've probably got a problem."

The Salt Lake City native moved to Virginia in his early 20s to attend graduate school at the College of William and Mary. He met Marriott around that time when the two were working at Virginia Capital Partners.

A seemingly always-smiling local serial networker whose favorite book is "Never Eat Alone," the 35-year-old Marriott left his role as managing director at the private-equity group in May to join Seare.

They aren't alone in their venture.

While Wall Street is home to monster investment banks such as Goldman Sachs that provide a full range of advisory services, Richmond has a number of bankers catering to companies in the "middle market" -- generally a business with revenue of \$25 million to \$1 billion.

Central Virginia 's major companies and strong business environment have fueled demand for seasoned investment bankers and advisers over the years, said Robert H. Mitchell, managing partner at Alpha Omega Capital Partners, an investment bank focused on deals in lower middle markets.

That's where Seare Marriott plays.

It works only with private businesses looking to sell -- those valued at \$25 million to \$150 million -- and is known in the industry as a boutique.

A few years ago, Seare moved back to Utah to start his company with the intent of selling businesses around Las Vegas, Denver, Phoenix and Salt Lake. Because his contacts were still in the mid-Atlantic, he found his business has largely remained in the East.

In less than two years, Seare -- more recently with the help of Marriott -- has closed six deals, including three valued at a total of \$300 million during the past eight months.

There has always been an air of sexiness to investment banking, but it's tough work, lots of numbers and long hours. Deals don't always go through. Buyers back away or sellers get uncomfortable. Hard work can collapse at the eleventh hour after months of early mornings and late nights.

The key to being an investment banker, Marriott and Seare say, is being a perpetual optimist.

"Until you actually see that money in your account, the wire is closed, anything can derail these deals," Marriott said. Added Seare: "I tell my wife, 'You know, they're going to cut me open one day and see about 1,200 ulcers in my body,' [but] I wouldn't dream of doing anything different."

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