

Bay4 Capital acquires Comdisco assets

Local firm expands reach, looks for more firms

by [Stacey Snow](#)

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SAFETY HARBOR -- Bay4 Capital Partners LLC, a Tampa Bay area equipment leasing company, acquired the assets of Comdisco Holding Co. Inc.'s U.S. information technology leasing business.

Bay4 Capital Partners purchased the company for \$19.6 million in cash borrowed from Wells Fargo & Co. and assumed approximately \$24.5 million in debt.

The acquisition builds Bay4 Capital Partners to five times its previous size, said Clay M. Biddinger, founder, chairman and chief executive officer.

Biddinger expects Bay4 Capital Partners and Hyphos360 Inc., also owned by Bay4, to generate together approximately \$20 million in revenue during 2003. Hyphos360 is a marketing services company.

Bay4 Capital Partners gains 35 to 40 employees and 2,000 customers through the deal, Biddinger said.

Prior to the acquisition, Bay4 Capital Partners and Hyphos360 together employed 45. Bay4 Capital Partners is a wholly owned subsidiary of Bay4 Capital LLC.

"We're going to continue to grow the (acquired) company," said Biddinger.

The headquarters will be located in Safety Harbor with major offices in Chicago and Littleton, Colo., he said.

Comdisco Inc., a public company based in Rosemont, Ill., emerged from Chapter 11 bankruptcy protection in 2002 as Comdisco Holding Co. Plans call for getting out of the information technology services and technology leasing business and selling the company's assets.

As part of the deal, Comdisco retained a secured interest of approximately \$26.6 million in certain other leases. Comdisco also received a note in the amount of approximately \$44.8 million payable primarily from the realization of the residual value of the assets, the release stated.

Tampa Bay area technology sector watchers think the deal will work for Bay4.

Fritz Eichelberger, client executive in the Tampa office of The Casey Group Inc., said Bay4 has experience dealing with large firms with real customers and real revenue, just as Comdisco did. Bay4 Capital Partners is not a client of The Casey Group, an information technology consulting company.

The deal stands out in the Bay area's business environment, experts say.

"Overall, there aren't that many private transactions that are going on these days," said John Hill, managing director at Hyde Park Capital Partners LLC in Tampa. "Any deal is meaningful, and that's a good-sized transaction."

Hyde Park Capital is an investment-banking firm focused on technology, health care and other industries.

Biddinger previously founded and ran another equipment leasing firm, Sun Financial Group Inc. He sold that company to GATX Capital Corp. in 1995 but remained with the company as president and CEO through June 1998.

"He's been highly successful at building companies in that category," said Hill. "He is very highly experienced, very bright and well capitalized. I suspect he's going to build another successful company there."

Plans include more acquisitions, said Biddinger.

"Part of our plan is to continue to identify very solid, high-integrity leasing operations primarily in the United States," he said.

Bay4 Capital Partners is in talks with another company in the Midwest, which Biddinger declined to name.

Bay4 Capital LLC started as CMB Capital, a venture leasing business Biddinger founded in 1999.

The company leased equipment to emerging telecommunications and technology companies. In return, the companies would give CMB warrants to purchase stock.

In May 2001, Biddinger's company purchased Denver-based Convergent Capital Corp. and began leasing operations again, he said.

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