

## PRIVATE EQUITY

# GHK Founder Closes First Post-Goldman Deal

*The firm, led by ex-Goldman executive Gil Klemann, closes the buyout of datacenter developer Brown & Settle, its first deal as an independent sponsor.*

By [Steve Gelsi](#)

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GHK Capital Partners LP paid an undisclosed sum to recapitalize [Brown & Settle Inc.](#), a \$15 million-in-Ebitda data center developer, the Greenwich, Conn.'s firm's first deal since it was founded by a [Goldman, Sachs & Co.](#) alumnus.

Gil Klemann, founder and managing partner of [\*\*GHK Capital\*\*](#) who worked for 17 years at Goldman's private equity team, declined to comment on the size of Brown & Settle's business, but said the deal took many months to come to fruition with founders Mike Brown and [\*\*Gregory "Tommy" Settle\*\*](#).

The Bristow, Va., company ranks as a major provider of site development services for data centers in northern Virginia, the largest such market in the United States, as well as in Virginia, Maryland, West Virginia, and the Greater Washington D.C. area.

"There was no traditional 'book' involved [from an investment bank] and GHK started with raw data from the company," Klemann told The Deal. "We talked to them directly. Mike and Tommy are operators. Their expertise and interest is in running the business. They wanted to partner with GHK to...help take the business to the next level."

GHK is bringing in Christopher Kete as CEO and Diane Waters as CFO of Brown & Settle. Kete is a former nuclear submarine engineer who has been a CEO of private-equity owned lower middle market businesses. He starts in his post later this month.

[\*\*Breakwater Management LP\*\*](#) and funds advised by Headway Capital Partners LLP were equity financing providers, while Breakwater Management LP served as exclusive provider of debt financing to support the recapitalization.

GHK also invested its own capital in the deal, which was initially announced March 4. GHK owns about two thirds of the business and the founders rolled equity in and own one third.

GHK has already been approached about add-on deals for Brown & Settle but has no immediate plans for more deals.

"The primary task is organic growth," Klemann said. "There's incredible demand for this company's services. It's not a priority to do acquisitions right now."

[\*\*Prime Investments LLC\*\*](#) advised the sellers, along with [\*\*Tomlinson Advisory Group LLC\*\*](#). [\*\*Day Pitney LLP\*\*](#) advised GHK.

GHK still plans to raise its first private equity fund but it's already planning on doing at least one more deal first. Klemann said the firm is midway through due diligence on an industrial company.

The firm seeks out companies with \$10 million in Ebtida to \$30 million in Ebtida in the lower middle market industrials sector, to acquire for 8 times Ebitda or less.

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