

## **LBO Wire/PEVC/Dow Jones**

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### **Rotunda Capital Sells UPS Services Reseller to Quad-C**

Rotunda Capital Partners, a buyout firm that invests proprietary capital on a deal-by-deal basis, sold its interest in Worldwide Express Inc., an authorized reseller of United Parcel Service Inc. delivery services, to a group of investors led by Quad-C Management.

The Federal Trade Commission in July granted the transaction termination of waiting period under the Hart Scott Rodino Act. According to a FTC announcement at the time, Quad-C Partners VIII LP was the acquirer of Worldwide Express.

Quad-C Partners VIII is the most recent fund of Quad-C. The vehicle had a \$700 million target and as of February, had reined in at least \$672.5 million, LBO Wire reported at the time.

Executives of Quad-C weren't available for comment.

Quad-C, with offices in Charlottesville, Va., and New York, acquired a majority interest in Worldwide Express, while Rotunda and the company's management rolled over part of their equity interests, according to Rotunda and Worldwide Express.

Other financial details of the deal weren't disclosed.

Rotunda, with offices in Bethesda, Md., and Northbrook, Ill., said in a statement it invested in Worldwide Express in 2009, when the company's then partner DHL, a Deutsche Post AG division, "unexpectedly" withdrew from the U.S. market. Worldwide Express then partnered with UPS, becoming an authorized reseller. The Dallas company also introduced freight-shipping services in early 2009, which now has more than 55 carrier partners.

David Kiger, chief executive of Worldwide Express, said the company now has about 150 franchises in the U.S., which contributed to its revenue growth. Under the watch of Rotunda, Worldwide Express increased its annual sales to more than \$550 million from \$192 million, the company said.

With the new sponsor on board, Worldwide Express plans to double its revenue in the next five years, said Mr. Kiger.

The company focuses on serving the shipping and handling needs of about 30,000 small to midsize businesses, an area where Worldwide Express "is statistically not significant," said Mr. Kiger. "There is a whole lot of room for growth," he said.

Meanwhile, a relatively new business segment--freight shipment for industrial customers--also has potential for growth, said Mr. Kiger.

The parcel and freight businesses are expanding "in tandem," he added.

John Fruehwirth, managing partner of Rotunda, said the firm had retained Fidus Partners to handle a sale process for Worldwide Express.

Rotunda targets lower midmarket companies valued at up to \$100 million. The firm, with offices in Bethesda, Md., and Washington, D.C., invests the capital of its principals, and up to 150 family offices, high net worth individuals and other investors on a deal-by-deal basis.

The firm has made about five investments since its 2008 inception and manages three. It is under a term sheet for a fourth investment, which is expected to close in a couple months, said Mr. Fruehwirth.