

# Buyouts

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## CLOSED DEALS

### Park Avenue Starts Engines On Dealership Rollup

Last summer, buyout firm **Park Avenue Equity Partners** assembled a platform to buy up high-end automotive dealerships in metropolitan centers on the East Coast. Ten months later, on May 1, Condor Automotive Group closed its first deal, acquiring Pennmark Automotive Group, which owns three Mercedes-Benz dealerships in the Philadelphia-Wilmington, Del., metro area.

Condor Automotive is led by **Carlos Hoz de Vila**, a veteran car-dealership owner who has worked extensively in Pennsylvania and southern New Jersey. Pennmark Automotive has generated \$1 billion in sales by selling 15,000 new and used vehicles since 2003. "The management team brought together their skills and experience and helped us identify appropriate dealership targets," said **Lex Leeming**, a

principal of New York-based Park Avenue Equity. "They helped us decide that Pennmark was the ideal initial target."

Pennmark Automotive won't be Condor Automotive's only target, according to Leeming. Park Avenue Equity expects the platform to control 40 dealerships and produce \$3 billion in annual revenue by the end of 2011. Initially, as the firm homes in on the first 20 dealerships, the consolidation strategy will require roughly \$200 million in equity, Leeming said.

Condor Automotive is a portfolio company in Park Avenue Equity Partners II LP, a targeted \$300 million vehicle; the firm had a first close of \$100 million earlier this year and expects to complete fundraising by the end of 2007. Three times as large as the first, the fund allows

#### SNAPSHOT:

**Target:** Pennmark Automotive Group

**Sponsor:** Park Avenue Equity Partners

**Seller:** Pennmark Automotive Group

**Price:** Undisclosed

**Legal Counsel:** Seller: Fox Rothschild; Sponsor: Arangio & George; McNees Wallace & Nurick; Sonnenschein Nath & Rosenthal

Park Avenue to write far bigger equity checks than before.

Park Avenue Equity formed Condor Automotive to compete in what Leeming described as a "highly fragmented" market that would benefit from consolidation and operational improvement. Many dealerships, family-owned, are run by people looking to sell their holdings and enter retirement. The buyout shop declined to disclose terms of the deal.—J.H.