

Swooping in

Raptor LLC's founder looks to make a name for firm in mergers and acquisitions game

By PATTY TASCARELLA

During his 23-year career in investment banking, Craig Wolfanger has completed more than 300 deals, mostly mergers and acquisitions. Over the years, he's never really tempered his aggressive tendencies.

So it's no stretch to see why he named his new company Raptor LLC.

"Raptors hunt for prey with the keenest vision known to man," said Mr. Wolfanger, 46. "These birds characteristically have a large, curved beak, powerful, sharply-taloned feet and exceptional powers of flight and sight."

Mr. Wolfanger certainly has scouted his share of landscapes.

Within days of opening its doors in One Mellon Bank Center this past February, Raptor was working on Respiroics Inc.'s \$10.5 million acquisition of Bend, Ore.-based Mini-Mitter Co. The transaction between the two developers of breathing products closed in April.

"Craig is extremely analytic. He understands the nuances of a deal, and he thinks seven steps ahead," said Christian Allison, CEO of consultancy Upsight LLC. "He's fun to watch, but, let's put it this way, I wouldn't want to be sitting on the opposite side of the table."

During the decade that Mr. Allison was president of Cheswick-based Tollgrade Communications, he retained Mr. Wolfanger — then at Parker/Hunter Inc. — to handle the telecommunications firm's initial public offering and then a pair of acquisitions.

"They were difficult because we were dealing with obstinate people on the other side in both instances," said Mr. Allison. "Craig preserved the ability for us to have a good relationship with the acquired companies. We got good valuations and both added to earnings by the first quarter we owned them."



Photo by Joe Wojcik

BUSINESS SAVVY: Raptor CEO Craig Wolfanger is known in the investment banking industry for having an appreciation for the subtle nuances of the deal. "He's fun to watch, but, let's put it this way, I wouldn't want to be sitting on the opposite side of the table," says one former client.

Mr. Wolfanger doesn't hesitate to be "the hired gun" to preserve the relationship between acquirer and acquired.

"Ultimately, the management teams have to work, together," he said. "They can blame things on our team in the process."

"We do what we can to get the stark facts on the table and bring things to a conclusion. That requires persuasion and finesse and sometimes the absence of finesse, if that's the best way to get something across."

FAMILIAR FACES

Raptor concentrates on mergers and acquisitions of mid-sized companies across the country but steers clear of providing the financing.

Mr. Wolfanger said he is aiming to handle eight to 10 transactions annually and sees his staff possibly growing to 20. Raptor currently employs six. Each has a stake in the company, but Mr. Wolfanger is majority owner.

■ PBT DOSSIER

Craig Wolfanger

CEO, Raptor LLC, a Downtown-based investment banking firm

■ **Age:** 46

■ **Hometown:** Rochester, N.Y.

■ **Residence:** Fox Chapel

■ **Family:** wife, Sally; daughters, Madigan, 4, and Makenna, 2; son, Max, 2

■ **Education:** bachelor's degree in economics, Valparaiso University; master of business administration in finance and accounting, Northwestern University

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Roughly half of Raptor's employees hail from Parker/Hunter, where Mr. Wolfanger spent the past decade heading the regional brokerage's investment-banking business.

Raptor's February launch coincided with the news that Parker/Hunter was being bought by Philadelphia-based Janney

Montgomery Scott, but Mr. Wolfanger said there was no connection, and he had been planning Raptor for three years.

"We were a boutique within Parker/Hunter focused primarily on (mergers and acquisitions)," he said.

"There wasn't much of a mutual benefit. There are a lot of good people there, but their principal focus, which has served them well, was as a retail (brokerage) oriented firm."

Parker/Hunter CEO Robert Kampmeier, who built Parker/Hunter's investment banking business and recruited Mr. Wolfanger from PNC Financial Services Group Inc., would not comment for this article.

'GREAT REPUTATION'

PNC brought Mr. Wolfanger to Pittsburgh, but he cut his teeth on Wall Street.

He began his career as an investment banker with Kidder, Peabody & Co. Inc. in New York City and in 1987, at age 28, became the youngest person to make shareholder in the firm's history.

"I thought I would remain there for the rest of my career," Mr. Wolfanger said.

After General Electric Corp. bought Kidder, Peabody, he found he didn't much care for being part of a conglomerate and accepted an offer to manage the New York office of Baltimore-based investment banking firm Alex Brown & Sons Inc.

But the mega deals of the 1980s were winding down, and Mr. Wolfanger and his wife, Sally, were ready to start a family, so when PNC came calling, Pittsburgh was "a place where we could have a civilized life."

Mr. Wolfanger knew the city. He had interned at Mellon Financial Corp. and, while at Kidder, had worked with Kohlberg Kravis & Roberts on its unsuccessful leveraged buy-out of Gulf Oil Corp., which was under siege by corporate raider T. Boone Pickens. Another player, Chevron, wound up winning Gulf.

"I still remember the day we made our presentation to Gulf," Mr. Wolfanger said. "We were waiting for hours for the final determination in the Gulf Tower. To bide our time, I went down to the newsstand and bought a deck of cards.

"When (Gulf executive vice president)

Harold Hammer came in the room to give us the bad news, he found Henry Kravis, George Roberts and the Kidder, Peabody bankers playing poker."

There's an epilogue.

"Within 12 months we successfully advised KKR on the \$6.4 billion acquisition of Beatrice in a similarly structured leveraged buyout, the largest LBO at that time," Mr. Wolfanger said.

"My greatest enjoyment is winning, but I also enjoy formulating the objectives with our clients and plotting the strategy that leads to the right result."

Gerry Prado, a partner in Main Street Capital Holdings, a Canonsburg-based private equity firm that buys and sells mid-size companies, said Raptor is poised for success.

"There's room for firms like Raptor," Mr. Prado said. "A lot of success is based on reputation and contacts in the industry, and those guys have great ones."

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