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FUND NEWS | NORTH AMERICA

# Granite Creek Closes Second Fund at \$200 Million

Chicago-based firm invests in debt and equity of lower midmarket companies

By **Chris Cumming**

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Granite Creek Capital Partners LLC has finished raising its second fund to invest in the debt and equity of lower midmarket companies.

Granite Creek FlexCap II LP closed with \$200 million, the Chicago firm said Wednesday.

The fund's final tally exceeded an initial target of about \$150 million, said firm co-founder and Managing Partner Mark Radzik. The firm's prior fund closed in 2006 with \$85 million.

Granite Creek aims to invest \$10 million to \$20 million per deal from the new fund, backing companies in the business-services, manufacturing, agribusiness and health-care sectors, according to a news release.

Founded in 2005, the firm invests in both control and minority equity stakes as well as senior and mezzanine debt, targeting companies with between \$3 million and \$15 million in earnings before interest, taxes, depreciation and amortization, according to its website.

Investing through a combination of debt and equity gives the firm the freedom to tailor deals in different ways to balance risk and return, a capability that is unusual in the lower midmarket, said Mr. Radzik.

"By having the flexibility to do debt and equity in one fund, we can have a different conversation with potential portfolio companies," he said.

Granite Creek backed 19 companies out of the first fund, including real-estate software maker SMS Assist LLC, health-care company Symphonix Health Insurance Inc. and wheel



Granite Creek Capital Partners co-founder and Managing Partner Mark Radzik. PHOTO: GRANITE CREEK CAPITAL PARTNERS LLC

manufacturer Weld Racing, according to the news release. The firm is closing in on its first investments from the second fund, Mr. Radzik said.

Granite Creek also co-founded the private real-estate lender Renovo Financial in 2011.

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