

Upfront

Spotlight: NAIC Board of Directors

The Long View

BY CLARENCE V. REYNOLDS

In today's trying economic times, Michael A. Smart sees private equity firms as an ideal source for helping a company with its capital needs.

"We are an informed resource and have a long-term view and perspective on investing," says Smart, a managing partner at Cordova, Smart & Williams, LLC. (CSW) "Our relationship with management teams and entrepreneurs isn't just for capital but as a value added partner to create value for all parties involved."

At CSW, a private equity firm specializing in buyouts, recapitalizations, and growth capital transactions in middle market companies, Smart manages and runs the day-to-day operations. He is responsible for sourcing, structuring, and leading the execution and management of portfolio investments. He also sits on the board of all of the company's investments, typically as chairman or co-chairman.

Smart has been working in private equity and investment banking for more than 20 years. Before forming CSW, he was a principal at First Atlantic Capital, a New York-based private equity firm focused on the middle market. Previously, he was a managing director in investment banking at Merrill Lynch.

Smart says he has always had an interest in private equity and was fortunate enough to have the support from Chris Williams and the Williams Capital Group to form CSW after leaving First Atlantic.

"At Merrill Lynch and at First Atlantic, I was blessed to have gained significant experience in working with some of the best professionals in the private equity business," he says.

CSW focuses on investing in small and middle mar-

ket industrial and consumer-product oriented businesses. These are the types of companies in sectors that the partners and principals of the firm know well, having previously invested capital in them or debt financed or managed them as senior executives, Smart says. In fact, he adds, several of CSW's partners have operating experience managing leveraged buyouts.

"We recently had our first realization from our fund, H2O Plus, which we sold to Pola Orbis Holdings, one of the largest skin care companies in Japan," he says. "H2O produced a great return for our investors.

"Targeted companies typically have between \$25 million and \$150 million in sales and are family owned and operated," he says. "We typically invest between \$10 and \$20 million in each portfolio company and seek addi-

tional capital via co-investment from our limited partners and other institutional investors."

Smart received his M.B.A. from the Wharton School of the University of Pennsylvania and a B.B.A. from

Howard University. He has been a member of NAIC for about five years and finds NAIC a valuable networking forum for deal flow and sources of capital and talent.

"Our membership consists of the some of the best and brightest leaders in the private equity and venture space," Smart says. "The various services and events that NAIC provides its members are invaluable."

He notes that CSW has worked with a number of NAIC members, such as Credit Suisse, Goldman Sachs Urban Investment Group and Neuberger & Berman on investment opportunities.

In regard to the recent merger between the NAIC and The Marathon Club, Smart says he is also very happy to see the two are one organization again. As a member of the NAIC board, Smart says, "One of my primary objectives is to help the NAIC develop to its full potential as the leading association of sources of capital for entrepreneurs seeking private equity or venture capital." **EDM**



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