

CI CAPITAL PLATFORM TO BUY IT FIRM

BY LUISA BELTRAN

CoVant, a portfolio company of CI Capital Partners LLC, is expected to announce Wednesday, March 5, that it has bought A-T Solutions Inc., a security consultant to the military.

CI Capital formed CoVant in 2006 as a platform for government-focused IT businesses. A-T is CoVant's first purchase. Financial terms were not available.

Fredericksburg, Va.-based A-T Solutions employs more than 200 employees to identify and detect "improvised explosive devices," such as homemade and roadside bombs, as well as weapons of mass destruction. A-T's major customer is the U.S. military, but also works for law enforcement and corporations, said Steve Lefkowitz, CI Capital's president.

McLean, Va.-based CoVant is taking a majority stake. A-T's management will also have a significant investment.

Wachovia Bank NA and SunTrust Banks Inc. are arranging debt. The deal, which closed Feb. 27, "was committed and funded off of their balance sheet,"

Lefkowitz said.

"With the continuing proliferation of IEDs as the weapon of choice for terrorism worldwide, the demand for our services has been growing at a challenging pace," said Ken Falke, A-T Solutions chief executive and founder, in a statement. No management changes or job cuts are planned.

A-T Solutions tapped Hunter Morin and Mike Turner of Jian Group as financial advisers.

CoVant used no outside financial adviser. It sought legal advice from Carl Reisner of Paul, Weiss, Rifkind, Wharton & Garrison LLP, along with Kevin Lavin of Arnold & Porter LLP and Leslie Lepow of Jenner & Block LLP.

CI Capital and CoVant's management committed \$200 million in equity to fund the company in late 2006. Management pitched in about \$10 million, the board put in \$3 million, and the rest, about \$190 million, came from CI Capital, said Frederick Iseman, CI Capital's chairman and

CEO.

CoVant's senior managers had worked together at Anteon, a defense IT firm that was acquired by Caxton-Iseman Capital, the predecessor of CI Capital, in 1996. Anteon's former CEO, Joseph Kampf, now heads CoVant. CoVant's board also includes former Anteon directors, including William Perry, who was secretary of defense under President Bill Clinton. Anteon went public in 2002, and General Dynamics Corp. acquired it for \$2.2 billion in 2006.

"We're incredibly happy," said Iseman. "This is a great example of what we aim to do, which is work with the same management team."

CI Capital waited to announce CoVant's formation until the company had closed its first acquisition, Iseman said.

CoVant, with CI Capital's backing, will target the federal technology sector for future investment. But it is not placing limits on its funding and will put in "whatever the deal requires," officials said.

AS FEATURED ON

The Deal.com

TheDeal.com (ISSN 1547-7584) is published by The Deal LLC.
©2008 The Deal LLC. The Copyright Act of 1976 prohibits the reproduction by any means of any portion of this publication except with the permission of the publisher.

WWW.THEDEAL.COM