

## Chapman's \$100 million war chest

BY KELSEY VOLKMAN  
kvolkmann@bizjournals.com

Forsyth Capital Investors, a Clayton private equity firm launched with a \$100 million investment from Barry-Wehmiller Cos. Inc., has added a second company to its portfolio: Machine Solutions, a Flagstaff, Ariz.-based provider of process automation and testing equipment for the medical device industry.

Forsyth, led by co-founders and managing directors Kyle Chapman and Ryan Gable, launched in 2009 to focus on investing in companies in the manufacturing and insurance services sectors. Unlike most private equity funds, Forsyth invests in companies to keep them for the long term rather than flip and sell them in a few years, said Kyle Chapman, son of Bob Chapman, chairman and chief executive of Barry-Wehmiller, a \$1.2 billion manufacturing holding company with 50 businesses and 5,000 employees.

Kyle Chapman, 33, and Gable, 34, were friends in high school and played sports together at John Burroughs. Both were hired after college at Banc of America Capital Investors by Chet Walker, whom Bob Chapman tapped to be Forsyth's senior managing director. Rounding out

Forsyth's team is Hunter Powell,

who joined earlier this year as a senior associate.

Forsyth bought 75 percent of Machine Solutions, which is led by co-founders Dan Kasprzyk, who serves as CEO, and Tom Motsenbocker, chief technology officer. Machine Solutions, with \$20 million in annual revenue and 80 employees, specializes in automating the process for making stents and balloon catheters, mostly for minimally invasive coronary surgeries.

Gable said he and Kyle Chapman were introduced to Machine Solutions through Columbia West Capital, an investment bank in Scottsdale, Ariz. Machine Solutions will use the investment, the amount of which Gable and Kyle Chapman wouldn't disclose, to develop new products and prepare it to acquire smaller firms.



Kyle Chapman

Ryan Gable

**'Sellers are electing to monetize their business wealth at today's low capital gain tax rates.'**

Scott Osborne | Osborne HomeCare Group

"The medical device equipment industry is made up of hundreds of \$2 million to \$20 million revenue players so if we can just layer three or four of those on to Machine Solutions," we can build it into a larger company, Gable said.

Kyle Chapman said in the next few years, Machine Solutions will hire between 20 people to 30 people. "We like to say we are trying to go out and build mini Barry-Wehmillers," he said.

Private equity deals in the health-care sector are heating up because of the aging population and the largely recession-resistant nature of health care, said Scott Osborne, managing principal of Osborne HomeCare Group, a division of Pritchard Osborne Equity Ventures in Clayton, which works with

private equity firms in mergers and acquisitions. "Sellers are electing to monetize their business wealth at today's low capital gain tax rates given the uncertainty of what they will be after the Bush tax cuts expire at the end of 2012," he said.

This latest deal follows Forsyth's investment in April in Engle Martin & Associates Inc., an Atlanta firm that provides commercial property and casualty loss adjusting and claims management services. Engle Martin had \$40 million in revenue when Forsyth bought it but now projects \$50 million for its next fiscal year, Kyle Chapman said. The 300-person insurance services company also plans to add more than 50 people in the next 12 months, he said.