

Scivantage Investor Bought Out In \$28M Recap

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Financial software company Scivantage Inc. is planning to announce today it raised \$28 million to buy out an early investor and expand its product line.

Based in Jersey City, N.J., the 10-year-old company's marquee product is Maxit, which helps financial advisors and individual investors minimize tax liabilities as the financial industry goes through regulatory changes, according to founder and Chief Executive Adnane Charchour.

This third round, which closed on Oct. 22, includes \$22 million in equity from BBH Capital Partners and \$6 million in senior debt provided by The Provident Bank.

The majority of the money will go toward recapitalizing the company and buy out early investor Greenlight Capital, which invested a small sum in 2002 and 2003. Another shareholder, Edison Venture Fund, which invested \$6.7 million in a Series C round in 2006, will remain an investor in Scivantage.

The company is also buying back 10% of its shares.

"This was a perfect alignment," Charchour said. "We had a new entrant (BBH Capital) willing to buy at a price that an old entrant (Greenlight) was willing to sell at." The company was not looking for money but was approached, he said.

Charchour expects to allocate about \$3 million to product development. Scivantage plans to expand its wealth management product, which will target baby boomers with between \$250,000 and \$3 million in assets who need help navigating retirement. It may also expand its product suite internationally with help from BBH.

Scivantage has been profitable since 2004 and is growing – Charchour expects revenue of about \$30 million this year, up from \$24 million last year and less than \$1 million a decade ago.

Current competitors include Wolters Kluwer NV on the tax side of the business and Sungard Data Systems Inc. and several others on the wealth management side.

Charchour had nothing to say about exit plans. The new investment "renews the lease for our management team to take the company to its full potential," he said. "I plan on full expansion and 10 more years."

BBH Capital Partners Jeffrey Meskin and Charles Shufeldt joined Scivantage's board, replacing David Einhorn and Dan Roitman of Greenlight Capital.

<http://www.scivantage.com>