

## Firm Assembles Atypical Financing

---

**Pittsburgh Business Times** September 28, 2004

*By Patty Tascarella*

September 28, 2004 -- Erie County Plastics Corp. has raised \$30 million to refinance its senior and subordinated debt through an unusual financing arrangement put together by a local investment firm.

The Corry-based manufacturer tapped Canonsburg-based investment banking firm Strategic Advisors LLC to raise the money. It found financing through two divisions of JPMorgan Chase: Chase Business Credit, Downtown; and JPMorgan Principal Investments Management, Chicago.

Both Erie Plastics and Strategic Advisors said financing the deal through different branches of the same financial institution was convenient and efficient and usual. "They (financial institutions) like to spread the risk," said Andrew Hays, Strategic Advisors general partner.

The \$30 million retired the \$10 million subordinated debt note Erie Plastics used for a facility relocation and expansion.

The remaining \$20 million was to refinance its senior debt and to provide additional capital for growth.

Mr. Hays, whose company was retained in July, said Strategic Advisors approached some 30 banks about the deal. He said JP Morgan had very competitive rates and a "creative" loan structure.

"Other people didn't have the capability of financing the different debt," said Howard Nelson, Erie Plastics vice president and general manager. "Some people do not finance real estate, some don't finance machinery. They were able to refinance everything".

Robert McGuire, Chase Business Credit managing director, said the double-up approach is part of what JPMorgan Chase is doing to set itself apart.

"I think it's becoming more popular for institutions to provide a one-stop solution for their customers, and they're doing that because it's more of a seamless transaction for them," said David Eichenlaub, a Strategic Advisors director.

Strategic Advisors said Erie Plastics was its fifth transaction this year. Its sole local deal was East Pittsburgh-based Pinnacle Electronics LLC, which sold for \$41 million to St. Louis-based LaBarge Inc. in February.

MS.TASCARELLA may be contacted at [ptascarella@bizjournals.com](mailto:ptascarella@bizjournals.com).