

# WADSWORTH WHITESTAR

CONSULTANTS

ATTENTION PROSPECTIVE BUYERS

SALE OF THE ASSETS OF



**MONARCH, LLC**

BY THE COURT APPOINTED RECEIVER, MICHAEL S. POLSKY

MONARCH, LLC (“MONARCH” or the “Company”) is an 85-year-old Milwaukee based company specializing in the fabrication, machining, and assembly of large custom metal components up to 100 tons. The Company provides unique heavy fabrication, precision machining, and complex assembly services to customers in a variety of industries including mining, power generation, defense, and large pump manufacture. Sales peaked in 2012 at just over \$10 million with a net profit of \$1.2 million. As a result of a sharp decline in demand for mining equipment, revenues fell significantly to \$4 million in 2014 resulting in a loss of \$1.8 million. Monarch has struggled to recover top-line revenue and profitability in the years since. For the eight months ended August 30, 2019 the Company had a net loss of \$1.23 million (negative EBITDA of \$762M) on gross revenues of \$3.57 million.

Monarch was founded in 1933 by a German immigrant named Otto Gebhardt. After three generations of family ownership, the Company was acquired by its current owner, the private equity firm Red Top Capital, LLC, in 2007. Monarch currently has approximately 45 employees and occupies a 67,000 square foot high-bay manufacturing facility located on the north side of Milwaukee, Wisconsin (76<sup>th</sup> Street and Good Hope Road) which it leases from a related entity. The building is available to purchase or lease as a part of any transaction.

Continuing issues with financial performance, a strategic portfolio realignment by the private equity sponsor, and the expiration of the Company’s credit facility have led stakeholders to the conclusion that Monarch must be sold. In order to facilitate this process while protecting the interests of the Company’s creditors, Monarch made a voluntary Assignment for the Benefit of Creditors and requested the appointment of a Receiver pursuant to Chapter 128 of the Wisconsin Statutes. On October 4, 2019, a Milwaukee County Circuit Court judge appointed Michael S. Polsky as Receiver for Monarch. The court orders that have been entered in this matter allow the Receiver to continue operating in the normal course until the Company’s assets are sold free and clear of all liens, claims and encumbrances, subject to secured creditor consent and approval by the court.

Wadsworth Whitestar Consultants has been retained by the court appointed Receiver to oversee the Company’s continued operations and assist in the sale of its assets as a going concern. Accordingly, we are soliciting expressions of interest from qualified buyers prepared to move quickly in pursuit of this unique acquisition opportunity. The Receiver has instructed us to expedite the sale process and would like to close a transaction within 60 days. If you are interested in this opportunity, please contact the undersigned at your earliest convenience in order to obtain a Confidentiality Agreement. Following our receipt of an executed Confidentiality Agreement, due diligence information will be made available and site visits will be arranged upon request.

For additional public information regarding Monarch, please visit the Company’s website:  
[www.monarchcorp.com](http://www.monarchcorp.com)

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