



CONSTITUTION
Capital Partners

FOR IMMEDIATE RELEASE

COADVANTAGE SOLD TO AQUILINE; CONSTITUTION CAPITAL IS A CO-INVESTOR

BOSTON, MA – September 23, 2019 – CoAdvantage, one of the nation’s top privately held professional employer organizations (PEO) and a leading national provider of strategic human resource (HR) solutions for small to mid-sized companies, was acquired by Aquiline Capital Partners from Morgan Stanley Capital Partners. Funds managed by Constitution Capital, a leading alternative asset manager, co-invested alongside Aquiline Capital Partners in CoAdvantage. In addition, another fund managed by Constitution Capital previously co-invested alongside Morgan Stanley Capital Partners in CoAdvantage.

About Constitution Capital

Constitution Capital, with offices in Boston, New York, and Chicago, is a leading alternative asset manager focused on private equity, private credit, and real estate. The Firm is a disciplined, value-oriented investor with a demonstrated track record of consistently generating strong risk-adjusted returns. The Firm is led by an experienced, cohesive team of investment professionals with significant experience executing investments in partnerships, direct equity, opportunistic credit investments, and real estate. For more information about Constitution Capital, please see: www.concp.com.

Below is a copy of the press release found on Business Wire announcing the transaction:

HR Outsourcing Provider CoAdvantage to be Acquired by Aquiline Capital Partners from Morgan Stanley Capital Partners

TAMPA, Fla. — July 24, 2019 (BUSINESS WIRE) -- CoAdvantage, one of the nation’s top privately held professional employer organizations (PEO) and a leading national provider of strategic human resource (HR) solutions for small to mid-sized companies, announced today a definitive agreement to be acquired by Aquiline Capital Partners, a private equity firm investing in financial services and technology. CoAdvantage is being acquired from investment funds managed by Morgan Stanley Capital Partners (MSCP), which have owned the company since 2015. No financial terms of the transaction were disclosed.

Founded in 1990, CoAdvantage offers a comprehensive HR outsourcing offering for small and medium sized businesses. With proprietary technology and client-dedicated support specialists,

CoAdvantage assumes the risk, administration, and compliance associated with a range of functions including payroll, tax filings, healthcare and ancillary benefits, and workers compensation. With its strong sales momentum and integration of recent acquisitions, the company now serves more than 4,500 clients, and plans to continue its strategy during its partnership with Aquiline.

“Aquiline Capital Partners has expertise in the insurance, benefits and Human Resources administration industries that will be valuable to our business as we continue executing our growth strategy while maintaining the company’s independence,” stated Clint Burgess, President & CEO of CoAdvantage. “CoAdvantage has benefitted immensely from Morgan Stanley Capital Partners’ support over the years, and they have helped to position our company for ongoing success. We sincerely thank them for their partnership in strengthening the business.”

“Outsourcing of human resources administration and risk management is a growing trend, particularly in the small and mid-sized business segment,” said Jeff Greenberg, Chairman and Chief Executive Officer of Aquiline. “This is driving strong demand for professional employer organization services and CoAdvantage is well-positioned given its scale and comprehensive product offering. We look forward to supporting CoAdvantage and its experienced management team, led by Clint Burgess, as they continue to scale the business through organic growth and acquisitions.”

CoAdvantage has become one of the largest private PEOs in North America through organic growth and an established approach to integrating acquisitions. Since 2015, the company completed three acquisitions including Progressive Employer Management Services Company in 2017, which significantly transformed its scale and capabilities.

“Over the course of our investment period, CoAdvantage has become a more profitable, and more highly regarded service provider to the ~4,000 clients the company supports daily,” said Adam Shaw, Managing Director and Head of Business Services at MSCP. “We are pleased to have partnered with an exceptionally talented and deep management team that has grown the company into a premier provider of a comprehensive suite of outsourced services.”

The management team, led by Mr. Burgess, will remain in place following completion of the transaction. Completion of the transaction is subject to customary closing conditions, including regulatory approvals.

Lazard Middle Market acted as financial advisor to CoAdvantage on this transaction. Piper Jaffray & Co acted as financial advisor to Aquiline and Willkie Farr & Gallagher LLP provided legal counsel to Aquiline. Debevoise & Plimpton LLP served as legal advisor to MSCP.

About CoAdvantage

Headquartered in Tampa, Florida, CoAdvantage, Inc. is a leader in human resource solutions, providing Professional Employer Organization (PEO) services to small and medium-sized businesses nationwide. CoAdvantage serves 4,500 clients and 90,000 work site employees across all 50 states, with the main offices in Florida, Texas, California, New York, New Jersey, and Colorado. For more information, visit: www.coadvantage.com.

About Aquiline Capital Partners LLC

Aquiline Capital Partners, founded in 2005, is a private equity firm based in New York and London investing in businesses globally across financial services and technology. For more information about Aquiline, its investment professionals, and its portfolio companies, please visit: www.aquiline.com.

About Morgan Stanley Capital Partners

Morgan Stanley Capital Partners, part of Morgan Stanley Investment Management, is a leading middle-market private equity platform that has invested capital in a broad spectrum of industries for over three decades. Morgan Stanley Capital Partners focuses on privately negotiated equity and equity-related investments primarily in North America and seeks to create value in portfolio companies primarily in a series of subsectors in the business services, consumer, healthcare and industrials markets with an emphasis on driving significant organic and acquisition growth through an operationally focused approach. For further information about Morgan Stanley Capital Partners, please visit: www.morganstanley.com/im/capitalpartners.