

Missouri Barge Line & Cape Girardeau Fleeting Service

Acquired by AEP River Operations, Subsidiary of American Electric Power (NYSE: AEP)

Industry/Sector: Inland Marine Transportation

Deal Type: M&A – Sell Side Advisory

FourBridges Team: Andy Stockett, Chris Rowe

Client Profile: For over 80 years, this second generation family business operated in the marine transportation industry from their home in Cape Girardeau, Missouri. They owned several related companies, which provided towing, fleeting and specialized boat and barge repair services. In addition, they owned a fleet of dry-cargo hopper barges for transporting grain, coal, steel, cement and aggregates.

Client Objectives: The companies were owned equally by the son and daughter of the Company's founder. The siblings had experienced several business cycles and recognized that their industry was at the top of the cycle. Additionally, new Homeland Security and Coast Guard regulations had made business more difficult for smaller towing operators. They were interested in seeking liquidity for their interests, though the son had a desire to continue in the repair services business and potentially expand into boat building.

The Challenge: It wasn't clear that there was a single buyer for all of the family's businesses. In order to maximize value, the FourBridges team separated the lines of business and presented them on an as-acquired basis to potential acquirers who could have an interest in individual assets as well as the entire company's assets.

The Process: FourBridges identified more than 100 prospects that operated in one or more of the Company's lines of business. After soliciting and evaluating "indications of interest", finalists were selected and asked to visit the Company. Final term sheets were received from the finalists, and FourBridges crafted a transaction structure that best fit the owners' objectives.

The Result: The towing and fleeting operations as well as 34 barges were sold to AEP River Operations, a subsidiary of American Electric Power (NYSE: AEP), and other assets were sold to McGinnis, Inc. This allowed the daughter to exit the business entirely. The son, along with his son, continues to run Missouri Dry Dock and Repair Company along the banks of the Mississippi River.

Testimonial: *"I've been in the business for 38 years and this is the right opportunity for our company, our employees and our family. Our employees will have the chance to join a strong business at AEP River Operations, with their Cape Girardeau team of more than 425 mariners and shore-side people."*

- Rob Erlbacher, President

