

## Relativity Sees Clear Gain In Night-Vision Biz

**Relativity Capital**, a young buyout shop based in Arlington, Va., has closed its second deal less than a month after completing its first.

The firm earlier this month announced an agreement to purchase a majority interest in night-vision equipment maker **Nivisys Industries LLC**. That deal followed its March acquisition of Berkshire Manufactured Products. The firm did not disclose terms for either deal.

Former The Carlyle Group Partner Leslie Armitage founded Relativity Capital in 2007, alongside Joyce Johnson-Miller, formerly of [Cerberus Capital Management](#). Armitage was one of Carlyle Group's youngest partners at age 30. Relativity Capital targets healthy or distressed mid-market companies, seeking to write equity checks in the \$5 million to \$30 million range.

To acquire Nivisys Industries, the firm beat several strategic buyers in an auction, largely because of its flexibility and willingness to support new products. **Nivisys Industries's founder, Byron Harding, wanted a partner that would contribute to the company's growth trajectory, said Tom Staszak, managing director at mid-market investment bank GW Equity, which served as sell-side adviser on the deal. The night-vision equipment sector is fragmented, with large strategic players such as Lockheed Martin Corp. eager to consolidate. But Harding had narrower growth strategies for Nivisys Industries, and he sought a cooperative, development-oriented outlook, which Relativity Capital promised, Staszak said.**

Nivisys Industries is particularly well-positioned for growth within the defense and security industries. The company's night-vision products serve more than just military customers. Police forces, border patrol squads, and even rescue helicopter operators rely on the company's lasers, binoculars and cameras. And within its combat-related business, Nivisys Industries believes it has an advantage because its development team works with military personnel to create new products. **That should ensure a guaranteed demand for every product the company makes, Staszak said. Comparable public companies in the market achieve up to 25 percent annual growth rates, he added.**

Harding and CFO Roz Harding maintained a significant stake in the business, and Byron Harding will remain involved as the company's chairman; his son Allen Harding will take over as CEO. Byron Harding founded the company in 2003. CapitalSource provided debt financing for the deal.—E.G.