

## Orchid Underwriters to Partner with Gryphon Investors

### Deal Value: Not Disclosed

Sandler O'Neill served as financial advisor to Orchid Underwriters in connection with this transaction. Overall, this represents Sandler O'Neill's 197<sup>th</sup> financial services transaction since January 1, 2011, more than any other investment bank during that time period.<sup>(1)</sup>

Since January 1, 2011, Sandler O'Neill has advised on 17 insurance transactions, more than any other full-service investment bank during that time period.<sup>(1)</sup>

Vero Beach, FL – Orchid Underwriters (“Orchid”), a leading specialty underwriter of property insurance focusing on coastal properties, announced that Gryphon Investors (“Gryphon”), a San Francisco-based middle market private equity firm, has entered into a definitive agreement to make a majority investment in the company. CEO Michael Ray and President Brad Emmons have retained a significant ownership position in the company and will continue to lead Orchid after the closing of the transaction. Terms of the deal were not disclosed.

Based in Vero Beach, FL, Orchid is a specialty underwriter of personal and commercial property risks with expertise in high value properties in Tier 1 and 2 coastal regions throughout the United States and the Caribbean. The company provides customers with a “one-stop-shop” product offering delivered through an easy-to-use automated policy issuance system. Orchid only represents well-known *A.M. Best* A-rated insurance carriers and is a market leader with over \$14 billion of insurance in-force.

Ken LeStrange, an advisor to Gryphon, commented, “Michael, Brad and the rest of the Orchid team have built a great franchise with an impressive value proposition for insureds, agents and carriers. I am excited to have the opportunity to work with them along with the Gryphon team to expand the company’s product lines and geographic reach.” LeStrange, who was a co-founder and former Chairman & CEO of Endurance Specialty as well as the former CEO of Aon Risk Services, will become Chairman of Orchid after the closing of the transaction.

Gryphon focuses on leveraged acquisitions of, and growth investments in, middle-market companies in partnership with experienced management. With more than \$1.4 billion of cumulative equity commitments, Gryphon has an extensive track record of investing up to \$100 million of its committed capital per investment in companies with sales ranging from approximately \$50 to \$500 million. Gryphon prioritizes investment opportunities where it can form proactive partnerships with owners and executives to build leading companies, utilizing Gryphon’s capital, professional resources and operational expertise.

(1) Source: SNL Financial. Includes financial services transactions in all geographies since January 1, 2011 and all investment banks with an average disclosed deal value of \$25 million or greater; excludes terminated transactions, self-advisory roles and managed care transactions.

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