

# The Daily Deal

## Plymouth Rubber exits Ch. 11

by David Elman Posted 12:19 EST, 6, Sep 2006

Plymouth Rubber Co., a Canton, Mass.-based maker of vinyl and rubber tapes, emerged from bankruptcy protection Aug. 31 with new ownership.

Long Dash PRC LLC invested \$3 million for Plymouth's new shares. The vehicle, largely owned by Philadelphia-based distressed investment firm Chrysalis Capital Partners LLC, also acquired the interests of several creditors, Chrysalis managing director Greg Segall said in an interview.

Maurice Hamilburg, formerly Plymouth's co-CEO and now president and CEO, is a minority investor in Long Dash. Former chairman and co-CEO Joseph D. Hamilburg is no longer with the company, Segall said.

Maurice Hamilburg was also connected to Clarendon Capital Group LLC, initially slated to invest \$2 million for the shares of Plymouth.

"We were called late in the confirmation process by several of the attorneys in the case when the financing came into question," Segall said, noting that Chrysalis knew several of the lawyers in the case.

Plymouth joins Republic Storage Systems Co. in Chrysalis' portfolio. The firm paid \$20 million for the Canton, Ohio-based maker of school and storage lockers on May 15. Chrysalis had originally agreed to provide New York art gallery Berry-Hill Galleries Inc. with debtor-in-possession funding as part of a potential purchase of Republic, but the firm decided not to go forward.

The Plymouth investment "is a solid fit with our investment rationale," Segall said in a statement. "We quickly recognized the strong underlying business at Plymouth Rubber and [subsidiary Brite-Line Technologies Inc. ], as well as the opportunity in partnering with its management team to take the company out of bankruptcy and pursue operational improvement."

Wells Fargo & Co. supplied a \$9 million revolving exit loan.

The material conditions for Plymouth's exit from Chapter 11, Segall said, were Chrysalis' equity investment, the Wells Fargo financing, the termination of Plymouth's legacy pension plan and the close of a \$5.26 million sale-leaseback deal for the company's Canton real estate to Napleton Acquisition LLC.

Plymouth has already moved its manufacturing operations for PVC tape to a Chinese joint venture, and the company is evaluating a shift of its rubber tape manufacturing in Canton to Spain or China, Segall said.

With the exit from Canton by the end of 2007, Plymouth "will have completely restructured [its] cost structure," Segall said. This income statement fix and the company's new financing from

Chrysalis and Wells Fargo leave it ``well positioned for stability and growth in the coming years," he concluded.

The company filed for bankruptcy protection on July 5, 2005, with Brite-Line.

The assertion of a \$9.84 million priming lien by the Pension Benefit Guaranty Corp. prompted prepetition lender LaSalle Bank NA to cut off borrowing on a \$14.7 million revolving credit facility in June 2005.

Although Plymouth froze its benefits on Nov. 30, 1986, it hadn't been able to meet funding obligations for its pension plan since 2002.

Judge Joan N. Feeney of the U.S. Bankruptcy Court for the District of Massachusetts in Boston on July 26 confirmed Plymouth's modified second amended joint plan of reorganization.