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M&A Roundup: Private equity groups, tech firms do deals before year's end

Houston-area companies in technology, real estate services, private equity and other sectors have announced new deals ahead of the new year.

<https://www.bizjournals.com/houston/news/2020/12/17/m-a-roundup-december-2020-onit-stewart-hungerrush.html>



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Houston-area companies in technology, real estate services, private equity and other sectors have announced several new deals ahead of the new year. Here's a look at recent dealmaking by Houston-based firms.

Onit

Houston-based Onit Inc., which specializes in enterprise software offerings for legal departments, acquired Kiev, Ukraine-based document automation firm Axdraft. Terms of the acquisition were not disclosed in a Dec. 17 announcement.

Axdraft will now operate as an independent subsidiary of Onit under the brand Axdraft, an Onit Company. Axdraft co-founders Yuriy Zaremba and Oleg Zaremba will work in the combined company as general manager and CTO, respectively. The deal adds 14 employees to Onit's headcount, a spokesperson confirmed.

"When I was a lawyer, I experienced how routine legal work can be when you draft the same types of documents over and over again. It's a process that invites mistakes and keeps attorneys from focusing on higher-value contributions," Yuriy Zaremba said in a release. "That led me to start Axdraft with Oleg."

The acquisition is Onit's second announced in 30 days. [In November, the company announced the acquisition](#) of New Zealand-based legal artificial intelligence company McCarthyFinch. The deal allowed Onit to expand McCarthyFinch's artificial intelligence capabilities to Onit's product offerings and legal operations management software provided by subsidiary SimpleLegal. McCarthyFinch's technology also become an integral component of Onit's new AI platform, Precedent.

"The acquisition of Axdraft underscores our continued commitment to innovation for all of our offerings and particularly in the area of contract lifecycle management," said Eric Elfman, co-founder and CEO of Onit. "In 30 days, we've added an AI-based contract management product that significantly streamlines contract review, and now with Axdraft, we offer lightning-speed, error-free and multilingual contract drafting."

Onit is one of the Houston region's fastest-growing companies, ranking on both [the Houston Business Journal's 2020 Fast 100 List](#) and [the HBJ's 2020 Fastest-Growing Houston-Area Middle Market Companies List](#).

Rimkus Consulting Group

Rimkus Consulting Group Inc., a forensic engineering, technical consulting and expert witness service firm based in Houston, acquired Ann Arbor, Michigan-based consultancy Applied Safety and Ergonomics, according to a Dec. 16 announcement. Terms of the deal were not disclosed.

Applied Safety and Ergonomics provides product and safety warnings consulting, forensic and litigation support services, research and testing services, plus other offerings.

"This acquisition is consistent with Rimkus' overall strategy and objective to grow our strategic practice areas as well as expand our core service lines," said Curtis Brown, chairman and executive director of Rimkus Consulting Group. "Applied Safety and Ergonomics is an established human factors consulting company with an entrepreneurial spirit and an excellent reputation for professional expertise and customer service across all its service lines."

In November, Rimkus announced the acquisition of Canada-based IRC Building Sciences Group, an engineering and consulting firm specializing in roofing, building envelope, structural and pavement systems.

HungerRush

Houston-based HungerRush, a provider of restaurant management and online ordering systems, acquired OrdrAI, a provider of text and voice ordering services. Terms of the acquisition were not disclosed in a Dec. 3 announcement.

The acquisition of OrdrAI will enable HungerRush to add artificial intelligence-enabled text-to-order services to its restaurant management system.

"We are excited to welcome the OrdrAI team and augment our restaurant management platform with integrated voice and text message ordering," said Perry Turbes, CEO of HungerRush. "We are committed to providing innovative multichannel digital ordering technologies to restaurant owners so they can own their business data and customer relationships, ensuring the best experience for their guests."

HungerRush is a portfolio of Houston-based private equity firm The CapStreet Group.

Race Rock Group

Houston-based private investment firm Race Rock Group agreed to acquire Fort Worth-based Structural & Steel Products Inc., a portfolio company of Dallas-based Highland Capital Management.

Founded in 1969, Structural & Steel Products manufactures and distributes transportation, telecommunications, transmission and utility infrastructure products.

"We are extremely pleased to join Race Rock Group, with its strong track record of growing and operating businesses in the general industrial and manufacturing space," said Matt Brace, CEO at SSP.

Race Rock Group funded the transaction with a combination of debt and equity, the firm said in a Dec. 4 announcement. Debt financing was provided by The Woodlands-based Woodforest National Bank. Terms of the deal were not disclosed.

"We are excited to be acquiring a best-in-class steel product manufacturer that aligns with Race Rock's strategic vision and investment approach," said Donald Young, managing member of Race Rock. "We see significant growth opportunities throughout

the U.S. transportation infrastructure market and look forward to finding ways to deploy SSP's broad product portfolio to end markets throughout the country."

Stewart Information Services

Houston-based Stewart Information Services Corp. (NYSE: STC) acquired NotaryCam, a provider of online notary services. Terms of the acquisition were not disclosed.

Stewart's acquisition of NotaryCam furthers its mission of digitizing, securing and simplifying the title and closing process, Stewart said in a Dec. 3 announcement. The deal also expands Stewart's customer base outside of real estate to include financial services companies.

"Stewart and NotaryCam have been partners for years in the digital and eClosing space, leading innovation and change for real estate closings across the country," said Fred Eppinger, CEO of Stewart. "Together, we will be able to offer customers a suite of new and enhanced customer-centric tools and solutions that will further enhance our secure notarization and eClosing processes."

In October, Stewart acquired Pro Teck Valuation Intelligence, a Massachusetts-based provider of property valuation services. In September, Stewart announced that it had [paid \\$105 million to purchase 57 title offices](#) in Arizona, Colorado and Nevada from Colorado-based ET Investments. In June, the company acquired Overland Park, Kansas-based United States Appraisals to [further strengthen its mortgage originations offerings](#).

Based on its 2019 revenue of \$1.94 billion, Stewart Information Services was the 50th-largest company on the [Houston Business Journal's 2020 Largest Public Companies List](#).

Rock Hill Capital, Big City Access

Houston-based private equity firm Rock Hill Capital sold portfolio company Houston-based Big City Access to BrandSafway, a Kennesaw, Georgia-based construction and civil engineering firm. Terms of the sale were not disclosed in a Dec. 3 announcement.

Big City Access provides scaffolding and access services in the commercial construction sector. Founded in Houston in 2002, Big City Access has locations in Dallas, San Antonio and Austin. The company employs roughly 160 workers.

"This is an exciting opportunity for both our customers and our employees," said Barbara Roberts, president of Big City Access. "By joining the leading access and

industrial services company in North America, we can further grow our business and provide an enhanced level of service to our customers."

Rock Hill Capital was founded in 2007 and invests in small to lower-middle-market companies in industrial products and services.

Houston Wire and Cable

Houston Wire & Cable Co. (Nasdaq: HWCC) agreed to sell subsidiary Southern Wire, a Mississippi-based distributor of wire rope and rigging products, to Paducah, Kentucky-based Southern Rigging Cos. LLC for \$20 million, according to a Dec. 2 announcement. Net proceeds from the sale of Southern Wire are expected to reduce debt, HWCC said.

"Southern Wire is a company with outstanding leadership, team members and a proven track record of providing superior products, customer service and operational excellence for 48 years," said James L. Pokluda III, president and CEO of HWCC. "We are very thankful for their multiple contributions to HWCC and wish them much success in the future."

The transaction is expected to close by the end of the year.

Benefit Concepts Inc.

Houston-based Benefit Concepts Inc., a regional insurance brokerage specializing in individual, Medicare and group benefits, has acquired all assets of Heavin, Otto & Leavitt Insurance Services, a wholesale insurance brokerage specializing in individual and small group benefits.

Terms of the deal were not disclosed in the Dec. 1 announcement. Heavin, Otto & Leavitt will continue to operate and support clients from its existing location in Corpus Christi, Texas, under the leadership of Will Heavin, who founded the firm in 1985.

Benefit Concepts ranked No. 4 among [medium-sized companies in the Houston Business Journal's 2020 Best Places to Work awards](#).