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B. Riley Acts as Exclusive Financial Advisor to Hoffman Southwest Corporation in Connection with its Sale to Sterling Partners

ORANGE COUNTY, Calif., July 16, 2015 /PRNewswire/ -- B. Riley & Co., LLC, a leading full service independent investment bank and a wholly-owned subsidiary of B. Riley Financial, Inc. (NASDAQ: RILY), served as the exclusive financial advisor to Hoffman Southwest Corporation in connection with its sale to Sterling Partners. Terms of the transaction, which closed on July 13, 2015, were not disclosed.



Privately-held Hoffman Southwest operates a leading business services platform in the western United States. The company's complementary divisions provide comprehensive water flow solutions to multiple end markets. The business segments include: (i) HSW Roto-Rooter, the largest Roto-Rooter® franchisee; and (ii) ProPipe, a proprietary underground pipeline inspection and cleaning platform. Originally founded by Russell Hoffman in 1946 to service the greater Los Angeles market, the company now provides coverage across 12 states through a network of 20 branch operations and a workforce of more than 650 employees.

"Hoffman Southwest's shareholders and board of directors selected B. Riley to represent the company following a thorough interview process," said Dennis Hoffman, Hoffman Southwest's former President and Chairman. "The firm's long history of working with privately-held, family-owned businesses and proven track record for maximizing shareholder value distinguished B. Riley as the clear choice to represent us. We are exceptionally pleased with the outcome."

B. Riley initiated, structured and negotiated the transaction on behalf of Hoffman Southwest. The deal team was led by Senior Managing Director Greg Presson, Director Chris Ankley and Associate Noah Franz. The sale to Sterling Partners, a growth-oriented private equity firm with approximately \$5 billion of assets under management, provided the company's second generation shareholders with liquidity and senior management with an opportunity to partner with a nationally recognized investment firm.

"This transaction provided a great result for Hoffman Southwest's shareholders and senior management team," said Presson. "Sterling Partners represents the ideal private equity buyer for Hoffman Southwest based on the firm's sector expertise and relevant investment experience. The partnership will allow the company to invest in expanding the scope and breadth of services offered to its customers."

Chicago-based Sterling Partners has a successful track record of investing in privately-held companies in the business services sector. Hoffman Southwest's senior management team, including Mark Metcalfe, Monte Yoder, Chuck Berry and Dean Monk, will continue to manage day-to-day operations.

"The Roto-Rooter® legacy of providing responsive, best-in-class services to commercial and residential customers provides a great opportunity to expand into new markets. We believe there is also an enormous demand for pipeline risk mitigation as municipalities and utilities have a critical interest in ensuring pipelines are functioning safely and properly," said Alan Macksey, Managing Director at Sterling Partners. "We're excited to work with existing management to deliver a greater breadth of services to existing Roto-Rooter® and Pro-Pipe customers."

About B. Riley

B. Riley Financial, Inc. (NASDAQ: RILY) provides collaborative financial services and solutions through several subsidiaries, including: B. Riley & Co. LLC, a leading investment bank and FINRA broker dealer which provides corporate finance, research, and sales & trading to corporate, institutional and high net worth individual clients; Great American Group, LLC, a leading provider of advisory and valuation services, asset disposition and auction solutions, and commercial lending services; B. Riley Capital Management, LLC, an SEC registered Investment Advisor, which includes B. Riley Asset Management, a provider of investment products to institutional and high net worth investors, and B. Riley Wealth Management (formally MK Capital Advisors), a multi-family office practice and wealth management firm focused on the needs of ultra-high net worth individuals and families; and Great American Capital Partners, a provider of senior secured loans and second lien secured loan facilities to middle market public and private U.S. companies. B. Riley Financial, Inc. is headquartered in Los Angeles with offices in major financial markets throughout the United States and Europe. For more information on B. Riley Financial, Inc., please visit www.brileyfin.com.

About Sterling Partners

Sterling Partners is a private equity firm with a distinct point of view on how to build great companies. Founded in 1983, Sterling has invested billions of dollars, guided by the company's stated purpose: INSPIRED GROWTH®, which describes Sterling's approach to buying differentiated businesses and growing them in inspired ways. Sterling focuses on investing growth capital in small- and mid-market companies in industries with positive, long-term trends - education, healthcare and business services. Sterling provides valuable support to the management teams of the companies in which the firm invests through a deep and dedicated team of operations and functional experts based in the firm's offices in Chicago, Baltimore and Miami.

The people at Sterling believe in ideas and ideals, in people and in partnerships that drive long-term success. For more information, please visit www.sterlingpartners.com.

About Hoffman Southwest

Hoffman Southwest operates a leading business services platform in the western United States. The company's complementary divisions, HSW Roto-Rooter and ProPipe, provide comprehensive water flow solutions to multiple end markets. Hoffman Southwest was founded in 1946 and is headquartered in Mission Viejo, California.

HSW Roto-Rooter is the largest Roto-Rooter® franchisee. The company provides plumbing repair and sewer, drain and pipe cleaning services to residential and commercial customers through 12 branches located in California, Arizona, Utah, Oregon and Texas.

ProPipe is the largest provider of underground pipe inspection and cleaning services in the western United States. The company serves municipal, utility and industrial customers through an integrated network of 8 branch operations located in California, Nevada, Arizona, Colorado, Utah, Oregon and Texas.

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