



[Printer-Friendly Format](#)

## CoMac's Coughlin forms Longroad Asset Management

**Penny Towey**

April 10, 2002 EST

CoMac Partners' Paul Coughlin has formed Longroad Asset Management, a firm that will concentrate on opportunities in the high yield and distressed debt markets. The firm will act as general partner of Longroad Partners, which was initially established in 1993 under the name Coughlin Partners.

Coughlin co-founded CoMac with Chris Mackey nine years ago and sold his 50% interest last fall. He was previously a portfolio manager at both Whitehead Associates and the Halcyon Partnerships/Alan B. Slifka & Co, where he concentrated his efforts on companies that required restructuring.

Coughlin decided to form Longroad after becoming actively involved in several distressed companies at CoMac, which he found provided better performance. "You have billions of dollars coming into the distressed market, where you have 90% of the capital raised chasing 15% to 25% of the deals," he says. "I saw some of the money that we made in our active positions and decided that I wanted to run in the opposite direction of the big, liquid, tradable securities and become more of an investor."

Longroad seeks to acquire one-third of the debt of distressed middle market companies under the radar screen of Wall Street trading desks.

To conduct a search, type in one word. Multiple words and acronyms will not provide results.

Optimally the strategy invests in good companies with a little too much debt but not a lot of bank debt in front of the fund's position. "We don't want to get involved in operational turnarounds," Coughlin said. Most often the exit strategy will be a normal liquidity event - sale of an asset or the company, refinancing, or a private equity leveraged recapitalization. In the event that the investment follows a workout scenario, a 34% holding allows Longroad to be in the driver's seat. "We are definitely activist, but we are not on the prowl to get into fights," he said.

The portfolio would consist of 10-12 companies with a holding period of between six and 30 months. While the firm does not focus on any particular sector, companies with hard assets or valuable contracts are targeted. "Even though we have telecom people, their background is in consulting and manufacturing," Coughlin said.

Leon Komkov, Richard Latto and Anne Whitman have joined Coughlin at the new firm. Komkov will advise in all aspects of corporate restructurings in both out-of-court and bankruptcy situations. He was previously a partner with Milgrim, Thomajan & Lee before co-founding Baskin, Bennet & Komkov in 1993.

Latto was a Global Crossing senior vice president responsible for analyzing telecom technology situations for investment and merger activity. He was previously president of Dune Asset Management which specialized in commodity, equity and fixed income trading. Prior to that he was a vice president at Goldman Sachs in their energy business.

Whitman was director of business development at Global Crossing, financially engineering large outsourcing deals and potential acquisitions. She had previously been director of corporate development for Student Advantage and before that, a manager in PricewaterhouseCoopers' M&A division.

Coughlin expects to launch the fund in the fall with about \$300 million.

© Copyright 2001-2002. Infovest21, LLC. All rights reserved.  
[News Provider](#) | [Research](#) | [Customer Services](#)  
[About](#) | [Glossary](#) | [Directory](#) | [FAQ](#) | [Contact Us](#)  
[Disclaimer](#) | [Privacy Policy](#)

