

# Alliance Group makes two more investments, others planned

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Michael Pitino and Les O'Nan are advancing their plan to create a portfolio of companies for their brokerage and investment firm, Alliance Group Inc.

A little more than two years after forming the firm, the two executives and their six partners have made investments in three companies, each in a different industry. The group of investors, from Louisville and other parts of the country, also plan to make another investment soon in a fourth company, which would bring their total investments to more than \$8 million, Pitino said.

The firm provides financing for growing businesses as well as business brokerage and merger and acquisition services.

In February, Alliance made its first investment, buying a 45 percent share of Naples, Fla.-based Empower Benefits LLC, a human resources outsourcing company.

## ALLIANCE GROUP INC.

**Description:** Business brokerage and equity firm that provides institutional finance, merger and acquisition, and advisory services

**Top officials:** Michael Pitino, founding partner and chief operating officer; Les O'Nan, president and CEO

**Offices:** 9505 Williamsburg Plaza, Louisville; Grand Rapids, Mich.; Boca Raton, Fla.; and Raleigh, N.C.

**Investments:** More than \$8 million

**Web site:** www.alliancegrponline.com

of Decorative Concepts Inc. in Grand Rapids, Mich., said the only investment criteria are that "we have to believe in the market," and the company has to be growing.

## Margarita salt maker gets investment

Alliance's latest investment in Pompano Beach, Fla.-based Franco's Cocktail Mixes Inc. is a good example of that, O'Nan said.

Alliance bought a 90 percent share of Franco's, the nation's largest distributor of margarita salt, for an undisclosed amount, according to Pitino, chief operating officer for Alliance. Franco's sells margarita salt and other beverage products under its own name and through licensing agreements for brands such as José Cuervo, Sauza and Pat O'Brien's.

The company generated more than \$3 million in revenue last year, and its sales have grown during each of its 33 years in business, according to Brenda Franco, president of Franco's Cocktail Mixes.

## Company didn't need money to grow

Franco decided to sell controlling interest in the 14-employee company after her husband, Richard Franco, died in January.

Brenda Franco will retain ownership of 10 percent and stay as the company's top executive, but a partner with Alliance also is helping manage the business, she said.

"I didn't need the money," Franco said. "I wanted to find someone who would keep growing it once I am gone."

Pitino said that although buying a controlling share of a company is atypical for his firm, the opportunity to buy a company with

Franco's Cocktail Mixes Inc. "is just one of those diamonds in the rough. It is a great cash-flowing business with a great reputation."

**MICHAEL PITINO**, Alliance Group Inc.

a good reputation in its industry and a good core business was one he couldn't pass up.

"It is just one of those diamonds in the rough," he said. "It is a great cash-flowing business with a great reputation."

## Local wireless firm also growing

Alliance also has invested in Discernity LLC, a Louisville-based company that provides wireless Internet service to hotels, apartments/condominiums and office complexes.

Alliance invested more than \$1 million in late July to buy a 15 percent stake in the company, Pitino said. The firm also has an option to increase its investment to 40 percent.

Chris Chase, president of Discernity, said the investment was used primarily to expand the company's sales and support staff in Louisville and other areas in the Midwest and Southeast. Discernity has about a dozen employees in five cities.

"This is a company that has been run out

of his home for three years," Pitino said. "He got this company up and profitable, but ... he really needed to hire a sales staff."

Both Pitino and Chase declined to disclose annual sales for Discernity.

Pitino said he was drawn to invest in the company primarily because of its business plan and recurring revenue stream.

Discernity won a contract with the city of Georgetown, Ind., to provide wireless Internet service throughout the town. Georgetown, with a population of about 8,300, paid Discernity \$200,000 to set up the network.

Chase said Georgetown and Discernity will share proceeds generated by the service.

"He has done a great job," Pitino said. "Anytime you get to supply WiFi for an entire city, it's pretty exciting."

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