

Merger Advisory – National Patent Development Corp.

National Patent Development Corporation

December 2009

Sale to

The Merit Group

*The undersigned acted as
sole financial advisor to the seller*

 M.M. Dillon & Co.

Highlights

- M.M. Dillon & Co. (“Dillon”) acted as exclusive financial advisor to National Patent Development Corporation (“NPDC”) on the sale of NPDC’s wholly owned subsidiary, Five Star Products, Inc. (“Five Star” or the “Company”) to The Merit Group for [\$33,100,000] in cash.
- Dillon reviewed the Company’s annual reports and audited financial statements as well as management projections and historical stock performance of the parent company as part of its advisory work. Dillon also examined the suitability of bids and performed multiple valuation analyses on Five Star as part of its evaluation process.

The Company

Five Star is a wholesale distributor of home decorating, hardware, and finishing products headquartered in East Hanover, NJ. The company has been operating since 1912 and serves independent retail dealers in the northeast and mid-Atlantic states. The company distributes its products from Maine to South Carolina as well as in Kentucky and Ohio, with customers in the NYC metro area generating approximately 65% of the Company’s total sales in 2008.

Five Star distributes approximately 20,000 SKU’s to over 2,000 customers; its top selling products include plastic bags, paint thinner, safety masks, tapes, and primer.

Contact Us

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About M.M. Dillon & Co. (Formerly CRT Investment Banking LLC)

M.M. Dillon & Co. (formerly CRT Investment Banking LLC) is an employee-owned partnership where industry and product specialists collaborate closely to provide creative, idea-driven advice and solutions to its institutional and corporate clients. M.M. Dillon offers public and private financing, M&A advisory and restructuring advisory services. M.M. Dillon’s team of experienced professionals provides execution capabilities for companies across a range of industry sectors. The firm’s senior banking professionals have a minimum of 20 years experience with major Wall Street firms.