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Yucaipa, Garcia Trujillo Partner To Target Hispanic Consumers
By Jonathan Shieber

Ron Burkle's Yucaipa Cos. is partnering with Garcia Trujillo Holdings LLC to make private equity investments in companies targeting the Hispanic market in the U.S. As one of the fastest growing and biggest spending minority populations in the United States, the Hispanic market will become a more important force in the American economy, according to Garcia Trujillo Holdings Chief Executive Charles Garcia. According to data from Garcia Trujillo, a Miami-based merchant banking, strategic consulting, and private equity investment firm, over 50 million Hispanics live in the U.S., a number expected to reach 132 million by 2050. Spending among the Hispanic population is growing at \$100 billion per year, and is projected to reach \$1.5 trillion by 2015, up from \$1.1 trillion in 2010.

Burkle, who has committed cash alongside the entrepreneur and basketball star Earvin "Magic" Johnson Jr. to invest in businesses targeting the African-American community, is hoping that this new partnership with Garcia Trujillo will cast a similar spell on Hispanic consumers.

"Ron Burkle has always been interested in investing where other people aren't," said one person with knowledge of Yucaipa's plans. Yucaipa has historically made investments in underserved communities in logistics, distribution, and in retail, so the firm is well versed in the opportunities and perils of backing businesses in those markets, the person said. According to Garcia, the two firms had been in negotiations for three or four months before they were able to come to a deal. The two parties did not disclose the terms of the agreement, but according to Garcia the sky is the limit.

"It's like a blank checkbook," Garcia said in an interview. "The only limit is the quantity and quality of the transactions."

Rather than raise a discrete private equity fund, Garcia said the partnership with Yucaipa gives the two firms the flexibility to invest as either equity or debt, in deals that could range from \$15 million to \$150 million.

Through the partnership, Garcia said that the two firms will invest in businesses that target the Hispanic community or have a Hispanic management team, and businesses that are looking to enter the North American market from Latin America.

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<http://www.yucaipaco.com>

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