Written by Bob Snyder
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They are calling it a "friendly management buy-out." **tvONE**, supplier of high performance video processing equipment, secures a management buyout of the company from Nortek, Inc.

The acquisition was completed July 31, 2015, with a new board of directors comprised of the tvONE management team; David Van Horn, David Reynaga and Andy Fliss, with continued active involvement of Frithjof Becker and Richard Mallett.

"We are extremely excited about independently driving the future of the company," says Andy Fliss, Vice President, Sales and Marketing. "This management group intimately knows and cares about our co-workers. And we are prepared to solidify tvONE's philosophical principles and chart a company business plan geared for growth and success."

tvONE CTO, David Reynaga, adds, "We have the right building blocks and passion to deliver memorable customer experiences though innovative products and, we are absolutely committed to providing unrivaled service and support."

The company expects to operate smoothly through the transition with no changes in customer-related activity. David Van Horn, tvONE CFO, comments, "The friendly MBO arrangement with Nortek has put tvONE in an excellent position to continue growth and success into the future."

The "friendly buyout" is in contrast with an unfriendly buyout... companies that are raking in high profits generally don't get to walk out the door of a holding company. The only reason for a "friendly buyout" is that the holding company is not losing a valuable asset. In the case of

Nortek, with **Gefen** being pulled into **Core Brands** about the same time... it would seem that Nortek figures it has nothing lose (and something to gain) by letting a MBO go through. For example, does the friendly MBO include future payments based on sales turnover to Nortek that might turn previous losses (by Nortek corporate accounting that might include corporate allocations and management fees) into a positive contribution?

This commentary doesn't take anything away from the courage (and perhaps even the business acumen) of the new tvONE board. The world is filled with companies that have no value to a conglomerate but after a buyout start putting gold in the pockets of entrepreneurs. Often a company can be more responsive to customers in a flatter management process. In this case, that certainly seems like this is the intention-- and that's good news for distributors and integrators.

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