



Chi-Town Buyout Bets On Wireless Classrooms

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Chicago Growth Partners' recent acquisition of **eInstruction**, a maker of wireless technology for the classroom, came about after it was asked to take part in a limited auction by **MHT Partners**, a boutique bank in Dallas, Texas. **Rob Healy**, a general partner at CGP, said MHT knew of the Chicago firm's interest in both technology and education--it had recently invested in **U.S. Education Corp.** a provider of postsecondary vocational training.

The firm took a majority stake in eInstruction with equity from its most recent fund, Chicago Growth Partners VIII, currently being raised for buyouts and late-stage venture investments. The fund has a target of \$400 million. Healy said the firm has commitments for about two-thirds.

Goldman Sachs Asset Management, **PPM America Capital Partners** and **CapitalSource** also took minority stakes in eInstruction. Terms of the deal were undisclosed, but CGP typically invests between \$10-40 million in buyout deals worth less than \$300 million. The Denton, Texas-based company makes a system that allows teachers to get constant feedback during a lesson. Students hold response pads they use to answer quick quizzes or ask questions without raising their hands. The system is used by the Army, corporations for training courses, and in thousands of classrooms. Healy said that when CGP looks to exit in 3-5 years, eInstruction could be sold either to another private equity fund or a strategic buyer or be launched as a public company.