

Silver Lake Said to Acquire Cast & Crew for \$700 Million

June 29, 2015 — 6:55 AM PDT Updated on June 29, 2015 — 9:05 AM PDT

Rebecca Spalding

Silver Lake Management, the largest technology-focused private equity firm, agreed to buy Cast & Crew Entertainment Services from ZM Capital.

The investment values the Burbank, California-based company at \$700 million including debt, according to a person with knowledge of the matter who asked not to be identified because the information is private.

Cast & Crew provides payroll, production accounting and other services to clients in the entertainment industry. It has 10 offices in North America and one in London, which it opened in 2013, according to the company's website.

"Silver Lake's technology expertise and entertainment industry understanding position them as the ideal strategic partner for our company," Eric Belcher, Cast & Crew's chief executive officer, said in a statement Monday.

The deal is the latest venture into the entertainment industry for Silver Lake, which has invested in such companies as Alibaba Group Holding Ltd., Dell Inc., and Skype. In 2012, the firm announced a strategic partnership with William Morris Endeavor Entertainment LLC, the global talent agency. Together, the two firms bought WME competitor IMG Worldwide Inc. in 2014.

BloombergBusiness

“The deal was a very good outcome for all parties involved and we are excited about the company’s future prospects,” Jordan Turkewitz, a partner at ZM Capital, said in an e-mailed statement. The private equity firm, which led a group of investors to acquire Cast & Crew in 2012, specializes in investing in entertainment and media companies.

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Payroll Company Cast & Crew Acquired by Silver Lake For \$700 Million



6/29/2015 1:25pm PDT
Paul Bond

Cast & Crew is well-known in the industry as one of the primary companies issuing paychecks to those who work on film and television sets.

Cast & Crew Entertainment services, one of the entertainment industry's larger payroll companies, has agreed to be acquired for \$700 million by Silver Lake, a private equity firm with \$26 billion of assets under management and in committed capital.

THE *Hollywood* *REPORTER*

Silver Lake, which also has invested in the WME/IMG talent agency as well as Alibaba and about 100 other companies, is purchasing Burbank-based Cast & Crew from ZM Capital, also a private equity firm.

Cast & Crew is well-known in the industry as one of the primary companies issuing paychecks to those who work on film and television sets.

Like others in the payroll-services industry, Cast & Crew has been quickly making the transition into digital and it now fashions itself a full-service vendor, providing accounting software and expertise on tax credits, labor relations, challenges complying with the Affordable Care Act and more.

The financial terms of the acquisition were not disclosed, though people familiar with the deal say the price was \$700 million and Cast & Crew senior management will remain “meaningful equity partners.”

Cast & Crew’s senior management team will also stay with the company in their current roles, and an insider said that there are no layoffs planned as a result of the acquisition. Cast & Crew, founded in 1976, employs 350 people in 11 offices.

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Silver Lake Buys Entertainment Payroll Firm

Monday, June 29, 2015

MATT PRESSBERG

Silver Lake Partners is increasing its focus on the silver screen.

The Menlo Park venture capital giant announced Monday that it has agreed to acquire Burbank entertainment industry payroll processing firm Cast & Crew Entertainment Services. Terms of the deal were not disclosed, but a source close to the transaction said the transaction is valued at about \$700 million.

Cast & Crew provides a suite of financial services to the entertainment industry, ranging from payroll and workers' compensation services to processing production incentives and tax credits. The nearly 40-year-old firm was previously owned by a consortium led by New York's ZelnickMedia Corp., which acquired it in 2012. Cast & Crew's senior management will remain in place after the Silver Lake purchase and continue to own equity in the company.

"This investment will enable us to continue to offer best-in-class service and support to our clients in a rapidly evolving entertainment landscape," Cast & Crew Chief Executive Eric Belcher said in a press release announcing the deal.

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Los Angeles Times

Silver Lake buys Cast & Crew for \$700 million

JUNE 29, 2015, 12:11 PM

[RICHARD VERRIER](#)

Private equity firm Silver Lake has acquired Cast & Crew Entertainment Services, the Burbank-based payroll services company, for \$700 million.

Silver Lake, a leading technology investor whose portfolio includes Go Daddy, Alibaba Group and the talent agency ICM, acquired Cast & Crew from ZM Capital, the companies said.

Financial terms were not disclosed, but a person familiar with the transaction said the deal was valued at \$700 million.

Cast & Crew employs 350 in 11 offices, with the bulk of the workforce in Burbank. Senior management will remain in their current roles, according to the statement.

Founded in 1976, Cast & Crew is one of the entertainment industry's leading providers of payroll services, residuals and workers compensation insurance.

Company executives said Silver Lake's backing will help Cast & Crew expand its services as the entertainment expands across multiple digital platforms.

"Silver Lake's technology expertise and entertainment industry understanding position them as the ideal strategic partner for our company," said Eric Belcher, president and chief executive of Cast & Crew.

Los Angeles Times

Silver Lake is the third private equity company to own the business. New York-based ZM acquired the company in 2012 from ABRY Partners of Boston.

ZM had planned to cash out its investment after five years but accelerated its plans because of the company's rapid growth, mainly fueled by the television industry, said the source, who was not authorized to discuss the transaction.

Silver Lake has more than \$26 billion in combined assets under management and committed capital.

"Technology's impact on the global media and entertainment sectors will create many new opportunities for Cast & Crew and its clients in the years ahead," said Silver Lake Managing Director Joe Osnoss.

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VARIETY

Cast and Crew Services Bought by Silver Lake for \$700 Million

The logo for Silver Lake, featuring the word "SILVERLAKE" in a bold, blue, sans-serif font. The text is underlined with a thin blue line.

JUNE 29, 2015 | 01:09PM PT

Dave McNary

Film Reporter [@Variety DMcNary](#)

Payroll services specialist Cast & Crew Entertainment Services has signed a definitive agreement to be acquired by technology investing firm Silver Lake for \$700 million from ZM Capital.

Burbank-based Cast & Crew's senior management will remain in their current roles and continue as "meaningful" equity partners in the new ownership structure. It touted the deal, announced Monday, as enabling it to accelerate its technology initiatives.

The companies did not disclose the price but a person with knowledge of the deal said the transaction was valued at \$700 million.

Cast & Crew provides payroll services to the entertainment industry, including major and independent film and TV studios, as well as live event venues.

VARIETY

“Silver Lake’s technology expertise and entertainment industry understanding position them as the ideal strategic partner for our company,” said Eric Belcher, president and CEO of Cast & Crew. “This investment will enable us to continue to offer best-in-class service and support to our clients in a rapidly evolving entertainment landscape. We undoubtedly will benefit from Silver Lake’s involvement as we accelerate our investment in technology and as we bring new client-centric digital solutions to market.”

A ZMC-led consortium, including VSS, Emigrant Capital Corp. and other ZMC limited partners and affiliates, acquired the company in 2012. Silver Lake’s portfolio includes Alibaba Group, Go Daddy, Hillstone Network and WME/IMG.

Cast & Crew was advised in this transaction by Moelis & Company, Morgan Stanley & Co. and Sidley Austin. Silver Lake was advised by Kirkland & Ellis. RBC Capital Markets, Credit Suisse, Deutsche Bank Securities and Société Générale are providing debt financing for the transaction.

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THE WALL STREET JOURNAL.

Silver Lake to Acquire Entertainment Services Provider Cast & Crew

Deal to value Cast & Crew at \$700 million including debt

Updated June 29, 2015 10:12 a.m. ET

GILLIAN TAN

Cast & Crew Entertainment Services LLC, which provides payroll and other services to the entertainment industry, has a new private-equity backer.

Silver Lake is buying the Burbank, Calif., company in a deal that values Cast & Crew at \$700 million including debt, people familiar with the matter said.

The companies confirmed the deal via news release on Monday but didn't disclose financial terms.

Beyond handling payroll and health insurance for clients, the company processes rights to future income streams, known as residuals, handles workers' compensation and labor relations issues, and provides advice around tax credits.

Its earnings are growing at roughly 15% annually, one of the people said.

The investment from Silver Lake will allow Cast & Crew to support its clients "in a rapidly evolving entertainment landscape," said Eric Belcher, Cast & Crew chief executive. Companies like Netflix Inc. and Amazon.com Inc. have increased their production of online content, which may drive growth for companies like Cast & Crew.

THE WALL STREET JOURNAL.

The people said Cast & Crew's growth opportunities include expanding its employment insurance and live events units, adding new offices as clients increasingly shoot offshore, and developing its expense management software.

Silver Lake, a Menlo Park, Calif., firm that focuses on technology-enabled investments, is buying Cast & Crew from a consortium led by New York private-equity firm ZM Capital LP, which in turn bought a controlling stake in the services provider in December 2012 from another buyout firm, ABRY Partners LLC. Cast & Crew's management will retain a small stake in the company, the people said.

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Burbank Firm Acquired for Reported \$700 Million

Tuesday, June 30, 2015

MARK MADLER

Payroll and accounting firm Cast & Crew Entertainment Services has been acquired by a private equity firm with a focus on technology investment for a reported \$700 million.

Terms of the deal between Cast & Crew, in Burbank, and Silver Lake, in New York were not disclosed. Cast & Crew had been owned by ZM Capital, also in New York.

Entertainment industry trade publication Variety, however, cited an unnamed source that valued the transaction at \$700 million

Cast & Crew Chief Executive Eric Belcher said that Silver Lake's technology expertise makes them an ideal strategic partner.

"We undoubtedly will benefit from Silver Lake's involvement as we accelerate our investment in technology and as we bring new client-centric digital solutions to market," Belcher said in a prepared statement.

Silver Lake's portfolio includes Chinese ecommerce website Alibaba Group Holding Ltd., personal computer company Dell Inc. and website hosting and domain name registration services firm Go Daddy.

Belcher and other senior management will remain with the company and be equity partners in the new ownership structure.

Cast & Crew provided payroll and accounting and other financial services to major and independent film and television studios and live event venues.

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