

## Score One For The Educational Insect Market

### Private Equity Beat

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By Beina Xu

Transom Capital Group has an ant farm in its Los Angeles office.

No, the firm hasn't gone off the deep end – it just closed its latest deal, buying Uncle Milton Industries Inc., a toy manufacturer that makes Ant Farm and other science-related products.

For full disclosure, it's technically an ant farm gel colony that Transom has sitting in a partner's office, said Managing Director Ken Firtel, whose son runs the company's remote control tarantula around the house.

“There are all these pathways they hang out in,” he said. “We don't have one in the house yet, but yes, the firm is in possession of an ant farm.”

The enterprise value was under \$50 million for the company, according to Firtel. There was no auction for this deal process; Transom was introduced to Uncle Milton's president through connections, and pretty quickly closed on a deal, Firtel said. The firm started conversations in mid-March.

“It was pretty straightforward,” Firtel said. “It was a good transaction structure, and had good characteristics of the type of company we like to see – there'll be opportunity for operational improvement.” Plans include expanding the company's retail presence.

Transom's last deal was a majority stake in music merchandise company Cinder Block Inc., which provides tour services and merchandise for bands. Transom's first fund, Transom Capital Fund I LP, closed in February 2009 at \$150 million.

The original Ant Farm was launched back in 1956 by Uncle Milton founders Milton M. Levine and E. Joseph Cossman. The company makes a line of space-themed toys and remote control bugs as part of its Explore It! line, as well items like Planet Frog, a live frog habitat. Uncle Milton also licenses Star Wars Science toys like the Darth Vader Robotic Arm, The Force Trainer and the Jedi Telescope.

One of its more intriguing products is the Aquasaur habitat, which lets you “hatch & raise real prehistoric creatures.” You may know these freshwater crustaceans as tadpole shrimp or simply [triops longicaudatus](#).