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Atlanta's Bartko advises former Kentucky lt. governor on offer

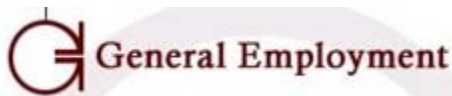
Posted on April 20, 2009 17:31 by [Andy Peters](#)

Atlanta corporate attorney Gregory Bartko's client has, for several weeks, been trying acquire a Chicago-area temporary staffing company. Bumps in the road, however, keep appearing.

Bartko's client is **PSQ LLC of Louisville, Ky.**, a special-purpose company formed by Steve Pence, a former lieutenant governor of Kentucky. Pence [*photo, right*] is also a former U.S. Attorney for the Western District of Kentucky. Bartko is a sole practitioner.

PSQ's target is **General Employment Enterprises Inc.** of Oakbrook Terrace, Ill. General Employment has been exploring its strategic options for months, according to regulatory filings. The company's board and executives hired an investment bank, **Prairie Capital Advisors Inc.** They have fielded questions from numerous suitors. They have interviewed prospective buyers. They have agreed to allow third parties to introduce them to potential acquirers.

On March 30, General Employment [decided that its best option](#) was to sell the company to Bartko's client, PSQ. Under the terms of its offer, PSQ would acquire more than 7 million new shares of General Employment's common stock for \$1.9 million. Then, PSQ would launch a cash tender offer to buy up to 2.5 million shares from General Employment's existing shareholders. In total, General Employment would sell a controlling interest in itself for about \$3.4 million.



General Employment and PSQ had expected their deal to close by April 13. But, then, another suitor came calling.



A company, which General Employment did not identify in the proxy statement it filed with federal regulators, on Apr. 10 made an acquisition offer. General Employment's board members and executives considered the offer seriously, but said no. Then the unidentified company made a revised offer, upping its price. Once again, General Employment declined, citing a variety of reasons, including the fact that the unnamed suitor had not conducted due diligence on General Employment and that process would take time, jeopardizing a potential agreement.

Another factor in play: General Employment's "deteriorating operations," according to the "Background of the Share Purchase and Tender Offer" section of its proxy statement. Without the money it would obtain from a sale to PSQ, General Employment said its cash would run out by the end of December.

Another bump in the road appeared on April 14. General Employment issued a news release saying that the tender offer statement and related documents filed by PSQ with the U.S. Securities and Exchange Commission contained "incorrect information." General Employment urged that shareholders not rely on the documents.

The next day, April 15, PSQ filed with the SEC an [amended tender offer](#) and other documents, including its [offer to purchase for cash](#). General Employment followed on April 16 by filing a document with the SEC recommending that its shareholders accept the PSQ offer. The companies have not provided a specific date for when they expect to close.

Bartko could not be reached for comment. **Schiff Hardin** partner Steve Isaacs in Chicago is counsel to General Employment on the transaction.

In addition to his law practice, Bartko is a managing member of two private equity firms, **Caledonian Private Equity Partners LLC** and **Capstone Partners LLC**.

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