

SMALL COMPANY BUSINESS LEADER OF THE YEAR | WINNER

Blue sets innovative pace

Equity firm collects diverse group of companies, retains interest in Spanish directories

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Jonathan Blue's private equity firm made a name for itself on the national scene earlier this year when it acquired the tennis, sports media and live sporting events divisions of the former SFX Sports Group from Live Nation Inc.

At the same time, Louisville-based Blue Equity LLC purchased the NBA and NFL player representation practice of veteran sports agent Bill Strickland.

The two deals mean that the burgeoning Louisville equity firm now represents tennis superstar Andy Roddick, pro basketball's Rasheed Wallace and several other world-renowned athletes.

The acquisitions drew national headlines for Blue Equity and its hard-charging young leader. But, if you ask him, Blue will say that the best thing about the deals is that they brought positive attention to his hometown of Louisville.

"It goes back to our entire platform and attempt to try to put Louisville on the map," he said. "We're competing on that world (stage). It's important to me that people respect and understand that we can do things here. We can play with the big boys."

Getting his name out

On the local level, Blue has been playing with the big boys for quite some time. The son of scrap-metal magnate David Blue, the 39-year-old entrepreneur made a name for himself several years ago when he and his younger brother, Todd, publicly championed the effort to bring an NBA franchise here.

Before dividing their business interests last year, the Blue brothers spent more than five years together leading the private equity firm Cobalt Ventures LLC, which invested millions of dollars developing real estate in the East Main and East Market streets corridor.

Their split led Jonathan Blue to form Blue Equity, a firm that has grown to include First Omni Mortgage Lending, which has 125 workers. Also under the Blue Equity umbrella are the SFX holdings; Blackwave Media Group, a sports and entertainment promotions company; several commercial real estate properties and a philanthropic arm.

One of the company's major successes has been growing a Spanish Yellow Pages business from one thin book in 2003 to 20 publications through acquisitions.

These operated under the Cobalt



Jonathan Blue, chairman and managing director of Blue Equity LLC, is shown in his company's offices. He consults with Mike Principe, below left, a senior vice president of the company.

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BUSINESS FIRST

Publishing LLC banner. Last month, Blue Equity sold an 80 percent stake in Cobalt Publishing for an undisclosed price to a Mexican communications company, Telefonos de Mexico S.A. de C.V. or Telmex. The Louisville firm retained the remaining 20 percent stake and continues to operate the U.S. division of the business in conjunction with Telmex under the name Seccion Amarilla USA LLC.

Blue's success in growing the Spanish Yellow Pages business has not been lost on others.

Local commercial real estate broker Gant Hill said he is impressed with how Blue expanded the publishing unit.

He added that the company's expansion is a tribute to its founder, who Hill described as meticulous, detail-oriented and devoted to Louisville.

"Jonathan could move his businesses anywhere in the country," Hill said. "He chooses to keep them here because he does believe in the city. He really does want to do what's best for the community."

Collecting companies

The diverse businesses reflect Blue's varied interests and industries that stir his passion. "We collect companies. We're aggregators and operators. We look for scalable opportunities. They can be scalable within Louisville, scalable within the region ... within the nation or the world."

Hill and Blue are partners in a real estate company called Blue Ventera LLC, which owns the historic Republic Building downtown at Fifth Street and

Muhammad Ali Boulevard and has plans for additional investments.

Real estate is a growing part of Blue's portfolio. He also is a partner in a \$90 million project to redevelop the former Hildebrand farm at U.S. 42 and the Watterson Expressway into a mixed-use development called The Midlands.

Construction is expected to begin on that project in 2007. It includes a hotel, housing, offices and retail.

Battling brain drain

Blue's various endeavors don't always lie in the business world. The married father of two young daughters also has an extensive list of civic activities and board memberships. He said he was particularly flattered and humbled to be named to the University of Louisville board of trustees earlier this year.

In his spare time, Blue participates in triathlons, reads and collects baseball memorabilia. Taking his family on a variety of outings takes up the remainder of his time.

With all of his activities, one might think that Blue easily could become overwhelmed, but part of his style is to delegate responsibility and foster leadership skills among others. It's his way of working to combat Louisville's "brain drain," the much-lamented loss of talented locals who leave the region for opportunities elsewhere.

Fighting brain drain — which he calls "the major issue" confronting the city today — has become something of a mission for Blue, who frequently speaks on the topic to groups such as the Young Professionals Association of Louisville.

"I think the more we talk about it, the better we'll be at attacking it," he said.

Looking for the next big thing

While he believes progress has been

| JONATHAN BLUE |

Job: Chairman and managing director, Blue Equity LLC

Company description: A private equity firm with a wide-ranging portfolio of businesses, including financial services, media, real estate, sports and entertainment and philanthropic concerns

Employees: About 500

Address: 333 E. Main St., Suite 200

Phone: 589-8181

Web site: www.blueequity.com

Year founded: 2005

Community involvement includes:

Boards of directors of Jewish Hospital & St. Mary's HealthCare Inc. and the Downtown Development Corp., Greater Louisville Inc.'s executive committee, University of Louisville board of trustees

Family: Wife, Tracy; daughters Talia, 7, Tamar, 5

made in the effort to keep Louisville's best and brightest at home, it's not happening quickly enough for Blue.

That's a typical reaction from the entrepreneur, who admits he's not easily satisfied.

Looking to the future, he said his goal is to expand the companies in Blue Equity's portfolio — all while looking for the "next big thing."

Whatever that "thing" might be, Hill believes Blue will be right in the middle of it.

"You're going to see a lot more of Jonathan on the national level in the next few years," he said.

"People just need to sit back and watch this guy." |