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**- Mark Moler, TP Mechanical Contractors**

Left to Right: Scott Teepe and Mark Moler, TP Mechanical Contractors, Dave Phelps and Steve Hube, Barnes Dennig

## **Construction expertise prompts mechanical contractor’s return to Barnes Dennig for corporate acquisition**

**Company called former audit and tax advisor for advice on limiting the tax consequences when buying firm back from parent.**

In the spring of 2003, Scott Teepe decided to buy his company back.

Teepe, president and CEO of TP Mechanical Contractors—a plumbing and mechanical design and installation company with locations in Cincinnati, Columbus, Indianapolis and Louisville—gathered his management team. He proposed to purchase his company’s division from American Plumbing & Mechanical, Inc. (AMPAM), a national conglomerate formed in 1999 with the merger of 10 similar companies.

The team agreed, and Mark Moler, controller, suggested that the company select an outside accounting firm to review the purchase proposal and its structure. His choice? Barnes Dennig, who had managed the company’s corporate financial statement, audits, and corporate and individual tax consulting work before.



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“We worked with Barnes Dennig for a couple of years before we joined AMPAM,” recalls Moler, who notes that AMPAM transferred all audit and taxation work to two different large, international accounting firms during the interceding four years. “I wanted to bring back Barnes Dennig because of their expertise in the construction and contracting field.”

Moler contacted Steve Hube, a director at Barnes Dennig, in July 2003. Together, Hube and Dave Phelps, tax director at Barnes Dennig, reviewed the purchase proposal that TP Mechanical’s management team and attorneys had put together.

“As we looked at the initial transaction, we noticed that it was structured in such a way as to create significant tax consequences to TP Mechanical,” says Hube.

“So we recommended a different approach,” adds Phelps. “Structuring the arrangement into different layers of ownership for the actual working business entity saved the shareholders substantial amounts of tax dollars.”

Hube and Phelps also recommended changing a few positions on the allocation of the purchase price with respect to contractor claims, thereby saving TP Mechanical additional taxes.

Teepe and Moler agreed with the recommended course of action, and the deal went through in just over three months—with TP Mechanical’s new ownership finalized in early October 2003. “Barnes Dennig led us through that transition period, and they developed some really good tax-savings ideas and suggestions,” says Moler. “They got us where we are today.”

So pleased was Moler with Barnes Dennig’s work in restructuring the company’s acquisition, there was no question that he also wanted the firm to again provide accounting, audit, and tax services.

“If we wanted to compare the auditors we’ve worked with over the past few years, Barnes Dennig asks the good, solid construction-practice related questions that the other firms just didn’t have a clue about,” Moler says. “Steve and Dave ask us things that somebody who didn’t know our industry wouldn’t think to ask, but probably should.”

