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AMP Acquires Gatto Electric Supply in Ohio

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A year and a half after AMP Electrical Distribution Solutions, the new electrical distribution consolidation vehicle led by Richard Worthy, debuted on the scene with the blockbuster acquisition of one of the Ohio market's most storied family businesses, Leff Electric of Brooklyn Heights, Ohio, the company has made its second addition with a deal to acquire Gatto Electric Supply, Cleveland, a family-owned business in operation since 1954. Terms of the deal were not disclosed.

Gatto's headquarters in Cleveland and its Gatto-Portage Electric Supply Co. in Portage, Ohio, will be the first expansion of merger and acquisition veteran Richard Worthy's latest interest in the electrical wholesale market.

Lou Gatto, one of the seven owners in the Gatto family, will continue to lead the operation under the Gatto Electric Supply name. He told Electrical Marketing that the decision to sell was due to several factors, foremost that several of his cousins and siblings who were fellow-owners were ready to retire.

Gatto said his main priorities in finding a good fit for the future ownership of the business his father and uncle started in a family garage in 1954 was to keep the Gatto name going as a legacy, to make sure the company's employees were in good hands and that they would have continued growth opportunities. With the help of another electrical M&A veteran, Burk Burkhardt of HT Capital Advisors, the Gattos got in touch with Worthy and his team.

"You don't really know who you're talking to, though I had read a lot about them," Gatto said. "We talked for awhile, and they said all the right things, but you don't really know. Now that the deal is closed I can say that every single thing they said came to fruition. I really have a lot of respect for Richard and Matt."

One of Gatto's questions in those discussions was about Leff Electric, a life-long competitor. "I asked whether we would still be competing with Leff, and Richard said 'Absolutely,'" which Gatto said pleased him. "Bruce Leff and I have known each other for a long, long time. Even though we're now both owned by AMP, we'll still be competitors ... but friendlier competitors."

The Gatto Electric Supply story reads like so many family-run electrical distributors who have stood the test of time. It was founded by two brothers, Lou Gatto Sr. and Vince Gatto Sr., in the garage of the family home on East 149th St. Their passion for the electrical industry led to the opening of the Cleveland location in 1987 and their Portage location in 1993 to serve the counties of Portage, Summit, Trumbull, Columbiana, Mahoning and Geauga.

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