

# The Buckeye Backcheck

Newsletter of the Columbus Chapter of the Piano Technicians Guild

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## Chapter Meeting Minutes May 21, 2013

Vice President Bryan Hartzler called the meeting to order at 7:30 pm at Columbus Piano Leasing. Thanks to Mahlon Ray for hosting our meeting and providing tasty refreshments.

### Attendance:

Kim Hoessly, Doug Meszaros, Dwight Hanson, David Stang, Mark Ritchie, Tim Thompson, Victor Wolfe, and host Mahlon Ray.

### Treasurer's Report:

As of the meeting the Chapter has \$3383.68 in checking.

### Old Business:

The Chapter web page has been renewed for five years at a cost of \$48.90. The treasurer will reimburse Chris Burget for the cost.

The OMTA directory ad will be renewed @ \$90.00 The Chapter approved a \$15.00 ad for the OMTA Pianorama program The ad description still to be determined.

The Chapter approved to continue a Chapter ad for the AGO.

### New Business:

Chapter elections were held and the new slate will be:

- Bryan Hartzler -President
- John Schmoll -Vice President
- Chris Burget -Secretary
- Ron Kenreich -Treasurer

The home office will need to be notified of the new officers. The Chapter appreciates their service.

There will be no Chapter meetings in June or July. The next meeting will be the Chapter picnic Sat. Aug 17, 2013 - 4:00 pm with more information to follow. The Chapter provides meat, buns, beverages, and attendees should bring a dish to share.

Bryan suggested we might consider changing the format of the ads we have been placing in the directories for the OMTA & AGO. He suggested we place more information regarding what the Piano Technicians Guild is, and what we do. Kim Hoessly agreed to put together a few alternate ads for all to peruse.

## Technical Presentation: Grand Action Regulation

Bryan Hartzler presented the technical program on grand action regulating tips. He stated one of the first things he looks at is if the hammer is checking well. This gives him some insight as to possible problems with escapement and drop. He considers let-off and drop a "marriage" and that the jack tender must contact the let-off button at the exact moment that the repetition lever contacts the drop screw. This of course is considering the action is in very good condition. Concessions may be required if the action has loose pinning especially on the repetition lever center, or the wippen flange center. Bryan is willing to compromise very close let-off to achieve the "marriage". He feels 1/8" escapement allows the hammer to get off the string, which is equally important to the touch of the action. The amount of after touch also plays a significant role in the sequence, as well as the repetition spring strength, and checking.



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## **Steinway Seen Striking Chord With Rival Bidders: Real M&A**

**By Chelsey Dulaney and Brooke Sutherland - Bloomberg News**

Steinway Musical Instruments Inc. (LVB) has investors wagering that the maker of \$137,000 grand pianos can secure a richer takeover offer.

Steinway has traded above the \$35-a-share agreement with private-equity firm Kohlberg & Co. since it was announced July 1, touching as high as \$37.04, according to data compiled by Bloomberg. Albert Fried & Co. said traders expect the owner of the 160-year-old piano maker to get a higher bid during the 45-day go-shop period, potentially from other buyout firms, after Steinway sold its stake in Manhattan's Steinway Hall last month.



Daniel Acker/Bloomberg

Samick Musical Instruments Co. (002450), the company's largest shareholder, has said it's weighing an offer. Steinway, whose grand pianos take almost a year to make, could fetch as much as \$37.50 a share from South Korea's Samick because of the value of its brand, according to MKM Partners LLC. Shareholder Armored Wolf LLC said the Waltham, Massachusetts-based company should be valued at closer to \$40 a share, which would surpass Steinway's record of \$38.81 in 2007.

"People expect a higher offer," Sachin Shah, a special situations and merger-arbitrage strategist at New York-based Albert Fried, said in a phone interview. A financial buyer "would be interested in owning a marquee name like Steinway and then being able to grow it. It's not that difficult to leverage the brand name pretty substantially outside of the U.S., meaning emerging markets, obviously in China and Asia."

### **Samick Offer?**

Julie Theriault, a spokeswoman for Steinway, said the company couldn't comment on the go-shop period or whether Samick is expected to bid. Kohlberg didn't respond to requests for comment, and representatives for Samick couldn't immediately be reached for comment.

Today, Steinway shares rose 0.2 percent to \$36.25 at 9:30 a.m. in New York.

Samick, the Incheon, South Korea-based manufacturer of pianos, guitars and flutes, already owns about 32 percent of Steinway. Samick said in a July 10 regulatory filing that it's evaluating whether to submit a bid and will hold talks with the company and financing sources.

Steinway offers Samick an iconic brand that it can expand in emerging markets, according to Steinway shareholders Bradd Kern at Armored Wolf and Boniface "Buzz" Zaino at Royce & Associates LLC.

Samick "can pay more money because they want to buy the franchise as opposed to the return on investment for the next year or two," Zaino, a money manager at New York-based Royce, which oversees about \$36 billion, said in a phone interview. "It's got a wonderful future as the middle class grows around the world. There will be increasing demand for the product."

### **Global Expansion**

Zaino said \$40 a share would not be an "unreasonable" counterbid from Samick.

Other financial buyers may also be interested in the growth prospects for Steinway, said Shah of Albert Fried.

Two private-equity firms conducted due diligence in 2012, during a review of strategic alternatives that ended in December, Steinway said in a July 15 proxy filing. One concern for buyers was the value of the company's interest in Steinway Hall, which would affect the amount of available financing, according to the filing.

Since selling its stake in the New York City building last month for more than \$46 million, "interested parties now know what the company is worth," Shah said. "That was directly hurting them with many parties before because they couldn't justify the valuation."

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(Steinway continued...)

## **Kohlberg Deal**

Steinway agreed to be acquired by Mount Kisco, New York-based Kohlberg for about \$438 million. The bid was a 22 percent premium to the stock's 20-day average, after Steinway had already climbed 44 percent in 2013. The go-shop period ends on Aug. 14.

"I don't think the bid, at this price, is in the best interest of shareholders," Kern, a portfolio manager at Irvine, California-based Armored Wolf, which oversees about \$1 billion including Steinway shares, said in a phone interview. "They're catching the company in the very early innings of the recovery when there's a lot more room to run on it."

Steinway also received non-binding indications of interest from two unnamed parties in March and May, according to the proxy filing.

Another shareholder, Joseph Tillo Jr., sued Steinway in a Delaware court this month, contending that the buyout was unfair and inadequate.

While the market is betting on a higher offer, other bidders may not emerge, according to Michael Corbett, chief investment officer of Perritt Capital Management Inc., which sold its Steinway shares after the Kohlberg deal was announced.

## **Risky Bet**

"Given that Steinway is a pretty big name, there's a possibility that others might be interested," Corbett, whose Chicago-based firm oversees about \$575 million, said in a phone interview. "We're not willing to take that risk though, so we moved on."

Yesterday, Steinway shares closed at \$36.17, 3.3 percent higher than the offer, signaling that some traders are expecting a sweeter proposal, said Keith Moore, an event-driven strategist at Stamford, Connecticut-based MKM Partners. He estimates Samick could offer \$37 to \$37.50 a share.

"There's a high probability that Samick will make a bid," Moore said in a phone interview. "It's an iconic name. When you have a company with a brand name such as this, you pay for the name."

## **For Sale**

### **AB Chase 6' Grand Piano \$5000 (Bexley)**

"Built in 1890, I had it restrung 13 years ago, and new Renner hammers were installed 6 years ago. It feels great and has an excellent tone. It was refinished in brown mahogany at some point before I bought it in 1999. The case isn't perfect, as there are some dings that come with age and being moved, but it is still quite attractive. I'm a professional musician, and the ONLY reason I'm selling is that I'm upgrading to a 9' concert Baldwin."



<http://columbus.craigslist.org/msg/3914375404.html>



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[www.ptgcolumbus.org](http://www.ptgcolumbus.org)



by Mick Stevens/The New Yorker

## Columbus Chapter of the Piano Technicians Guild

**President** Bryan Hartzler, RPT  
**Vice-President** John Schmoll, RPT  
**Treasurer** Ron Kenreich  
**Secretary** Christopher Burget

*Contributions and pictures for  
the Buckeye Backcheck and the  
web page are always welcome,  
(even if they are only  
peripherally related to pianos)!  
- Chris Burget*

## Upcoming Events

### Chapter Picnic

**Saturday, August 17, 2013,  
4:00 pm**

Bryan Hartzler's Workshop  
1179 S. Galena Rd.  
Galena, OH 43021

Google Map Link:

<http://goo.gl/maps/iQkiZ>

RSVP to: [bryan@hartzlerpianos.com](mailto:bryan@hartzlerpianos.com)

Grilled meats, beverages, and  
homemade pizza will be provided.  
Please bring a side dish, and a chair.

This newsletter was created using the open-source program Scribus running on the Linux Mint operating system.

### Disclaimer:

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