

CINCINNATI BUSINESS COURIER



Steve Watkins
Staff Reporter
*Cincinnati Business
Courier*

Former P&G Rigaud wants new firm to be his legacy

Feb 2, 2018, 7:00am EST



Ed Rigaud's company, Legacy Acquisition Corp., is poised to make a big move, but a greater motivation is driving the former P&G executive.

Ed Rigaud was one of the first African-American students to apply at Louisiana State University but was turned down because he's black. Then, he struggled to get an apartment in the 1960s when he first moved to Cincinnati. He's no stranger to racism.

So when Rigaud completed an initial public offering in November for his new company, it was no surprise that his main purpose wasn't financial. Sure, he plans to make money. He raised \$300 million in just a few months so his company can make an acquisition, but he has a broader goal in mind for Legacy Acquisition Corp.

"I'm looking at how we can get more people to feel they can climb to higher levels," he said.

That, in a nutshell, is what Legacy is all about. Rigaud is trying to inspire young African-Americans to show that they, too, can accomplish whatever they want.

"Legacy is a manifestation of that," Rigaud said. "We're modeling how people can feel competent and confident enough to walk Wall Street. And that's not been done a whole lot, especially among African-Americans."

To truly understand Rigaud's purpose for his newest business venture, go back to 1961. That's when Rigaud witnessed the harshness of discrimination and racism.

He graduated third in his class from St. Augustine, an all-black boys high school in New Orleans, where he grew up in the segregated, lower-middle-class 7th Ward.

"I wasn't valedictorian because I cut up in religion class," he said with a hearty laugh.

He wanted to be an architect, and LSU had a strong program, so he applied. He soon received a letter back saying he wasn't accepted. Rigaud clearly had the grades, but his skin wasn't the right color.

The letter told him the school's policies didn't allow it to accept him. LSU first accepted black students in the mid-1950s under court orders, but they were largely one or two law school or master's students. It didn't fully integrate until 1964 under another court order.

Meanwhile, Rigaud was offered a full scholarship from [Xavier University](#) in New Orleans. Xavier didn't have an architecture program, so he opted for chemistry.

Architecture's loss was Procter & Gamble Co.'s gain. The Cincinnati-based consumer goods company hired him in 1965, making him the first African-American manager in food product development at [P&G](#). (The company was founded in 1837.)

He advanced through the ranks to become a general manager and vice president. He later became the first CEO of the [National Underground Railroad Freedom Center](#) in 1996, while on loan from P&G.

Despite his experiences, Rigaud doesn't think of himself as an activist for racial equality.

"The blow of not getting into LSU was crushing, but I didn't let it get me down," he said. "It was like, 'OK, that was an obstacle. Let's try another route.' I never was an activist in that sense of going to pioneer something. It was more confidence that I could do things that were exceptional. And if some of that stuff got in my way, I just had to work around it."

P&G extended "open arms," Rigaud said, but he ran into obstacles elsewhere. He and his wife, Carole, were turned down for apartments on several occasions.

"I'd call up and they'd say, 'Oh yeah, come on over.' And when I got there, they'd say, 'We just rented all of them. Sorry.' Several times we had to go through Housing Opportunities Made Equal to get into places we couldn't get into otherwise.

"I came up here on the modern day underground railroad," he said.

After a stellar 36-year career at P&G, nearly a decade running the Freedom Center and another decade running an auto tire and wheel assembly company, Rigaud was ready to launch a venture that would make a bigger statement.

In 2013, he helped start a group of African-American ex-P&G executives. The plan was to give African-Americans some role models, to show that they could run companies and create wealth. The group planned to buy a small brand and build it into a successful business.

Rigaud soon realized he wanted something even bigger, so he recruited Lloyd Ward, a former P&G brand manager who later became CEO of Maytag Corp.

“Lloyd always thinks big,” Rigaud said.

They looked at buying some brands P&G was shedding and bid on Zest, Camay, CoverGirl and Max Factor, but they were outbid by bigger players like Unilever and [Coty](#).

Rigaud’s group worked with a mergers and acquisitions adviser who turned them on to the concept of special purpose acquisition companies, or SPACs.

That type of company, also known in Securities and Exchange Commission rules as a “blank check company,” taps the public markets in an initial public offering to raise money but the company has no operations. It’s essentially looking for a “blank check” from investors who are betting on the principals. In this case, they put money in Rigaud’s hands through the newly formed Legacy Acquisition Corp. and are banking on his team’s ability to buy a company and increase its value.

The trick is to raise a lot of money without any existing operations.

“I didn’t think we could do it,” Rigaud said.

Sharing a vision

But they did, raising \$300 million. Rigaud made the rounds, sharing his vision with potential investors. He got hedge funds, family offices and money management firms to invest. The key? Big institutions are looking for a place to put their money, and Rigaud’s experience and the chops of his team played well on Wall Street.

[Chris Flouhouse](#) worked closely on the Legacy deal as a managing director at Wells Fargo Securities, the lead underwriter on the Legacy IPO. He told me that Rigaud and the team he put together helped seal the deal.

“Investors really are valuing the management team with these,” Flouhouse said. “We evaluated the opportunity with Legacy and [Ed Rigaud](#). And what really struck us is the decades of operational experience and ability to execute an acquisition.”

SPACs have become increasingly common as merger and acquisition activity heats up, Flouhouse said. Last year those entities raised \$9 billion. That’s nearly triple the \$3.5 billion they raised combined in 2015-16. Of the \$30 billion in IPOs last year, \$9 billion was raised through SPACs.

[Dave Foxx](#), chairman of downtown-based [D.E. Foxx & Associates](#), which operates businesses in construction services, logistics and supply chain management, worked with

Rigaud at P&G. Both are part of the African-American CEO Roundtable. When Rigaud told Foxx he was looking for investors, it didn't take Foxx long to decide to invest.

"The depth of Legacy's management team is overwhelming," Foxx said. "And the icing on the cake is this is a historic event. It's a vote of confidence in a minority-led management team. We probably haven't seen this since Reginald Lewis."

Lewis bought Beatrice Cos.' international foods division in 1987 for \$985 million, making it the largest African-American-owned business at the time. Rigaud plans to buy a private company that's between \$800 million and \$1.2 billion in enterprise value. Legacy is looking to buy makers of consumer packaged goods, consumer durables, or managers of retail or restaurant chains.

"We want a solid business with the potential to grow," he said.

Legacy is under a strict deadline that Rigaud calls "a shot clock." It has 24 months from its public offering, completed in November, to buy a company.

But Rigaud doesn't want to wait that long. Legacy has already received interest from dozens of companies.

"There's no shortage of good, solid brands," he said. "We're looking at some that could be as quick as a year."

Those investors betting on Rigaud are impressed by his illustrious background.

At P&G, he learned about innovation while working as technical brand manager on Pringles. He led product development for Secret deodorant/antiperspirant. He took part in a brainstorming session at the former Playboy Club in Lake Geneva, Wis., with the brand's ad agency people where they developed the ubiquitous slogan: "Strong enough for a man, but made for a woman." He later became vice president of food and beverage products.

But in 1995, Rigaud's career took a dramatic turn. Cincinnati civic leader [Chip Harrod](#) wanted to commemorate the Underground Railroad. He offered Rigaud a job as executive director of the National Underground Railroad Freedom Center, which only existed on paper. P&G CEO [John Pepper](#) made him available on an executive loan program.

'What are you doing?'

Harrod's original plan to build a statue or memorial to honor the underground railroad had evolved into plans for a small museum. But before 800 people at a fundraising dinner in 1996, Rigaud said, "We're going to build an \$80 million museum."

"There were gasps," he said. "(Harrod) called me after and said, 'What are you doing?'"

In the end, the project needed \$110 million. Pepper joined Rigaud in the effort and helped raise funds to build the 158,000-square-foot National Underground Railroad Freedom Center, which opened in 2004 near Cincinnati's riverfront.

“We called each other mutual blood brothers,” said Pepper, an honorary co-chair of the center. “Ed is extraordinary in his ability to form productive, long-standing relationships. That stems from his transparency and genuineness, his intelligence, commitment and mission. What defines him is his empathy with other people. It makes them want to be in his corner. He’s a natural leader.”

Rigaud left the Freedom Center in 2005. He put together a group that owns a stake in the Cincinnati Reds, making him one of the few African-American owners of a Major League Baseball team. And he started a plastics auto components company called Enova. After an acquisition, it became [EnovaPremier](#), a Louisville-based company that operates four tire and wheel assembly plants for Toyota, Cadillac and Hyundai.

He’s working on a succession plan at Enova that will free him up. That way, he can focus for the next two years on “getting the prize for Legacy.” He has a powerful incentive to meet that deadline.

“If we miss the shot clock, those founder investors lose their money, me included,” he said.

It’s no surprise he’s looking to step back from Enova.

“EnovaPremier is significant, but it’s out of my wheelhouse,” Rigaud said. “I’m a consumer guy, and the folks on the team are like me in that regard – they thirst to get their hands on a consumer business and make it sing.”

If Legacy does indeed sing, it could very well turn out to be Rigaud’s legacy.