

## NEW \$11 BN RIA AGGREGATOR TRIES DIVIDE-AND-CONQUER M&A APPROACH

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TORRANCE, Calif. -- Wealth Partners Capital Group, a newly-formed RIA aggregator, is taking a triumvirate, divide-and-conquer, approach to mergers and acquisitions.

Founded earlier this year by John Copeland, Rich Gill and Sean Bresnan, the executive team that ran the highly successful wealth management division of Affiliated Managers Group, Wealth Partners will pursue small and mid-sized RIAs across the country via three regional firms it has already taken positions in.

"We want to be a national firm with regional strength," says Patrick Goshtigian, president of Torrance, California-based EP Wealth Advisors, one of the three firms now owned by Wealth Partners. "We see an opportunity to fill that space with a lot of firms stuck in the middle who will need scale and resources to make that leap."

EP, which has made three acquisitions in the last two years and has \$2.5 billion in AUM, is targeting firms with between \$300 million and \$600 million in AUM, particularly those that are in Seattle, northern California and Denver, Goshtigian says.

Firms with less than \$300 million who are looking for all cash succession deals will also be considered, he added. Otherwise, targeted firms will be offered a combination of cash and equity.

### 'TREND IS THEIR FRIEND'

Wealth Partners also purchased Forbes Family Trust in New York and Cleveland-based MAI Capital Management. Forbes, which operates as a multifamily office, will focus on clients with over \$40 million in investable assets, according to Gill, who is a former managing partner at Focus Financial Partners.

MAI Capital, which specializes in working with professional athletes, also has a family office arm and will pursue firms in the Midwest and Southeast, starting with RIAs in Akron, Ohio and Richmond, Virginia, Gill says.

The combined AUM of the three firms, which remain majority-owned and operated by current management, is approximately \$11 billion.

While unusual, Wealth Partners' triumvirate approach of targeting small firms — although not foolproof — has a good chance of succeeding, say industry executives.

"The toughest part of doing something like this is getting the first guys on board, and Wealth Partners has already done that," says Corey Kupfer, managing principal of Kupfer & Associates, a New York-based law firm with a specialty in RIA transactions. "Integrating new firms onto the platforms is always fraught with risk, but the Wealth Partner executives aren't new to the party."

**Carolyn Armitage**, managing director of **ECHELON Partners**, cautions that relying on small firms who "operate on smaller margins" can be problematic.

But she adds that the overall industry shift favoring independent firms worked in Wealth Partners favor. "The trend is their friend," she says. "They are in the right place at the right time."