

## MARTY BICKNELL SELLS TORTOISE STAKE FOR \$150 MM WITH CASH ALREADY EARMARKED FOR FOUR OR FIVE RIA PURCHASES

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*Brooke's Note: Time flies. Marty Bicknell, Mariner Wealth Advisors' CEO, hasn't closed a deal on an RIA in a solid three years. Now, the Leawood, Kan.-based wheeler-dealer just closed on his biggest deal yet by selling the gem of his asset management business, Tortoise Investments, for perhaps 15x to 20x what he paid for it. Given that all four Tortoise founders are completely cashed out and out the door upon the sale's closing, it's unsurprising that Bicknell would choose this moment for his own exit. But there may be a bigger arbitrage happening. Bicknell got his start on the wealth management side of the business and that is where his heart -- and opportunity -- lie, he says. The bad news for buyers of RIAs is that so many players want in. But the good news is that there is better evidence of the Wall Street advisor dam breaking than ever, creating a healthy gush of managed assets and human capital to RIAs. It comes at a time of greater determination of aging RIA principals to map their succession. Of course, nothing encourages a practice-selling-inclined RIA to pull the trigger quite like a deal high in cash content. With the sale of Tortoise, Bicknell promises to jackrabbit his way to the closing table with several RIA deals.*

After executing one of the biggest non-roll-up-RIA-buying sprees in the history of wealth management, Marty Bicknell, the CEO of Mariner Holdings LLC of Leawood, Kan., slammed on the brakes in 2014 leaving off at \$12.5 billion of AUM -- up from \$8 billion of AUM at the end of 2013.

The purchase of Vantage Investments Advisors LLC, which closed in January 2015, added \$1.1 billion of AUM to that total but it also pushed Bicknell's financing comfort zone by demanding that he use leverage.

Nearly three years later, Bicknell is once more revving the firm's RIA M&A engine after signing a deal that will net \$150-million and make tapping credit a distant memory, say M&A experts.

"Based upon press reports showing Mariner sold 65% then it'll likely yield the firm \$150 million or more," says **Dan Seivert**, CEO of **ECHELON Partners** of Manhattan Beach, Calif.

The anticipated windfall results from signing a definitive agreement on Bicknell's part to sell his firm's 65% stake in the \$20-billion-AUM asset manager, Tortoise Investments, also in Leawood, to Lovell Minnick Partners LLC, a Los Angeles-based private equity firm.

### Energy boost

Mariner bought the controlling stake in 2010 when Tortoise managed just \$1.3 billion coming off the massive market downturn of 2008-'09. Bicknell says his asset manager's nearly 20-fold jump in assets can be traced to its specialty of investing in energy companies. Bicknell adds that he has substantial personal assets invested at Tortoise and that when the deal closes that he plans to up his investment in the fund.

Bicknell says that he never lacked access to capital to do RIA deals. Yet the sale of Tortoise certainly served as a catalyst for jumping back into the game.

"I've been talking about turning back on the inorganic engine on the wealth management side," Bicknell says. "You'll see the first deal in about seven to 10 days. We have seven or eight deals in the pipeline and we expect four or five will come to fruition."

Mariner Wealth now has 11 partner firms that manage a combined \$20 billion, Bicknell says. Of the partner firms, Mariner acquired eight of them and the other three were started by breakaways -- including Bicknell himself who brought his book of business over from A.G. Edwards.

But Mariner ceased buying RIAs because, Bicknell says, it was determined to fill the promises of scale and synergy it made to existing partners.

### **'The bigger thing'**

After growing at a torrid pace, Tortoise has reached the limits of its expansion capacity, Bicknell says. Three co-founders, Zachary Hamel, Kenneth Malvey and Terry Matlack, will sell their remaining interest in Tortoise and retire from Tortoise upon the closing of the transaction. Co-founder David Schulte, who left Tortoise in 2015, will also sell his remaining interest.

Yet Bicknell adds that the sale is also an indication of where his heart is. "The bigger thing is I want to run a wealth firm," he says.

Asked whether the catalyst was the heating up of the buyer's market or whether aging advisors finally seeking succession as anticipated for a decade is finally come to pass in his case, Bicknell picks the latter.

Bicknell says he's aware that he's three years closer to retirement.

"My granddaughter is now five years old."

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