

PRIVATE EQUITY FIRM THOMAS H. LEE PARTNERS BUYS STAKE IN HIGHTOWER

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HighTower has announced plans to sell a "significant stake" of its sprawling advisory business to private-equity investor Thomas H. Lee Partners, laying to rest rumors of a near-term public stock offering or sale.

The recapitalization agreement, announced Wednesday morning, will involve some institutional investors selling their interest in HighTower, but the new private equity investors have also committed to an additional \$100 million of new equity capital.

"They are bringing a terrific bench of seasoned professionals, and they are tremendously well-capitalized," said HighTower chief executive Elliott Weissbluth, who also acknowledged that the private-equity infusion confirms no immediate plans for an IPO.

"Thomas Lee is a great partner for us because of their sophistication and deep capacity to capitalize our next stage of growth," he said. "Talk to me down the road about an IPO."

So far this year, HighTower has completed 13 RIA transactions and onboarded 22 teams, Mr. Weissbluth said.

Total client assets are at \$50 billion, up 27% from the start of the year.

Daniel Seivert, chief executive of the investment bank **ECHELON Partners**, called the P-E partnership "an important milestone in HighTower's development."

"With some industry observers questioning the firm's business model and forward progress, HighTower will enjoy a positive boost from the positive vote it receives from TH Lee through this investment," he added.

Regarding some persistent, if unsubstantiated rumors, regarding an imminent sale of HighTower, Mr. Weissbluth said he is focused on leveraging his new partners for "significant growth."

"For 10 years, HighTower has set a new standard for investors, delivering sophisticated financial advice without the conflicts of the conventional financial services firms," he said. "TH Lee fully supports our mission of delivering objectivity, transparency and independent thinking to investors, while always putting their best interests first. Our partnership will help us reach more advisers and clients who refuse to settle for the industry's status quo."

Mr. Weissbluth refused to say specifically how the money the P-E firm is investing in HighTower will be used, or other terms of the agreement.

Thomas H. Lee Partners did not immediately respond to a request for comment.

The transaction is subject to customary regulatory approvals and closing conditions, and is expected to close by March 2018.