

PRIVATE EQUITY FIRM TAKES STAKE IN HIGHTOWER

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Private equity firm Thomas H. Lee Partners is buying “a significant stake” in indie wealth management firm HighTower, according to a joint press release from the two companies.

The deal, whose terms weren’t disclosed, is expected to close by the first quarter of next year, the companies say. THL may also invest a further \$100 million “subject to certain approvals,” according to the press release.

Some current institutional investors will sell their equity stakes in HighTower for the transaction to take place, but Dave Pottruck, chairman of HighTower’s board of directors, stays on as one of the biggest individual investors in the firm, the press release says. And HighTower’s founder and CEO Elliot Weissbluth and Doug Brown of DLB Capital, HighTower’s first large institutional investor, are keeping their stakes in the company unchanged, according to the press release.

“THL fully supports our mission of delivering objectivity, transparency and independent thinking to investors, while always putting their best interests first,” Weissbluth says in the press release. “Our partnership will help us reach more advisors and clients who refuse to settle for the industry’s status quo.”

HighTower has brought on 22 teams of advisors so far in 2017, including a 10-advisor team from WealthTrust in May, the companies say. HighTower now has \$50 billion in assets under management — a 27% jump since the start of the year, according to the press release.

Private equity firms now account for the majority of acquisitions in the RIA space by deal volume, according to a recent report from **ECHELON Partners**. They’re currently behind 53% of RIA purchases year to date.