

## RIA M&A DEALS PICKING UP STEAM: LOT OF DISCUSSIONS GOING ON BUT COMMERCIAL BANKS, INSURANCE COMPANIES AND INTERNATIONAL INVESTORS STILL ON THE SIDELINES

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Interest in mergers and acquisitions activity for registered investment advisers is picking up, making the rest of this year and 2015 a potentially active year for dealmaking, according to two investment bankers who focus on the businesses of financial advisers.

"Interest in strategizing and positioning from RIAs is probably up 20% to 30% year over year," said **Daniel Seivert**, chief executive and managing partner of **ECHELON Partners**.

That doesn't mean those talks will pan out and that each of those conversations will turn into a finished merger, **Mr. Seivert** said.

"In terms of the market coming back, we still don't have commercial banks and insurance companies as buyers, and the international buyers aren't here," **Mr. Seivert** said. "We're not even close to where we were in 2007. But father time is finally catching up many advisers, particularly as the average age of an adviser is close to 60.

Indeed, demographics may fuel a spike in M&A activity.

"Younger advisers, those 45- to 55-years old, are looking at their older cohorts and saying, 'We don't want to be in this position in 10 to 15 years,'" said Paul Lally, president of Gladstone Associates. "I think you're going to start seeing more deals get done."

**Mr. Seivert** and Mr. Lally spoke on separate panels Monday on succession planning at the Financial Services Institute's annual financial adviser summit in Washington, D.C.

Firms with \$500 million in assets under management are looking to expand and are considering a sale, while RIAs with \$1 billion or more in assets want to grow through an acquisition, said Mr. Lally.

“We've defined the \$500 million assets under management firm as the Tweener market,” he said. “They are now big enough where they have become institutionalized. And the average age of the seller, or an adviser considering a transaction, is 50 years old.”

## ABOUT ECHELON PARTNERS

ECHELON Partners (ECHELON) was formed in 2001 to offer investment banking and consulting to a subset of the financial services industry known as “investment product developers and distributors” (IPDADs). Since that time, ECHELON’s professionals have helped hundreds of senior executives envision, initiate, and execute a multitude of complex business strategies and transactions. ECHELON’s business is making companies more valuable through delivering advice and orchestrating transactions. Accordingly, ECHELON measures its success in the enterprise value it creates for its clients. Companies that strive to outperform their peers choose to work with ECHELON because we are as passionate about their results as they are.

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