

SEWARD & KISSEL LLP

Seward & Kissel advises on management-led recapitalization of Savant Capital Management

Seward & Kissel's Business Transactions Group
Focusing on Middle-Market Deals

In September 2016, **Savant Capital Management** completed a management-led recapitalization raising over \$50 million and securing additional future capital commitments. **Seward & Kissel** was pleased to represent Brent R. Brodeski, Savant's co-founder and CEO in this investment management industry transaction.

Savant Capital Management is a Rockford, Illinois-based wealth manager with 12 office locations and nearly \$5 billion in assets under management. The recapitalization addressed shareholder liquidity needs and will support future M&A opportunities. Employee ownership of Savant expanded from 19 to 47 owner-employees, including a large new equity investment by CEO Brent Brodeski, and the transaction included 20 new, long-term oriented, outside strategic investors and a local community bank debt financing.

Seward & Kissel LLP (www.sewkis.com) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category, stating that Seward & Kissel "advises on market-leading transactions within the industries where the firm has an international reputation, namely investment management and shipping" and "also handles complex middle-market deals in the media industry and international sell-side M&A."



Rockford, Illinois

**has completed a management-led
recapitalization**

Seward & Kissel
acted as counsel to Brent R. Brodeski,
Savant's Co-Founder and CEO

SEWARD & KISSEL LLP

September 2016

The press release describing the transaction is reproduced below for your information.

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Savant Expands Investor Base, Raises over \$50MM in Capital Acquisition will accelerate the company's Smart Beta efforts

ROCKFORD, Ill., Oct. 3, 2016 /PRNewswire/ -- [Savant Capital Management](#), a nationally-recognized fee-only wealth management firm headquartered in Rockford, IL, achieved a major company milestone by raising over \$50 million plus additional future capital commitments to address shareholder liquidity needs and create a capital structure and investor group to support future M&A opportunities. The new capital structure positions the firm to remain independent now and into the future. The transaction closed September 30, 2016.

The transaction expanded employee ownership from 19 to 47 and included a large new equity investment by Brent R. Brodeski, CEO and co-founder of *Savant*.

Outside investors included *The Cynosure Group* (cynosuregroup.com), an asset manager and investment adviser to the Eccles family and other large family offices, three well-known single family offices: *Vlasic Group*, *Bootstrap Capital*, and *Nonami Investments* (representing the Vlasic, DeBlasio and Cousins families respectively), a publicly-traded merchant bank (*Kingsway Financial Services, Inc. NYSE: KFS*), the retired CEO of *Smith Barney* and President of *Morgan Stanley Smith Barney* (Charlie Johnston), principals from two leading wealth management firms (*Carson Group* and *Beaird Harris Wealth Management*) and 12 other private investors who can be helpful to *Savant*.

Unlike traditional institutional investors, *Savant's* private capital investors are long-term oriented and cannot require *Savant* to sell the firm. *Savant* will retain a significant controlling interest and the employee group, as a whole, will maintain more than 75 percent of the ownership. Importantly, all of the capital is from patient investors not bound by time constraints often found with institutional investors.

According to Brodeski, who led the *Savant* transaction, "I am very excited about our new capital structure and ownership group. With nearly 50 employee owners, we solidified *Savant's* team to assure long-term continuity for our clients. Employee ownership attracts, retains and incentivizes key employees. In addition, the outside investors are providing *Savant* both capital and expertise to support our growth and assure we remain independent."

Cynosure, and other outside investors, have also committed to providing a substantial capital facility to fund future acquisitions. To complement this, *Savant* also secured an additional multi-million dollar line of senior bank credit. According to Keith Taylor, Managing Director of *Cynosure*, "We are excited to lead the outside investors in providing significant succession planning and growth capital to *Savant*. *Savant* is a leader in the independent wealth management

industry with whom we share a common vision regarding how to create significant value for clients."

Savant's board was advised by *Berkshire Capital Securities, LLC*. Brodeski, and the management team, were advised by Mark Herbick and other professionals from *Pursant, LLC*. According to Bruce Cameron, CEO of *Berkshire Capital Securities, LLC*, "The *Savant* transaction is very unique based on the broad participation of a large number of employees combined with multiple family offices and private investors who have committed to a very long-term investment in *Savant*. *Savant* has selected a group of partners that will prove very helpful in executing its growth plan."

Savant conducted a very broad and thorough process that evaluated over 70 prospective capital sources. Prospective investors included well-known financial buyers, large and boutique private equity firms, national, regional and community banks, family offices, merchant banks, a BDC and many high net worth private investors. Brodeski said, "Our process was focused on attracting equity and debt partners that could not only provide necessary capital but who were compatible with our culture, shared our vision of the future, provided *Savant* favorable investment terms, could offer follow on growth capital, and brought significant strategic benefit, key relationships, expertise or other prospective opportunities to *Savant*."

Ron Carson, Founder and CEO of *Carson Group*, comprised of *Carson Institutional Alliance*, *Peak Advisor Alliance* and *Carson Wealth Management Group*, is one of the private investors who is also a strategic partner with *Savant*. "We recently partnered with *Savant* to distribute their best-in-class *Ideal 401(k)* platform to our clients and our *Carson Institutional Alliance* affiliates. *Carson Group* becoming a direct investor in *Savant* helps deepen the relationship between the firms and opens the door for our firms to collaborate in other ways in the future," said Carson.

Richard A. Bennett, Principal, Financial Advisor and board member of *Savant*, indicated, "This transaction is a win-win-win-win. Our clients and employees benefit by our expanding employee ownership and maintaining our independence. The sellers, who helped build *Savant* into a world-class firm, obtained a fair price for the sale of their ownership interest. Our new outside capital partners benefit from making a long-term investment in an industry-leading advisory firm alongside a management team that is highly engaged and well-aligned with their interests."

"The transaction is a major step in a long-term succession plan developed to help *Savant* thrive well into the future and assure long-term continuity of our team," said Brent Brodeski. "Our strategy has allowed us to grow to 145 employees strong, manage more than \$4.7B in assets under management, open 12 office locations, and serve nearly 4,000 clients. We want to continue our growth by building ideal futures for our clients, our team, and the communities we serve. The unique, long-term capital structure we have engineered will support these efforts now and well into our future."

For more information about *Savant Capital Management*, visit www.savantcapital.com.

About *Savant Capital Management*

Savant Capital Management is a leading independent, nationally-recognized, fee-only firm, serving clients for 30 years with over \$4.7 billion in assets under management. As a trusted

advisor, *Savant Capital Management* offers investment management, financial planning and family office services to financially established individuals and institutions. *Savant* also offers corporate accounting, tax preparation, payroll and consulting through its affiliate, *Savant Tax & Consulting*.

Savant is regularly recognized among the top wealth managers in the United States. *Savant* was the recipient of the *2015 Best-in-Business IMPACT Award™*, part of *Schwab's IMPACT Awards®* program to recognize excellence in the business of independent financial advice. *Savant* has consistently received other industry recognitions such as being named a top RIA firm by *Financial Planning* magazine (#9), *Financial Advisor* magazine and *InvestmentNews* and recently being recognized by *Forbes* as one of the Top 50 Advisors in the nation and in *Barron's* magazine as one of the top 20 independent advisory firms in the United States.

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Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for middle-market, cross-border M&A transactions and for its representation of major commercial banks, investment banking firms, investment advisers and related investment funds (including mutual funds, private equity funds and hedge funds), hedge fund administrators, broker-dealers and institutional investors and transportation companies (particularly in the shipping industry).

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