

Pathstone Selects Lovell Minnick Partners as Strategic Partner

LMP embraces existing vision and leadership, new investment supports innovation and growth for premier multi-generational firm to continue serving multi-generational clients

ENGLEWOOD CLIFFS, N.J.--(BUSINESS WIRE)-- Pathstone (“the Company”), a leading Registered Investment Advisory (RIA) firm with over \$15 billion in assets under advisement as of end of September 2019, today announced an investment by Lovell Minnick Partners (“LMP”). LMP, a private equity firm focused on investments in the global financial services industry and related technology and business services companies, will make a significant investment in Pathstone and provide ongoing strategic guidance to support the Company’s continued growth. Financial terms of the private transaction were not disclosed.

Under the terms of the transaction, Pathstone will remain independent and it will continue to be managed by its existing leadership team. In addition, Pathstone will add 16 existing employees as new shareholders, bringing total employee ownership to 48 of the Company’s 110 employees. With LMP’s investment, Pathstone’s current financial partner, Fiduciary Network, will fully exit its investment.

Matt Fleissig, President of Pathstone, states, “We set out to build a truly modern family office powered by next generation technology and a culture of innovation or, as we like to say, an organization that is ‘smart in a way that matters.’ With our partnership with LMP, we continue our focus on investing financial and intellectual capital in further developing client solutions.”

“We are excited to partner with Pathstone in their next stage of growth. As experienced investors in the wealth management industry, we greatly admire the business they have built and we embrace their multi-generational promise,” said Jim Minnick, Co-Chairman of LMP. “Pathstone has created a full service offering with a unique technology-enabled approach that we believe helps drive superior client service and operational efficiencies through automation.”

Brad Armstrong, Partner of LMP, added, “One of our reasons for investing in Pathstone is our shared commitment to incorporating Environmental, Social, and Governance (ESG) considerations in our investment criteria. We each believe it is additive to performance and beneficial in aligning our investment portfolios with our clients’ values. Inclusive of its legacy firms, Pathstone has been actively investing in sustainable and socially responsible investing strategies for nearly two decades and today has one of the most attractive ESG and impact investing platforms we have seen in the wealth management industry.”

Allan Zachariah, Pathstone’s Co-CEO shared, “We are grateful for our current financial partners at Fiduciary Network and Emigrant Partners, who had faith in us and believed in our vision five years ago. They helped guide us through two material acquisitions that propelled the growth of our firm. We wish them well and appreciate their support in helping us reach this exciting milestone.”

“This is a proud and exciting day for all of us here at Pathstone,” said Steve Braverman Co-CEO of Pathstone. “At Pathstone, we make a multi-generational promise to our clients, and that commitment is centered on providing a trusted and valued partnership. This is the next chapter of the Pathstone story that will continue to honor the trust and responsibility we have been granted by our clients. Our new partnership with LMP is built on that unifying vision, and we couldn’t be more thrilled for the path ahead.”

The transaction is expected to close at the end of the Fourth Quarter of this year. Raymond James | Silver Lane served as financial advisor and Alston & Bird LLP served as legal counsel to Pathstone on the transaction. Davis Graham & Stubbs LLP served as legal counsel to LMP on the transaction. Madison Capital Funding LLC provided funding for the transaction.

About Pathstone

Founded in 2010, Pathstone provides integrated and customized family office, wealth and investment services to multi-generational families, single family offices, high net worth individuals and institutions, such as charities and foundations, via a technology-enabled open architecture investment platform. Pathstone is privately held and has over 100 employees serving approximately 300 clients with \$15 billion of assets under advisement through seven locations nationwide. For more information, please visit www.pathstone.com.

About Lovell Minnick Partners

Lovell Minnick Partners is a private equity firm focused on investments in the global financial services industry, including related technology and business services companies. Since its inception in 1999, Lovell Minnick Partners has become a leader in its chosen space, raising \$3.3 billion of committed capital from leading institutional investors, including public and private pensions, insurance companies, endowments and foundations. To date, the firm has completed more than 50 portfolio company investments and 80 add-on acquisitions. For more information, please visit www.lmpartners.com.

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