

# EP Wealth Buys Firm

**FINANCE:** It's EP Wealth's fourth transaction this year.

By **KENNEDY ZAK**

*Staff Reporter*

EP Wealth Advisors continued its national expansion with the recent acquisition of CornerCap Investment Counsel in Atlanta, marking the Torrance-based advisory firm's fourth transaction of the year and 33rd since 2017.

This buying spree has resulted in EP growing its assets under management from \$3.3 billion to \$26.2 billion – a nearly 700% increase over seven years – not including the estimated \$1.1 billion from the CornerCap deal.

Chief Executive Ryan Parker said this deal opens up the southeast for EP Wealth, which previously did not have a large office presence in this region. From here, the firm plans to continue building around Atlanta and strengthening its presence in Florida and the Carolinas.

Other 2024 transactions include the acquisitions of Sloan Investment Management in Dallas, Wacker Wealth Partners in San Luis Obispo and Parker Advisory Group in Utah. Combined, these deals added around \$2 billion in assets under management for EP.

Derek Holman and Brian Parker – who has no relation to Ryan Parker – founded EP Wealth with the goal of providing financial advice that put clients first in terms of cost efficiency and quality, opening their first office in Sawtelle in 1999.

It wasn't Brian Parker's intention for EP Wealth to spread across the nation, he said. "What ended up happening is we had more traction than we envisioned," he said.



Founders: Derek Holman and Brian Parker at EP Wealth's Torrance office. (Photo by David Sprague)

As opportunities for growth continued to present themselves over the years, Brian Parker and Holman got deeper into the business administration side of things as opposed to financial planning.

To remedy that, they hired someone to run the company, which at the time was Patrick Goshtigian, who now serves as executive chair.

Now in their roles as managing directors, Brian Parker and Holman focus more on what's next for clients rather than what's next for the company per se.

"Providing objective advice and an enormous amount of resources for our clients on investment management and financial planning, and then packaging all

that into a great client service model will continue to be our focus," Holman said. "Everything else around the company and the company growth is just a result of continuing our efforts there," he added.

**Partnering with private equity** Suffice to say growth to this extent doesn't come out of thin air. In 2017, Wealth Partners Capital Group took a stake in EP and then, in 2020, Berkshire Partners also invested in the company.

Brian Parker noted that bringing in private equity partnerships required careful consideration for the company.

"When you talk to clients, they like that boutique feel, they like that knowledge and relation-

ship they have with a smaller firm...but as clients are asking for more services, you need a more robust offering which leads to a larger firm. Our thought all along has been, 'Can it feel small but be large?'" Brian Parker said.

An important distinction for Holman is that while these private equity firms have a stake in EP Wealth, they are not majority owners.

"We did not want to be controlled and owned by private equity," Holman said, "but at the same time, we knew we needed capital partners to continue to go out and execute on our vision. So, it's a unique model."

EP Wealth did not specify the stake each PE firm has in the company, other than calling them minority owners.

Lloyd Greif, president and chief executive of downtown-based investment bank Greif & Co., said that in order for a private equity firm to make money from investing in a company, it must grow the company rapidly and extensively.

"The way (private equity firms) accelerate the company's growth is by doing a consolidation play – what we call a buy-and-build," Greif said. "A buy-and-build in this case means that EP Wealth Advisors becomes a platform to bolt on other wealth advisers, and that's exactly the way they're doing."

Investing in wealth management appeals to private equity firms for a few reasons: it's low risk and it's a growth business, Greif said. Wealth management has been steadily growing due to the increase in private wealth in the U.S. Additionally, as the population continues to age, there's a higher demand for estate planning.

"It's a low-risk industry because it's all about annually recurring revenues," Greif said. "And the annually recurring revenues here are the fees that are generated from the funds that they have under management. So, it is, kind of like a 'clip the coupons' kind of a business."

### Finding the right businesses

When it comes to scouting other advisory firms to acquire, EP Wealth seeks out firms with similar business models and cultures, while taking into account local individuality.

"What it comes down to is finding people who are like-minded in things that matter most in business and embracing what makes them different so that diversity matters, and then work at it," Ryan Parker said. "That's how you can maintain a core sense of a culture as you grow nationwide."

Additionally, partnering up with advisory firms across the country allows EP to learn about unique, location-specific clientele and trends. For example, Ryan Parker said CornerCap in Atlanta specializes in serving med spa owners.

Holman stressed the importance of maintaining long term relationships with the businesses EP acquires. Because of this and due to the standards EP sets, Holman said the company is discerning in who they choose to partner with and, as a result, they frequently walk away from potential deals.

Having completed acquisitions in the West Coast, East Coast and Southeast, as well as in Dallas and Chicago, Ryan Parker described EP Wealth's national presence as "a bit of a patchwork quilt."

EP targets talent over geography, Ryan Parker said.

"Once we have great talent, we can build from that, but to be a nationwide firm, we also have to stand for something. And so for us, this whole idea of enriching lives one relationship at a time is that we don't want to become corporate," Ryan Parker said. "Growth for growth's sake doesn't serve the client very well, and it doesn't create a great environment for employees to build a career."

While choosing the right companies to acquire in terms of values, reputation and business model is important, Greif main-

tained that for a company eyeing national expansion, geography has to be a factor.


"For sure, EP is targeting geography. It's targeting successful practices in these geographies ... because it opens up the opportunity for a whole new customer base," Greif said.

In general, clients from across the country have the same priorities and concerns when it comes to the management of their money, Greif said. What may differ based on geography is personalities which makes it important to keep the financial advisers from the company that was acquired because of their previously established relationships with clients. If a financial adviser leaves a firm, typically their clients will follow them, Greif said.

When completing a transaction, Brian Parker said EP finds that employees from the acquired firms, for the most part, stay on board.

With national expansion, Ryan Parker still stressed the company's "deep roots" in L.A. County.

"We can continue to build this nationwide firm and be boutique out in other parts of the country, but that doesn't mean we need to abandon our roots and not be boutique still in the L.A. County area," Ryan Parker said, "so there's that balancing act of keeping the train on the tracks, but also not forgetting where you came from."



**EP WEALTH ADVISORS**  
**HEADQUARTERS:** Torrance  
**YEAR FOUNDED:** 1999  
**BUSINESS:** Wealth management  
**CEO:** Ryan Parker  
**EMPLOYEES:** 500  
**ASSETS UNDER MANAGEMENT:** \$26.2 billion  
**NOTABLE:** EP Wealth has nearly tripled its number of employees since 2021 and has a compound average growth rate of 35% per year overall.