

# Boston Private Scoops Up Banyan Partners in \$60M Deal

Jul 16, 2014 [Megan Leonhardt](#)

Boston Private Bank, a subsidiary of Boston Private Financial Holdings, on Wednesday acquired Florida-based Banyan Partners in a \$60 million cash and stock deal.

Wednesday's deal adds more than \$25 million of annual fee-based revenue and the combined operation will have approximately \$9 billion in client assets under management and advisement, making it one of the largest wealth management companies in the U.S., according to Clayton G. Deutsch, CEO and President of BPFH.

The deal, which is made up of 65 percent cash and 35 percent [Boston Private Financial Holdings](#) common stock, is based on a valuation of nine times Banyan's earnings before interest, taxes, depreciation, and amortization, according to an investor call Wednesday. In addition to the initial cash and stock deal, there's a performance-based earn out of \$15-\$20 million.

"Banyan adds tremendous technical depth to our existing team of professionals," Deutsch says. "This transaction is a natural extension of our wealth management strategy and our intention to combine distinctive wealth management skills with outstanding private banking services, all for the benefit of our clients."

Founded by CEO Peter Raimondi in 2006, [Banyan Partners](#) has \$4.3 billion in client assets under advisement. The firm is headquartered in Palm Beach Gardens, Fla., with offices in Boston, New York, Miami, Naples, Atlanta, Wisconsin, Texas and California.

Banyan grew its business rapidly since its launch, in part, from several key acquisitions. Last year, Banyan picked up Dallas-based Rushmore Investment Advisors and Madison, Wis.-based Holt-Smith Advisors in deals that added about \$1 billion in client assets to the firm. In a statement Wednesday, Raimondi said the decision to combine with Boston Private Bank's Wealth Management group "represents the next phase in our evolution."

"By accessing private banking and trust services, we will now be in a special position to deliver the full complement of wealth management services to the high net worth marketplace," Raimondi says. "Both teams share a mutual passion for client service and innovative portfolio management, providing a solid foundation for expansion."

Boston Private expects its acquisition of Banyan to increase the consolidated, non-spread based revenue to approximately 45 percent of total revenue, Deutsch says, adding that the deal also significantly advances the bank's strategic vision of creating a more fee-weighted revenue stream.

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With Wednesday's acquisition, Boston Private Bank aims to establish a new, wholly owned subsidiary that will combine its existing wealth management business and that of Banyan Partners. In the investors call, Boston Private noted that all of Banyan's key executives will be joining the bank. Raimondi—who previously founded and served as CEO of the Boston-based Colony Group—will become CEO of the new wealth management company.

David DeVoe, founder of the financial services consulting firm [DeVoe & Co.](#), called Wednesday's acquisition a "big deal for the industry," noting it signaled Boston Private Financial's return to the space. "Boston Private has been on the sidelines for a few years and it's now engaging in a big way."

Boston Private purchased several wealth and investment management firms during the 2000's, but eventually sold off the majority. The bank's last sale of Davidson Trust Co. to Bryn Mawr Trust Co. occurred in 2012 for \$10.5 million. In addition to Banyan purchase, Boston Private still owns two other wealth management firms Bingham, Osborn & Scarborough and KLS Professional Advisors Group.

Boston Private Bank expects to close the deal with Banyan by the fourth quarter, subject to regulatory approval and customary closing conditions.