

Private Equity Interest in RIAs Continues as Rosemont Buys into Westmount Asset Management

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The private equity push into wealth management continued yesterday as Los Angeles-based Westmount Asset Management closed on its investment in Rosemont Investment Partners. Terms of the financing were undisclosed, but Rosemont, a private equity firm based in West Conshohocken, Pa., will take a minority interest in Westmount.

The deal follows private equity powerhouse The Carlyle Groups recent purchase of the largest minority stake in Houston-based Avalon Advisors earlier this month. New York-based investment bankers Silver Lane Advisors acted as financial advisors for both Westmount and Avalon.

Private equity firms have also been active in the independent broker-dealer space. Last month Lovell Minnick Partners announced plans to buy a majority stake in First Allied Securities and Ameriprise Financial announced the sale of Securities America Financial Corp. to Ladenburg Thalmann Financial Services.

Silver Lane managing partner Elizabeth Nesvold said she expected to see even more private equity investment in financial services companies over the next six months. While some in the industry have welcomed the capital, scale and strategic expertise private equity firms can bring, others have expressed concern that the PE firms will only focus on boosting rates of return quickly so they can sell and move on.

However, Jim Berliner, president and chief investment officer of Westmount, which has \$1.4 billion in assets under management, said he had no qualms about joining forces with Rosemont. Partnering with Rosemont gives us the opportunity to accomplish a number of important objectives, including providing a path to ownership for other leaders at the firm, Berliner said. It also retains our investment and operational autonomy, which is so vital to serving our clients best interests.

As a result of the recapitalization, long-term Westmount employees Mike Amash and Chris Werner will become partners at the firm, which has been a mainstay of the competitive Los Angeles market since its founding in 1990 by Berliner and his father, Robert.