

VIEW



Succession Lending Becomes



On March 5, 2019 Succession Lending rebranded to SkyView Partners, commencing the firm’s strategic evolution to a boutique investment bank in addition to a robust correspondent lending platform while maintaining a singular focus on supporting mergers and acquisitions (M&A) for independent financial advisors nationally.

“Our firm continually strives to offer the most efficient customer experience via a turn-key M&A solution to independent financial advisors,” said Scott Wetzels, JD, Founder and Managing Partner, SkyView Partners. “Our expansion into investment banking services represents a natural outgrowth of our M&A correspondent lending business. The emergence of bank financing to fund M&A transactions, continued advisor development around best practices, and advisor demographics that are certainly in our favor, creates an exciting opportunity for our firm to assist enterprising advisors.”

The firm’s investment banking division will be directed by Aaron Hasler, Managing Partner, SkyView Partners, who has 12 years of experience as a sell side wealth management investment banker and has represented financial advisors on all aspects of mergers and acquisitions.

“There has always been a wide delta between the price a seller desires for his or her practice and what the buyer can afford based on cash flow from the acquired revenue,” said Hasler. “Bank financing reduces that gap and incentivizes sellers to look at legacy solutions for their business. Even with bank involvement, buyers and sellers need to prepare well in advance for an eventual acquisition or succession.”

Q1 BY THE NUMBERS

- Total Amount in Loans Closed:**
\$20,295,451
- Conventional vs. SBA:**
Conventional: 75%
SBA: 25%
- Average Multiple:**
2.59x
- Average Loan Amount:**
\$2,899,350
- Average Term:**
7.86 years
(excluding 100k LOC)
- Average Ammortization:**
10 years
- Average Rate:**
7.40%
(excluding the WSJ+50%)

**SOC 2
TYPE 1**



At SkyView Partners, we strive to meet the highest standards of industry-recognized accreditation so that all of our partners in the securities and banking industries can trust in our policies and procedures.

SOC 2 Type 1 audits provide an industry-wide recognition that companies conform to the American Institute of Certified Public Accountants (“AICPA”) SOC 2 standard, which measures security and serves as assurance that your data is being managed in a controlled and audited environment.



SkyView STORIES

This quarter's *SkyView Stories* highlights an advisor who came to us with an outstanding SBA loan and wanted to solve two problems: remove the lien from his home and secure a fixed rate.

SOLUTION: In less than 2 months from his prequalification, we had connected the advisor with one of our banks and converted him into a fixed-rate conventional (non-SBA) loan that achieved both his goals.

Not long after, the advisor came back to us after discovering an opportunity to purchase another practice in which the sellers were soon retiring. With the sellers already having sell-side representation, this advisor needed buyer support on the offer amount and how to structure the deal to make it most attractive for bank financing.

Our relationship manager at SkyView came in to advocate for the advisor, building in a clawback on a 1-year client retention rate and finalizing the deal at 20% lower than the listed price!

The team at SkyView can consult on a broad range of M&A services and advocate for YOU. For more information, visit www.skyview.com.

How much bank financing can my practice qualify for?

Savvy prospective sellers can work with our underwriting team to determine how much bank financing their practice qualifies for regarding a future sale.

Take a recent example from one of our clients:

The advisor inquired about how much bank financing her practice would qualify for over a year in advance of her desired close date.

- The seller sought \$2.5 million for her practice.
- The buyer was ready to pay a premium for the practice because the average account size was high, which made it more attractive.
- Our preliminary underwriting uncovered that she qualified for at least \$2.5 million in bank financing prior to adding a buyer's cash flow to the transaction.
- Using a bank in our SkyView network, we closed the transaction for \$3.1 million utilizing bank financing from a qualified buyer, and both parties were happy with the results.



For additional information, please contact Kara.Miller@skyview.com or (866) 237-4744.

The results are in...

Since the firm's inception in early 2018, SkyView has facilitated approximately \$100 million in conventional fixed-rate loans for financial advisors.

SkyView's *\$100MM Financing Report*, depicts some insightful factors for advisors, including:

- On average, loans had an amount of approximately \$2.1 million, a term of just over seven years, a ten-year amortization schedule, and a valuation multiple of 2.41x annual revenues.
- Every \$1 million in wealth management loans representing approximately \$150 million in assets under management for practices.
- Funding was structured in 75% of deals to include buyer equity and in 14% of deals to include a seller note, with 23% of deals consisting solely of bank financing.

To download the report, please visit www.skyview.com.

