

# NEWS RELEASE



July 17, 2018

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## Cetera Financial Group Selects Genstar Capital as Strategic Partner

### Genstar Embraces Cetera's Commitment to the Advice-Centric Experience™ and Focus on Financial Well-Being Through an Enriched Client Engagement

### Company to Continue Operating Under Current Brand, Culture and Leadership, with Significant Capital for Investments in Future Growth

**Los Angeles** – Cetera Financial Group® (“Cetera”), a leading network of nearly 8,000 financial advisors, today announced that it has partnered with Genstar Capital (“Genstar”), to accelerate the company’s growth and success under its current brand, culture and leadership team. Genstar is a leading private equity firm focused on investments in targeted segments of the financial services, software, industrial technology, and healthcare industries. The transaction reflects a shared commitment to Cetera’s Advice-Centric Experience™ and provides access to significant capital for future investments in technology, customer experience, operations, data and growth platforms for the financial advisors and financial institutions served by Cetera.

Robert “RJ” Moore, CEO of Cetera, said, “The successful conclusion of our capital structure review process represents the next milestone in our company’s strategic transformation that began in 2016. This outcome affirms our vision for the future of the financial advice profession and creates a powerful partnership to help make this vision a reality for the financial advisors and financial institutions we support. Working alongside Genstar, our entire organization will continue to serve our advisor community by advancing our Advice-Centric Experience, which envisions a profession driven by high-caliber, planning-based advice for clients.” Mr. Moore went on to say, “This is a unique time in our profession, when the need and desire for financial advice is at its greatest. We believe there continues to be significant opportunities for Cetera to be a compelling leader in the delivery of that advice.”

Going forward, Cetera will continue to operate under a multi-affiliation structure, through two core channels – Traditional and Specialty – that collectively serve the full spectrum of independent advisor businesses and financial institutions.

Under this new partnership, Genstar has entered into a definitive agreement with Aretec Group, Inc., the holding company for Cetera, in a transaction expected to close in the late third quarter of this year. Under the agreement, the specific terms

of which were not disclosed, Genstar will assume majority equity control of Cetera, with Cetera's leadership team maintaining a meaningful ownership position.

Tony Salewski, Managing Director of Genstar, said, "We're excited to work closely with the team at Cetera to build on the company's longstanding leadership in the financial advice space, and to support the growth and success of its nearly 8,000 financial advisors across the country. From its scale and breadth of solutions, to its leadership team and vision for the future of advice, Cetera is well-positioned to capitalize on long-term secular tailwinds in wealth management. We have deep sector expertise and we see enormous opportunities to promote the long-term success of Cetera, its advisors and institutions to address the rising importance of professional financial advice to help individuals reach their financial goals."

Genstar's current and previous financial services investments include Mercer Advisors, AssetMark, Ascensus, Apex Fund Services, Acisure, ISS, and Strategic Insight. For this investment Genstar has assembled a strong Board of Directors to help guide the company's strategic direction. In addition to RJ Moore, CEO of Cetera, Genstar representatives will include Tony Salewski and Sid Ramakrishnan as well as Ben Brigeman, former Executive Vice President for Charles Schwab & Co. who led the company's Individual Investor (Retail) business; and Hal Strong, formerly Vice Chairman of Russell Investments.

Mr. Moore concluded, "The future of Cetera, its independent financial advisors and financial institutions, and indeed, the broader wealth management profession, has never been brighter. We thank our advisors, institutions and our employees for their strong support and confidence throughout this process, and we're excited to continue this journey together."

The transaction is subject to customary regulatory and other approvals. Goldman Sachs & Co. LLC served as Cetera's financial advisor in this transaction, and Skadden, Arps, Slate, Meagher & Flom LLP served as legal counsel for the company.

UBS Investment Bank and Deutsche Bank Securities Inc. served as financial advisors to Genstar, and Willkie Farr & Gallagher LLP served as legal counsel for Genstar.

#### **About Genstar Capital**

Genstar Capital ([www.gencap.com](http://www.gencap.com)) is a leading private equity firm that has been actively investing in high quality companies for 30 years. Based in San Francisco, Genstar works in partnership with its management teams and its network of strategic advisors to transform its portfolio companies into industry-leading businesses. Genstar has approximately \$10 billion in assets under management and targets investments focused on targeted segments of the financial services, industrial technology, healthcare and software industries.

#### **About Cetera Financial Group®**

Cetera Financial Group ("Cetera") is a leading network of independent firms empowering the delivery of professional financial advice to individuals, families and company retirement plans across the country through trusted financial advisors and financial institutions. Cetera is the second-largest independent financial advisor network in the nation by number of advisors, as well as a leading service provider to the investment programs of banks and credit unions.

Through its multiple distinct firms, Cetera offers independent and financial institutions-based advisors the benefits of a large, established broker-dealer and registered investment adviser, while serving advisors and institutions in a way that is customized to their needs and aspirations. Advisor support resources offered through Cetera include award-winning wealth management and advisory platforms, comprehensive broker-dealer and registered investment adviser services, practice management support and innovative technology. For more information, visit [cetera.com](http://cetera.com).

"Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors, Cetera Advisor Networks, Cetera Investment Services (marketed as Cetera Financial Institutions), Cetera Financial Specialists, First Allied Securities and Summit Brokerage Services. All firms are members FINRA / SIPC.

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