



## Conventional Financing for Equity Purchases

### Grow your equity in your firm with NextGen Loans<sup>TM</sup> from PPC LOAN

If you're looking to become a partner in your firm, or simply take on more equity, PPC LOAN makes it easy with NextGen Loans<sup>TM</sup>. PPC LOAN is one of the nation's leading sources of conventional cash-flow-based financing for **Investment Advisor** firms.

We'll pursue the financing solution that best meets your needs and helps you achieve your goals. Our NextGen Loans<sup>TM</sup>:

- **Have competitive rates: both fixed and floating**
- **Feature flexible terms**
- **Don't require down payments; you can maintain liquidity**

Your PPC LOAN advisor will provide thorough guidance and counsel, making you aware of all your options and addressing any issues, even analyzing the structure of a deal you currently have on the table. Your PPC LOAN advisor is there for you.

### We understand your **Investment Advisory** business.

Our team knows how independent financial advisory firms work. We understand your business and cash flow, so we can tailor loan terms that work with your financial circumstances. What's more, we are better equipped to advise you in general than your typical SBA lender or traditional bank.

#### **WE CAN GROW WITH YOU.**

Once we get to know you and your firm, you can consider us a financing partner who's ready to support you moving forward. Translation: more money is available when you need it. And we don't sell your loans to other parties. We're in this together.

#### **WE PROVIDE DEDICATED SUPPORT.**

This is about a relationship. Your PPC LOAN advisor is committed to your success. This is your point of contact, day-in and day-out. They know your business, your goals and what keeps you up at night. That's why at PPC LOAN our customers don't have to worry about excessive handoffs, which lead to potential mistakes.

### The process is easy and expedient.

One of the convenient benefits of working with PPC LOAN is the virtually pain-free process. Because we understand the nature of your business so well, you can be pre-qualified on your very first phone call. We can get the process started quickly, answer any of your questions, identify your specific needs, and provide some expert counsel right up front.

- **A simple, three-step process**
- **Significantly less paperwork**
- **Funding in a timely manner**



# Let PPC LOAN guide you through your equity purchase



Purchasing equity in your firm can be a delicate undertaking. Leadership roles are affected and sometimes the cultural and interpersonal dynamics are impacted as well. The last thing you want is for the financing to complicate matters, so we make the funding process as painless as possible.

Traditional banks often set rigid terms, based on broad, one-size-fits-all criteria. That is what works best for them, not you. Owner financed loans are another option, but these often result in shorter payment terms, which can negatively impact the firm's cash flow.

PPC LOAN knows how investment firms operate and understands the way cash-flow works in your world. Our NextGen Loans™ are structured to support your business model and satisfy the needs of both the buyer and seller. Everybody wins.

## Requirements, loan amounts and collateral

What PPC LOAN requires from customers is simple.

- **You must have 5 years of experience as a licensed, certified investment advisor.**
- **Your personal credit score needs to be 700 or higher.\***
- **Your personal financial strength must be appropriate for the financing you are requesting.**

The size of the loan you can obtain is determined by a variety of factors, including:

- **Fee-based/recurring revenues**
- **Discretionary cash-flows**
- **Revenue trends**
- **Existing business liabilities**
- **Personal financial strength**

Also, PPC LOAN will consider financing up to 100% of the equity purchase.

*\*Lower credit scores may be considered on a case-by-case basis.*

## Terms

PPC LOAN offers 5, 7 and 10-year fixed-rate NextGen Loans™. Your dedicated PPC LOAN advisor will work with you to determine the terms and rate that best suit your circumstances.

Because we know that flexibility is critical, you will always have the freedom to make accelerated principal-reduction payments without penalty.

## Sample Deal

Founding partner selling 715,000 shares or a 45.98% equity interest in the RIA to 3 minority owners who will each purchase 1/3 (-238,333 shares) of the equity being sold.

**AUM:** \$998,000,000

**Total Revenues:** \$5,300,000

**Purchase Price:** \$6.25/share

Buyers	Pre-Sale Ownership	Post-Sale Ownership
Founding Partner	55.62%	9.65%
Minority Owner 1	20.58%	35.90%
Minority Owner 2	11.57%	26.90%
Minority Owner 3	5.47%	20.79%

*\*\*\*10 additional shareholders own the remaining 6.76%*

### Deal Structure

**Bank Financing:** \$4,567,500  
**Seller Financing:** \$0

**Buyers Cash Injection:** \$0  
**Bank Loan Term:** 10 Years

#### Notes:

*The Founder received all cash at closing and was not required to personally guarantee. Each Minority Partner provided a personal guarantee in conjunction with a corporate guarantee from the RIA. PPC LOAN funded 3 separate loans in the amount of \$1,522,500 so that each minority partner could manage the repayment of their individual loan at their desired pace.*

## Your next step is to contact us

If you're looking to purchase additional equity in your firm, contact PPC LOAN today, at **1-800-456-2779** or visit **investment-advisors.ppclloan.com**