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## Baker Tilly boosts Chicago growth with deal for tax consultant True Partners

Besides contributing tax expertise, adding the firm founded by Arthur Andersen vets will give Baker inroads into Silicon Valley and other rich markets.

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True Partners Consulting, one of various tax and accounting firms spawned by Arthur Andersen's demise two decades ago, is now disappearing itself, becoming the latest merger partner of Baker Tilly.

In a deal announced today, True Partners will add up to \$60 million in annualized revenue to Baker Tilly's \$400 million tax practice, officials said.

Baker Tilly has grown with a series of deals from its Wisconsin base, entering the Chicago market in 2002, the same year Andersen was brought down by its work for Enron. Revenue this year is projected to climb to \$1.4 billion from \$1 billion just two years ago, according to industry consultant Allan Koltin, who represented both Baker Tilly and True Partners in negotiations. In 2016, Baker Tilly revenue was \$512 million, according to the firm.

True Partners was started by Cary McMillan and other Andersen alums as a tax-only firm, heightening its allure to suitors like Baker Tilly. Koltin said about a dozen would-be acquirers lined up for True Partners, which he said was sold on Baker Tilly's history of successfully integrating targets, retaining their people and expanding their operations. True Partners CEO Timothy Costello, also an Andersen vet, will become a Baker Tilly partner. He didn't return a call seeking comment.

McMillan told Crain's in 2008 that he expected True Partners revenue to climb as high as \$100 million, with as many as 500 consultants, by 2011. At the time, its clients included well-known names like NBC Universal, Starwood Hotels & Resorts and Verizon Wireless. Then the financial crisis intervened. True Partners current professional headcount is 210.

For a decade, private-equity firm Waud Capital Partners held a majority stake in True Partners before selling it in 2016 to 25 of the firm's managing partners.

Craig Weaver, who heads Baker Tilly's tax practice from the West Coast, says the deal will bolster its Silicon Valley presence and provide a new office in another growing market: Tampa, Fla. The firm said the transaction, which is expected to close Nov. 1, will also bring Atlanta on board and add expertise in auditing of unclaimed property.

Among accounting firms in Chicago, Baker Tilly had the 11th-largest office, with 376 professionals, as of mid-2021. The firm says the local figure has risen to 500 and will go to 588 as a result of the combination with True Partners.

Koltin said a "vast majority" of Baker Tilly's senior leadership isn't homegrown but imported through deals like the one for True Partners and by executive recruiting. CEO Alan Whitman, for example, joined in 2003 from another CPA firm.