

Marcum merges in E. Cohen

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Marcum LLP, a Top 20 Firm based in New York, has added E. Cohen and Co., CPAs, a Regional Leader firm in Rockville, Maryland, effective Dec. 1.

As part of the deal, E. Cohen's information technology subsidiary, BinaryNetworks, has merged into Marcum Technology LLC. Marcum is said to be pursuing private equity funding, and that often necessitates a split between the consulting and attest sides of a firm. However, according to a spokesperson for the firm, Marcum Technology is the firm's technology services provider, and it's where BinaryNetworks fits into the organization.

The transactions expand Marcum's tax, assurance, and advisory services across the Mid-Atlantic region, where Marcum currently has offices in Philadelphia, Washington, D.C., and Rockville. E. Cohen and BinaryNetworks will add more than 90 partners and associates to Marcum, bringing Marcum's overall team to approximately 4,000 nationwide. Financial terms of the deal were not disclosed. Marcum ranked No. 15 on *Accounting Today's* 2022 list of the Top 100 Firms, with annual revenue of \$799.08 million in 2021. The firm has been doing a series of mergers in the past year and is projecting \$1 billion plus for 2022. E. Cohen ranked No. 15 on the Regional Leaders list for the Top Firms in the Capital Region, with \$17 million in annual revenue.

"E. Cohen was a recognized leader with deep roots in the Maryland business community and brings substantial experience to Marcum," said Marcum chairman and CEO Jeffrey Weiner in a statement Monday. "They will not only bolster our existing presence in Rockville but will also play a key role in our expansion throughout the Mid-Atlantic region."



*Marcum LLP Chairman and CEO Jeff Weiner
Courtesy of Marcum LLP*

E. Cohen provides tax and accounting services to individuals and middle-market businesses. focusing on the construction, government contracting, hospitality, nonprofit, professional services, real estate and wholesale distribution sectors. In 2019, it was named the No.1 firm for women by *Accounting Today*.

"We built our business over many years with a bedrock commitment to integrity and honesty, accountability, respect and teamwork, continuous process improvement and, above all, client relationships," said namesake and former managing principal Eric Cohen in a statement. "We see these values strongly reflected in Marcum's culture. As a top national firm that has helped shaped our industry, joining Marcum is a clear opportunity to ensure the long-term well-being of our clients as well as our team, while continuing to play an active role in our business community." Cohen will now become the office managing partner for Marcum's new Rockville Maryland office.

Marcum has done several M&A deals in recent years, most prominently a megamerger in September with another top firm, Friedman LLP, creating a combined firm that is expected to surpass \$1 billion in revenue. That merger was announced in May, but was completed in September. Other recent deals included a merger in February with RotenbergMeril CPAs, a firm in Saddle Brook, New Jersey. Last December, it expanded into Missouri by merging in BWTP in St. Louis. Last May, it added Starter-Fluid LLC, a finance-outsourcing firm in Boston.

Koltin Consulting Group CEO Allan Koltin advised both firms on the deal. "E. Cohen defines what an entrepreneurial firm is all about — offering great advice and being viewed by their clients as an 'impact player' in their businesses," Koltin said in a statement. "Marcum's track record for growth has been staggering. They continue to be the envy of the profession while attracting best-in-class local and regional CPA and advisory firms to combine with. They might have \$1 billion of revenue on the top line, but the bottom line is it's a culture where you can achieve a really successful career and deliver amazing services to clients along the way."

Marcum topped the list of firms adding new SEC audit clients in the third quarter, largely due to its merger with Friedman.

The deal to add E. Cohen's IT unit, BinaryNetworks, to Marcum Technology echoes the Friedman deal, which added Friedman's CyZen cybersecurity practice to Marcum Technology.

BinaryNetworks was a managed services provider offering IT consulting, infrastructure, and cloud services. The firm combined into Marcum Technology's managed services and infrastructure lines of business, adding 15 associates to the team.

"The synergies between BinaryNetworks and Marcum Technology are substantial and will create even greater opportunities to support clients' businesses with strategic, high-impact initiatives that drive growth," said Peter Scavuzzo, CEO of Marcum Technology and principal and chief digital information officer of Marcum LLP, in a statement. "As part of Marcum Technology, the BinaryNetworks team will be able to leverage additional intelligence and our deep experience to address the myriad issues embedded in complex technology challenges."

Marcum Technology will be inheriting the tech clients as a result of the deal. "Our close relationship with our clients as their single-source technology advisor will continue, but with the significant advantage of Marcum's deep resources as a national service provider that is part of one of the country's leading CPA firms," said BinaryNetworks managing director Jeff Savitsky in a statement. "We know that service delivery is critical to our clients' success. BinaryNetworks and Marcum Technology are diligently working to ensure that this combination results in a smooth transition that positions us to deliver even greater value to our clients."