

# As a Wealth Management Firm Buys a Top CPA Firm, What Comes Next is Anyone's Guess

BY: CHRIS CAMARA

It sounds preposterous, says consultant **Allan Koltin**, but why wouldn't Microsoft, Amazon, a big family office group, sovereign wealth fund or technology platform be interested in buying an accounting firm?

That possibility became more realistic last month when Overland Park, Kan.-based **Creative Planning** announced it would acquire IPA 100 firm **BerganKDV**. While it's not unusual for CPA firms to buy wealth management companies, it's never been the other way around. And the deal is a big one: The St. Cloud, Minn.-based firm reported FY22 net revenue of \$100.3 million, with 600+ employees and nine offices.

It was just two years ago when private equity firm **TowerBrook Capital Partners** invested in New York-based top-20 firm **EisnerAmper**, the first transaction of its kind, and the assumption has been that more and bigger private equity firms would enter the profession.

Now, different potential buyers are popping up, and the deals may begin accelerating, Koltin says.

BerganKDV CEO **Dave Hinnenkamp** says Apple or Google could certainly enter the accounting space if it made business sense. In this case, the acquisition by Creative Planning means a better way to serve clients. He notes that CPA firms are deeply involved in a client's business but not always the client's personal goals and aspirations, as wealth management firms are.

Hinnenkamp wants to bring it all together. He foresees serving clients much like the Mayo Clinic serves patients, with one coordinator managing care from various specialists to solve problems efficiently. "The model makes so much sense, but it's so



Dave Hinnenkamp

difficult to execute. I think lots of companies have tried it, and I think this is the model that is going to work.”

He adds, “Anyone can be different, but it takes a lot to be better. Being different is easy; being better is difficult.”

## AN UNLIKELY START TO THE BERGAN/ CREATIVE PLANNING COURTSHIP

Hinnenkamp says the process began in an unusual way. In January of 2022, he asked Koltin to connect him with other CPA leaders with experience in determining the value of different parts of their firms. With Bergan’s deferred compensation based on business value, and private equity entering the accounting space, he wanted to make sure his numbers were fair.

Koltin called months later with an entirely different conversation related to a phone call he received one summer Sunday from a caller with an 816 area code. He thought it might be a Kansas City cousin, but the call was from a man he’d never heard of from a company he didn’t know, asking for help buying a top-notch billion-dollar accounting firm.



Peter Mallouk

Koltin, who was gardening at the time, thought it was a joke but the caller turned out to be Creative Planning CEO **Peter Mallouk**. After some quick web sleuthing, Koltin realized the wealth management firm had

over \$210 billion in assets under management and advisement. Though the conversation was lighthearted, it was no joke.

Hinnenkamp, who started the wealth management practice at Bergan, knew exactly who Mallouk was. “I admired Peter before I actually knew him because he was building what I had envisioned but he was able to do it much faster.”

## A NEW ERA FOR ACCOUNTING FIRMS

Subsequent discussions went well. “It was a steady boil. Unlike a lot of deals that die and come back to life three or four times, this one was love at first sight,” Koltin says. Hinnenkamp adds, “I have nothing but raving words to say about Peter Mallouk. Whenever we ran into any roadblock, I would give Peter a call and literally we would resolve it in 10 to 15 minutes on the phone. And it was all under the guise of what makes sense, what’s fair here.”

Koltin thinks the profession is beginning a new phase, with no shortage of companies looking to buy. “I had thought that PE would be the only player in the M&A arena, and I came to realize that we’re just getting started.”

While Hinnenkamp says he is ecstatic to be at this point in the journey, it’s only the beginning. Does he see any potential obstacles? “The only one I see is our own limiting beliefs. If you keep the client in the center of it all, and say what is best for the client, what does the client need and you respond in that manner, I don’t think there are any obstacles you can’t overcome.” ■

