

CRI Goes Down the Private Equity Path For Growth

The top 25 firm has wrapped up a deal with investment firm Centerbridge Partners and venture capital firm Bessemer Venture Partners.

Jason Bramwell | Nov. 18, 2024



On the same day top 30 accounting firm PKF O'Connor Davies announced it was receiving an outside infusion of capital, Enterprise, AL-based top 25 firm Carr, Riggs & Ingram (CRI) announced on Monday that it has wrapped up a private equity deal with private investment management firm Centerbridge Partners and venture capital firm Bessemer Venture Partners.

Financial terms of the deal weren't disclosed.

Including PKF O'Connor Davies and CRI, one-third of the top 30 accounting firms in the U.S. by revenue have now received private equity backing, including top 10 firms Grant Thornton and Baker Tilly.

The investment from Centerbridge and Bessemer is intended to help CRI accelerate growth through strategic expansion into new markets and service areas, investments in technology to enhance service delivery, attracting and retaining top professional talent, and enhancing internal infrastructure, the

accounting firm said in a media release. This infusion of capital will bolster CRI's organic growth and M&A strategy, paving the way for expanded geographic reach and service capabilities, the firm added.



Bill Carr

“Centerbridge and Bessemer recognize the value that CRI has already built and see the potential for where the company can go,” CRI Chairman Bill Carr said in a statement. “We are thrilled to gain partners whose vision aligns with ours. We believe this strategic investment will greatly benefit our talented team members and certainly our valued clients as well. We’ll be able to invest more into our staff, create new opportunities, and continue doing what we’ve always done, which is delivering exceptional results to our clients.”

Founded in 2005 with offices in New York and London, Centerbridge has approximately \$40 billion in assets under management as of Sept. 30, 2024. The firm says it employs a flexible approach across investment disciplines—private equity, private credit, and real estate—in an effort to develop the most attractive opportunities for its investors.”

“We believe strongly in the value proposition created by CRI’s unique blend of ‘local firm’ culture and client service with ‘big firm’ capabilities, and the benefits to CRI’s clients and professionals of its deep roots across smaller, midsized, and metro markets in the Southeastern and Southern U.S.,” said Dan Osness, senior managing director at Centerbridge. “We look forward to supporting the partners of CRI as they continue to build on their innovative history of organic growth and mergers to expand talent, capabilities, and geographic reach.”

Bessemer has \$18 billion in assets under management primarily invested in the consumer, financial technology, enterprise, and healthcare markets. Its global portfolio has included Pinterest, Shopify, Twilio, Yelp, LinkedIn, PagerDuty, DocuSign, Wix, Fiverr, and Toast.

“Over the next decade, the accounting industry is going to be transformed by technology,” said Brian Feinstein, partner at Bessemer. “CRI is one of the most innovative accounting firms in the industry, and we are excited to work with the CRI team to take advantage of innovations in software and AI.”

Allan Koltin, CEO of Koltin Consulting Group, who consulted with CRI during the investment research and transaction process, called the deal “groundbreaking” and CRI “the accounting profession’s feel-good story of the century.”

“CRI is the only top 25 firm in the country to grow from a startup to \$500 million in a little over 25 years, making it the country’s fastest-growing first-generation firm. From its humble beginnings in Enterprise, Alabama, and Destin, Florida, CRI has become the youngest top 100 firm ever to receive a private equity investment as a foundation firm,” he said. “Many private equity firms courted them during this process, but they chose Centerbridge and Bessemer for their similar values and shared vision of what CRI can become at the national level. There is no question in my mind that CRI will grow substantially over the next years while maintaining the ‘family feel’ culture they have had since day one.”

Going forward, CRI will operate in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations, and professional standards. Carr, Riggs & Ingram LLC, an independent licensed CPA firm, will provide assurance, attest, and audit services. CRI Advisors LLC and its subsidiary entities will operate as a separate legal entity, providing clients with tax and business consulting services.

Located in more than 35 markets across 12 states, CRI's industry specializations include construction, government, banking/financial institutions, healthcare, insurance, not-for-profit, manufacturing, and distribution. The firm offers traditional and specialized services, including audit and assurance, business outsourcing and support, forensic accounting, IT auditing, retirement plan auditing, SEC compliance, service organization control (SOC) reports, business valuation, tax planning, and trusts and estates work. Additionally, the CRI family of companies delivers data analytics, investment banking, business consulting, retirement plan administration services, wealth management, payroll services, and trust and estate services.

CRI had revenue of \$455.35 million during its most recent fiscal year, according to INSIDE Public Accounting.

CRI engaged William Blair & Co. LLC as its financial advisor and McGuireWoods LLP as its legal counsel for this transaction. Simpson Thacher & Bartlett LLP and Vedder Price served as legal advisors, and Citizens M&A Advisory served as financial advisor to Centerbridge and Bessemer.