

# Case Study

## CARVE-OUT ACQUISITION OF REVERSE MORTGAGE ORIGINATION SUBSIDIARY – FINANCIAL SERVICES

SECTOR: FINANCIAL SERVICES

### Operational Transaction & Transition Support

### Carve-Out Execution Services

**Team Size:** Transaction Execution Partner, 2 Vice Presidents

**Project Duration:** Under 90 days

### Client Quotes:

*"Accordion was the most user friendly, hands-on transaction team we've ever worked with. They truly know how to get deals over the finish line."*

- Brown Rudnick (Acquirer Counsel)

*"We could not have completed this transaction without the Accordion team. Their ability and expertise to define and execute various structural requirements for the transaction and day one stand up requirements were outstanding."*

- Brian Libman

*"I would certainly recommend Accordion. They were able to marshal a lot of workflows, projects and personalities needed to get the deal closed. Without Accordion, the closing would have been protracted, more costly and more complicated."*

- General Counsel of KCG

### The Requirement

An investment group led by Brian Libman, which included financing from Walter Investment Management Corporation (NYSE:WAC), entered into an agreement to purchase a reverse mortgage subsidiary from Knight Capital Group (NYSE:KCG), and in part was selected by KCG based on the ability to quickly close with certainty. The buyer engaged Accordion based on the team leadership's past performance with Walter on a prior acquisition with significant complexities and a tight closing timeline.

### The Execution

- Working with management of both the target and the sellers' teams, Accordion immediately assessed the post-close, day one operational requirements for a standalone company and developed a scope of services road map for functions that could be transitioned post-sale and services that would be required to be stood up day one. This was completed by the end of week one.
- Working with the buyer, target management and the other professionals, developed an execution plan for each functional operational area. Established procedures for streamlining the pre-close execution process and led twice a week "war room meetings" in conjunction with the COO to identify key issues and mitigate risk factors that could affect the closing or day one standalone operations.
- Collaborated with the seller and target management to structure a transition service process and negotiate a transition services agreement for integrated services that could not be stood up day one, post closing. (IT, Accounting, Payroll, HRIS and certain capital markets support services).
- Stood up a 401K plan and certain benefit programs and worked with management to develop a day-one employee communications program.
- Transitioned treasury services and banking to a standalone operation and positioned the banking structure for further efficiencies post-closing. Worked with management and the seller's insurance broker to structure a day one standalone for insurance.
- Two weeks prior to closing, centralized the detailed closing requirements from multiple buyer and seller functional and professional areas. Developed and led the process to synchronize closing agendas and ensure all parties were communicating and all risk items were addressed and resolved prior to closing.
- Assisted management with stand-alone financing requirements. Developed marketing materials, coordinated management meetings and a due diligence process. Coordinated and assisted in the term sheet review and negotiation of agreements and financial documents.

### The Resolution

- All conditions for closing were met, including financing and operational requirements. The transaction closed under 90 days, despite a two week government shutdown that hindered regulatory approval. Both the seller and the buyer called it a win-win situation.
- The transition to a standalone company was transparent, with no operational or administrative issues. Management praised Accordion's professionalism as well as its communicative and collaborative style.

