

## Reich & Tang Deposit Networks, LLC (R&T) and Total Bank Solutions (TBS) Announce Plan to Combine Firms to Accelerate Growth, Drive Innovation and Expand Product Offerings

NEW YORK (March 28, 2022) – R&T and TBS announced today that they have entered into a definitive agreement to combine both companies. The combination of the two firms will provide banks, credit unions, wealth managers and trust institutions with a larger selection of products and services, designed to meet their unique cash sweep, deposit funding and securities-based lending needs. Estancia Capital Partners, a private equity firm based in Scottsdale, Arizona, will have a majority interest upon close.

R&T and TBS will have a combined total of assets under supervision of more than \$220 Billion, and over 120 experienced professionals that will provide services to more than 20 unique broker dealer sweep programs, approximately 100 trust companies as well as registered investment advisors, robo-advisors, municipalities and retirement plans in coordination with their clearing firms, custodians and technology integration partners. Both firms have long track records of providing superior client service and developing solutions that enhance their respective clients' experience and deliver value to their underlying customers.

"We are thrilled to unite with TBS and expand our presence in the broker dealer and trust insured cash sweep business," stated **Joe Jerkovich, President of R&T**. "Similar to R&T, TBS is a well-established organization whose mission is focused on helping customers to achieve their goals. Together, we will continue to offer innovative products differentiated through personalized and value-driven service. Most importantly, both firms share the same fundamental values and commitments to our clients, communities, employees and other stakeholders, which made our decision to partner with TBS very compelling."

"Joined with R&T, we will have a greater opportunity to create value by expanding the products and services we will be able to offer banks and wealth managers," explained **Eric Pierce, Chairman of TBS**, who will join as a member of the board and provide strategic guidance to the combined firm. "TBS' technology investments in our Securities Based Lending and Deposit Management systems, when combined with the flexibility and depth of R&T's Demand Deposit Marketplace® program and reciprocal bank network will enable us to better serve and deepen relationships with our clients, while continuing to provide the best possible client experience and access to our collective industry expertise and thought leadership".

Over the past decade, R&T focused on growing its Demand Deposit Marketplace® ("DDM") program, a reciprocal bank network providing banks, trust companies and other financial institutions access to \$30 million of FDIC insurance from participating FDIC-insured banks for their customers. As a result of the combination, R&T expects to increase the FDIC insurance available through the DDM program up to \$50 million over the next 12 months. By participating in the DDM program, community banks can compete for deposits with larger banks based on the ability to provide higher levels of insurance to their customers with the knowledge that R&T can reciprocate these deposits back to the bank from its network of more than 250 banks.

"We had the good fortune to cultivate relationships with both management teams over the last three years," said **Takashi Moriuchi, Co-Founder and Managing Director at Estancia**. "Our investment in R&T last year inspired both management teams to discuss the strategic possibilities of combining companies and capitalize on compelling market opportunities by providing even more services to the combined firms' clients."

The executive leadership team of the combined firm will include employees from both R&T and TBS. Michael Lydon and Joe Jerkovich will continue to lead the combined firm as Chief Executive Officer and President, respectively, with Kevin Bannerton, Joe Sarbinowski, and Gary Hom from TBS joining the executive management team, together with Tom Nelson, Steve Genereau and Andrew Mintz from R&T.

The parties signed definitive agreements on March 21, 2022. The transaction is expected to close by May 2022. Seward & Kissel LLP served as legal advisors to R&T and Estancia. For TBS, Piper Sandler served as exclusive financial advisor and Debevoise & Plimpton was legal counsel.

### **About R&T**

Reich & Tang Deposit Solutions (R&T) offers deposit and liquidity solutions to financial intermediaries throughout the country. Through its Demand Deposit Marketplace<sup>®</sup> program, R&T provides banks with access to billions in reciprocal deposits, and underlying customers with access to high levels of FDIC insurance through participating banks. R&T is the trusted vendor of large broker dealers and other financial institutions that offer insured cash sweep programs. The firm is focused on providing unmatched client service by creating, improving, and delivering smarter solutions to help banks and a range of wealth managers maximize the value of their deposit, liquidity, and short-term investment programs.

### **About TBS**

Total Bank Solutions (TBS) is a privately held financial technology firm located in Hackensack, NJ. The company was founded in 2004 to serve the needs of banks and wealth management organizations. Its offerings include its FDIC Insured Deposit Program (IDP) and Loan Management System (LMS). With over \$100 Billion in assets under administration (AUA), IDP provides wealth managers and their customers the benefit of extended FDIC insurance and, for participating banks, access to a stable, diversified, and cost-effective source of deposit funding. LMS is an end-to-end securities-based lending and collateral monitoring platform that connects banks with borrowers seeking collateralized loans.

### **About Estancia**

Estancia is a specialist private equity firm focused on lower-middle market investments in financial services companies that will leverage our industry and operating experience to improve their strategic position, growth, cash flow and value. Companies Estancia partners with are often niche market leaders with recurring revenues, attractive margins, improving returns on invested capital and strong secular growth prospects. Estancia's Principals have a distinguished history of partnering with management teams in providing buy-out and growth capital to facilitate strategic development of portfolio companies including management buy-outs from larger financial firms, private ownership/succession transitions and growth initiatives. For more information, visit [www.estanciapartners.com](http://www.estanciapartners.com).

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