

Mid Atlantic Announces Major Strategic Transaction with Parthenon Capital Partners and Waterfall Asset Management

- Mid Atlantic to invest further in client-centric tools, technology, and services
- Mid Atlantic to continue to expand product and service offering and pursue strategic acquisitions

Pittsburgh, PA March 14, 2018 /PRNewswire/ – Subject to regulatory approvals, Mid Atlantic Capital Group (“Mid Atlantic”), a leading provider of custody, brokerage, trade processing, and financial services technology, announced that it has entered into an agreement that contemplates a strategic transaction with Parthenon Capital Partners (“Parthenon”), a growth-oriented private equity firm, and Waterfall Asset Management (“Waterfall”), an alternative asset manager. The transaction, which will not be consummated until applicable regulatory approvals (including an approval from South Dakota Division of Banking) are obtained, will provide Mid Atlantic with an opportunity to leverage the investors’ experience and resources to accelerate the development of and investment in client-centric technology, products, services and people. The transaction will also position Mid Atlantic to grow through organic initiatives and opportunistic strategic acquisitions. Also investing in the transaction with Parthenon and Waterfall is long-term industry veteran John Moody.

Mid Atlantic’s existing management team, led by Executive Chairman Charles Warden, CEO Paul Schneider, and Group CEO Tim Friday, will remain significant shareholders in the company and continue to lead the firm’s day-to-day operations. “For more than 25 years, Mid Atlantic has supported investment professionals and financial organizations with tools to help attract, grow, and retain assets,” said Mr. Warden. “We are excited to partner with firms like Parthenon and Waterfall that share our vision of providing first class service to our clientele, and that will support and enhance our ongoing investment in tools and technology to continually raise the bar in that respect.”

“Over the past twelve months, we have worked with John Moody and Waterfall to identify a retirement centric, technology enabled provider of services to financial advisors and their clients, and we believe Mid Atlantic is the ideal partner,” said Andrew Dodson, a Managing Partner of Parthenon. “Mid Atlantic has an impressive history of growth and leadership in its market, and we are excited to partner with Chuck, Paul, and Tim. We believe that Mid Atlantic’s client-first approach to technology and service has truly differentiated the Company in the marketplace.”

John Moody, a long-standing industry expert with deep operating expertise in the custody and financial technology markets, is also investing in the transaction and will become the CEO of a newly formed holding company that is focused on acquiring additional, complementary businesses. “I’ve known the leadership team at Mid Atlantic for decades and have a tremendous amount of respect for the world-class company they have built.” said Mr. Moody. “We have a shared vision to continue growing Mid Atlantic, both organically and through acquisitions, into the premier trust, custody, and financial technology platform for retirement plan, bank trust, and wealth management providers.”

K&L Gates served as legal counsel, and Raymond James served as financial advisor to Mid Atlantic with respect to the transaction. Kirkland & Ellis served as legal counsel to Parthenon. Kramer Levin served as legal counsel to Waterfall.

About Mid Atlantic

Mid Atlantic Capital Group is a leading financial services organization that provides a wide array of brokerage, advisory, trust, and custody services to a diverse national client base of financial advisors and institutions, asset managers, and benefits administrators through its various subsidiary companies. With assets under custody or administration of approximately \$90B, its broker/dealer, registered investment advisor, and trust company serve over 8,000 financial advisors and 500 financial institutions on behalf of more than 265,000 customer accounts and one million retirement plan beneficiaries. For more information, visit <http://www.macg.com>.

About Parthenon Capital Partners

Based in Boston and San Francisco, Parthenon Capital Partners is a leading mid-market private equity firm that utilizes niche industry expertise and a deep execution team to invest in growth companies in service industries. Parthenon seeks to be an active and aligned partner to management, either through recapitalization transactions or by backing new executives. Parthenon has particular expertise in healthcare technology and services, financial and insurance services, and business services, but seeks any service, technology or delivery business with a strong value proposition and proprietary know-how. Parthenon's investment team has deep experience in corporate strategy, human capital, capital markets, and operations, thereby enabling the firm to pursue complex, multi-faceted value creation opportunities. For more information, visit www.parthenoncapitalpartners.com.

About Waterfall Asset Management

Based in New York, Waterfall Asset Management is an SEC-registered alternative asset manager. Waterfall utilizes a relative value approach to investing in structured credit, loan products and private equity and invests across multiple sectors of the specialty finance and financial technology industries. Waterfall has approximately \$6.9 billion in assets under management, as of 2/1/2018.

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