

Bond Case Briefs

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Hilliard Lyons agrees to join Baird.

LOUISVILLE, Ky. — HL Financial Services, LLC (the parent company of Hilliard Lyons and Hilliard Lyons Trust Company) announced today that it has signed a definitive agreement to allow Hilliard Lyons and Hilliard Lyons Trust Company to join Baird. The agreement has also been approved by Houchens Industries, Inc., the majority shareholder of HL Financial Services, LLC.

Hilliard Lyons, an independent wealth management firm, and Hilliard Lyons Trust Company are headquartered in Louisville, Ky., and Baird is headquartered in Milwaukee, Wi. Baird is an international, employee-owned wealth management, capital markets, private equity and asset management firm with more than \$200 billion in client assets. Terms of the deal, which is subject to regulatory approvals, were not disclosed. The transaction is expected to close in the first half of 2019.

Established in 1854, Hilliard Lyons is one of the nation's oldest investment firms and has nearly 1,000 employees, including more than 380 financial advisors, operating in more than 70 offices in 11 states. Along with its sister company Hilliard Lyons Trust Company, the firm offers wealth management, trust, and estate planning services, as well as investment banking, municipal finance, and asset management services. It has over \$50 billion in client assets and had more than \$280 million in revenue for its fiscal year ended September 30, 2018. Baird, established in 1919, has more than 3,450 associates, including 890 financial advisors, working from 97 locations in 30 states.

"On every level, Baird is a great fit for our clients and for the Hilliard Lyons team," said Jim Allen, chairman and CEO of Hilliard Lyons. "We are especially pleased to return to our roots and rejoin an employee-owned firm. Baird's culture, values and business model align seamlessly with ours, and its reputation as a best place to work is unsurpassed in the industry."

"Joining forces will accelerate the success of both firms and the success of our clients," said Baird Chairman Paul Purcell. "We have a close relationship with Hilliard Lyons that goes back more than two decades, and we couldn't be happier to have Jim Allen and the rest of the Hilliard Lyons team join Baird."

Steve Booth, president and CEO of Baird, stated, "Hilliard has an excellent reputation and similarities to Baird including a strong, client-centric culture and business model, a commitment to being a great place to work and a long history of giving back to the community."

"It has been an honor for Houchens Industries to be the major shareholder of Hilliard for almost 11 years," said Spencer Coates, president, and Jimmie Gipson, chairman of Houchens. They continued by saying, "We are very pleased with the merger of Hilliard and Baird. This union of great firms will allow Hilliard to continue to expand, grow, and bring additional value-added services to both existing and new clients."

Jim Allen also expressed his sincere appreciation and respect for Houchens. "Houchens has been a tremendous partner for more than 10 years. Their support and commitment to our growth and development clearly puts us in a position of strength as we pursue this exciting next chapter with

Baird. We will be forever grateful to Jimmie, Spencer, and the entire Houchens team. Of course, our strong relationship and friendship will endure.”

Hilliard Lyons top leadership – Chairman & CEO Allen, President Tom Kessinger III, and Alan Newman, executive vice president and director, Private Wealth – will continue in their roles, working closely with Baird’s Private Wealth Management (PWM) Leadership to ensure a smooth transition for the firm and its clients. When the merger is completed, likely in the second half of 2019, Allen will serve as a vice chairman of Baird and a member of Baird’s executive committee out of Louisville; Kessinger will serve in a PWM Leadership role in Lexington, Ky., while continuing to serve his wealth management clients; and Newman will serve in a PWM Leadership role in Evansville, In. All will remain active in their respective communities as leaders at Baird.

The combined firm will have approximately 1,300 financial advisors serving clients from nearly 170 locations in 34 states. That will include maintaining a significant presence in the Louisville community.

Hilliard Lyons and Baird share a longstanding tradition of giving back to the communities in which their associates live and work. Both firms and their associates support a variety of service, cultural, health, and education-related organizations. In 2017, Baird Foundation provided more than \$3.1 million in support to charitable organizations.

Wyatt, Tarrant & Combs served as legal counsel to HL Financial Services, LLC and JP Morgan Securities, LLC, served as exclusive financial advisor and provided a fairness opinion to the Board of HL Financial Services, LLC.

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