

Estancia Capital Partners Announces Strategic Investment in Reich & Tang Deposit Networks, LLC (R&T) in a Partnership to Expand Market Share and Leverage Combined Expertise

NEW YORK (December 20, 2021) – Estancia Capital Partners announced today they have entered into a definitive agreement to make a significant investment in R&T Deposit Networks, a leading administrator of reciprocal deposit networks for banks and insured cash sweep programs for broker-dealers and other financial institutions. The investment is intended to accelerate R&T’s continued expansion within the fast-growing and dynamic cash management market.

“We are excited to partner with Estancia on this next stage of our journey,” says Michael Lydon, President & CEO of R&T, “as we continue to grow and expand our product offerings. I am confident that our combined knowledge and resources will yield greater value for our clients.” He went on to say that “R&T’s experienced management team will remain in place and continue to support R&T’s strong client service model, which is unmatched in the industry.”

“R&T has an industry-recognized legacy in the deposit, liquidity, and cash management space, and Estancia is pleased to partner with Mike and this best-in-class leadership team to accelerate their growth trajectory,” says Takashi Moriuchi, Co-Founder and Managing Director at Estancia. “Our interests are perfectly aligned, which helps us seamlessly partner with R&T to add strategic and operational value.”

“Together with Estancia, we have even more opportunity to accelerate growth and innovation across our product suite,” explains Joe Jerkovich, R&T’s Chief Operating Officer, whose team will continue to be integrally involved in driving the company forward. “We believe that this transaction is a compelling opportunity for R&T to further expand and innovate our programs, infrastructure, personnel, product development, and client service models.”

The transaction is scheduled to close on December 31, 2021. Cambridge International Partners LLC served as exclusive financial advisor, and Holland & Knight as legal counsel to R&T. Estancia selected Hamilton Lane who is allocating capital from New York State Common Retirement Fund, Flexpoint Ford, and Madison Capital Funding as capital partners for this investment. Seward & Kissel LLP served as legal advisors to Estancia.

About Reich & Tang

R&T is a registered service mark of Reich & Tang deposit Networks, LLC, and offers deposit and liquidity solutions to financial intermediaries around the country. Through its Demand Deposit Marketplace 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 administers their insured cash sweep programs. The firm is focused on providing unmatched client service by creating, improving, and delivering smarter ideas to help banks, brokerages, trust/wealth managers, RIAs, and public and private sector companies maximize the value of their deposit, liquidity, and short-term investment programs.

About Estancia

Estancia is a specialist private equity firm focused on lower-middle market investments in Institutional Quality Asset Management, Wealth Management, Capital Markets Structure and related Business Services and Technology firms. Estancia’s Principals have a history of partnering with management teams, providing capital to facilitate strategic development of portfolio companies including management buy-outs, private ownership/succession transitions and growth initiatives. R&T will represent Estancia’s fifth portfolio investment in their sophomore fund Estancia Capital Partners, Fund II, L.P.

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