

LOUISVILLE BUSINESS FIRST

The Hilliard Lyons deal is done: What happens next?

DAVID A. MANN
REPORTER
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Robert W. Baird & Co. Inc. has completed its acquisition of Hilliard Lyons and Hilliard Lyons Trust Co.

Terms of the deal – which was announced in November and closed on Monday – were not disclosed. Milwaukee-based Baird is an international wealth management, asset management, investment banking/capital markets, and private equity firm with more than \$200 billion in client assets.

Though the deal is closed, plenty of integration is still taking place behind the scenes, Jim Allen, chairman and CEO of Louisville-based Hilliard Lyons, explained in an interview Monday. The two companies serve their clients on different software platforms, for instance, which will need to be merged – a process scheduled to take place this fall.

They're also still figuring out each executives duties, Allen said.

Hilliard Lyons' top leadership – Allen, President Tom Kessinger III and Alan Newman, executive vice president and director, private wealth – will continue in their roles and will work closely with Baird's team. Allen also will serve as a vice chairman of Baird and a member of Baird's executive committee out of Louisville.

Job cuts also are still a question.

There are some redundancies between the two companies, but no decisions have been made on how to deal with them, Allen said.

"Baird is taking a very measured and thoughtful approach" to looking at those, he said. Even if positions are eliminated in Louisville as a result of redundancies, this city stands to be a very large hub for Baird.



Hilliard Lyons' acquisition by Robert W. Baird & Co. has gone smoothly, said Hilliard Lyons Chairman and CEO Jim Allen. "Our clients see that it's going to be a very similar experience with Baird."

The name hasn't officially changed yet either. For now, it's Hilliard Lyons, a Baird company. It will adopt the Baird name, with new signage and stationary, in six to eight months. Meantime, Hilliard Lyons Trust Co. will keep its name.

Hilliard Lyons' roots can be traced back to 1854, easily putting it among the oldest companies in Louisville. Prior to this deal, Houchens Industries, based in Bowling Green, Ky., had been the company's largest shareholder. Before that, Hilliard Lyons was owned by PNC Financial Services.

Merging the two companies has gone smoothly so far, Allen said. Hilliard Lyons has been notifying clients of the deal via email, statement inserts and other channels, and the feedback has been positive, he said.

"Our clients see that it's going to be a very similar experience with Baird," he said.

Employees also have responded well, according to Allen.

The number of Hilliard Lyons employees who decided to buy a share of Baird, an employee-owned firm, greatly exceeded expectations, he said. Hilliard Lyons financial advisers and associates now are a part of Baird. Baird's wealth management business now encompasses about 1,300 financial advisers, serving clients from more than 170 offices in 34 states.

Hilliard Lyons and Hilliard Lyons Trust Co. combined had over \$50 billion in client assets as of Sept. 30, 2018, their fiscal year end, and 2018 revenue of more than \$280 million, according to a news release.

Baird, which was established in 1919 and is celebrating its 100th anniversary, had revenue of \$1.78 billion in 2018, its ninth consecutive year of record results, according to the release.

"To welcome Hilliard Lyons' associates and clients to the Baird family during our 100th anniversary year is a tremendous achievement that brings all of us great pride," Steve Booth, Baird president and CEO, said in the release.