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CI Financial to buy \$5.2B RIA, open U.S. headquarters

By Tobias Salinger



Canadian asset manager picked a 55-story office tower that's under construction in Downtown Miami's Brickell district for its U.S. headquarters. *CI Financial*

Like so many Canadian snowbirds who move to Florida for the winter and buy property, a Toronto-based asset manager made another deal for a multibillion-dollar American firm and agreed to site its first U.S. headquarters in the Sunshine State.

CI Financial is buying Portola Partners Group, a Silicon Valley-based RIA with \$5.2 billion in client assets from its base of ultrahigh net worth families, the firms [said](#) on Sept. 14. After a [blitz of U.S. wealth management M&A](#) marked by the firm's deals to acquire 21 RIAs in only 19 months since entering the market, CI Financial and its American brand, CI Private Wealth, [chose](#) a new 55-story tower in Downtown Miami's Brickell district for a stateside headquarters.

Scheduled for 2022 with CI slated to move in the following year, the move has the asset manager contributing to a 35% jump in the number of SEC-registered RIAs located in Downtown Miami in

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the past two years, according to figures released by a local business authority. Local dignitaries and even Florida Gov. Ron DeSantis hailed the announcement of CI's 20,000-square-foot lease.

The firm's U.S. client assets have reached \$73 billion, or \$82 billion once all its deals are closed. The industry has "a long way to go" before acquirers like CI and [Wealth Enhancement Group](#) run out of potential targets, said consultant Jeff Nash of Bridgemark Strategies.

"While they're gobbling up these deals left and right, they're still so small," Nash said. "This is not a trial balloon anymore."

CI's newest incoming RIA has roughly \$5 billion in assets under management and 28 employees, with 19 registered as advisors, according to Portola Partners' latest SEC Form ADV. Owners Steven Rehmus and Zachary Herlick launched the Menlo Park, California-based firm at the beginning of 2020 after both spent more than a dozen years each with another major RIA, Brownson, Rehmus & Foxworth. The parties didn't disclose terms of the transaction, which is expected to close later this month.

"CI Private Wealth's wisely crafted professional services partnership model provides an unusually attractive, long-term growth opportunity for our future generations of advisors and leaders," Rehmus said in a statement.

CI's C-suite executives and support staff will first occupy the new office in Miami at the beginning of 2023, according to the firm. The ranks of employees or advisors working onsite at 830 Brickell could expand as the firm evolves in future years. Private equity firm Thoma Bravo will have 36,500 square-foot office in the same building, alongside fellow tenant Microsoft's 50,000 square-foot space.

The office "serves as the next logical step for our expansion plans as we work to build the leading high net worth wealth management platform in the country," CEO Kurt MacAlpine said in a statement. "Miami is a vibrant, multicultural city that offers a deep talent pool, an attractive location for recruiting and a very business-friendly environment."

CI is following firms like Dynasty Financial Partners that have [established headquarters in Florida](#) in recent years, amid the pandemic and lower taxes in the Sunshine State. The ranks of SEC registered RIAs in Downtown Miami alone climbed to 111 by the end of last year, compared to 82 in 2018, according to a report by the Miami Downtown Development

Authority and Convergence. The AUM of the local RIAs more than doubled to \$152.4 billion

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during that span.

In fact, CI is the largest financial firm ever to pick South Florida as its home, according to a statement by Miami Mayor Francis Suarez, who said that the city's goal is to become the "capital of capital." The state is "thrilled to welcome" CI, Gov. DeSantis said in a statement.

"Their move is the latest example of our welcoming business climate at work — something we continue to see from Miami to Pensacola," DeSantis said. "We appreciate CI Financial's commitment to our state and wish them all the success."