

HD Vest Parent to Acquire 1st Global

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By Janet Levaux, [ThinkAdvisor](#)

The deal unites tax-minded advisors and could create an IBD with 4,500 reps and \$60 billion in assets.

Less than a month ahead of Tax Day, two tax-focused independent broker-dealers are coming together. Blucora – the parent company of the IBD H.D. Vest and the software maker TaxAct – is buying 1st Global for about \$180 million in stock. Both are based in the Dallas-Fort Worth area.

With 1st Global's 850 advisors and \$18 billion in client assets, the combined entity should have close to 4,500 advisors and \$60 billion in total assets, Blucora says.

The deal comes about 3 1/2 years after Blucora announced plans to buy HD Vest, which had 4,500 FAs with \$36 billion in assets at the time.

"Blucora dominates the tax preparer/advisor market space, [and] they further increase their dominance with the purchase of 1st Global," said IBD recruiter Jon Henschen.

"1st Global was originally a spin off from HD Vest, with Tony Batman founding the firm with the same focus of tax preparers as HD Vest but focusing on having higher average-production-per-advisor requirements than HD Vest," he explained.

In the fall of 2015, "Blucora ... offered an unusually attractive purchase price to HD Vest (200% of trailing revenue), so an unusually attractive price could be the case again – although broker-dealer prices have come down since the

time of the Blucora-HD Vest purchase,” Henschen added.

Last week, 1st Global released the results of its advisor satisfaction survey, which found that more than 97% are pleased with its service and support and would recommend affiliating with 1st Global to another FA or CPA.