

CardWorks Closes Transaction with Three Financial Services Investment Firms

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WOODBURY, NY, Aug. 1, 2017 /PRNewswire/ -- CardWorks is proud to announce that its parent company has welcomed three non-controlling minority shareholders. Affiliates of Pacific Investment Management Co. (PIMCO), Parthenon Capital Partners, and Reverence Capital Partners each acquired less than 10% of the company in separate transactions. Don Berman, Founder and CEO of CardWorks, will maintain his majority control of the company.

CardWorks, with over \$3.5 billion in assets, is a leading consumer lender, merchant acquiring bank, and loan servicer to regulated financial institutions and non-bank lenders.

"CardWorks has always been a people-based business," said Don Berman. "Founded 30 years ago and built on the principle of doing the right thing by our employees, customers and clients, CardWorks has leveraged a combination of human capital, culture, technology, and analytics to build a tremendous franchise. We look forward to an exciting future with our new shareholders, who will each be a value-added strategic partner as we continue to grow our business."

With operations in New York, Utah, Pennsylvania and Florida, CardWorks now employs over 1,300 associates, with all operations housed internally. CardWorks has substantial capital, operational scale, and decades of experience operating as a team, which will allow for continued growth of its lending businesses and expansion of its servicing client base.

"Both Merrick Bank and CardWorks Servicing have been industry leaders for decades. We have been seeking to back a consumer lending platform with an exceptional management team, and are excited to have achieved that goal," said Zach Sadek, Partner at Parthenon Capital Partners. "We are excited to partner with the CardWorks team who I have known and worked with for 20 years. They are a best in class operation across their business lines," said Peter Aberg, Co-Founder and Partner at Reverence Capital Partners.

J.P. Morgan Securities LLC served as exclusive financial advisor to CardWorks and Wachtell, Lipton, Rosen & Katz served as legal counsel to CardWorks.

About CardWorks Servicing Operations

Founded in 1987, CardWorks provides servicing operations and portfolio management to bank and non-bank consumer and small business lenders through CardWorks Servicing, LLC and Carson Smithfield, LLC. Servicing more than 6 million accounts, CardWorks Servicing, LLC is the premier independent servicer of nationally-branded Visa®/Mastercard® cards, secured cards, and unsecured installment loans. Carson Smithfield, LLC provides post-charge-off debt recovery services. For more information, visit www.cardworks.com.

About Merrick Bank

Founded in 1997, as a wholly owned subsidiary of CardWorks, Merrick Bank is an FDIC insured top-20 issuer of Visa® branded credit cards. Merrick Bank also provides finance options to consumers through marine and recreational vehicle dealers throughout the country. While Merrick Bank specializes in non-prime consumer lending it is also a top-15 credit card merchant acquirer, clearing approximately \$38 billion in transaction volume per year for more than 180,000 merchants and 50 independent sales organizations. For more information, visit www.merrickbank.com.

About PIMCO

Founded in 1971, PIMCO is a leading global investment management firm with offices in 12 countries throughout North America, Europe and Asia. With \$1.61 trillion in assets under management as of June 30, 2017, PIMCO offers a wide range of innovative solutions to help millions of investors worldwide meet their needs. Our goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline. PIMCO is owned by Allianz S.E., a leading global diversified financial services provider. For more information, visit www.pimco.com.

About Parthenon Capital Partners

Parthenon Capital Partners is a leading mid-market private equity firm based in Boston and San Francisco. Parthenon utilizes niche industry expertise and a deep execution team to invest in growth companies in technology-enabled services industries. Parthenon seeks to be an active and aligned partner to management, either through recapitalization transactions or by backing new executives. Parthenon specializes in consolidation driven investments and has supported its portfolio companies in completing over 100 follow-on acquisitions in the last five years. For more information, visit www.parthenoncapitalpartners.com.

About Reverence Capital Partners

Reverence Capital Partners is a private investment firm focused on thematic investing in leading global, middle-market financial services businesses through control and influence oriented investments. The firm was founded in 2013, by Milton Berlinski, Peter Aberg and Alex Chulack, after distinguished careers advising and investing in a broad array of financial services businesses. The Partners collectively bring over 90 years of advisory and investing experience across a wide range of financial services sectors.

including asset management, banks and specialty finance, capital markets, financial technology and insurance. Reverence Capital invests on behalf of a diverse group of investors, including: public and private pension plans, sovereign wealth funds, university endowments, foundations, family offices and high-net-worth individuals. For more information, visit www.reverencecapital.com.

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