

# THE BOND BUYER

The Daily Newspaper of Public Finance

Friday, April 11, 2014

## William Blair Makes Push Into LA With De La Rosa Team

By Yvette Shields

CHICAGO - Chicago-based William Blair & Co. is bolstering its sales and trading group in Chicago and California and making a push into the Los Angeles market.

The immediate goal of opening an LA office, with veterans from De La Rosa & Co. led by Christopher Tota, is to land senior manager business in California.

The longer-term goal the firm is pursuing with all of its recent hires is to launch a "serious growth spurt" for the firm's municipal business with an eye on building a national platform, said Tom Lanctot, William Blair's head of debt capital markets group.

"Now we are viewed as a high quality regional firm. Our management wants us to build out our fixed income department, and the way to do that is to have a national presence," Lanctot said in an interview. "The addition of a Los Angeles office is a very important strategic step as we develop our firm and build a more national platform."

In the new Los Angeles office, Tota will serve as head of William Blair's municipal bond trading nationally. He is a 20-year veteran in the national municipal trading arena with a special focus on California. Tota previously headed up institutional sales and trading for the California powerhouse De La Rosa, which was acquired earlier this year by Stifel Financial Corp.

Tota is bringing a sales team with him as Blair seeks to grow using talent that helped build De La Rosa's strong position in the California market. They include Nils Barrett, Neal Mathisen, and Matt Dowley as well as senior credit analyst Joe Crowley.

Dowley will work out of Blair's existing San Francisco office. To give the new Los Angeles office a further boost, public finance banker Ken Gillespie, who joined Blair in 2012 in San Francisco, will now be based in L.A.



Christopher Tota will head up trading at William Blair & Co.

"Chris and the team bring a high level of expertise and experience in distributing and trading municipal bonds to a wide spectrum of investors. Their successful track record and deep investor relationships will enhance William Blair's California and national municipal bond distribution network," Lanctot said.

At its Chicago headquarters, Lanctot said the firm has added Rob Engelking, who formerly worked as a director of institutional structured product sales at Bank of America Merrill Lynch, which he joined in 1983. He managed a team of five professionals.

Bob Zubak has also joined the firm's Chicago office. He worked for more than 20 years as a senior portfolio manager at Allstate. Zubak served as a member of the Municipal Securities Rulemaking Board from 2006 to 2009 and before Allstate he held positions at the former Van Kampen, First Boston, and Continental Bank.

With the group from De La Rosa, William Blair wants to capitalize on the team's client base to tap into senior manager

work. So far, it's struggled to crack bookrunning work and its business in California, which was established with the hiring of several bankers there in 2009, has been limited to getting into underwriting pools and proving itself as a co-manager on deals.

"Chris and his team let us hit the ground running to go after senior manager business especially in the middle markets," Lanctot said.

The firm ranked 14th last year among senior managers in the Midwest, leading 50 transactions valued at \$869 million, according to Thomson Reuters. That's up from 33rd a year earlier.

Nationally, the firm ranked 26th leading 79 deals valued \$1.67 billion. That's up from 53rd the previous year. In California, the firm led only one small deal for \$11.5 million.

Tota's discussions with Blair about making the move date back to last summer, long before the Stifel purchase, said Tota, who added that the sale of De La Rosa did not drive his decision.

Tota joined Blair as a managing director and head of municipal sales and trading. The others all are expected to also be on the firm's partnership track. Tota joined De La Rosa in 2008 from the former Bear Stearns where he was a senior managing director.

"William Blair had more to offer with its partnership structure. We also liked their reputation in the market and Tom's vision for expanding the firm," Tota said. The move

also presented the group with the opportunity to strengthen Blair's distribution network. "It just seemed like a great fit," he said.

Blair is an independent and employee-owned firm.

Tota and Lanctot said Blair is not deterred by a trend of shrinking underwriting spreads in California deals, or the competitive field in the Golden State.

"It's competitive but I think California is not nearly as saturated as other markets. There's an opportunity for Blair," Tota said, adding he sees pent-up demand for infrastructure work, high-speed rail work, and water system improvements.

The new hires bring the firm's municipal sales and trading numbers to 23 and its taxable sales and traders to 24. The debt capital markets group employs 20 public finance bankers. The firm has an on-the-ground municipal presence in five of its 13 offices in the U.S. and abroad. They include two in California, plus Chicago, New York, and Connecticut.

Lanctot said the firm has generally grown its staff in recent years though it has seen some turnover on its sales force and retirements but no direct cuts. The firm has its eye on expanding into other regions, but he declined to say where just yet as he looks for "smart" and "strategic" hires. He sees opportunity because the large Wall Street firms have shed staff and are expected to do more trimming given projections for shrinking issuance.

## *William Blair*

The accompanying information was obtained from sources which William Blair & Company, L.L.C. believes to be reliable but does not guarantee its accuracy or completeness. The material has been prepared solely for information purposes and is not a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. Historical data is not an indication of future results. The opinions expressed are our own unless otherwise stated. Additional information is available upon request. William Blair & Company, L.L.C., 2014