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## **EX-BANKERS AT FBR FORM ADVISORY FIRM**

by Nicholas Johnston

A group of former bankers from Arlington financial services firm Friedman, Billings, Ramsey Group Inc. have launched a new private equity and financial advisory firm, they plan to announce today.

Milestone Merchant Partners, based in Washington, will provide financial advisory services for mergers and acquisitions and other large financial transactions, as well as managing a \$100 million private equity fund through a unit called Milestone Capital Partners.

The group is backed by the private equity arm of Koo's Group, a holding company based in Taiwan, which has already committed \$100 million to Milestone, in addition to investments by Milestone's founders.

"We see a market opportunity in combining our advisory business with private equity," said Robert Hartheimer, a Milestone founding partner and former managing director of FBR's financial services group.

Joining Hartheimer at Milestone from Friedman, Billings, Ramsey are Eugene S. Weil, John Nelligan and Christie Morrissey-Smith from the financial services group and J. Brandon Turner from the specialty finance practice. The group also includes Steven Quamme, a private equity lawyer and investor.

Today's announcement follows several recent high-profile departures from Friedman, Billings, Ramsey, including Russ Ramsey, one of the company's founders, who announced in February that he will leave the firm at the end of the year to start his own venture capital fund.

Last week two managing directors of the company's venture capital arm left FBR, and the company reorganized the division's management.

But today's announcement is unrelated to the recent turmoil at FBR, Milestone officials said, noting that the former FBR executives launching Milestone left FBR last year. "We didn't leave two weeks ago to set up a new venture," Hartheimer added. "It was not a mass exit."

Group members saw a unique opportunity in financial advising and private equity investing that could not be explored while they were working at FBR, Hartheimer said. "It was the right time to set out on our own to do this," he said.

Milestone completed financial negotiations with Koo's Group in March and has already secured office space on 17<sup>th</sup> Street NW in the District, begun hiring and started trying to attract customers. "We're already working with seven or eight clients on the advisory side," Quamme said.

Milestone has also begun exploring possible venture capital investments, but Quamme declined to identify them. Because of the partners' backgrounds in banking, the group will shy away from technology start-up companies and focus instead on investments in financial services companies, he said. "Early-stage technology is not our focus on the investing side," Quamme said.