Beauchamp Financial Technology

Plan "B" gets the deal done for a European software company.

"M&A skillfully and calmly guided us through some difficult decisions. The most important was ending exclusive negotiations with the highest bidder, then re-engaging and closing with Linedata."

Bruce Mennell & Stuart Farr co-founded Beauchamp Financial Technology (BFT), a London-based software company, with the idea of providing investment banks with a seamless platform to support front-, middleand back-office operations.

Two years into product development, the rapid ascent of hedge funds led Mennell and Farr to refocus their efforts on meeting the needs of managers of hedge funds and other "alternative asset pools."

With financial support from Goldman Sachs and Soros, BFT developed a unique platform for managing a hedge fund's entire business—from trading to accounting—managing multiple "strategies", each of which could include portfolios of multiple security types from multiple countries, in multiple currencies. Within a few years, BFT had offices in London, New York and Hong Kong, a development center in Latvia and support partners in six countries.

Four years after launching its first product, BFT had more than 115 clients in Europe, Asia and the U.S. The company had achieved profitability and global market leadership.

"Eventually, there came a time when we were ready to exit," says BFT CEO, Stuart Farr. "We had investors who were ready for liquidity and it was time to get some strategic help." The founders and their backers looked for an advisor with the expertise to help them find and close with the right strategic partner. They never considered trying to sell the company themselves. "We lacked the experience, didn't know how to establish value and didn't want to be distracted from our business," says BFT Chief Technology Officer, Bruce Mennell. "We needed professional advice and help to manage the project."

M&A's approach attracted 10 qualified buyers from the U.K., France and the U.S.

After meeting with firms in New York and London, BFT chose Marlin & Associates (M&A) as their sole financial and strategic advisor. "Their experience in financial technology transactions impressed us," says Farr. "We met with the M&A team, looked them in the eye and felt confident in their ability and commitment to help us get the right strategic partner and best price. Their briefing on valuation, terms and what to expect was very accurate."

M&A's approach attracted 10 qualified buyers from the U.K., France and the U.S. The field quickly narrowed to three companies from three countries — then two. Finally, BFT entered into exclusive negotiations with one.

"They got all buyers to increase their bids."

"M&A are excellent negotiators and know how to maximize value,"



Stuart Farr, BFT CEO: "The price, terms and compatibility with Linedata are everything we hoped for. M&A never got flustered or stuck for solutions. Their advice and positive approach were critical to the success of the deal."

said Mennell. "They got all buyers to increase their bids. They also helped us weigh the strategic and human implications of our various options."

"The other parties may have been disappointed that we went with another bidder, but they knew the process was fair and open," said M&A's founder, Ken Marlin. "When negotiations with our initial choice faltered, that goodwill proved invaluable."

Distant & Discis Speed Street.			MINE I	Knothe Terr	-ENewson			11
Inc	a Milling B Hill Part P	HINDS	Met X. Barro S			Mel X, Sano X 3	inal/flant	Pusike
A concernence and	CONTRACTOR OF DESIGN		0.00					
COLUMN AND A	State of the second second second second	10101		LINRED.		THE REAL PROPERTY OF	_	
CLAIEED	OLIMAN		1000	VODVA		in the	COMPOSE GEOR	P PLO
Contract Internet	and the second se	£77.544	15% 37%	- 2015 K-0	2 A 161111	Constraints of		100 C
COMPTSELLAR	10.575.005 0 10	125100	115 115	+		A		
- Seral Cast	1000212		100					
46ML VE 46MP	6.066.14.1	1000		TAXABLE PARTY.		ente Horg	Cert Courts	i i Mari
			2014		1.1			_
role; Tend Sock Gener	Seculo Mana			Michaelle ha				- E
and the second se	Secolo Maria	Pres	Position Sta (Here)	DECORPT IN	(Denne	Fold California	FN. Totac	10, 111
THE R PARTY NAMES				Contraction of the				
and the later of t			0.00000				1000	
STATES AND INCOME.	Marganal Documber 2011	21,200	0.1000	COLUMN IN	100	11		
	LARVIS ALCHIDIN	11225	The second s			TN	42.564	的的
and a local section of the loc		1000	- Prov	1000			100	
111212-1200-12001	SENENSAGERONIAM	10.1979	2.02				CH CH	10000
	PHILE ILCOMPANY	TENERO	1000	1.15	Th.	1.0		-
	PHILE & LC OVEVOL PARA		all a state	d	The	814		
	ALARP 7 117 1020105 (EURI		. 11,000	110,254	174	- # TA	4.764	
	at GROUP PLC UP	1 1451	LUCE	19111	874	111	a 204	
	CABLE AND WRELESS FLO MINUT PLO LINY MILLEPLO		475.834 31M8.838	245.201			4,602 22,744	
	MICEPIC MITCHON	11500		A DAMAGE	and the second		-1.00	1993.002
or 18 Direct Functional		BULLEY OF	AND DE N	COLUMN TWO IS NOT	100		10.000	and the second
of L Des Fatorers		201 110	APRIL D	STATES	1812	- 11		1
	وعدا وتصريبين وعصدوا					1000		
			ALC: NO.					
		_		-				

BFT, together with M&A and BFT's attorneys, spent three months trying to negotiate the fine points of an agreement with the initial party. Finally, BFT terminated negotiations.

"We try to always have a Plan 'B', if necessary. In this case it became necessary."

"In ending negotiations, the BFT team took a risk," said Marlin. "But, we were confident that we had treated the other parties fairly and would be able to re-engage with one of them. We try to always have a Plan 'B', in case it becomes necessary," said Marlin. "In this case, it became necessary."

The decision was made to go back to one of the firms that had impressed BFT in the earlier round of discussions: Linedata S.A., a Parisbased public company (PA:LIN). "We didn't know if Linedata was still interested or if we would ever get a deal," says Farr. "The situation was stressful. But, M&A never got flustered or stuck for solutions. Their advice and positive approach were critical to the success of the deal. They kept both sides motivated and focused on moving the deal forward."

The deal closed two months later. Linedata gained a fast-growing, global leader in software for hedge funds. BFT gained a partnership with a company that had the resources and desire to help take them to the next level. Today, Farr and Mennell and the rest of the team at BFT continue to manage their company within Linedata.

"M&A skillfully and calmly guided us through some difficult decisions,"

says Farr. "The most important was ending exclusive negotiations with the highest bidder, then re-engaging and closing with Linedata. M&A also helped us get a diverse group of internal BFT managers, backers and shareholders committed to the same objective. The price, terms and compatibility with Linedata are everything we hoped for."

"My advice to anyone thinking about making a similar move is to prepare as early as possible; get your records in order; resolve to get the right partner as well as the right price; have a back-up plan, and get expert advice," says Mennell. "We couldn't have made a better choice of advisors than M&A. They are a team of smart, dedicated professionals."





MARLIN & ASSOCIATES

Transaction Advisory for the Digital Information Economy

330 Madison Avenue, 9th Floor | New York, NY 10017 T 646-495-5141 6101 Executive Boulevard, Suite 110 | Rockville, MD 20852 T 301-469-0441 www.marlinandassociates.com