

Oak Street Funding Powers Internal Succession

Introduction

Mackenzie Parsons and Christina Traurig of Cornerstone Financial Planning recognized the need for partner buyout financing to purchase the firm from founders Jill Boynton and Susan Veligor. However, they faced a common concern among Generation 2 business owners: the increasing difficulty in affording such transactions. Determined to find a solution, they sought advice from their network, which led them to Oak Street Funding. Leveraging their expertise, Oak Street Funding helped Mackenzie and Christina structure the deal, setting the stage for a successful partner buyout.

The Journey

In March 2004, Jill Boynton and Susan Veligor founded Cornerstone Financial Planning to provide financial planning in the Portsmouth to Portland corridor. In 2014, Mackenzie Parsons, CFP® joined the firm shortly after earning her CFP® as a financial planner. Soon after, Christina Traurig, CFP®, MBA moved from the Midwest to join the Cornerstone team on the east coast. Together, Mackenzie and Christina's expertise and experiences in different roles within an RIA firm made them the ideal next owners of Cornerstone. Anticipating future ownership, Mackenzie and Christina assumed expanded roles within the firm in 2018, laying the groundwork for their purchase from the founders. In 2020, Mackenzie and Christina began searching for a lender to finance their partner buyout and reached out to Oak Street Funding.

The Challenge of Financing

Mackenzie and Christina faced a common challenge faced by many Gen 2 owners looking to buyout Gen 1: how to afford the cost of the buyout. Christina explained, "Many lenders wanted a large cash balance in our bank account or wanted to put a lien against our personal residences and we weren't comfortable with these options." Additionally, there was concern about the rising interest rates and the timing of the partner buyout.



Christina Traurig
Principal & Financial Planner



Mackenzie Parsons
Principal & Financial Planner

Quick Facts

- **Company:** Cornerstone Financial Planning
- **Industry:** RIA
- **Established:** March 2004
- **Employees:** 9 + one canine office greeter
- **Locations:** 2
- **Website:** cornerstoneplanning.com

Business Challenge:

Financing a partner buyout

How Oak Street Funding helped:

Oak Street Funding provided flexible, customized financing for the partner buyout.

Why Cornerstone Chose Oak Street Funding

When Mackenzie and Christina reached out to Oak Street Funding, they met Susie McEuen, VP of Strategic Markets Sales. Over the course of the next couple of years, Mackenzie and Christina had many conversations with Susie, openly discussing their concerns and aspirations. This extended collaboration allowed Oak Street Funding to gain a deep understanding of Cornerstone Financial Planning's unique needs and tailor their solutions accordingly. Mackenzie and Christina liked the flexibility Oak Street Funding could offer and how Susie and the team committed to helping them through each step of the process. Christina said, "Susie walked us through the process, making it super easy, and very clearly explained what Oak Street's requirements were."

How Oak Street Funding Responded

Because interest rates were expected to rise, Susie worked with the Oak Street Funding credit team to lock in the lower rates of 2022 even though the partnership change wouldn't happen until 2023. This allowed Mackenzie and Christina to draw on a line of credit and buyout the founders at the lower interest rate. As part of the process, Oak Street Funding evaluated a proforma of Cornerstone's revenue and expenses. This proactive step enhanced the accuracy and reliability of financial projections, ensuring a smooth transition once the founders were out of the equation.

The Results

In collaboration with Oak Street Funding, Mackenzie and Christina were able to fully buyout the founders and now share complete ownership of the firm. The flexibility and cash-flow based lending that Oak Street Funding provides allowed them to finance the purchase without tying up their personal assets. Mackenzie and Christina's story highlights the importance of early engagement with Oak Street Funding. Starting the conversation well in advance allowed them to establish a relationship founded on trust and mutual understanding. This early engagement enabled Oak Street Funding to guide them through every step of the journey, ensuring their success as they completed the partner buyout.

Conclusion

Mackenzie and Christina's success story serves as an example for business owners seeking financing for partner buyouts. Oak Street Funding's commitment to understanding their clients' needs, providing innovative financing options, and offering valuable insights sets them apart as a trusted advisor and partner. Whether it's a partner buyout or any other financial need, Oak Street Funding stands ready to guide businesses towards growth, providing the support and expertise required for success. Start your journey with Oak Street Funding today and experience the difference for yourself.



[Want to hear more of Mackenzie and Christina's story? Click here to listen!](#)