

WISDOMTREE INVESTMENTS, INC.

FORM 8-K (Current report filing)

Filed 01/05/18 for the Period Ending 12/29/17

Address	245 PARK AVENUE 35TH FLOOR NEW YORK, NY, 10167
Telephone	212-801-2080
CIK	0000880631
Symbol	WETF
SIC Code	6211 - Security Brokers, Dealers and Flotation Companies
Industry	Investment Management & Fund Operators
Sector	Financials
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 29, 2017

WisdomTree Investments, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-10932
Commission
File Number:

13-3487784
(IRS Employer
Identification No.)

245 Park Avenue
35th Floor
New York, NY 10167
(Address of principal executive offices, including zip code)

(212) 801-2080
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events

On December 29, 2017, WisdomTree Investments, Inc. (the “Company”) provided funding to AdvisorEngine Inc. (“AdvisorEngine”), a financial technology company in which the Company owns 46.57 % of the outstanding capital stock, for working capital purposes and to finance the acquisition by AdvisorEngine of CRM Software, Inc., known as Junxure, a client relationship management software and technology provider for financial advisors (“Junxure”). The funding was provided to AdvisorEngine pursuant to a senior unsecured promissory note (the “Note”) in the aggregate principal amount of up to \$30.0 million, of which \$22.0 million was advanced to AdvisorEngine by the Company upon execution of the Note (the “Initial Consideration”). Upon the terms and subject to certain customary limitations and conditions, including there being no event of default under the Note, the Company has agreed to provide additional advances to AdvisorEngine under the Note of \$5.0 million on June 30, 2018 and \$3.0 million on September 30, 2018. The Note matures on the earlier of December 29, 2021 and a change of control of AdvisorEngine. AdvisorEngine may prepay the Note in whole or in part at any time without penalty or premium. The Note bears interest at a rate of 5% per annum, accruing and paid-in-kind by capitalizing such amount quarterly, and contains customary events of default. The Note is guaranteed by the subsidiaries of AdvisorEngine, including Junxure.

In connection with funding the Initial Consideration under the Note, the Company also entered into an agreement (the “Purchase Option Agreement”) with AdvisorEngine, pursuant to which AdvisorEngine granted the Company an option (the “Purchase Option”) to acquire all of the outstanding capital stock of AdvisorEngine not owned by the Company. The Purchase Option may be exercised by the Company in its sole discretion on or prior to November 16, 2018 or if not already exercised and subject to AdvisorEngine’s consent, will be deemed exercised in the event of a change of control of the Company prior to November 16, 2018, with the closing of the acquisition to occur no later than January 15, 2019 at a price derived from an agreed-upon enterprise valuation of AdvisorEngine. If exercised, the Purchase Option contemplates that the Company and AdvisorEngine would enter into definitive agreements for the acquisition, the consummation of which would be subject to customary closing conditions. The Purchase Option Agreement also contains customary restrictive covenants relating to certain of AdvisorEngine’s operations and corporate governance matters during the term of the Purchase Option.

A copy of the press release announcing this transaction is being furnished as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits:

Exhibit 99.1 [Press Release, dated January 2, 2018](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WisdomTree Investments, Inc.

Date: January 5, 2018

By: /s/ Peter M. Ziembra

Peter M. Ziembra
Chief Administrative Officer

WisdomTree Announces Transformative Advancements in Technology Solutions

WisdomTree facilitates acquisition of CRM-software provider Junxure. Deal brings scale and client service expertise to transform AdvisorEngine digital wealth ecosystem

WisdomTree finalizes terms for option to acquire AdvisorEngine, further solidifying commitment to technology-enabled solutions to help advisors grow

New York, NY – (GlobeNewswire) – January 2, 2018 – WisdomTree Investments, Inc. (NASDAQ: WETF) today announced significant advancements in its current portfolio of technology-enabled practice management solutions while strengthening its commitment and capabilities to meet investors’ evolving needs.

WisdomTree has committed to provide up to \$30 million in additional working capital to AdvisorEngine Inc., an innovative financial technology company in which WisdomTree originally invested in November 2016. The majority of the funds are being used by AdvisorEngine to acquire CRM Software, Inc., known as Junxure, an industry-leading Client Relationship Management (“CRM”) software and technology provider for financial advisors. The remainder will be used for the integration of technologies and to help further drive the growth of AdvisorEngine. Furthermore, WisdomTree finalized terms of an option to purchase the remaining equity interests in AdvisorEngine.

Last month, WisdomTree appointed E*TRADE veteran Jarrett Lilien as Executive Vice President – Head of Emerging Technologies. In this newly created role, Mr. Lilien joined WisdomTree’s executive management team and will oversee outward facing technology initiatives, including WisdomTree’s investment in and strategic relationship with AdvisorEngine. Mr. Lilien has also joined AdvisorEngine’s board of directors.

“I am excited to have joined WisdomTree’s executive management team and look forward to advancing the Company’s investor-focused innovations and initiatives in the emerging technology space. This is only the beginning for WisdomTree and AdvisorEngine’s collaborative vision to help advisors grow their businesses,” said Mr. Lilien.

WisdomTree and AdvisorEngine Solidify Commitment to Research-Backed, Technology Enabled Solutions for Advisors

“Through the transactions announced today, we have secured the ability to create long-term franchise value through financial technology,” said Jonathan Steinberg, WisdomTree CEO and President. “Research-backed, technology enabled solutions are a cornerstone of WisdomTree’s growth strategy, and we are thrilled to deepen our relationship with AdvisorEngine.”

WisdomTree originally invested in AdvisorEngine for a substantial minority stake in November 2016. AdvisorEngine is re-imagining how technology can serve financial advisors – enabling advisors to connect more deeply with clients, deliver uncommon value and scale business processes. AdvisorEngine’s wealth management platform is modular and open-architecture, powered by data integrations with leading third-party fintech companies and custodians. Solutions include prospecting and client engagement tools, paperless client onboarding, account aggregation, CRM, goals-based financial planning tools, model portfolios, portfolio construction analytics, compliance monitoring tools, performance reporting and fee billing.

“Amid a rapidly shifting wealth management landscape, our offering has resonated incredibly well across the industry,” said Rich Cancro, AdvisorEngine founder and CEO. “Through our strategic relationship, we have experienced WisdomTree’s commitment to innovation and focus on delivering superior results for its clients. We look forward to continuing to execute on our mission, working with advisors to create the future of financial advice.”

In connection with providing funding to AdvisorEngine for the acquisition of Junxure, WisdomTree secured an option to purchase the remaining equity interests in AdvisorEngine at a price derived from an agreed-upon enterprise valuation of AdvisorEngine. The purchase option is for a period of approximately one year, with the closing of the acquisition to occur no later than January 15, 2019. If exercised, WisdomTree and AdvisorEngine will enter into definitive agreements for the acquisition, which will be subject to customary closing conditions.

Funding Future Growth and Expanding the AdvisorEngine Ecosystem Through the Acquisition of Junxure

“AdvisorEngine’s addition of Junxure’s capabilities to its existing platform creates a complementary yet transformational offering of advisor-oriented solutions to help financial institutions grow their advisory businesses by leveraging technology to meet evolving client, regulatory and operational needs,” said Mr. Steinberg. “This strategic acquisition and the further strengthening of WisdomTree’s relationship with AdvisorEngine builds on our multi-year initiative across technology solutions, data intelligence and practice management services.”

Junxure is the provider of the industry’s most-awarded CRM software with a 98% client satisfaction rate ¹ across 12,000 active users, 1,400 firms and \$600 billion of assets. Founded in 2001 by Ken Golding and Greg Friedman, MS, CFP[®], Junxure helps advisors streamline workflow, reduce IT overhead, and provide clients with consistent, high-level service.

The funding by WisdomTree to AdvisorEngine was provided in the form of a loan for up to \$30 million, with an initial funding amount of \$22 million. The additional funding of the loan will be provided in the second and third quarters of 2018, subject to customary covenants. Besides funding the acquisition of Junxure, the initial funding by WisdomTree includes \$6 million of working capital to be used by AdvisorEngine for the integration of technologies and to help further drive its growth.

About WisdomTree

WisdomTree Investments, Inc., through its subsidiaries in the U.S., Europe, Japan and Canada (collectively, “WisdomTree”), is an exchange-traded fund (“ETF”) and exchange-traded product (“ETP”) sponsor and asset manager headquartered in New York. WisdomTree offers products covering equities, fixed income, currencies, commodities and alternative strategies. WisdomTree currently has approximately \$48.9 billion in assets under management globally. For more information, visit our Investor Relations [website](#).

WisdomTree[®] is the marketing name for WisdomTree Investments, Inc. and its subsidiaries worldwide.

¹ Based on 2017 internal user survey.

About AdvisorEngine Inc.

AdvisorEngine builds powerful and intuitive technology for financial advisors. The company delivers a unified experience across three core groups: client, advisor and business management personnel. AdvisorEngine's wealth management technology platform operates at the forefront of the industry, applying smart automation to mission-critical advisor activities. The AdvisorEngine team is made up of enterprise technologists, data scientists, designers, futurists, business builders and former financial advisors. For more information, please visit www.AdvisorEngine.com.

About Junxure

CRM Software, Inc. (d/b/a Junxure) was established in 2001 by Ken Golding and Greg Friedman, MS, CFP[®], a financial advisor who developed the initial Junxure software to streamline operations at his growing firm. Today, Junxure is an industry leader of advisor technology and practice management solutions with more than 12,000 active users and a client retention rate of 96%. Greg Friedman serves as both President of Junxure as well as President of Private Ocean, one of the West Coast's most innovative wealth management firms. The inspiration for Junxure consulting, training and software comes from Mr. Friedman's day-to-day experience running his practice and helping his clients achieve their personal financial goals. For more information, please visit www.junxure.com.

WisdomTree Contact Information

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