

# Dwyer's Confident His RC Securities Will Continue to Shine

RCS Capital's wholesale distribution unit, RC Securities, enjoyed a strong third quarter ahead of the accounting issues that broke at American Realty Capital Properties (ARCP) in late October. ARCP and RCAP are unaffiliated, but often thought of as related due to common roots and ownership, namely Nicholas Schorsch.

RC Securities wholesalers sell non-traded and alternative investments through independent broker-dealers, Registered Investment Advisors, and family offices. In total, they boast close to 800 selling agreements according to comments from CEO Michael Weil during an earnings call.

During Q3, RC Securities raised \$2.3 billion equity capital and \$8.2 billion year-to-date. Currently, the wholesale distributor offers 31 investment programs seeking up to \$41 billion in equity, in aggregate.

15 of those programs are co-sponsored by affiliates of RCAP (AR Capital, LLC), which represent about 60% of total registered equity.

Of the \$2.3 billion raised during Q3, no more than 7.4% came from any one broker-dealer. And according to Larry Roth, CEO of Cetera Financial Group, only 7.3% came from his broker-dealer network.

RC Securities owns 45% of the market among managing broker-dealers when comparing 2014 year-to-date sales.

Over the past two weeks, the news surrounding RCAP and RC Securities has been mostly negative as a result of the

accounting issues with ARCP. RCAP and its entities have worked to reassure clients that they are separate companies, with separate management teams, and separate, independent boards.

“We believe we have strong relationships with our broker-dealers and we are working closely with those who have requested clarity on recent events. Based upon our discussions, we are confident that broker-dealers understand the value of Realty Capital Securities distributed products and are eager to work with us to resolve any outstanding questions. We look forward to supporting the broker-dealers on our network and continuing to provide them with access to quality investment products,” commented Bill Dwyer, Chief Executive Officer of Realty Capital Securities in a statement.

Dwyer remains optimistic for the future of the industry and his team at RC Securities.

“With over 30 investment programs in distribution or registration, we believe we remain well positioned to meet the continual demand for alternative investment products,” said Dwyer. “While we expect some short-term decrease in equity capital raised on the platform, we still see strong fundamental demand for portfolio solutions that mitigate broader market exposure. With alternative products comprising just 2-3% of the average retail portfolio, we continue to believe the overall market for non-listed direct investment products will increase over time and that our broad portfolio of investment programs positions us well to take advantage of that opportunity.”