

<http://www.accountingtoday.com>

## Marcum Merges in DGLF CPAs & Business Advisors

NEW YORK (NOVEMBER 30, 2015)

BY MICHAEL COHN

Marcum LLP has expanded its construction practice by merging in DGLF CPAs & Business Advisors, a firm with offices in Nashville, Tenn., and Orlando, Fla.



Jeffrey Weiner

The merger takes effect Dec. 1, 2015.

DGLF offers audit, tax, information technology and consulting services, mainly to construction and real estate companies. Founded in 1987, the firm's expertise in the construction industry has established it as a national authority in tax, audit and business planning services for developers and contractors, and its partners as frequent speakers, authors and trainers in construction accounting. All eight DGLF partners have joined Marcum as members of Marcum's national Construction Industry Practice group.

The integration of DGLF will add approximately 35 partners and staff to Marcum. "DGLF has a nationally recognized practice in the construction industry, and Robert Davidson, the founding partner, is also nationally recognized as an expert in construction accounting," said Marcum managing partner Jeffrey Weiner. "Construction is one of a handful of industries that we're trying to focus on and expand in, so it really gave us the perfect opportunity to expand our construction niche on a national basis."

The merger also gave Marcum a chance to expand into some new markets. "We didn't have a presence in either Nashville or Orlando," said Weiner. "They were both markets that were interesting to us. We're in South Florida already on the East Coast. We wanted to be in the center of the state, so Orlando gave us that, and Nashville is a very good market. Coupled with the fact that they had the construction niche expertise, it really gave us a lot. They also have some really good people. They just know the construction industry cold."

DGLF founder Robert Davidson will become Marcum's partner-in-charge of mergers and acquisitions.

"Our firms go back many years," said Davidson. "The principals of that firm in their Connecticut office and our firm have been friends for over 25 years, and we both have a very well known construction niche, I was chairman of the AICPA Construction Committee back in the 1990s, and Joe Natarelli, a partner with Marcum in the Connecticut office, was chairman here the last few years, so we've been associated through the AICPA Construction Committee and other construction accounting organizations for many years. Tony Scillia, also in the Connecticut office, and Joe Natarelli and myself have been friends for over 25 years. We got to talking about a year ago that it would be a dream team to get us all together. One thing led to another, and this summer we got pretty serious about it. We worked out a merger concept and here we are."

Weiner has known the people at DGLF for over 20 years. "The timing was right," he said. "We've always been friendly with them. We didn't really compete head to head, but just knew each other from the industry and seeing each other at conferences on a regular basis. The timing seemed to be right for them and for us. Sometimes these things just seem to take a while until it's right for both sides. You need the sun, the moon and the stars to all line up the right way, but it's like that with a lot of firms. You talk on and off, you stay friends, and at some point there's a common interest that makes doing something really interesting."

Davidson noted that his firm represents construction contractors in 23 states. "Even though we're a small firm with two offices, we have a national practice and so it was a great fit to join a firm like Marcum with their national footprint," he said.

His firm specializes in commercial and industrial construction accounting, particularly for highways. Nearly 90 percent of its nearly \$10 million in annual revenue comes from the construction industry. Combined, both firms' construction footprint will be close to \$20 million in revenue.

Ian Manning, who becomes Marcum's Nashville partner-in-charge on Tuesday when the deal takes effect, started with DGLF in 2008. "We decided years ago that we would become a niche firm, and 90 percent of our revenue is from construction contractors or their related company base," he said. "We just found that it's really an untapped market in a lot of places. You're going up against general practitioners who may do a beauty salon today and a bank tomorrow, whereas that was all we did. That just gave us a leg up on new client development because we're so familiar with the industry."

Marcum's presence will also enable DGLF to expand its range of services. "I see opportunities from the perspective of Marcum being a full-service national brand," said Manning. "That can be a great avenue for developing business that may not have fit within our specialty zone. They have a national presence with multiple offices in different geographical regions. It's going to be more help and specializations, so we see it as a huge combined strength after the merger."

The Nashville and Orlando offices will become part of Marcum's now-expanded Southeast Region, headed by partner-in-charge Michael Balter. The region also includes offices in Miami, Ft. Lauderdale and West Palm Beach, Fla. "These were markets we were eager to go into, but more important it was the industry expertise," he said. "The

construction industry is an industry that we have been focused on, and they are the leaders in the construction accounting industry.”

Balter has known some of the partners at DGLF for close to 20 years. “They have a great reputation,” he said. “They’ve always been the recognized leaders in terms of speaking engagements, either at the AICPA or the FICPA [Florida Institute of CPAs], especially relating to what’s happening up to date in the accounting construction industry. We’re on multiple committees together like the AICPA Construction Committee. We are both very active members on that committee.”

Balter anticipates the integration between the two firms will be relatively seamless. “We share a lot of the same ways that we treat our customers as well as the way that we treat our people,” he said. “Together we’re aligned very much and very similar.”

DGLF represents the third merger announced by Marcum in the past month. On November 1, the New York-based firm merged with Frost, Rittenberg & Rothblatt, P.C. of Chicago, giving Marcum its first entry into the Midwest market (see [Marcum Reaches into Midwest with Frost Merger](#)). On November 20, Marcum announced it will merge with Smart, Devine & Company, LLC, an accounting and consulting firm headquartered in Philadelphia, also on December 1 (see [Marcum Merging in Smart Devine](#)). Once the two pending mergers become effective, Marcum will have nearly 1,500 professionals and more than 200 partners in 29 offices.

“This is our third one in the last 45 days,” said Weiner. “They all took seven to 10 months to get to this point. They just happened to come to fruition at the same time. They all take on a life of their own, but they were all in the works for most of this year to get them all to various stages of completion.”

Marcum ranked 16th on Accounting Today’s 2015 list of the Top 100 Firms, with \$385.4 million in annual revenue. But with the three recent mergers, Weiner anticipates the firm will exceed \$400 million in annual revenue.

Weiner anticipates doing more mergers in the near future, but only after next tax season is finished. “We have more opportunities in the pipeline for next year than we’ve had at any given time,” he said. “The M&A pipeline seems to be very robust. I don’t think we’ll be announcing anything between now and May 1. The busy season will take over. But we’re working on a bunch of transactions during busy season which should be able to close sometime before the summer.”