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Investment banking comes to El Paso

Borderplex's Ben Gonzalez will lead firm's expansion

By Robert Gray El Paso Inc. staff writer | Posted: Monday, July 13, 2015 9:47 am

A global investment banking firm has expanded into El Paso, enticed by the region's growth, proximity to markets in Mexico and the high concentration of family-owned businesses.

Dallas-based Capital Alliance Corp. is the first investment bank in recent memory to set up shop in El Paso and offer investment banking services locally, a move that bodes well for the El Paso region where executives see opportunity for growth, local business leaders say.

"I hadn't really had a strong perspective of the dynamism that has characterized the El Paso economy for the past couple of years. But when I visited, I was struck by the business opportunity and the amazing vitality of the town," Capital Alliance CEO Bryan Livingston told El Paso Inc.

Capital Alliance is in the business of marrying companies. In El Paso, it will help executives who want to sell their company connect with potential buyers. For those who want to expand their company, the firm can help executives tie the knot in an acquisition or merger. It will also help executives raise capital on a limited basis.

Founded in Dallas nearly 40 years ago, Capital Alliance has completed more than 200 transactions with a total value in excess of \$3 billion, according to the company.

"Investment capital always flows to areas of opportunity," said Gary Borsch, chair of the Greater El Paso Chamber of Commerce. "El Paso and our region appear to be that opportunity now."

Capital Alliance is not opening an office in El Paso exactly. Right now, the firm's expansion into El Paso consists of its first El Paso hire, Ben Gonzalez, who will lead the borderplex region, but the firm is not ruling out future growth.

"We are very growth oriented and excited about cross border deals in Mexico and are looking at several options to expand our physical presence and people presence in the border region," Livingston said.

Gonzalez was born in El Paso, graduated from the University of Texas at El Paso in 1984 and worked in the garment business where he quickly rose through the ranks, eventually becoming chief financial officer of a local jeans finishing facility.

Later, he earned an MBA from Harvard and leapt into the heady world of New York investment banking, leading investments in major textile firms around the world.



Investment banking in EP

Capital Alliance CEO Bryan Livingston said he likes the business opportunity and vitality of El Paso, as well as the concentration of family-owned businesses.

Gonzalez returned to El Paso a couple of years ago and is now a senior vice president at the upstart Borderplex Alliance, which does economic development in the region. Gonzalez said he will keep that job even as he works with Capital Alliance.

The firm has already landed its first local client, although Gonzalez said he could not disclose the name. Gonzalez said so far, he has identified 50 companies in the region with revenues in excess of \$50 million.

Capital Alliance is particularly interested in the high concentration of family-owned companies in El Paso, especially those that may be too small to attract interest from the big investment banks, executives say.

“You see a lot of businesses that, at some point, as part of succession planning, are going to have to sell the business,” Gonzalez said. “In El Paso, we don’t have an investment bank that provides those services.”

Capital Alliance also does a lot of business in Mexico, CEO Livingston said, and being on the border will enable the firm to respond quickly to their clients doing cross-border business.

At any given time, Capital Alliance has “several dozen engagements” it is actively pursuing, Livingston said. And, in recent months, a “double-digit percentage” of those deals have been in Mexico.

Livingston was in El Paso a few months ago to meet with local lenders, executives and wealth managers to gauge interest and see the region in person.

“Just to drive around town and see the amount of public art and the construction under way, that’s not typical around the United States,” he said.

Local lenders, wealth managers and lawyers contacted by El Paso Inc. welcomed Capital Alliance’s expansion into El Paso. The region is underserved, they said, and there is a need for an investment banking presence in El Paso.

David Osborn, executive vice president and chief lending officer of WestStar Bank, called Capital Alliance’s move into the market a “real positive” for the El Paso region.

“Medium and large size companies will have a new financial resource to help them in the area of mergers and acquisitions, along with capital planning,” Osborn said.

El Paso estate planning attorney David Hassler said he attributed the firm’s move into the market, in part, to El Paso’s rising stock as a city, as well as its proximity to Mexico.

“It is another way for (local) businesses to access capital markets,” Hassler said.

Chamber chair Borsch, who is also CEO of a local wealth management firm, said Capital Alliance will compliment what existing financial institutions are doing in El Paso.

“The Greater El Paso Chamber of Commerce welcomes the inflow of investment capital and supports investment banking activities that grow our economy,” he said.

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