

# DALLAS BUSINESS JOURNAL

## With major investment, title company sets sights on becoming industry heavyweight

### **T** THOMAS Title & Escrow

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Thomas Title & Escrow, which has a big – and growing – presence in Dallas, has formed a partnership with Colorado-based ET Investments that gives the title company funds to help it grow into a \$100 million annual revenue company in the next five years.

The eight-figure deal, which closed earlier this month, will help Thomas Title build its national platform and expand its commercial title insurance business through mergers and acquisitions. Terms of the deal were undisclosed.

“By having an investment like this in our company is a huge sign of confidence for us,” said Dallas CEO Frank Busch III, in an exclusive interview with the Dallas Business Journal.

“We were looking for the right partner to grow our business on a national basis and with the investment from ET Investments, we will have the opportunity to do that now,” Busch added.

Busch, who started the business when he was 31 years old about 11 years ago, said he is reinvesting the proceeds of the deal into the business.

“All of the eight figures will go into growth capital,” he said. “I didn’t take any money off the table; that’s how bullish I am on this.”

And those funds will help Thomas Title grow its business from the Big D – the company’s adopted home after Busch packed up his young family five years ago after deciding to make “an all-in bet on Texas.”

The bet paid off and now Dallas will be the central point of growth for Thomas Title as it builds its national business with the help of ET Investments’ acquisition of more than half the company.

“We are going to be focused on growing out of Dallas,” Busch said. “In Arizona, we have a great office and it will continue to be a big office, but looking forward – we will be growing in Dallas.”

“We chose Dallas as a starting point because it is a financial center and a real estate hub,” he added.

Along with growing its title and escrow busi-



*Thomas Title & Escrow is part of a Dallas-based partnership that owns the Citymark office building along the Katy Trail in Uptown.*

ness, Busch said the executives at ET Investments also wanted to continue broadening Thomas Title’s business in other areas of real estate, such as real estate investment.

The Arizona-based title company has a stake in the Dallas partnership that owns an 11-story Citymark office building along the Katy Trail in Uptown, which has previously landed on the market.

“They are taking a large ownership position in the company – more than half – which is commiserate with the amount of money they have invested in the business,” Busch said. “It was a substantial investment and a big deal for us to go out and grow our platform on a national level.”

With the funds, Busch said he could leverage the company’s equity to buy title companies in other U.S. markets when it makes sense or bring an experienced team under the Thomas Title umbrella.

The goal is to grow the company’s annual revenue by more than 10 times in the next five years to more than \$100 million in annual revenue, Busch said.

To reach that goal, Busch said he plans on

bringing in C-level executives – or market presidents – with “serious talent on an executive level,” to help build the national platform.

Like other business service industries, the title industry has gone through a period of consolidation.

Some of the big national players, Old Republic, Kensington Vanguard and Stewart Title, have seen shifts in their businesses – from executives leaving to new players coming in the market and picking off entire teams – as the industry becomes increasingly competitive in Texas.

With many of those title companies being backed by FDIC-insured funds, the increased regulations also make it more expensive for firms to operate.

To compete, title companies either get bigger or sell out to a larger firm. That puts Thomas Title in a good place to compete as it grows its national platform with the help of its newfound investment, Busch said.

“We have the capital to take advantage of the opportunities in the industry, which has been going through a generational change or to be aggressive in picking off talent,” he added.