

# MDC Partners and Stagwell successfully combine to create a leading advertising holding company

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Torys acted as counsel to Canaccord Genuity as financial advisor to the Special Committee of MDC with a team that included John Emanoilidis, Daniel Masliyah, Stephen Abrahamson and Marco Cator (corporate/M&A).

On August 2, 2021, MDC Partners Inc. ("MDC") and Stagwell Marketing Group Holdings LLC ("Stagwell Marketing Group") successfully combined their respective businesses to create a leading advertising and marketing holding company. The combined company is called Stagwell Inc. and began trading on the Nasdaq beginning Tuesday, August 3, 2021. Together, the companies significantly expand their range of best-in-class capabilities, depth of expertise, and geographic footprint to deliver expanded value to clients, and meaningfully accelerate the combined company's growth.

Under the terms of the transaction agreement announced on December 21, 2020, the transaction was effected using an "Up-C" partnership structure, to permit additional basis step-up and depreciation for the combined company. Pursuant to the transaction, MDC converted into a limited liability company that holds both Stagwell's subsidiaries and MDC's operating assets and Stagwell contributed its operating businesses to MDC as so converted. On a pro forma basis, without giving effect to any conversion of outstanding preference shares of MDC, the transaction holders of MDC Class A and Class B shares owned 26% of the common equity of New MDC and Stagwell shareholders were issued shares of a new Class C series equivalent to 74% of the common equity of New MDC and exchangeable into shares of New MDC Class A shares on a one-for-one basis at Stagwell's election.

[Stagwell Inc.](#) is the challenger holding company built to transform marketing. The company delivers scaled creative performance for the world's most ambitious brands, connecting culture-moving creativity with leading-edge technology to harmonize the art and science of marketing.

Further information can be found on Canada Newswire's [website](#).

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