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FIRM NEWS

Kimberly Smith Featured in *Family Office Professional* on the Rise of Family Office Club Deals

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Global Chair of the Corporate Department at Katten, Kimberly Smith, spoke with Family Office Professional about the growing prevalence of family office “club deals,” arrangements where multiple family offices band together and pool their capital to invest in an asset.

On the impact of family office club deals on private equity, Kimberly observed that because club deals generally involve direct investment in a business, family offices increasingly compete head-to-head with private equity funds for the same targets. "There's just less capital available to them," she said, explaining that club deals divert dollars from private equity funds while creating a competitive element that brings more potential buyers into auctions, "making it more challenging for private equity to get deals done." Even so, she noted that private equity investors can band together in a similar fashion, though they often do so as an evolution of their investment approach rather than as a strategy from the start.

Discussing the advantages of the structure, Kimberly explained that club deals allow investors to allocate risk, pursue more valuable assets than they could alone and bring on partners for strategic reasons. She also emphasized the flexibility family offices enjoy relative to private equity funds. "Family offices don't usually have those [investment] parameters, so they can have a lot more flexibility to flex up market or go down market and buy something with a little more hair on it, and really chase after whatever investment they find attractive," she said.

For family offices considering a club deal for the first time, Kimberly suggested finding other family offices that have similar goals. “You want to make sure that you're going into the investment with a partner or partners who want the same things, will approach the lifecycle of the investment in the same way to try to minimize the potential for disputes or misalignment going forward,” she said. Next, family offices should define "the rules of the road" up front. "The more specific the documents can be about how to navigate . . . challenges, the better for everyone because it makes the dispute less likely,” Kimberly said.

Participating in a club deal may be the right move for some, especially for those who take care to protect the family office while growing it for generations to come. With family office club deals continuing to gain traction, Kimberly is a voice worth watching in the space.

"Are You Ready to Join the Club?" *Family Office Professional*, September 4, 2026

CONTACTS

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