



Ben Announces the Funding of Beneficient Heartland Foundation

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As part of the recently enacted TEFPI Act, the foundation will direct funding to support community development projects in Hesston, Kansas and other rural communities, colleges, and universities throughout the state.

DALLAS, April 14, 2022 – The Beneficient Company Group, L.P. (Ben), a leading technology-enabled fiduciary financial institution serving the new emerging market demand from investors seeking regulated fiduciaries that provide liquidity, custody, and trustee management services for their alternative assets, today announced funding of the Beneficient Heartland Foundation (the Foundation) formed on January 20, 2022.

Based in Hesston, Kansas, the Foundation held its first organizational meeting of community leaders on February 28, 2022. The Foundation's mission focuses on [reinvestment in rural Kansas communities](#), supporting universities and colleges based in Kansas, and funding initiatives identified in the Technology-Enabled Fiduciary Financial Institutions (TEFFI) Act.

The TEFPI Industry as an Innovative Mechanism for Community Reinvestment

The Foundation will direct funding through grants and provide support for growth and development projects. Benefits to identified communities will include job and income growth, main street revitalization, educational facility improvements, construction and development, healthcare facility enhancements, senior facility improvements, and support for post-secondary institutions.

Ben recently received a charter from the State of Kansas permitting it to commence operations as a regulated fiduciary under the TEFPI Act. As outlined in the TEFPI Act, a 2.5% financing fee is collected from TEFPI customers who finance their alternative assets via Kansas trusts. That fee is funded with either cash or income-producing assets, at the customer's option, and is collected by the Kansas TEFPI Economic Growth Trust originally established on December 7, 2021.

Operating under the control of an Independent Trustee, the Kansas TEFPI Economic Growth Trust is managed for the exclusive benefit of the Kansas Department of Commerce, local community private foundations such as the Foundation, and charitable organizations serving the purposes outlined in the TEFPI legislation.

Charitable beneficiaries of the trust utilize the fees collected from TEFPI customers to facilitate contributions to rural Kansas communities and Kansas colleges and universities. The financing fees paid by TEFPI's customers never become the property of the TEFPI, such as Ben, but remain at all times segregated for rural economic development, Kansas colleges and universities, and the Kansas Department of Commerce.

As a direct result of the business operations enabled by its charter, Ben was able to announce an initial \$15.9 million community reinvestment to Kansas in January 2022. That contribution is allocated as follows:

- **\$2.7 million** of cash segregated for the benefit of and to be received by the Kansas Department of Commerce during the week of April 18,
- **\$6.3 million** of cash and assets segregated for the benefit of public charities dedicated to economic development within Hesston and Harvey County as outlined in the TEFPI legislation
- **\$6.9 million** of cash and assets to the Foundation in Hesston, Kansas.

The first cash wire from the segregated accounts was received by Hesston's Citizens State Bank, placing the Foundation as one of the top 10% depositors and enabling community reinvestment efforts to begin. With that work complete, the Foundation's formal reinvestment planning is underway.

The Foundation's initial focus will be on building a grocery market in Hesston's Main Street shopping district. At the Foundation's quarterly board meeting on April 13, 2022, the Foundation formed a board subcommittee to manage the grocery store discovery and planning process and has authorized a budget for property acquisition, concept planning and architectural renderings.

Cash allocated to the Kansas Department of Commerce will be used at the department's discretion for development projects and for the promotion, facilitation, and growth of the TEFPI industry in Kansas.

Read More

[The Beneficient Company Group Receives Charter from Kansas State Banking Commissioner](#)

[The Beneficient Company Group Announces Initial \\$15 Million Community Reinvestment to Kansas as Part of the TEFPI Act](#)

[Establishing the First-of-Its-Kind Regulatory Framework for the Industry through the TEFPI Act](#)

[Derek Fletcher Discusses Kansas TEFPI Law in Private Funds CFO Publication Q&A](#)

A Vision for Revitalizing Local Communities

The initiative to invest in small rural communities across Kansas with funding from TEFPI customers began with Ben founder Brad Heppner's mother, who wanted to see her hometown grocery store re-opened. It ultimately grew to a vision for Heppner's hometown with a revitalized Main Street town square surrounded by a newly renovated grocery store, rebuilt municipal building, police and fire services facilities, reopening of long-shuttered family retailers and eateries, and a boutique Main Street hotel – The Hesston House – which had operated for nearly 50 years before being destroyed in a tragic fire.

Images of Mr. Heppner's vision shared with community leaders included the following ideas:

A colorful map of planned updates to the Hesston Village park area that includes a new grocery store, shops, public parks, and entertainment venues.

Instrumental to the TEFPI legislation and the successful funding of the Foundation has been the hard work and support of legislators across the State and across the aisle and their recognition of the incredible opportunity TEFPI provides to Kansas. The expansion in more small rural communities across Kansas will require the continued cooperation and coordination of the Banking Commissioner, the Department of Commerce, and state-wide associations such as the Kansas Bankers Association, particularly those members who serve in senior capacities on the Kansas Banking Commission Board.

In this regard, Ben fully supports the directives of the TEFPI Joint Oversight Committee of the House and Senate for the Office of the State Banking Commissioner to expeditiously open the application process to other TEFPIs so additional rural communities can benefit from this innovative legislation. The initial statutory application fee paid by Ben was designed to enable the Department to quickly secure the necessary resources and to develop the TEFPI industry in Kansas. The sooner that occurs, the sooner rural Kansans will benefit.

"As a sixth generation Kansan, giving back to these communities was a priority when we first began working with state legislators and regulators on the TEFPI legislation. Our work in Kansas through the new Beneficent Heartland Foundation will provide much-needed additional resources and funding to development projects and community initiatives in Hesston and throughout Kansas," said Ben CEO and Chairman Brad Heppner. "My success today is built on a strong foundation of community and values, a reflection of the place where I grew up and where my family still resides. The Foundation, made possible by TEFPI legislation, is investing in Kansas so rural communities can grow and thrive, supporting new generations of families like mine."

Heppner continued: "I presented to our Hesston city leadership a vision - my vision - of how the Foundation could consider the deployment of these funds over the years to come. My purpose was to highlight how industry and rural Kansas can be ambitious and work together for the benefit of communities across the state. Of course, the Foundation will determine its own vision, but I hope that my presentation spurs excitement, creates momentum, and serves as an example for reinvigorating communities across the state. It is a template that can be shared to inspire other small communities who work with the Department of Commerce to recruit other TEFPIs with a mission of funding the economic rural community development of small hometowns across Kansas."

The Beneficent Heartland Foundation's Board of Directors

The Foundation Board of Directors is comprised of a diverse set of government and private sector leaders from across Kansas. These Directors include:

- David Kauffman, Mayor of Hesston
- Ben Proctor, Superintendent of Hesston School District
- Joseph Manickam, President of Hesston College
- James Krehbiel, President/CEO of Bluestem Communities
- Representative Stephen Owens, Kansas State Representative
- Jim Brenneman Member of Family-Owned Industry
- Denise Goevert, Member of Family-Owned Retail
- Gary Emery, Hesston Chief Administrative Officer
- Megan Smith, President of Chamber of Commerce
- Beneficent CEO and Chairman Brad Heppner
- Foundation President Aurelia Heppner
- Emily Bowersock Hill, Beneficent Lead Kansas Director
- Keith Martens, Ben Co-Head of Beneficent Fiduciary Financial

"When I was approached to join the Beneficent Heartland Foundation, I immediately jumped at the opportunity to play such a critical role in designating funding to local Kansas economic growth zones," said David Kauffman, Mayor of Hesston. "The TEFPI Act has the opportunity to have a lasting financial impact for local rural communities in Kansas, starting with the revitalization of Hesston through plans to build a grocery store, a basic need that has been missing in this community for many years. Our efforts to be on the leading edge of banking and trust innovation will also ensure that our sons and daughters will have access to high-quality financial sector jobs in their Kansas hometowns, where they can continue to grow and give back to our local communities. With the initial committed funding now in hand at the Foundation, we will be meeting over the upcoming weeks to begin our grant making process, which is the exciting part of the TEFPI legislation."

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