



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

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Initial contribution made for the benefit of rural communities throughout Kansas as part of legislation aimed at attracting out-of-state alternative assets to the state.

DALLAS — Jan. 20, 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 that it has facilitated an initial contribution of assets totaling approximately \$15 million for the benefit of rural Kansas communities pursuant to the recently enacted [Technology Enabled Fiduciary Financial Institutions \(TEFFI\) Act](#).

The TEFPI Act, which received unanimous support in the Kansas Senate and strong bipartisan support in the House, is designed to expand the state's banking and financial services industry through the chartering of regulated fiduciaries that provide financing, custody and trustee management services to investors and managers of alternative investments principally located in wealth centers outside of Kansas. Ben recently received a charter from the Kansas State Bank Commissioner and the State Banking Board permitting it to commence operations as a [regulated fiduciary](#). That charter enables Ben to facilitate the first contribution to the state as part of the economic growth contribution program set forth in the TEFPI Act.

"A critical component of the TEFPI legislation was that it provided a novel mechanism that permits the state's banking industry to collectively expand into newly emerging markets and bring out of state commerce into Kansas while simultaneously generating community reinvestment in the state," said Kansas Lieutenant Governor David Toland. "We are thrilled to see the benefits to Kansans from our work with Ben, and we look forward to future contributions as Ben continues its operations and as more alternative assets are attracted to the state under this new innovative framework."

When alternative assets are placed into new Kansas trusts, the regulated fiduciary serving as trustee under the TEFPI Act facilitates a contribution to rural Kansas communities, colleges, and universities with a value equal to 2.5% of the total amount of the financing provided. The issuance of the charter assisted Ben in expanding its operations, and, as a result, Ben was able to increase the initial community reinvestment amount from \$9 million to \$15 million. Ben will continue to facilitate additional contributions as Ben engages as a regulated fiduciary in future financing and liquidity transactions.

Kansas State Representative Stephen Owens added, "Our efforts working with Ben to expand the Kansas banking industry are already coming to fruition through this tremendous \$15 million community reinvestment coming much more quickly than forecasted. As legislators, we seek to make Kansas a top state in economic segments, and we see this new emerging demand from alternative asset investors for financing, custodial and trustee management by regulated fiduciaries as an area where Kansas can lead, much like South Dakota saw the need for credit card banking and Utah saw the need for industrial loan banking many years ago. The focus of the TEFPI Act is to address this new market demand principally from out of state investors while generating funding for our rural economies by providing a home for alternative asset investors from across the nation in the form of Kansas based trusts. We are pleased to see the first pilot work as intended. Everyone involved with this initiative always ensured that local Kansas communities were the main beneficiaries throughout the legislative process, and this reinvestment is a testament to the many benefits the TEFPI Act will have for our state."

A core objective of the legislation is to encourage investors, most of whom are not Kansas residents, to bring their alternative assets from outside of the state into Kansas-based trusts for which regulated fiduciaries under the TEFPI Act provide financing, liquidity, and custody and trustee management services.

"The TEFPI Act aims to bring alternative assets owned principally by nonresidents into Kansas and couples that goal with providing economic growth opportunities for our rural communities such as my hometown of Hesston and Harvey County," said Ben CEO and Chairman Brad Heppner. "I'm proud of Ben's critical work during our opening days with generating over 99% of its new business from out-of-state investors seeking fiduciary financing from Ben, and for making sure the people of Kansas directly benefit from the new home for alternative assets that they've helped us create. I look forward to future contributions in addition to seeing contributions of other organizations as the TEFPI Act is more widely adopted by the alternative asset investment industry, which faces a new and emerging market demand for financing and services provided by fiduciaries such as TEFPIs chartered by state bank regulators."

The TEFPI Act has been subject to extensive review and input from various parties throughout the legislative process, all to ensure the promulgation of effective rules and regulations and that benefits will ultimately flow to rural Kansas communities. In addition to Rep. Stephen Owens' and Lieutenant Governor David Toland's work related to the TEFPI Act, the legislation – Senate Substitute for House Bill No. 2074 – was introduced into and worked by the Kansas Senate Committee on Financial Institutions and Insurance, chaired by Sen. Jeff Longbine (R-Kansas, representing the Emporia area) and by the Kansas House Committee on Financial Institutions and Rural Development, chaired by Rep. Jim Kelly (R-Kansas, representing the Independence area).

Pursuant to the TEFPI Act, the statutory \$9 million community reinvestment along with the additional \$6 million generated earlier than expected will be distributed to the Kansas Department of Commerce and to charitable foundations designed to benefit Kansas Economic Growth Zones, including the city of Hesston, KS – an economic growth zone designated by Ben as a funding recipient. Beneficient has established the Beneficient Heartland Foundation in Hesston, Kansas, to receive funds. It's designed to be governed by a 14-member board of local community leaders and Ben representatives having a mission to support Hometown Economic Area Reinvestment for Tomorrow, or "**HEART**". The Foundation's first objective is to support the community's long-time goal of rebuilding by opening a new hometown grocery store and market in Hesston.

For more information on the TEFPI program, please visit <https://www.trustben.com/teffi>.