**Launching a Townsend–AGA Partnership**

**1. Most optimal path forward**

The best way to get a Townsend–AGA partnership off the ground is to start with a **phased, performance-based collaboration (12–24 months)** focused on:

* **Deal sourcing** for co-investments and GP-staking.
* **Distribution of Townsend AI products** to GPs.
* **Exploring a GP-staking platform** structured as a **75/25 Townsend/AGA partnership** targeted at early-stage GPs.
* **Creating an option for Townsend to participate in AGA’s enhanced GP services business** under a **25/75 Townsend/AGA split**, mirroring the reciprocal structure of the GP-staking entity.

This approach captures upside quickly, avoids premature equity entanglement, and sets the foundation for deeper equity participation once performance is proven.

**2. Rationale (Townsend’s Perspective)**

* **Faster Market Entry:** Partnership lets us begin sourcing deals and selling AI products immediately, without delays from valuation debates, legal due diligence, or governance complexities of equity swaps.
* **Preserve Sovereignty:** Both Townsend and AGA maintain full ownership of their core businesses, avoiding early entanglement that could be hard to unwind. AGA has no LP fundraising track record and lacks FINRA licensing. If they cannot scale capital raising, we avoid being locked into a non-performing structure.
* **Risk Management:** AGA has no LP fundraising track record and lacks FINRA licensing. Scaling our GP-staking business requires new capital sources, and if AGA cannot deliver on this front, we avoid losing valuable time locked into a non-performing structure. By starting with performance-based engagement, we derisk exposure while still capturing GP sourcing and AI distribution opportunities.
* **Business Model Sustainability:** AGA currently operates with a lean contractor-heavy model, which keeps expenses low. As they scale and internalize staff, wage and benefit costs could pressure margins — reinforcing the value of testing the partnership before committing equity.
* **Strategic Optionality:** Townsend retains flexibility — equity in AGA’s GP consulting business (25/75) and AGA’s equity in our GP-staking business (75/25) become **earned opportunities**, not pre-committed obligations.

**3. What’s in it for AGA**

* **Enhanced Value to GPs:** By aligning with Townsend, AGA can position itself as not just preparing GPs for capital, but connecting them to LP ecosystems — making their services stickier.
* **New High-Margin Revenue:** Selling Townsend AI products into their client base opens a scalable, differentiated income stream.
* **Broader Service Offering:** With AI-driven underwriting, AGA can create new billable consulting services, expanding wallet share with existing GP clients. Townsend AI remains fully housed within Townsend, but AGA earns attractive commissions as a distribution partner. While they are averse to just a commission based structure, offering this makes their entire value proposition far more attractive to their clients than where they are today and will also ensure that down the road Townsend is not their competitor.
* **Equity Pathways:**
  + **AGA into GP-Staking:** 25% ownership in a new GP-staking platform with Townsend, aligned with their sourcing capabilities.
  + **Townsend into Enhanced GP Services:** Option to take 25% in AGA’s enhanced GP services business, creating reciprocity and alignment.
* **Preserve Independence:** AGA maintains control of its core franchise while gaining exposure to growth businesses alongside Townsend.

**4. Recommendation**

* **Step 1 (12–24 months):** Commission-based, limited exclusivity, performance KPIs tied to deal sourcing, AI product traction, and GP-staking pipeline.
* **Step 2 (Medium Term):** Exercise equity options in GP-staking (75/25) and enhanced GP services (25/75) **if results justify**.
* **Step 3 (Long Term):** Keep the door open for broader equity entanglement across core businesses if market and performance dynamics warrant.

**This approach balances complementary strengths with prudence**: Townsend gains GP deal flow, AI distribution, and option rights in new business lines, while AGA enhances its client offering, grows high-margin revenues, and gains equity exposure in GP-staking. Both sides preserve sovereignty today while keeping the door open for deeper integration tomorrow.