

Quicken Loans files paperwork for IPO under name Rocket Companies

By Jordyn Grzelewski and Kalea Hall
(excerpt)

Detroit-based Quicken Loans, the nation's largest mortgage lender, has filed paperwork with the U.S. Securities and Exchange Commission to move forward with taking the company public under the name Rocket Companies.

Although the company has not yet announced the number or price of shares that would be offered on the New York Stock Exchange, experts have speculated an initial public offering by Quicken could raise tens of billions of dollars. No date was given for the proposed IPO.

Under the proposal made public Tuesday, Quicken founder Dan Gilbert would retain a controlling stake in Rocket Companies via a multi-tiered stock structure. The structure would offer A, B, C and D stock classes, with Class B and Class D stockholders having 10 votes to every one vote of Class A and C stockholders. Gilbert would maintain 79% of the voting power.

That would give Gilbert the final say over the election of board directors, any changes to the company's certificate of incorporation, bylaws, and any proposed merger or sale of the company's assets, according to the filing. ...

... Quicken, along with founder Dan Gilbert's other companies, is the largest employer in Detroit.

David Kudla, founder, CEO and chief investment strategist of Mainstay Capital Management LLC, said it's a good time for the company to go public, given its established brand, the strength of mortgage companies right now and the fact that they have a "stable, profitable business model. If they are going to do it, this is a very opportunistic time for them to

do an initial public offering in terms of maximizing their potential of an IPO."

"They are in an enviable position because of their position in the market. It's a strong company, profitable company, and they have the opportunity to raise a lot of money right now," Kudla said. ...

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