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Quicken Loans files IPO paperwork, will be called Rocket Companies

By Susan Tompor and JC Reindl (excerpt)
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Detroit-based Quicken Loans filed paperwork late Tuesday afternoon to take the mortgage company public under the new name Rocket Companies, but will keep founder Dan Gilbert in control.

The filing with the U.S. Securities and Exchange Commission is a preliminary application for a listing on the New York Stock Exchange. The application doesn't give a date for the initial public offering or the price per share.

Gilbert, Quicken Loans founder and chairman, would retain significant control of Rocket Companies after the IPO, according to the application. Rocket Companies' stock symbol would be "RKT."

Rocket Companies is comprised of several Gilbert-owned companies — not just Quicken Loans — that altogether employ about 20,000 people.

Other companies under the Rocket umbrella include title company Amrock, home search platform Rocket Homes, personal loans provider Rocket Loans, call center Rock Connections and a used car business called Rocket Auto that is relatively new.

The company has been gradually phasing out its "Quicken Loans" brand in recent years in favor of the "Rocket" brand, which it calls "synonymous with providing simple, fast and trusted digital solutions for complex personal transactions."

Industry publications rank the company as the nation's No. 1 direct-to-consumer mortgage lender.

Gilbert keeps the reins

The coronavirus pandemic and the economic fallout in the spring put a damper on the IPO market but activity increased in June, with many offerings having a digital focus. Online used car seller Vroom, for example, skyrocketed in its first day of trading.

David Kudla, CEO of Mainstay Capital Management, said the SEC filing indicates that Gilbert will essentially have full control of the company through 79% of the combined voting power of the common stock.

"The deal is being constructed so Dan Gilbert maintains a 'super majority position,'" Kudla said.

He said a super majority is generally classified as 67% to 90% ownership. "Essentially, Dan Gilbert is maintaining full control of the company," he said. ...

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