

frontline

Benjamin F. Edwards & Co. Forges Own Path

Not many four-year-old firms have a legacy stretching back to the Lincoln administration. But the financial industry roots of independent broker-dealer Benjamin F. Edwards & Co. began when Albert Gallatin Edwards, who was appointed to a Treasury Department post by Abraham Lincoln in 1865, launched A.G. Edwards & Son in 1887 with his son, Benjamin Franklin Edwards. Subsequent generations of the family made the St. Louis company one of the country's largest brokerages before it was bought by Wachovia in 2007, which in turn was bought by Wells Fargo two years later.

A.G. Edwards' great-great-grandson, Benjamin F. (Tad) Edwards IV, left the company in 2008 to start his privately held, full-service brokerage and RIA firm that's named in honor of his father, Benjamin F. Edwards III, the longtime head of the former A.G. Edwards.

That company forged an image as a folksier, Midwestern alternative to the big Wall Street brokerages.

Tad Edwards is, rightly so, proud of his family's heritage. His office wall at company headquarters in the St. Louis suburb of Clayton, Mo., is crammed with family pictures—as well as pictures of friends and about 20 paintings. That heritage shapes the culture at Benjamin F. Edwards & Co., but it doesn't mean the com-



Benjamin F. (Tad) Edwards IV

pany is A.G. Edwards 2.0.

"We're a private company with an entrepreneurial culture and a deep, rich history, but we're very forward-looking," says Edwards, 56. He touts the firm's client-centric philosophy, its broad offering of non-proprietary products that runs the gamut from mutual funds to managed futures, and its relationship-based approach as some of the value propositions it offers advisors interested in joining the fold.

The company was launched with three employees, and it opened its

first branch office in Springfield, Mo., in 2009. Today, the firm has roughly 230 employees at 24 offices in 15 states that span the country from New York to Oregon and from Florida to Minnesota.

"I believe we're in the first or second inning of our growth," Edwards says. Still, the company doesn't have formal growth plans to add a certain number of employees or offices within specified geographies or time frames. Nor does it work with headhunters or have a formal recruiting infrastructure.

“The intention is not just to add pins on a map, but to hire quality people with character that fit into our culture,” Edwards says. “We don’t want everybody here, and not everybody would want to work here. It’s really about relationships, and if it’s the right person or firm we take the next step.”

A number of the firm’s employees used to work for A.G. Edwards. That includes Todd Leonhardt, a Red Bank, N.J., certified financial planner moved his team from Wells Fargo to Benjamin F. Edwards & Co. in August 2011. Leonhardt says he started in the industry in 1988, joined A.G. Edwards four years later and stuck around after it went from Wachovia to Wells Fargo. He kept tabs on Benjamin F. Edwards & Co. after it set up shop, and eventually contacted the firm about joining it.

“I felt the switch was better for my clients because we’re a little freer to do whatever is in their best interests,” Leonhardt says. He adds that he wasn’t necessarily dissatisfied with Wells Fargo, but he feels the big supermarket approach to financial advising isn’t the best model. “You can’t be all things to all people,” he says.

Leonhardt gives his new firm high marks for the support it gives advisors. “It’s the 21st century technology, Pershing’s backing [the

firm clears through Pershing], MoneyGuidePro [financial planning software], Albridge [portfolio accounting and performance reporting] . . . they have the top tools you need as a financial advisor,” he says.

Most of the company’s new hires come from broker-dealers, and it emphasizes that they don’t all have an A.G. Edwards pedigree. But it’s not a shock that ex-A.G. Edwards advisors would gravitate to Benjamin F. Edwards & Co.

father retired in 2001, and the company’s decision to sell itself to Wachovia occurred because it didn’t think it had the scale to compete with bigger Wall Street firms that had bulked up in size and scope in the post-Glass-Steagall Act era. Tad Edwards was on the board of directors at the time, but he’s reticent to dwell on the decision that turned the family business into somebody else’s subsidiary.

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“A.G. Edwards always had a great reputation based on how the Edwards family took care of their advisors,” says Larry Papike, president of Cross-Search, a recruiting firm in the independent broker-dealer space that hasn’t done any work with Benjamin F. Edwards & Co. “A lot of those advisors missed that when A.G. Edwards went away.”

As for that event, a non-family member took the leadership reins of A.G. Edwards after Tad Edwards’

that happen in life that turn out to be an opportunity of a lifetime,” he says. “What I’m doing now is an opportunity of a lifetime.”

Edwards says the new company has the operational wherewithal to remain independent. And he’s pleased that his 14-year-old son, Benjamin F. Edwards V, is interested in the business and in carrying on the family tradition. “We’re excited about that, and so is he,” he says.

—Jeff Schlegel