

Tad Edwards keeps family legacy alive with his brokerage firm



CHRISTIAN GOODEN • cgooden@post-dispatch.com

BY JIM GALLAGHER • jgallagher@post-dispatch.com > 314-340-8390

Walk into the Benjamin F. Edwards & Co. office in Clayton and you'd think the business had been around for 120 years.

Oil portraits of five generations of Edwards family scions line the lobby walls. Outside Edwards' office hangs a certificate signed by Ulysses Grant appointing his great-great-grandfather an assistant secretary of the treasury.

Actually, Tad Edwards' business is two years old. Tad, whose formal name is Benjamin F. Edwards IV, is attempting a cultural transplant.

His great-great-grandfather founded the A.G. Edwards Inc. brokerage firm in 1887. His father, Benjamin F. Edwards III, was the last in the line of family scions to run the firm.

The elder Edwards retired in 2001. His successor, Robert Bagby, was selected by the directors, not Edwards. Bagby sold the firm to Wachovia Bank in 2007, much to the Edwards' family's chargin. Then came the financial crisis of 2008, and Wachovia sold itself at a fire sale to Wells Fargo.

That's the name that hangs today on the Jefferson Avenue complex that Tad Edwards once seemed destined to run.

Edwards, who was a regional manager at the firm, hung around for a year after the Wachovia sale, then started his own brokerage. It's since grown to 11 offices around the country and 120 employees. Of its 40 brokers, 39 came from the old A.G. Edwards firm.

Tad Edwards is a short, slim, soft-spoken man whose longish shock of blond hair belies his age of 55. He considers the A.G. Edwards legacy a major selling point, both to customers and employees. Visitors get a portrait-by-portrait tour of his family history.

His office walls are decorated with gold-framed seascape paintings, with turbulent waters and crashing waves, which seems odd for a man who gets seasick easily. On his desk is a bronze statue of Walt Disney, holding the hand of Mickey Mouse. The caption says, "It all began with a mouse."

How long were you at A.G. Edwards?

I started June 1977. I started at the very bottom, made minimum wage. I was a clerk in human resources. I made \$2.80 per hour.

My grandfather, Presley Ed-

BENJAMIN F. "TAD" EDWARDS IV

Title • Chairman, chief executive and president, Benjamin F. Edwards & Co.

Age • 55

Education • Bachelor's degree in biblical studies, Trinity International University, Chicago

Career • Human resources clerk at A.G. Edwards Inc., 1977; financial adviser, 1986; then assistant manager and regional manager. Founded Benjamin F. Edwards & Co. in 2008

Family • Lives in Ladue with wife Catherine and two children.

wards, told me when I was first starting out; "Work harder than anybody at the firm, and get along with everybody; people below you, sideways and above you." So I worked my heart out because I wanted to be successful.

I felt like if I made a mistake it was probably noticed more than normal, if you have success it's probably noticed more than normal too. I wanted to be treated like everybody else.

Then I went out to the Frontenac office as a financial adviser in 1986. After about four years in Frontenac, I became assistant manager of the office.

Was it your goal at A.G. Edwards to take over your father's job?

Sure, it would have been fun to have that happen, but it was all good. I would have written the script differently, but there is a lot of room for all the firms and I root for all of them to be successful.

You're apparently creating a clone of the old A.G. Edwards. Tell us about that.

In May of '08, one year after the merger, I decided to continue the legacy. After 120 years and six generations of people in our family being involved, it felt very natural. I had tremendous backing and support and I had a lot of fun.

We started off with three people, and we're up to 120 now. We have 11 offices in seven states.

The economics of what we do is not what attracts people. We

offer a very, very modest package (to brokers moving from another firm). A lot come because they feel we have a friendly, Edwards-type culture, and they like that.

We had mission statement (at A.G. Edwards) that basically said our clients were first, our people were second and our shareholders were third. It was all about our clients and our people. We felt that if we did that successfully, then the shareholder would benefit. And they did.

Your father's successor took it in a different direction. Do you think that if you paid more attention to getting that share price up, things would have ended differently?

We were public for 36 years. Our stock averaged 15 percent for 36 years. I think over all the shareholders did quite nicely.

It was challenging for me and many others to see a firm that was independent for 120 years go away. That's never easy. As I sit back, to be continuing a legacy and doing something special is just wonderful.

I wish all the people well from the old firm. There are a lot of good people there.

Are you making a profit?

We just started our first branch about a year ago, so we're getting there. It's kind of like when you open a McDonald's. The first year may not be (profitable), because there are obviously upfront costs. But we're confident.

The ownership (of the firm) is our family, employees. We have a number of retired Edwards people that are also owners. We have some other people that are not part of our family and never worked at Edwards, but whom we've known over the years. No private equity; no institutional money. We have no debt.

The goal is not putting pins on the map. We opened our first branch in August of 2009 in Springfield, Mo. It's not about where the branches are. It's about who the people are. We opened 11 in a row.

We're going to have some in big cities and small communities. We're going to be all over. We have no proprietary products (such as firm-managed mutual funds) so we can be objective. Anything we will bring to the table, is because we think it's the best product for the client.