

# Research:

HELPING ADVISORS HELP THEIR CLIENTS

TOKYO

LOS ANGELES

ST. LOUIS

NEW YORK

LONDON

PROFILES  
*in Success*

BY ELLEN UZELAC

## BENJAMIN F. EDWARDS & Co.

### INVESTMENTS FOR GENERATIONS



## A Start-Up with Pedigree

*Tad Edwards has started a new firm in the tradition of his forefathers, bearing its distinct Midwestern warmth and friendliness.*

STEFAN HESTER

**B**ENJAMIN F. EDWARDS & Co. is a startup, but out of the box it has something that takes most companies years to build: brand and culture.

“We’re not a new venture,” notes Tad Edwards, the great-great grandson of A.G. Edwards, who founded the famous St. Louis-based brokerage that endured under family leadership for 120 years. “There were some people early on who asked how we were going to build something

from scratch. The answer is: We didn’t.”

Edwards, 54, launched the firm in August — a little more than two years after Wachovia bought A.G. Edwards for \$6.8 billion. At the time, Edwards, who was deeply opposed to the merger, was a member of the firm’s board and the sixth generation in his family associated with the historic firm. Eighteen months later, Wells Fargo bought Wachovia in a deal secured by the government to prevent Wachovia’s collapse.

But those are yesterday's headlines.

As Edwards puts it: "I would have written the script differently, but the exciting news is that we are doing this. And what we have is pretty special."

By the end of last year, six months after its launch, Benjamin F. Edwards & Co. had opened five branches across the country. Its advisors? A.G. Edwards alumni. The financial consultants are supported by a home office, headquartered just outside of St. Louis in Clayton, Mo., by a team comprised of A.G. Edwards veterans. Meanwhile, the firm's advisory panel consists of over 50 people, the majority of whom had senior-level roles with the defunct firm they called home for an average of 30 to 40 years.

Laura McBride Waidmann, an advisory panel member who worked at A.G. Edwards for over two decades, jokes: "We've all drunk the Kool-Aid." In fact, the culture was so deep that after a non-family member took over the firm's leadership in 2001, she says employees and former employees gathered often to ponder the unthinkable: What if we could start it up all over again?

"There was a strong following of employees and clients alike that really longed for the old A.G. Edwards way of doing business. For a long time, people talked about it, but being a start-up brokerage in an industry where bigger was necessarily equated with better, it was something of a pipedream," says McBride Waidmann. "Then with all the fallouts and shakeouts, the concept of a boutique brokerage firm seemed just right — in fact a competitive necessity. It became very exciting to move ahead with creating a firm that brought that tried-and-true brand back to life."

While Edwards has patterned Benjamin F. Edwards & Co. after his family's old firm, there are some clear differences. A.G. Edwards, which dated back to the time of Abraham Lincoln, was a public company. The start-up, which Edwards calls an "independent hybrid model," is being funded by fam-



### Benjamin "Tad" Edwards IV

**CHAIRMAN, CEO & PRESIDENT; BENJAMIN F. EDWARDS & CO; CLAYTON, MO.**

#### **SOUND BITE:**

**"The most important thing is we are a client-first firm. Employees come second and shareholders third. It's kind of like the Golden Rule — a very simple do-unt-others philosophy. If you do those first two things right, the shareholders will be rewarded."**

ily members, employees and others. One other huge distinction: the outsourcing of its information technology and clearing and custody operations. "We made that decision early on," he says. "We're able to replicate the old model — only more efficiently." Pershing provides operational support for the company.

While hundreds of advisors have queried Edwards about Benjamin F. Edwards & Co., he declines to disclose what kind of footprint he has in mind for the brokerage. A.G. Edwards had over 700 offices when it merged with Wachovia in 2007.

"Our goal is to find quality people from any firm — people who believe in the kind of culture we want to establish. It's not all about putting pins on the map," he says. "We're really driven by the quality of the people and the quality of leadership, no matter the city or community. It's about the right leader to build around. It's possible we won't be in any major money center; it's possible we'll be in all of them. We just don't know."

McBride Waidmann, who served as chief of staff to Edwards' father when he was CEO, says Tad Edwards is building on his dad's legacy — demonstrating the "shared values" of the leadership team and surrounding himself with strong leaders "where everyone has a sense of their own responsibility in the big picture." Further, she adds: "When the opportunity arose to do this all over again, it was a dream come true. Tad would have kicked himself had he not taken the opportunity. You can't look back on your life and wonder: What if?"

Edwards named the firm after his father, Benjamin F. Edwards III, who headed A.G. Edwards for four decades. He died in April of prostate cancer.

At the funeral service, Tad Edwards talked about how his dad never used a private side door to get to his office, preferring to enter through the lobby like everyone else. Asked why, his father told him that he wanted to give the receptionist a hug and ask how the security guard's family was doing.

As Edwards notes: "Maybe that's one of the distinctive qualities of Edwards — that top leadership cares for people from all walks of life. Dad let people know how much they were appreciated. Today, we have the same culture here. Everyone here, I think, feels like they are part of the future. If you trust the people you work with, which we do, and you have the same vision for the future, you have a lot of fun together and you can be successful. Everyone wins." **B**