

## Regional firm Benjamin F. Edwards plans to open RIA channel

By Andrew Welsch

Regional brokerage Benjamin F. Edwards has already launched aggressive recruiting efforts, but now it wants to turbocharge its growth even further. The firm plans to open an independent channel.

“There are a few thousand people looking to get into this space, and now for the first time ever, they can do it with Benjamin Edwards,” says CEO and company founder Benjamin F. “Tad” Edwards IV.

The firm’s entry into the RIA business – planned for early 2018 – may help it benefit from the rapid growth of independent firms.

From 2011 to 2016, RIAs notched a five-year compound annual growth rate for assets of 11.7%, according to Cerulli Associates. Hybrid RIAs grew by 10.7%. The number of RIAs has also mushroomed to 18,225 today from 15,522 in 2012, according to the research firm.

“Private equity firms, broker-dealers and established RIAs are investing in the space and Cerulli anticipates rapid evolution of competitors and business models in coming years,” Cerulli director Kenton Shirk said in a statement.

While Edwards declines to go into specifics, he says the firm is looking to work with both breakaway brokers as well as existing RIAs. The ideal advisor for the new channel

would have approximately 85% of his or her assets in advisory and generate about \$1 million in annual revenue, he says.

The St. Louis-based firm, which also has an investment banking arm, intends to permit advisors to utilize more than one custodian.

Benjamin F. Edwards outsources most of its operations and technology to Pershing, according to its chief executive. Pershing also serves RIAs.

The move to open an independent channel has been under consideration for several years, Edwards says.

Of course, Benjamin F. Edwards won’t be the only firm aiming to service RIAs and breakaways. The growth of competition to serve independents has also seemingly kept pace with the growth of the channel itself. Platform providers and other firms that work with breakaways, such as Dynasty Financial Partners and HighTower Advisors, have been on a tear in recent years, picking off large wirehouse teams seeking assistance in opening independent practices.

Edwards says his firm’s long history, corporate culture and financial strength will help it grow its new channel.

That history stretches back to 1887, when Edwards’ family founded brokerage firm A.G. Edwards. It subse-

quently became part of Wachovia and Wells Fargo in 2008. Edwards left Wachovia to found his eponymously-named firm that same year. The company has since grown to have \$23 billion in client assets and 246 advisors operating from 67 offices.

While the firm is expanding into new territory, it will still strive to expand its traditional brokerage, Edwards says.

Indeed, the firm recently hired three advisors who collectively oversaw \$188 million in client assets. Ex-Stifel brokers Craig Morgan and his son, also named Craig, open a new branch in Geneva, Illinois, while former Wells Fargo broker David Kelty opened a new office in Hiawatha, Iowa.

The recent departures of UBS, Morgan Stanley and Citigroup from the Broker Protocol have cast doubt on the future of recruiting for some industry insiders. Edwards, however, isn’t worried that recruiting will come to a halt. He also adds that his firm has “never considered changing” its protocol membership.

“We think we’ve laid a very strong, deep foundation that will last many decades going forward,” he says.

And the name of the firm’s new independent channel?

It’s to-be-announced, he says. “But the name Edwards will be part of it.”

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