Diamond Consultants Advisor Transition Report

An Update on Advisor Movement in the
Wealth Management Industry: 2022

Introduction

The initial release of this report in September 2022 provided insights and analysis on advisor movement during the first half of the year. Our hypothesis was that movement would remain robust, unless a significant systemic shock occurred, such as a market correction.

And in retrospect, we were only partially correct.

The market did see outsized volatility (the S&P ended the year down almost 20%, with the tech heavy NASDAQ fairing far worse), but it did nothing to deter advisor recruiting in the back half of the year. There was actually an uptick in movement in the second half of 2022: An average of 750 moves per month over the full year 2022 versus 708 moves per month in the first six months.

Learn more about the report in a companion podcast episode: Diamond-Consultants.com/H2-22

Like the H1 report, this edition uses a data-driven approach to answer the "why, how, where, and what" of advisor movement.

Why are advisors changing jerseys with such frequency?

How are some firms able to recruit consistently and successfully while others struggle to do so?

Where are advisors moving to and from?

What are advisors being paid to make such moves?

To revisit the findings of the H1 report, as well as glean additional detail on the report's intent, key concepts, and data models, you can find it linked here.

Diamond CONSULTANTS

EXECUTIVE SUMMARY

While the first version of this report covered January through June of 2022, this version covers the entirety of the year.

To some extent, the end of 2022 was more of the same relative to the first half of the year. Advisors continued to move to all corners of the industry landscape, and even with some substantial market volatility caused by ongoing inflation concerns and geopolitical risks, 4,757 experienced advisors moved in the second half of the year, compared with 4,249 in the first half. That's an increase of nearly 12%.

The bottom line is this: *It's a really exciting time to be an advisor.*

At a high level, what's driving the movement we saw in 2022? In our experience working with many of the most productive teams in the industry, there are several key drivers:

1. An evolved and greatly expanded industry landscape. An advisor is more likely to find their version of "perfect" with the ability to replicate what's most important to them from a platform and technology perspective, but in a wrapper with greater control and freedom (the latter of which every advisor wants). Independent-minded advisors are also far more likely to find access to what they need most: such as capital solutions, turnkey support, M&A guidance, succession planning, and exposure to a variety of outsourcing partners.

2. Frustrations and/or limitations with the status quo. These are the "push" factors that often cause an advisor to pick their head up and seek greener pastures elsewhere. Examples include changing compensation plans, management overreach, pressures to cross-sell, significant bureaucracy, etc.

3. The most competitive transition deals we have ever seen. While quality advisors aren't driven to move solely because of the transition dollars, the deals being offered today are more robust than ever before. It's potentially life-changing money that can be hard to ignore.

4. A shift in advisor mindset. While advisors still care about things like payout and platform, they are now widely regarded as table stakes. These days, the most successful advisors are taking a long-term view and thinking about their business as a business. In doing so, many realize that while their current situation may be good enough for today, it may not be good enough in the long run.

5. Advisor realization that productivity and growth do not necessarily equate to satisfaction and contentment. In the long bull market run of the past decade, most advisors have enjoyed banner years and record success. But many have started to realize that's not enough.

It remains to be seen whether market turmoil will result in a decrease in advisor recruiting over the course of 2023. Anecdotally, often movement is on a "lag" as advisors take time to digest major events and those already in a due diligence process typically remain undeterred. Those advisors with a milder level of "pain" who might have come to market or are in early innings may punt on diligence during choppy market conditions. But as the data proves out, regardless of short-term market volatility, advisors with strong resolve around their "why" for a transition were full steam ahead acknowledging that a transition is a long-term decision. Also worth noting is that during previous periods of significantly heightened volatility, such as the 2008 Financial Crisis and the 2020 Pandemic, recruiting did indeed slowdown in the short-term but rebounded sharply soon thereafter.

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Data Sources and Methodology

The data in this report is culled from a variety of resources, including industry-leading *Discovery Data,* news sources including *AdvisorHub, Cerulli Associates, Investment News, WealthManagement.com,* and our own proprietary data from transitions we've facilitated. A more detailed description of our methodology can be found later in this report.

Key Questions Answered

- *Which firms are having the most and least success recruiting and retaining advisor talent?*
- *Which business models are advisors finding most attractive?*
- *Why are advisors at big brokerages and independent firms alike changing jerseys?*
- *What is the state of transition deals?*
- *What are the most influential and largest transitions made during the year?*

Additional Note

This report is not intended to serve as an advertisement or encouragement for an advisor to make a move, nor is it intended as promotion for any firm referenced. Rather, it's intended as a framework for advisors who are curious about the seismic changes we are seeing play out in real time in the wealth management industry.

10 KEY TAKEAWAYS

1. 9,006 experienced advisors (those with a Length of Service >3yrs) changed firms in 2022. That's an average of 750 moves per month, a 6% uptick from the 708 we reported for the first half of 2022. For reference, Cerulli estimates a total advisor population of approximately 300,000 in the US.

2. On the wirehouse side, all four firms (Merrill, UBS, Wells Fargo, and Morgan Stanley) added a meaningful number of advisors, although attrition levels varied.

3. On the independent side of the ledger, the rich got richer. The biggest and most established independent broker dealers by headcount (i.e., LPL Financial, Raymond James Financial Services, Ameriprise Financial, Cetera, et al.) had the most success in adding new advisors in 2022.

4. While a material number of the most productive and sophisticated teams continued to show interest in the independent space, many such teams opted to break away from the traditional firm world via the "supported independence" model, at the expense of independent broker dealers and de-novo RIA launches. And one more note on the largest teams in the industry: By our count, 30 teams managing over $1 billion in assets changed jerseys in 2022.

5. Baseline recruitment deals increased across the board. And firms used new and creative strategies to make deals more compelling, especially for the most sought-after practices.

6. Firms continued to find innovative and flexible ways for advisors to affiliate with them. And the results speak for themselves: Firms with multiple channel affiliations (LPL Financial, Wells Fargo Advisors, Raymond James, Ameriprise, and new multi-channel firm, Stifel, etc.) enjoyed outsized success relative to their peers.

7. Where did advisors move to and from? There was no clear winner or loser amongst industry channels. Advisors continued to join and leave wirehouses, regional firms, boutique firms, and independent firms alike.

8. While we saw plenty of inter-channel movement, particularly amongst wirehouse and independent advisors, the most common moves were intra-channel (i.e., wirehouse to wirehouse).

9. Firms sought ways to tie advisors to the firm. Retention deals, affiliation bonuses, lengthy forgivable notes tied to transition packages, retire-in-place programs with long lock-ups for next generation inheritors, broker dealers acquiring practices directly, etc. The bottom line is that virtually any time an advisor accepts money from their firm, it comes with handcuffs.

10. What does the crystal ball portend for the future? We anticipate continued momentum in recruiting across all channels. Wirehouse attrition is likely to stabilize or even reverse as Merrill replenishes its ranks via competitive recruiting and Wells Fargo negative headline risks recede. Larger and more customized recruitment packages will prove too strong a pull for many advisors to decline. And more firms will add additional affiliation channels as a way to appeal to a broader subset of advisors.

TRANSITION DEALS UPDATE

In our view, it would be inaccurate to suggest that improved transition deals are the sole driver of heightened advisor movement. Advisors usually decide to move from their firm due to a combination of being frustrated or limited by their current situation and finding another firm or model that they see as more effective or efficient. But it's clear that deals are also an important factor—which somewhat explains why some firms are having tremendous recruiting success while others struggle. A 300% deal in the traditional W-2 space might once have elicited a "wow." These days, you are more likely to hear a "meh." While average deals remained largely the same relative to 2020 and 2021, there are a few notable trends in recruiting deals that are worth discussing:

- Several firms (UBS, RBC, LPL) offered "get it while it's hot" short-term teaser deals, which seemed to work in bringing in recruits. For example, UBS saw 76% more advisors join in the second half (when the promo campaign ran) compared to the first half of the year.
- Some firms included provisions in deals for repayment of outstanding note or sunset deal balances and/or lofty unvested deferred comp balances to lure advisors prior to free agency.
- Select firms structured recruiting deals as guaranteed amounts and/or salaries as opposed to the traditional upfront/back-end hurdle structure. Many advisors prefer the certainty of a bird in the hand even if the headline package is smaller (advisors worry about portability and market conditions and the impact they will have on hitting back-end hurdles).
- Many independent firms upped their baseline deals. Until 2021, independent deals comfortably sat between 25 and 50% of an advisor's gross dealer concession ("GDC"). Now, it's fair to expect deals in the independent space around 35 to 100% of an advisor's GDC, with some firms paying even more with longer-term deals. Some broker dealers, too, started writing deals as a function of basis points on assets, which proved to be an attractive option for many. Independent firms had the benefit of greater profitability from increased net interest margin, and they felt compelled to increase deals to compete against a robust and highly competitive industry landscape. This also helped explain why the most deep-pocketed broker dealers further distanced themselves from the pack.

A 300% deal in the traditional W-2 space might once have elicited a "wow." These days, you are more likely to hear a "meh."

- In the traditional W-2 firm world, depending upon the firm and size of recruited business, baseline deals are now north of 300% of an advisor's trailing 12 months ("T12") production (including upfront amounts and back-ends).
- Especially for the largest teams in growth mode, the top bid increased well beyond 330% of T12, and in some cases even reached as high as 400%+. Firms also got creative with deal structures (i.e., customizing hurdles to match a team's special circumstances, extending notes to unlock more liquidity, uncapping backend earnouts).

A quick note on private bankers: Historically, firms had a "fickle" appetite for recruiting private bankers. The combination of garden leave, onerous post-employment restrictions, and questionable portability tended to decrease their interest in this group. However, that has changed of late as many firms figured out how to fairly value these businesses and share an appropriate amount of risk. Additionally, firms' insatiable demand for elite advisors, coupled with the most intense competition we've seen for these businesses, has led to the need to increase supply outside of traditional hires.

DATA ANALYSIS: WHERE FROM AND TO

For a granular look on where advisors are moving to and from, let's turn to the data.

A total of 9,006 advisors – an average of 750 per month – switched jerseys in 2022.

Notes on the Data and Methodology

As stated earlier in this report, consistent and accurate advisor portability data is difficult to come by. There is no consensus source or database, and many such moves are either self-reported by the firms in question or reported only via CRD registration changes with FINRA. As such, the below represents a best effort of assembling proprietary transition data, in conjunction with data sourced from Discovery Data to highlight the prevailing trends that played out in advisor movement in 2022.

For clarity, we have consolidated independent broker dealers, RIAs, hybrid RIAs, and insurance BDs into a single bucket identified as "Independent".

Firms offering multiple channels of affiliation (i.e., a W-2 model and a 1099) are often hard to capture since some companies, like Ameriprise, do not break out data separately for their W-2 and 1099 channels.

Lastly, for avoidance of doubt, note that we are NOT capturing advisors who were registered with a broker dealer and then dropped their Series 7 license by moving to a fee-only RIA model. Many advisors who opt to affiliate with an RIA upon leaving a broker dealer choose to keep a "friendly" broker dealer to handle transactional business. Such advisors are indeed counted as they maintain their Series 7 license. Only those who move to the RIA space and operate as pure fee-only advisors are not captured.

For context, Cerulli Associates reports that the wirehouse channel (Merrill, Morgan Stanley, UBS, and Wells Fargo Private Client Group) consists of approximately 45,000 advisors. The regional (i.e., Raymond James & Associates, RBC Wealth Management, Stifel, Ameriprise) and boutique space (i.e., Rockefeller Capital Management, First Republic Investment Management, J.P. Morgan Advisors) represents approximately another 42,000 advisors. The independent space (BDs and RIAs) totals about 110,000 advisors. And the remaining 90,000 advisors sit in insurance or bank broker dealers.

For purposes of analysis, this report is focused on "experienced" advisor movement only. As such, only advisors with Length of Service (LOS) greater than three years are included.

That said, a total of 9,006 advisors – an average of 750 per month – switched jerseys in 2022.

Table 1: Overview of Movement by Firm Channel

	Headcount Gain	Headcount Loss	Net Change
Independent	6,873	6,200	673
Regional	613	588	25
Boutique	181	375	-(194)
Wirehouse	1,339	1,843	-(504)

A Deep-Dive Analysis by Firm Channel

Table 2: Wirehouse Net Advisor Headcount Change

	Headcount Gain	Headcount Loss	Net Change
Morgan Stanley	445	256	189
UBS	127	214	-(87)
Merrill	441	596	-(155)
Wells Fargo	326	777[1]	-(451)

Wirehouses ended the year down a net 504 advisors with Morgan Stanley as the sole wirehouse growing its advisor ranks on the year. Merrill and UBS both lost on a net basis, despite adding meaningful teams throughout the year. It's also worth noting that this movement data does not reflect advisor size. Typically, advisors who join a wirehouse are larger and more productive than other channels. Wells Fargo is an interesting case because while on paper their traditional W-2, Private Client Group channel lost significant headcount, many of these advisors stayed within the confines of Wells Fargo by "sliding" into their independent channel, FiNet. A few additional notes on the wirehouses:

- Despite their short-term enhanced deal and "guaranteed" structure, UBS ended the year down a net 87 advisors with 6,245 advisors.
- Morgan Stanley is firmly back in the recruiting game after stepping out for a few years and showcasing its wealth and investment management focus with its heralded acquisitions of e*Trade, Eaton Vance, and Solium Capital.

DATA ANALYSIS: WHERE FROM AND TO (continued)

- In a recent earnings call, Merrill President Andy Sieg revealed that firmwide broker attrition topped 4% year-to-date, close to the historic average, but down from about 5% at one-point last year. It's worth noting that Merrill had largely abandoned its competitive recruiting efforts, focusing instead on entry-level hires or private bankers to bolster its roster. This is an important case study on the limitations of using headcount as the primary metric for measuring a firm's recruitment success. For example, Merrill lost a $7 million revenue team (two advisors) in New York City to First Republic Bank in October of 2022, but according to the raw data, this loss was "offset" by several less productive, smaller hires.
- Wells Fargo Advisors, for the first time in several years, has posted a quarter-over-quarter gain in its broker headcount showing that the years of negative press may be subsiding. Advisors joining the firm are often motivated by its multi-channel approach, above-market recruitment deals, and distinguished culture relative to its peer group.
- The data also illustrates that so-called Protocol[2] protection (whereby an advisor moves from one Protocol firm to another) had seemingly little impact on the quantity or success of advisor movement since non-Protocol members Morgan Stanley and UBS headlined the wirehouse category.

Table 3: Select Regional and Boutique Firm Net Advisor Headcount Change

	Headcount Gain	Headcount Loss	Net Change
Raymond James & Associates	166	93	73
RBC Wealth Management	120	48	72
R.W. Baird	74	14	60
Rockefeller Capital Management	56	3	53
First Republic Private Wealth Management	41	3	38
Stifel Nicolaus	59	26	33
Janney Montgomery Scott	42	21	21
Edward Jones	191	371	-(180)

Regional Firms (Raymond James & Associates, RBC, Baird, Stifel, Janney, Ed Jones) were net winners in the recruiting wars, adding 304 advisors, and their success would have been even more resounding without the significant losses from Edward Jones weighing down the channel totals.

The boutique firms also experienced success in 2022, led by the likes of First Republic Bank and Rockefeller Capital Management (which added a net 38 and 53 advisors, respectively). While the net headline number in the boutique bucket ostensibly shows a loss in advisor headcount, a look under the hood reveals a different story: Over 200 of the advisors who left the space departed from JP Morgan Securities, which includes advisors from the legacy Bear Sterns Unit (which we classify as a boutique firm), and also advisors from the JP Morgan Bank channel (which we do not view as a boutique firm). If we strip these advisors out, the data aligns much more closely with our own experience: The boutique firms enjoyed tremendous recruiting success in 2022.

The regional and boutique firms represent the best of both worlds: Strong brands and full-service wealth management platforms but without the red-tape, management bureaucracy, and frustrations of the traditional behemoths.

Table 4: Select Independent Firm Net Advisor Headcount Change

	Headcount Gain	Headcount Loss	Net Change
LPL Financial[3]	1,294	299	995
Cetera[4]	573	156	417
Wells Fargo Financial Network (FiNet)[5]	329	59	270
Ameriprise Financial[6]	396	171	225
Cambridge Investment Research	233	62	171
Raymond James Financial Services	259	95	164
Purshe Kaplan Sterling Investments (PKS)[7]	97	21	76
Commonwealth Financial Network	101	32	69
Kestra Financial	96	33	63

DATA ANALYSIS: WHERE FROM AND TO (continued)

Independent advisors are unlikely to leave the channel. The relatively small number of "breakback" advisors (those who go from independence back to a captive model) suggests that independent advisors stay independent when making a move. Occasionally, however, advisors who are with a traditional independent broker dealer make the larger leap to the RIA space after "outgrowing" the IBD world.

In instances when independent advisors did indeed make a move, they most typically moved from one independent broker dealer to another. Why? Common motivations include access to superior technology, improved service, succession plan development and expertise, more flexible compliance, greater freedom and flexibility, more robust investment offerings, and scale. This last point, in particular, seemed to be impactful in 2022: Advisors tended to flock toward larger broker dealers (and thus those with more scale), as these firms tended to offer better economics, larger tech budgets, and in some cases multiple affiliation channels that afforded advisors increased optionality down the line. Given the considerable number of sales at the broker dealer level in the last few years, too, advisors now place more of an emphasis than ever before on a broker dealer's ownership structure (publicly traded, private equity backed, or privately held) and perceived "buy-out risk" when evaluating options.

There is also evidence to suggest that the independent space is where the puck is heading and where we can expect outsized growth in the coming years. According to a Cerulli report: "The researchers drew their conclusions based on surveying 2,000 advisors throughout 2022. On average, "71% of all advisors identify a preference for independent affiliation," if they were going to make a switch to a new firm, the researchers said. But only 44% of advisors are currently independently affiliated, they added. The bottom line: Excess demand exists for independent channels while broker dealers are struggling to find ways to fill their rosters."

According to a report from Fidelity, "Independence has been the fastest-growing form of advisor affiliation over the last 10 years. By 2025, Cerulli Associates projects that more than a quarter of the industry's assets will be managed by advisors in RIA channels (independent and hybrid)."

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According to this same report, the top five reasons advisors go independent are: More freedom and control; ability to provide a higher level of client service; access to better tools and resources; opportunity to maximize revenue; and more opportunity for growth.

Trends in the Independent Landscape

When it comes to independence, the hottest and most active sub-segment of the independent category is supported independence. In short, these platforms allow advisors the autonomy, look, and feel of the RIA world but without many of the administrative hurdles that advisors tend to dislike about running their own business. These models allow advisors to offload compliance and middle-/back-office functions and focus their efforts on what they do best: being an advisor. Especially for first time business owners, platforms that offer a turnkey and white glove transition process encompassing real estate search and selection, benefits consulting, marketing and branding, technology consulting, and a multitude of other outsourcing services tend to stand out in a crowded field. From our own proprietary move data, we certainly see advisors gravitating more towards this space, often at the expense of launching their own RIA from scratch. The calculus is quite simple: The platform takes an override, but advisors increasingly feel it's justifiable in exchange for a plug-and-play solution and to ensure a smoother transition.

M&A in the Independent Space

Though outside the scope of this report, "M&A deal volume in the wealth management space hit a new high in 2022, marking 10 consecutive record years for M&A activity. However, according to a new report from investment bank, Echelon Partners, average deal size declined." In 2022, 340 transactions were announced, and average deal size was $1.6 billion (down from $2 billion in 2021). Looking ahead, while market conditions play a role in M&A transactions given valuations are highly correlated to assets under management, sellers are often motivated by far more than purely economic/valuation considerations. They are often looking to solve for succession gaps, offloading non-essential functions, and to accelerate organic growth. Such deal motivations are not sensitive to the market and will likely continue to propel industry-wide M&A activity, even in a downturn. And perhaps more importantly, despite years of consolidation, the number of RIAs actually continues to grow which is an ongoing testament to the resilience of the breakaway wirehouse and IBD advisor segments.

SELECT REPRESENTATIVE TRANSITIONS

The below transition snapshots represent some of the largest and most influential transitions of 2022, and they provide a unique lens into the mindset of the transitioning advisor. While many of these selected transitions aren't necessarily the largest in their respective category, the moves themselves are symbolic of important trends.

Note: Those with an * indicates a transition that Diamond Consultants helped to facilitate.

Representative Deal 1: Regional to Independence

The What: Jennifer Marcontell and team left Edward Jones in the Houston, Texas area for Ameriprise's independent channel

The Numbers: $10mm T12 on $1.7B in assets (a top 5 team at Edward Jones)

The When: July 1, 2022

The Why: This deal made headlines nationwide, as it signaled the first of many major departures from Ed Jones in 2022. In some ways, as one of Jones' largest advisor, Jennifer's transition acted as proof of concept that teams could leave Jones with stellar portability metrics and without litigation. Typically, advisors who leave Jones point to meaningful changes in firm culture, poor technology, and an outdated model that only recently allowed industry standard practices like advisor teaming. The reality is that most Jones advisors already look and feel largely independent, so it's only natural for them to take the small leap to full blown independence as Ms. Marcontell and team did.

Representative Deal 2: Regional to Regional

The What: The Wise Investor Group left R.W. Baird in Virginia for Raymond James & Associates*

The Numbers: $23mm T12 on $2.7B in assets

The When: September 19, 2022

The Why: Moves within the same channel are always interesting. After all, they're clearly not an indictment of the channel as a whole. So why did Baird's largest team leave for Raymond James? Largely, it's about the feeling of "outgrowing a firm" and seeking a partner who continually invests in and improves technology and platform. And while a firm might have been the right culture and platform years ago, it's essential that they keep pace with the rapid innovation across the industry to justify the continued costs. Bottomline: Advisors are more willing than ever to disrupt the status quo if another firm clearly demonstrates how life will be better for clients and advisors alike.

Representative Deal 3: Wirehouse to Boutique

The What: Paul Vasady-Kovacs and team left Merrill in New York for First Republic*

The Numbers: $7mm T12 on $700mm in assets

The When: October 14, 2022

The Why: This type of move was common, particularly amongst mega-teams in the right geographical locations. The boutique firms really do represent the best of all worlds: great cultures, flat management structures, strong payouts and transition deals, lending solutions, sophisticated brands, technology, investment platforms…the list goes on. And to be sure, almost every team that leaves the wirehouse model does so at least in part because it's become harder and harder to do even the simplest day-to-day business. Worth noting: Many such teams explore independence, and ultimately decide it's a bridge too far before landing on a boutique firm like First Republic.

Representative Deal 4: Wirehouse to Independence

The What: Ira Ravitz and team left Merrill in California to launch their own RIA with Goldman Sachs as asset custodian*

The Numbers: $5mm T12 on $1B in assets

The When: October 7, 2022

The Why: This was one of the most anticipated moves of the year, as Goldman's long hyped RIA custody channel finally got a meaningful wirehouse win. To be sure, the team took some risk here: they were moving to a model that was admittedly a work in progress. But the combination of the Goldman Sachs brand and resources paired with the ability to own and operate an RIA was too good to pass up. Look for more such teams to make a similar move in the future once Goldman finishes building out a few elements of the platform that are needed to really get it off the ground.

Representative Deal 5: Wirehouse to Wirehouse

The What: Patrick and Charlie Lowe left Wells Fargo Private Client Group in California for Morgan Stanley Wealth Management

The Numbers: $5.3mm T12 on $580mm in assets

The When: February 18, 2022

The Why: The death of the wirehouse is greatly exaggerated. We have said it before, and we will say it again: There will always be a subset of advisors who value the wirehouse brands, capabilities, resources, and reputations. While some advisors would view such a move as "lateral," for many, they can point to clear differences in the cultures and strategies amongst the major firms. That is, not all wirehouses are created equal. Morgan Stanley, for example, is hyper-focused on the Wealth Management business rather than banking. Plus, the wirehouses continue to pay aggressive transition deals for the right teams.

Representative Deal 6: Independence to Independence

The What: Joshua Cavett and team left Raymond James (independent channel) in Texas for NewEdge Advisors

The Numbers: $8.3mm T12 on $1.3B in assets

The When: July 1, 2022

The Why: Not all independent models are the same. Though we bucket them together, there are meaningful differences between the independent broker dealer space (where Raymond James Financial Services fits) and the RIA/hybrid space (where NewEdge Advisors fits). Namely, some teams speak about outgrowing the broker dealer world. They want the freedom and flexibility that's only afforded by the RIA space. Compliance tends to be less heavy-handed, technology and investments tend to be more open architecture (giving advisors the ability to leverage multiple custodians and step away from the captivity of a broker dealer's platform), and the ability to buy and sell businesses via M&A is greater. (For more on this type of move, see the paragraph on "Supported independence" on page 13.)

Appendix 1: Top 10 Transitions by Size, Full Year 2022

	Name/s	Moved To	Moved From	AUM	Date	City/State
1	John Jurik	Triad (Advisor Group)	Kestra IWS	$6.27B	4/8/2022	Atlanta, GA
2	Ghislain Gouraige, Jared Kaplan, Claudio Ravinet, Michael Weinberg and Michelangelo Dooley	NewEdge	UBS	$3B	2/1/2022	Coral Gables, FL
3	Christopher Aime, Simon Hamilton, Gregory Smith, Nicholas Sorden, David Mount, Chase Hinderstein, Matthew Anderson and Ann Summerson	Raymond James & Associates	R.W. Baird	$2.7B	9/19/22	Reston, VA
4	Jonathan E. Brackis, Brian G. Green, Vance R. Hodges, Susan W. Johnson, Lisa Kelley Leavy, Jim Lilley, Kylan Smith, Robert W. Suddreth and R. Randall Wells	Morgan Stanley PWM	Wells Fargo Private Bank	$2B	2/11/2022	Charlotte, NC
5	Cheryl Young	Rockefeller Capital Management	Morgan Stanley	$2B	5/11/2022	Los Gatos, CA
6	Amy Welzer, Jennifer Jones and Steven Hoffmann	J.P. Morgan Private Bank	Citi Private Bank	$2B	8/2/22	Chicago, IL
7	Stephen M. Stabile and Adam Hirsch	First Republic	Merrill Lynch	$1.8B	1/7/2022	New York, NY
8	Jennifer Marcontell	Ameriprise Financial (Independent Channel)	Edward Jones	$1.7B	7/1/22	Mont Belvieu, TX
9	David and Matthew Mendoza	Rockefeller Capital Management	Merrill	$1.7B	5/27/2022	San Francisco, CA
10	Jim Brandau	William Blair	Brown Brothers Harriman	$1.5B	12/1/22	Philadelphia, PA

Appendix 2: Select Diamond Consultants Transitions 2022

WHO
The Wise Investor Group
TO
Raymond James & Assoc.
FROM
Robert W. Baird
AUM
$2.7B
DATE
9/19/2022

WHO
Frank Falco
TO
Merrill
FROM
Citi Private Bank
AUM
$2B
DATE
9/20/2022

WHO
Jim Brandau
TO
William Blair
FROM
Brown Brothers Harriman
AUM
$1.5B
DATE
12/1/2022

WHO
Alexander Guiliano
TO
LPL Strategic Wealth Services
FROM
Merrill
AUM
$1.4B
DATE
9/29/2022

WHO
Michael Mittman, Luke R. McKelvy and William A. Schellenberg
TO
Sanctuary Wealth
FROM
Merrill
AUM
$1.1B
DATE
9/9/2022

WHO
Tammi Lauder and Bill Christian
TO
Rockefeller Capital Management
FROM
FieldPoint Private
AUM
$1B
DATE
4/1/2022

WHO
Ira Ravitz, Scott Shagrin and Lisa Weiner
TO
Goldman Sachs Custody
FROM
Merrill
AUM
$1B
DATE
10/7/2022

WHO
Mark Moyer, Steven Moyer, Ryan Moyer and Beau Moyer
TO
Raymond James & Assoc.
FROM
Merrill
AUM
$863mm
DATE
4/1/2022

WHO
Gerry Spitzer and Richard Reyle
TO
Sanctuary Wealth
FROM
UBS
AUM
$750mm
DATE
4/29/2022

WHO
Matt Murphy and Rebecca Baker
TO
Sanctuary Wealth
FROM
UBS
AUM
$750mm
DATE
8/12/2022

WHO
Paul Vasady-Kovacs
TO
First Republic Private Wealth Management
FROM
Merrill
AUM
$700mm
DATE
10/14/2022

WHO
Robert Stenzel, Michael Kruchten and Adam Provance
TO
Commonwealth Financial Network
FROM
First Midwest Bank (LPL)
AUM
$600mm
DATE
2/11/2022

Appendix 2: Select Diamond Consultants Transitions 2022 (continued)

WHO
Justin Reese and Mark Ahmed
TO
NewEdge Wealth
FROM
UBS
AUM
$600mm
DATE
5/4/2022

WHO
Dylan Ripley and Todd Vincent
TO
Commonwealth Financial Network
FROM
Edward Jones
AUM
$600mm
DATE
12/1/2022

WHO
Brian Coatoam, Derek Grimm and Ryan Plank
TO
RBC Wealth Management
FROM
Merrill
AUM
$557mm
DATE
8/30/2022

WHO
Warn Willis and Bruce Eckfeldt
TO
Mutual Advisors
FROM
LPL Financial
AUM
$550mm
DATE
8/22/2022

WHO
Brent Hablutzel
TO
LPL Custody
FROM
Rockefeller Capital Management
AUM
$525mm
DATE
8/15/2022

WHO
Matt Bral and Tony Niedert
TO
Commonwealth Financial Network
FROM
Principle Securities
AUM
$453mm
DATE
8/9/2022

WHO
Kevin Federer, Robert Pawlowski, Sammy Papantoniou, Eugene Madden and Margaret Patrick
TO
Morgan Stanley Wealth Management
FROM
Merrill
AUM
$450mm
DATE
4/8/2022

WHO
Matt West, Dave Combs and Benji McLeod
TO
Kestra PWS
FROM
Merrill
AUM
$400mm
DATE
10/5/2022

WHO
Jerry Davidse and Brook Hart
TO
Dynasty Financial Partners and Fidelity
FROM
Merrill
AUM
$350mm
DATE
4/1/2022

WHO
Susan Oleari and Jeff Berman
TO
Schwab
FROM
Bank of Montreal
AUM
$315mm
DATE
1/26/2022

WHO
Nathaniel Spohn
TO
LPL Linsco
FROM
Financial Engines
AUM
$300mm
DATE
5/12/2022

WHO
James Odorczuk
TO
Stifel Nicolaus
FROM
Jefferies Financial Group
AUM
$300mm
DATE
9/17/2021

Appendix 3: Industry Landscape Definitions

Boutique Firm

Definition: Similar to Regional Firms in that these full-service firms provide strong cultures and nimble management teams, but typically geared toward serving higher-end advisors and more sophisticated clients (including but not limited to HNW and UHNW clients). Many of these firms look and feel like an RIA (see below) but advisors join as W-2 employees.

Example: "I ran a large wirehouse team covering $5mm+ clients, and I wanted a firm with a strong brand name, so I explored boutique firms like Rockefeller and First Republic."

Independent Broker Dealer (IBD)

Definition: A full-service wealth management firm that allows their advisors to own 100% of equity, clients, and in most cases, data. Advisors self-brand and operate independent businesses (meaning they are responsible for benefits and expenses), but they leverage the broker dealer for some combination of compliance, middle and back office, and/or co-branding. Regulated by FINRA.

Example: "I wanted to be an independent advisor, but I needed some scaffolding and a well-integrated tech platform, so I opted to explore independent broker dealer s like LPL or Commonwealth."

Private Bank

Definition: An institution that provides personalized financial services and products, typically geared toward HNW and UHNW clients. Such services typically include wide ranging wholistic wealth management services including portfolio management, tax services, insurance, trust and estate planning, and banking and lending solutions. From an advisor perspective, these models tend to be the most restrictive on the street in terms of products and solutions, as well as post-employment restrictions. Many such firms compensate advisors with a mix of salary and bonus.

Example: "I was at J.P. Morgan Private Bank, but I wanted more freedom in how I serve clients, and wanted to be paid on a commission grid, so I made the move to Morgan Stanley."

The Protocol for Broker Recruiting ("The Protocol")

Definition: The Protocol for Broker Recruiting was created in 2004 by Smith Barney, Merrill and UBS to stave off the common and expensive litigation that occurred when a departing advisor left one firm to join a competitor. Essentially, these firms agreed to a "cease fire" of sorts, permitting an advisor to freely leave one member firm and join another. As long as advisors adhered to the governing principles, they would be permitted to take a limited amount of client information and actively solicit these clients after moving to a new Protocol firm without the fear of a Temporary Restraining Order (TRO). Of note, in 2017, Morgan Stanley and UBS opted out of this seminal agreement, while Wells Fargo and Merrill remain as of this writing.

Example: "When I left Merrill for Raymond James, it was a move with Protocol protection, so I was able to take some basic client information with me."

Regional Firm

Definition: A full-service broker dealer with more of a boutique culture, smaller advisor headcount, and a brand that was historically (though often no longer) associated with particular geographic regions of the country

Example: "I liked the capabilities of a wirehouse, but I preferred a smaller firm with a more nimble culture, so I explored Raymond James and Janney."

Registered Investment Advisor (RIA)

Definition: A firm that advises clients on securities and manages investment portfolios as a fiduciary in exchange for a fee (as opposed to a commission). Registered with and regulated by the SEC. Assets are typically custodied with a third-party custodian. Many RIAs today affiliate with or own their own Broker Dealer ("Hybrid RIAs"), thus enabling advisors to continue to execute commission-based business.

Example: "I left the wirehouse world to launch my own RIA because I wanted maximum freedom and control, and I liked all aspects of being a business owner."

Wirehouse

Definition: A full-service broker dealer with a strong, established brand. Typically taken to mean one of the "big four" wealth management firms in the US of Morgan Stanley, Merrill, UBS, and Wells Fargo.

Example: "My clients valued a strong brand and all resources under one roof, so a wirehouse was the best place for me to grow my business."

References

1. *281 of these advisors "left" for Wells Fargo Financial Network (FiNet), meaning they opted to leave the W-2 channel for the independent channel but remain under the Wells Fargo umbrella.*
2. *The Protocol for Broker Recruiting is a pact amongst member firms that allows advisors moving from a Protocol firm to a Protocol firm to bring select client information with them upon leaving. This information includes client name, phone number, mailing address, etc. For further information, please see Appendix #3.*
3. *LPL Financial added 199 advisors via CUNA Brokerage Services transaction.*
4. *Cetera added 345 advisors via First Allied transaction.*
5. *281 of these advisors "joined" Wells Fargo Financial Network (FiNet) from another channel (PCG, WBS, etc.) within the Wells Fargo umbrella.*
6. *Ameriprise does not bifurcate CRD registrations between its independent channel and its traditional W-2 branch channel (which we classify as a regional firm). We include the totals here, but it's reasonable to assume that of the 225 net advisors who joined Ameriprise, many affiliated with the regional channel. The independent channel is approximately 4 times the size of the traditional (regional) channel by advisor headcount.*
7. *PKS is included for emphasis. As the nation's largest "friendly" broker dealer, PKS represents many newly formed RIAs and Hybrid RIAs who elect to keep their Series 7 license. In other words, the advisors who "joined" PKS likely joined or launched an RIA and chose to use PKS as their broker dealer. We verified this data by pulling RIA names. associated with advisors who moved "to" PKS. It is worth noting that the 92 advisors who "moved" to PKS in 2022 affiliated with 49 unique RIAs.*

About Diamond Consultants

Diamond Consultants was founded in 1998 by Mindy Diamond, who had a vision to change the way financial advisors and firms interacted with recruiters. She sought to eliminate the sales-forward practices that so many had become accustomed to from recruiters. Instead, Diamond focused on putting advisors first by developing relationships, and providing objective counsel, information and tools—plus access to one of the most extensive networks within the wealth management industry. Two decades later, she and the team continue to deliver that same exceptional experience – disciplined, strategic and thoughtful – to advisors at traditional brokerage and independent firms nationwide.

Unrivaled Industry Expertise, Connectivity and a 360-Degree View of the Landscape

Advisors often reach a point in their careers when they wonder if where they are is the best place to serve their clients, grow their business and enable them to live what we call their "Best Business Life™."

Yet in a vastly evolved industry landscape, exploring the next phase in your business life can feel daunting—and doing so without a strategy can limit your true potential and ultimate success.

This important decision is best served when guided by a trusted and objective expert whose focus is on the advisor—and steered by a proven "advisor first" 7-step process.

Learn more at Diamond-Consultants.com/Services-For-Advisors

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