

Financial Planning

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Ameriprise surges to 10K advisors on reverse and wirehouse breakaways

By Tobias Salinger



Manish Dave is a senior vice president of business development at Ameriprise.

A giant of the constantly changing broker-dealer sector is getting bigger by adding financial advisors seeking more help from the home office.

More than ten years after Ameriprise Financial expanded from only training new advisors to pitching more experienced ones as well, the firm's employee channel is attracting more independents.

The so-called reverse breakaway moves — from an independent

BD or RIA to an employee brokerage — make up a “very fast-growing segment” of the firm's incoming advisors, according to Manish Dave, the Minneapolis-based firm's senior vice president of business development.

Dave declines to provide specific figures, noting Ameriprise is also attracting traditional wirehouse and independent moves. Its headcount expanded by 98 advisors year-over-year in the first quarter to 9,979, with 7,789 independent representatives and 2,190 employee reps.

One ex-indie team with \$633 million in client assets came to the Ameriprise employee BD in February from LPL Financial. Ameriprise and Raymond James — LPL's next two largest IBD rivals — also offer employee channels, and the No. 1 IBD is launching one by the end of 2019.

Unlike the other two firms, Ameriprise advisors only use its corporate RIA rather than any outside hybrid setups. Recruits are tapping into the firm's resources and scale around technology, compliance and serving multiple generations of clients, Dave says.

While he notes the firm is always evaluating its RIA offerings, the firm's most recently unveiled incoming teams went

to the employee channel in March and April from Wells Fargo Advisors. The three advisors managed a combined \$470 million in client assets at Wells Fargo.

Wirehouse breakaways seek “expanded capabilities from what they have at their current firm with a lot less of the things that distract them from serving their clients and growing their businesses,” Dave says.

“I think wirehouse fatigue continues to gain traction,” he adds. “It's not anything new per se. It's been an evolving frustration level. At some point it spills over.”

A spokeswoman for Wells Fargo declined to comment on the exits by Altoona, Pennsylvania-based advisors Ed Matosziuk Jr. and Stephen Bickley and the Yuma, Arizona-based team led by Lydia Padilla.

“My clients are mostly affluent individuals and families who are already retired or are preparing for retirement and want to ensure a smooth transition of their wealth to their heirs,” Padilla said in a statement, praising the Ameriprise planning and investment platform.

Under its new branch manager Katie Whalen, Padilla's

Ameriprise wealth unit has 9,979 advisors after adding 98 reps year-over-year



Source: Company

practice manages \$155 million in client assets and includes client service associate Diane Mayrant. Padilla had spent 20 years with Wells Fargo prior to joining Ameriprise on April 26, according to FINRA BrokerCheck.

The other team — Matosziuk Bickley & Associates — has \$315 million and operates under branch manager James Queen. Bickley had tenures with Wells Fargo and UBS, as did Matosziuk, who started his financial career in 1984 at Kidder, Peabody, BrokerCheck shows.

Ameriprise still onboards hundreds of new entrant advisors each year, but it began pitching experienced advisors under a strategy shift shortly after Dave joined the firm in 2006, he says. The productivity of incoming recruits has “really grown dramatically over the years,” he says.

The 90 experienced advisors who joined in the first quarter set a record for their productivity level, CEO Jim Cracchiolo noted on the firm’s earnings call in late April.

The firm has also provided financing and support for more than 700 advisors acquiring practices since 2018.

The Ameriprise Employee channel has more than 130 locations nationwide, according to Dave. Reverse breakways began coming to the firm about three or four years ago, but Dave has recently noticed a growing trend.

“Independent advisors are looking to leverage the infrastructure and scale of a firm like ours,” Dave says, describing the indie advisors’ embrace of the employee channel as going against “the conventional wisdom.”

Advisors, he adds, should judge their BD closely based on leadership, capabilities, tech, brand and placing them and their clients in the center.

“The earth is always moving under our feet. I feel like it’s been moving faster over the past couple of years,” Dave says, pledging the firm aims to assist with “all of the challenges that are facing advisors in their practices in today’s landscape.”

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