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Client recruiting among Dallas wealth advisers 'fierce' as firm builds local office

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When a local family recently sold its publicly traded oil and gas company, they shunned the typical Wall Street houses and went with an independent wealth management firm Edge Capital to oversee their windfall.

The firm did not disclose the name of the family, but the account brought in was north of \$100 million.

Edge was started at the height of the financial crisis by former managers at some of the biggest banks like Goldman Sachs and Morgan Stanley.

They're taking on the local market at a time when more clients are wary of the conflicts of interest within larger banks and a migration of wealthy investors and executives are making their way to the North Texas area. The competition among wealth managers in Dallas is "fierce," said [Edge Capital Partner Bert Rayle](#), who is heading up the local office's expansion.

"We had quite a lot of pressure to sell certain products, and we don't now," Rayle said.

For instance, Edge is able to use a variety of banks to conduct its hedging transactions for its clients, which lets them shop around the for the best fee. Often, advisers at a large bank would keep that business in the building – allowing the bank to double-dip.

The wealth management and brokerage industry has been turned upside down in recent years as regulators have crafted new fiduciary standards, which forces retirement advisers to put their clients' interests ahead of their own commissions when selecting investments. The Trump administration delayed the implementation of the rule when sweeping into office earlier this year, but many houses and clients have already made changes.

And firms like Edge have netted the benefit. The firm's assets under management has grown recently from \$2 billion to \$3.5 billion – with a lot of that growth driven by the Dallas office. Other independent advisers in town, like Tolleson and Crow Holdings, have also seen new business flooding in.

Dallas-based 1st Global reported \$522 million had gone into the firm to manage across 1,900 new accounts in the first three months of this year, a record for the company's platform.

Edge recently promoted three members of its investment management team to partner, and will be focused on growing business out of the Dallas office.

The investment team is eyeing the rally in the stocks warily as much of the buying is done under the assumption that Republicans will be able to pull together and pass their massive tax cuts and roll back significant regulations. If they can't come together, "you could see the equity markets sell off and bonds rally," said Edge Capital Managing Partner [Harry Jones](#). He added that the market is likely underappreciating the risk posed by potential geopolitical problems abroad.

"There is no better time to stayed diversified," Jones said.



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