



ECHELON
PARTNERS
Visionary Advice. Execution Excellence.

NEWS RELEASE

RAYMOND JAMES ADDS 20 ADVISORS, AND THEIR \$1.9B OF ASSETS, AS PART OF INVESTMENT BANKING PURCHASE

Financial meltdown leads disgruntled investors to shop for new wealth managers

December 30, 2010

Originally Published By Brooke Southall, RIABiz

Brooke's Note: The two big independent broker-dealers are LPL Financial and Raymond James Financial. The former company has been stealing the headlines all year because of its IPO. Raymond James (NYSE: RJF) has long been a public company, but unlike LPL it has full-service brokerage and investment banking businesses. Its move to acquire a full-service broker in Chicago offers a window into how it's trying to leverage those businesses.

Continuing on a mission of adding larger advisors, Raymond James Financial Inc. is bringing 20 new ones aboard with about \$1.9 billion of assets under advisement as part of its purchase of an investment bank.

Yesterday the St. Petersburg, Fla.-based broker-dealer reported a merger agreement to acquire Chicago-based Howe Barnes Hoefler & Arnett Inc.

"This acquisition reflects Raymond James' growth strategy as we expand our already significant capital markets reach while adding to our strong private client presence in some key markets," said the firm's CEO, Paul Reilly. "The Howe Barnes professionals bolster our existing expertise in the financial institutions sector – an area of focus for our Capital Markets team."

Raymond James' managing director Patrick DeLacey said that his company will gain not only advisors but wealth management clients from the investment bank as it offers them Raymond James & Associates' broader retail offering.

Howe Barnes' clients

"We are excited by the prospects of bringing our complete product offering, including financial advisory, equity and fixed income brokerage, and wealth management services, to Howe Barnes' clients," he said in a release. Raymond James declined an interview citing the fact that the deal is not scheduled to close until March. These services make a difference to some advisors and clients. See: [Why Raymond James is getting an LPL advisor's wealthiest new clients](#)

Raymond James has a small RIA custody unit with about 100 advisory firms and \$5.5 billion of assets. It maintains a minimum of \$50 million — among the highest in the business. Its three principal wholly owned broker/dealers, Raymond James & Associates, Raymond James Financial Services and Raymond James Ltd. have more than 5,300 financial advisors. Total client assets are approximately \$254 billion. See: [Raymond James shows it's serious about winning bigger RIAs](#)

Howe Barnes is a middle-market full-service brokerage firm that specializes in providing investment banking services to banks. The company's 20 brokers serve over 4,500 clients. Founded in 1915, Howe Barnes employs 115.

DeLacey believes that adding Howe Barnes puts Raymond James in position to become a powerhouse in providing deal-making services to the community and regional bank and thrift industry. A boom in mergers is expected as those industries consolidate, noted DeLacey.

"This is one of the major players in the community bank space from an investment banking standpoint," said **Dan Seivert**, CEO of **ECHELON Partners**, an investment bank in Manhattan Beach, Calif.

Not an afterthought?

Yet the addition of the advisors and their assets were not an afterthought, according to Raymond James & Associates President Dennis W. Zank.

"We are continually evaluating opportunities to expand our Private Client Group through the addition of talented professionals like those at Howe Barnes, and are very pleased to have them join our platform," he said in a release.

See: [Raymond James wins breakaway brokers that are 'pragmatists'](#)

As part of the transaction, Howe Barnes Chairman and CEO Dan Coughlin will join Raymond James as a managing director of investment banking and will co-head the Raymond James Financial Institutions practice with DeLacey.

ABOUT ECHELON PARTNERS

ECHELON Partners (ECHELON) was formed in 2001 to offer investment banking and consulting to a subset of the financial services industry known as "investment product developers and distributors" (IPDADs). Since that time, ECHELON's professionals have helped hundreds of senior executives envision, initiate, and execute a multitude of complex business strategies and transactions. ECHELON's business is making companies more valuable through delivering advice and orchestrating transactions. Accordingly, ECHELON measures its success in the enterprise value it creates for its clients. Companies that strive to outperform their peers choose to work with ECHELON because we are as passionate about their results as they are.

Daniel Seivert
Managing Director
dseivert@echelon-group.com

Tyler Resh
Principal
tresh@echelon-group.com