

## TOP 150 RIA FIRMS

RANKING	COMPANY	LOCATION	AUM (000)	CLIENT ACCOUNTS	EMPLOYEES	ADVISORS
101	North Star Asset Management	Menasha, Wis.	\$1,200,215	1,684	16	11
102	Pure Financial Advisors	San Diego	\$1,196,743	6,031	44	21
103	Waldron Private Wealth	Bridgeville, Pa.	\$1,195,311	128	14	14
104	<b>McQueen Ball</b>	<b>Bethlehem, Pa.</b>	<b>\$1,186,071</b>	<b>1,156</b>	<b>14</b>	<b>5</b>
105	Daintree Advisors	Boston	\$1,138,104	1,019	27	12
106	Wellspring Financial Advisors	Cleveland	\$1,137,895	731	9	8
107	BerganKDV Wealth Management	Minneapolis	\$1,133,306	1,446	21	16
108	Parsons Capital Management	Providence, R.I.	\$1,109,659	1,375	16	10
109	John G. Ullman	Corning, N.Y.	\$1,091,125	1,207	35	22
110	Conservest Capital Advisors	Wynnewood, Pa.	\$1,090,000	222	7	6
111	HHG & Company	Darien, Conn.	\$1,083,292	1,530	19	9
112	New England Private Wealth Advisors	Wellesley, Mass.	\$1,083,242	1,933	15	7
113	Soltis Investment Advisors	St. George, Utah	\$1,064,402	814	23	13
114	Legacy Wealth Management	Memphis, Tenn.	\$1,056,854	2,328	21	17
115	Trumbower Financial Advisors	Bethesda, Md.	\$1,040,372	659	11	5
116	Pittenger & Anderson	Lincoln, Neb.	\$1,036,299	813	8	8
117	Cardiff Park Advisors	Carlsbad, Calif.	\$1,034,926	1,457	4	1
118	Emery & Howard Portfolio Management	Burlingame, Calif.	\$1,033,612	1,662	5	3
119	Lake Street Advisors	Portsmouth, N.H.	\$1,033,358	536	28	11
120	Carnegie Investment Counsel	Pepper Pike, Ohio	\$1,027,347	2,409	21	19
121	Smith Salley	Greensboro, N.C.	\$1,016,711	498	8	8
122	Foster & Motley	Cincinnati	\$1,013,339	630	29	14
123	TrueWealth Management	Atlanta	\$1,001,352	1,402	22	11
124	Pegasus Partners	Mequon, Wis.	\$999,000	1,062	11	7
125	Sadoff Investment Management	Milwaukee	\$997,947	1,125	5	3

INDUSTRY

## RIA Leaders 2016



By Ann Marsh  
January 4, 2016

Want to know what keeps the CEO of the No. 1 firm on this year's list of the country's top RIAs awake at night? Romancing six to eight planners a week in a never-ending quest for the right talent. It takes anywhere from 20 to 30 meetings to produce just two to three hires a year for Oxford Financial Group, the Midwestern firm based in Carmel, Ind., with nearly \$14 billion in assets under management.

And sometimes even that isn't enough. "There was one guy who I extended an offer to who said yes, and the next day he went to work at a family office," says Oxford's CEO, Jeffrey Thomasson, who founded the firm more than 30 years ago. "I had been doing the romance with him for six months. Everything was going pretty cool and it was just like, 'Oh my goodness.'"

It's not easy being one of the largest RIAs in the country, even with RIA AUM growth outpacing that of wirehouses. Finding the right talent in a small pool of the most qualified advisors is tough — especially when you can't dangle a name brand like Credit Suisse or J.P. Morgan before them, Thomasson says.

- **Who made the cut?** [To view the complete list, click here.](#)
- [Here's our methodology.](#)

It's challenging and costly to keep up with rapid regulatory and technological change. And it's hard, especially for firms farther down the list, to fend off aggregators, roll-up firms and a rising tide of robo advisors, all of whom are vying for some of the same clients.

The firms on *Financial Planning's* 5th annual list of the country's top RIAs are meeting these challenges while resisting the many temptations that can compromise their work as fiduciaries and undermine their independence.

### RAREFIED AIR

The overall advisory space, including broker-dealers and RIAs, amounted to \$19.1 trillion in assets at the end of 2014, with independent RIAs managing \$2.7 trillion of those assets, according to research firm Aité Group.

Out of the 59,422 RIAs that manage this chunk, *Financial Planning* builds a selective ranking of U.S.-only independent RIAs every year. The list has been expanded to 150 from 100 firms. This illustrates just how rarefied the air becomes once firms start managing billions of dollars. A difference of just \$649,000 in AUM separates the smallest firm on the list, at No. 150, from No. 75. But getting from the middle of the pack to No. 1 takes a stretch worthy of Plastic Man — a leap of \$12.3 billion in AUM.

To capture truly independent firms, we sort for those that remain free of affiliations with broker-dealers, insurance firms, banks and large outside investors ([see Methodology](#)). This year, *Financial Planning* partnered with Discovery Data, which provided custom analytics of SEC filings.

### POPPING ON AND OFF

That means firms pop on and off the list from year to year, as they launch lines of business or change their ownership structure.

"It gets harder as you get bigger, because you are always tempted to do some of these side businesses" that can come with commission sales or external shareholders, says Russ Hill, the CEO and chairman of the No. 12 firm, Halbert Hargrove in Long Beach, Calif. "You can do that and be a fiduciary, but it's hard and it's expensive."



In fact, three of the four firms to grace our annual cover since the list's inception in 2012 subsequently fell off the list entirely. GenSpring was first, in 2013, after a dust-up with its bank owners led to a departure of the firm's management. A GenSpring co-founder, Maria Elena "Mel" Lagomasino, has returned to the list with the independent firm W.E. Family Offices, at No. 14 this year.

Aspiriant dropped off in 2014 after launching a line of in-house mutual funds that require additional regulation from FINRA. Banyan Partners failed to qualify in 2014 after its founder sold to Boston Private Bank & Trust for \$60 million.

Creative Planning, No. 5 in 2014, was poised to supplant Oxford in the No. 1 slot this year, but insurance company affiliations disqualified it.

## **PAINSTAKING GROWTH**

The firms that appear on the list pursue a wide variety of growth strategies, often simultaneously. These range from acquiring other firms, to offering clients unique lines of planning services (geared, for example, to millennials or impact investors) or souped-up technological services. Many of these strategies are painstaking to develop.

Halbert Hargrove is building out its elder care management offerings as it sees demand growing rapidly, Hill says. To help nurture growth, it is finding and grooming young local planning talent from nearby California State University at Long Beach. Halbert Hargrove is also taking pains to buttress its fiduciary claims by undergoing annual audits to qualify for a CEFEX certification, run by the Centre for Fiduciary Excellence in Bridgeville, Pa.

The certification process is time-consuming, Hill says, but it builds confidence among tax experts and attorneys who will more readily refer business to a firm they believe will put their clients' best interests first. "For us, that's important," he says.

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## **OLDER FIRM MEETS BREAKAWAY UPSTART**

Investing in cutting-edge technology made No. 59 Pathstone Family Office in Fort Lee, N.J., particularly attractive as a merger partner for the older and larger No. 17 firm, Federal Street Advisors in Boston. In a deal financed by the Fiduciary Network, the two firms were set to finalize their alliance on Dec. 31.

The merger "gives us a huge jump in our capability and in productivity," says Federal Street's CEO, John LaPann, who will become chairman of the new firm, to be named Pathstone Federal Street. "We are a 25-year-old firm that's been pedaling as fast as it can to update its technological capacity and increase productivity. But Pathstone, having started about five years ago, has already formed themselves in a technological environment." Pathstone has \$1.8 billion in AUM.

The RIA space is a hotbed for mergers and acquisitions. There were at least 10 deals involving firms with almost \$4 billion or more AUM in 2015, compared with just one the prior year, according to Park Sutton Advisors. The Federal Street-Pathstone hookup is one of them. With a combined AUM of roughly \$6 billion or more, the new firm is likely to vault up among the list's top 10 firms next year.

## **A YEAR OF LEARNING**

No. 18 Wetherby Asset Management of San Francisco has been seeding organic growth by turning itself into a university of sorts. It is investing \$180,000 to run monthly programs between March 2015 and February 2016.

The programs, celebrating the firm's 25th anniversary, are solidifying and deepening bonds between the firms' team members and its clients, says the founder, Deb Wetherby. One of the programs, Protecting Your Digital Privacy, attracted more than 50 clients to hear comments by Mark Graff, former chief information security officer for Nasdaq.

"When we booked that, we did not think it would be our highest-attended event with the liveliest Q&A," Wetherby says. "People are now thinking they have to pay attention" to digital privacy. Graff also ran internal programs for Wetherby's compliance staff. Other monthly topics have included mindfulness, strategic philanthropy, and the future of energy and sustainability.

The programs are enriching the firm's culture and informing strategic discussions about its future growth, Wetherby says. Wetherby Asset Management has grown by 25% to nearly \$4 billion in AUM over the past five years.

Organic growth such as this may indeed be time-consuming — just ask Oxford's dutifully speed-dating CEO, Thomasson.

But, as Wetherby's unique program suggests, nobody said it couldn't be fun. "I think there's going to be lots and lots of ways that this is going to affect us over the years," she says. "We didn't do this for proprietary reasons. I'd be thrilled if every firm did something like this."

**Read more:**

- [RIA Leaders: Top 20 Firms for 2015](#)
- [Planners Often Have to Team Up, Take Outside Money, to Grow](#)
- [How Empathy Helped Build a \\$2B RIA](#)
- [Which Top RIAs Have the Richest Client Accounts?](#)