

## LPL HIRES CITI VET FOR PUSH UPMARKET

Originally Published By Tom Stabile, Fund Fire

LPL Financial has tapped a former Smith Barney wealth management executive for a new role that aims to help the independent broker-dealer firm grow its presence in the \$10 million-and-up client marketplace. Christopher Poch joined LPL to serve as executive v.p. for wealth management and CEO of its Private Trust Co. unit.

Poch had served for five years at Smith Barney heading up efforts to expand that company's private wealth management business, and his new role at LPL will have many similarities. LPL wants to add more clients in the \$10 million to \$100 million net worth range, says Poch, who is based in its Boston headquarters. The firm has 11,000 advisors who oversee more than \$235 billion in client assets.

LPL may be well positioned for the grab at a client market that just about every firm in the high-net-worth market is targeting, says **Dan Seivert, CEO and managing partner at Echelon Partners, an investment banking and financial services consultant in Manhattan Beach, Calif.** He cites LPL's deep financial resources, strong track record, and favorable payout terms for advisors as advantages in being able to grow. "I'd say that they have a better shot than most," he adds.

Poch's newly created position focuses on coordinating among LPL's various product platforms and services to ensure that the firm's affiliated advisors have access to the tools and resources they need to serve wealthier clients. Poch, 46, started in late November, and he reports to Bill Dwyer, who is president of LPL Financial Independent Advisor Services.

Poch says the \$10 million-and-up client segment has been growing quickly at LPL, but he is expected to speed up the process. "It wouldn't surprise me if in a couple of years we would have twice the number of clients with three times as much in assets," he says. "Growth has been explosive." LPL did not provide current figures on what it has in that market segment.

While the client assets that LPL advisors are handling are lower on average than what Smith Barney had, Poch says he expects his past role to prove useful. He was at Citigroup for nearly 25 years, including his first position as a financial advisor. His role with the private wealth management unit, where he was a managing director, included developing a resource and support unit that was charged with helping advisors effectively use the company's offerings for ultra-wealthy investors.

Citi later phased out the private wealth management framework and transitioned it into the current Citigroup Family Office operation under Citi Private Bank, which reports to Bob Elliott as head of global wealth advisory services, a Citi spokesman says. Poch says he moved in 2006 to another role focused on building out the wealth management business in international markets. Poch says he left Citi last summer.

The move by LPL answers a need for the independent channel to better serve different wealth segments with tailored services, **Echelon's Seivert says**. "When you have investors with \$10 million to \$40 million, and then north of \$40 million, that's a whole different set of needs," he adds.

**Seivert** says firms without a quarterback role similar to Poch's are simply less effective in executing marketing strategies and other elements of serving the ultra-high-net worth market. "Otherwise, there is a tendency to be less skilled at understanding and addressing the differences [in investors of various wealth levels], much like a decathlete, who might be skilled in many events but not as strong in any one discipline."

The move also supports LPL's efforts generally to build a more attractive on-ramp for advisors from wirehouses, who might want a more robust suite of products and services for wealthier investors, says Mark Elzweig, president of his namesake New York-based recruiting firm.

"Having someone who was a key person in building the wealth management platform at a major wirehouse would probably help them attract other advisors," Elzweig says.

Poch joins several other LPL hires from bigger competitors in the past year, including John Moninger, who came over in March 2007 as senior v.p. of advisory consulting services after a post as national consulting director in the managed accounts business at UBS. Burt White, who had been a senior executive on the money manager due diligence team at Wachovia, came over in October to take on a role as managing director of LPL Financial Research. In addition, LPL hired Ruth Papazian, a former Morgan Stanley and Ameriprise Financial marketing executive, to serve as executive v.p. and chief marketing officer for the independent advisor unit last August, and brought on Derek Bruton in October to serve as CEO of LPL's affiliated broker-dealer arm, hiring him from Ameritrade Institutional.

**Seivert** says bringing over experienced hands from larger organizations has advantages and disadvantages. A big plus is that many of them know the business well, but the downside could be a clash of cultures, particularly between executives who are used to a more bureaucratic structure and perhaps not familiar or comfortable with the entrepreneurial approach of an independent like LPL.

Poch says the entrepreneurial opportunity was a lure for him to join LPL. "The ability to impact the advisors' lives is very tangible here," he adds.

He says his new role entails three main goals. The first is to help advisors better penetrate their existing books of clients with a broader range of services, including ensuring that they tap into LPL's investment advisory, estate, financial planning, trust, insurance, and alternatives offerings. The second is to help the advisors better prospect wealthier clients in their regions. And the last is to help LPL's effort to recruit high-end advisors with ultra-wealthy clientele to join the firm. All of the roles entail coordinating among the various units that provide those services to ensure a uniform message and approach for advisors.

Poch's CEO role with the private trust unit, which is a wholly owned subsidiary, is to better harmonize the delivery of wealth management and trust offerings at the firm. That unit, which is based in Cleveland but is

licensed to manage trusts and family assets for high-net-worth clients in all 50 states, oversees \$43 billion in assets. Poch says the unit is able to offer services both as the lead advisor on trusts but also in a model that takes a back seat to LPL advisors who introduce existing clients who simply want trust services for some of their assets. Poch says that business has been growing at a 25% clip in recent years, and he expects that to continue.

## 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](mailto:dseivert@echelon-group.com)