



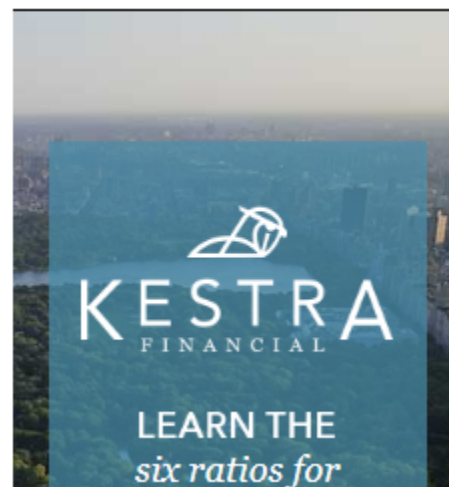
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Former Morgan Stanley Exec Returns With New IBD Strategy

Doug Ketterer, the former Morgan Stanley executive, is launching a new holding company to acquire smaller IBDs and equip them with technology and recruiting tools.

Diana Britton | Aug 03, 2017

Doug Ketterer, the former head of field management at Morgan Stanley, hopes to bring a new model to the independent broker/dealer space, with the help of two colleagues and private equity backing. He recently launched Atria Wealth Solutions, a wealth management holding company owned by Lee Equity Partners, and has launched an acquisition plan. Sister broker/dealers CUSO Financial Services and Sorrento Pacific Financial, both based in San Diego, Calif., were the firm's first deals.



The plan seems to be to make a series of strategic acquisitions, with Atria providing a layer of advisor support, said Jodie Papike, executive vice president of Cross-Search, a recruiting firm focused on IBDs.

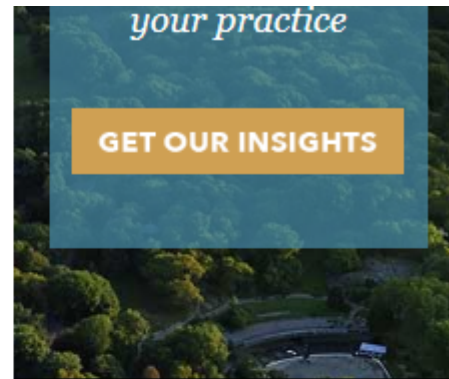
Ketterer joined forces with Eugene Elias, former head of client and advisor platforms at Morgan Stanley, and Kevin Beard, former head of acquisition and recruiting strategy at AIG Advisor Group, to form Atria.

Atria will serve as the holding company, while CUSO and SPF, with a combined \$30 billion in assets under administration and 500 advisors, are the underlying entities and regulated bodies. The b/ds primarily serve credit unions and banks. The b/ds will continue to operate largely as they were before, with the same management team intact. Co-founders Valorie Seyfert and Amy Beattie are rolling part of their equity proceeds into Atria, and will remain at the firms, Ketterer said.

Ketterer said his plan is a unique one, bringing recruiting pipelines, practice management expertise and investment capital to the underlying broker/dealers.

“I think the approach is different; I think the management team is different; I think that notion of holistic wealth management—both sides of the balance sheet—that is different. I think the way we think about technology being utilized with representatives and their clients in a collaborative fashion is different.”

Elias has experience in technology, mobile and digital interfaces for financial services, while Beard has focused on recruiting, acquisitions, practice management and business development. Ketterer has had a long career in field management, products and services as well as strategy, he said.



They have aspirations to do more acquisitions, but only if it's a strategic fit. "This is not a rollup strategy," he said. "At the end of the day, it's more about being the best than being the biggest."

Through its private equity partner, Lee Equity Partners, Atria will provide b/ds with capital to enhance their regulatory and compliance practices, as well as technology, both areas where smaller IBDs have struggled.



"If you look at broker/dealers and wealth management firms, it's incredibly fragmented and dispersed," Ketterer said. "They're realizing they actually can't go it alone—that they actually need to have some scale, to make the investments that advisors and clients need."

"We all know that there's been some struggles with smaller, mid-sized firms having enough capital. So I think the theory is, bring in a private equity firm so that there's no issue of capital, and then bring in these extra services to help advisors grow and become more profitable." Papike said.

"If it is in fact that it brings forth a model where there's plenty of capital to keep the broker/dealer in good shape financially and it provides really good solutions for advisors, it could be the best of both worlds in the broker/dealer environment."

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