

BofA's cross-selling plan costs Merrill a veteran team

\$250M team jumps to Ameriprise; 'we'd become bankers as well as advisers'

By Andrew Osterland InvestmentNews

May 3, 2011

A two-man advisory team from Bank of America Merrill Lynch who managed \$250 million in assets and produced over \$2 million in revenue signed on yesterday with independent broker-dealer Ameriprise Financial Inc.

Ronald Rienas and Joshua Brown, 18- and 14-year veterans, respectively, at Merrill Lynch, worked their last day in Merrill's Scarsdale, N.Y. office on Friday and started up Rienas & Brown Wealth Management under the Ameriprise tent yesterday. They are working out of offices in Yonkers, N.Y. and Greenwich, Conn.

"It wasn't an easy decision," Mr. Brown said. "I spent 14 years with Merrill Lynch. But we both felt it was in our's and our clients' best interests to make the move."

The biggest reason for leaving, Mr. Brown said, was the increasing pressure from Bank of America for he and his partner to sell banking services and manage banking relationships with his clients.

"In the last six months, we'd become bankers as well as advisers, and it just took up too much time," he said. "I have no problem looking at banking products on behalf of clients, but I don't want to spend my time on late credit card payments or checking fees. I want to focus strictly on financial planning."

Both Mr. Brown and Mr. Rienas are leaving substantial money on the table, given the retention bonus program offered to advisers by BofA in 2009. Independent broker-dealers typically don't pay much upfront money to recruit advisers. "Money is not the only issue. We could have gone to another wirehouse and made more money but we thought it was important to go to a place more focused on clients," said Mr. Brown.

It also helped that Donald Froude, president of the Personal Advisors Group at Ameriprise, was Mr. Brown's former boss at discount broker Quick & Reilly many years ago.

Rienas and Brown currently manages about half of its assets on a fee-based model. Mr. Brown says his firm may look for a third partner down the road.