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# Tom Moran charts own course in moving $4 billion AUM, and family, to Pershing under new RIA, giving Schwab a pass based on TD Ameritrade merger uncertainty

*Ten years' Barron's top advisor in Florida, the Wells, then FiNet broker in Naples, Fla. did a classic DIY breakaway of Moran Wealth where rollups, outside capital and outsourcers held no allure -- and Pershing spent the last three months on premises.*

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by Brooke Southall

Naples, Fla. is a place people go to retire. Tom Moran is doing just the opposite.

The founder and CEO of **Moran Wealth Management** chose the haven to form a startup RIA with three of his four children,

The 36-person, 100% employee-owned firm made half the break four years ago to become a subcontractor under Wells' independent broker dealer, FiNet.

Before that, it was a salaried team at Wells Fargo Advisors -- a move that demanded no re-papering.

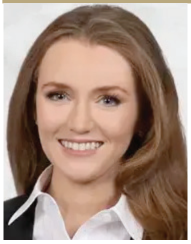
Moran chose Pershing Advisor Solutions as RIA custodian, and the re-papering has been intense.

They'll start with $4 billion of AUM and a plan to quickly replace $1 billion of AUM they managed as captive brokers on behalf of colleagues before departing the Wells wirehouse four years ago for the Wells IBD.

## REACHING OUT

Pershing staff have been on site for the past three months. Pershing beat out close second-choice Fidelity. **See: Suddenly onboarding is a hot RIA game, and Schwab Advisor Services leaps ahead with a 'digital ' process that one expert says beats Fidelity and bodes well for a post-merger 'Schwabitrade'**

Moran decided to steer clear of Schwab Advisor Services as it works to complete its merger with TD Ameritrade (TDA).



**Kylen Moran** is one of three siblings who are building their career under their father, despite a world of options.

"[Choosing Schwab as it assimilates thousands of TDA RIAs] was a risk I was not willing to take," he says.

Moran also liked the reassurances he received from Pershing's high levels. Pershing CEO Jim Crowley flew to Florida to show faith. The president of BNY Mellon called him on the phone.

It was part of a patient, non-rigid process to pull out the stops in procuring the $4-billion RIA, according to Crowley

"When we started conversations with Moran several months ago, we embarked on a journey of prioritizing and investing in their future vision and made thoughtful decisions and were flexible to ensure it was an easy decision for them to make the move," he says in an emailed comment. "It is our privilege to be partnering with Moran as they begin this next chapter of independence."

**Tom Moran:** 'I don't need the capital, and I'm not looking to exit or sell the business.'

**Patrick Moran,** a Harvard grad, is working for the family firm.

The 2022 wholesale move to Pershing fits the pre-2010 mold before a world of roll-ups like Hightower, Focus Financial and CI Financial came along to make the process infinitely simpler, safer and more lucrative.

There are also "synthetic scale" companies like Dynasty Financial Partners to provide soft landings and ready made systems and relationship networks.

None of the reasons for such partnering applied to Moran's circumstances, he says.

"I don't need the capital and I'm not looking to exit or sell the business. I'm having more fun than I've had in years."

## EYEING COMPETITORS

He also has a large staff, including his children and other young people, 17 of which are already owners. Staff with five years plus of tenure received tenure as part of forming Moran Wealth. Moran, 59, has no plan to retire.

Well-capitalized, Moran is already on the prowl to begin acquiring advisory firms himself, likely competing with roll-ups he eschewed.

Moran will also reconstitute the money management side of the business he had at Wells Fargo. He managed $1 billion of assets on behalf of fellow Wells advisors. He had no choice but to leave those accounts behind.

His sideline success was based on selling tracked results of model portfolios that he believes he can carry forward, have audited outside Wells and ultimately attract net new assets in a hurry.

Moran has 30 models and has had particular success with a dividend growth model and small cap value portfolio.

## WINNING UHNW ACCOUNTS

Moran's decision to move from the IBD platform to an RIA was driven by one big factor -- institutions more frequently disqualified him as a manager because he wasn't an RIA.

He also cited as a factor his desire to win more ultrahigh-net-worth accounts; the IBD platform held him back. Currently, only about 1% of his assets are from institutions.

Moran's quest to build wealth management made him lean toward Pershing because its NetX360 technology platform "impressed" him. "NetX360 could handle our models," he says.

## GREAT ATMOSPHERE

Moran's 17 equity partners, including three of his children, own a combined 10% of the firm; all are employees.

One of his children, Shane Xu, came into Moran's life 15 years ago as an exchange high school student and became a permanent member of the family.

Moran's youngest son, Patrick, graduated from Harvard,. His daughter, Kylen, is a Williams College grad with an MBA from Columbia University.

His eldest son is a Cornell University graduate and is pursuing his PhD in Entomology at Carleton University in Ottawa, Canada.

Tom Moran himself was Phi Beta Kappa at University of Colorado and spent his entire 34-year career within Wells Fargo, originally as a portfolio manager trainee with Prudential. The insurance company was acquired by Wachovia, which was bought, in turn, by Wells.

Though children often forego working for the their parents, Kylen Moran, the firm's chief marketing officer, says her dad sets a tone that is tough to beat in any stratosphere.

"I wake up everyday to work with my dad, Tom. In our next chapter I just see the sky is the limit," she says.

"Tom is the first one to get into the office in the morning and the last one out at night .. and that commitment to clients creates a great atmosphere here at the office."

**Shane Xu** is an investment analyst at Moran.

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