

Financial Planning

UBS loses \$1B team to breakaway startup

By Andrew Welsch

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A new firm specializing in wirehouse breakaways made a billion-dollar splash with its first hires.

FallLine Securities helped ex-UBS advisers Douglas John and Bryn Basiardanes-Talkington set up an independent practice in Dallas this week. John previously advised on \$1 billion of client assets, according to a spokesman. Talkington served as a regional director at UBS Asset Management.

FallLine is the latest firm to service wirehouse breakaways, joining the ranks of Dynasty, HighTower and Focus Financial among others. The Darien, Connecticut-based firm is attempting to differentiate itself in a crowded marketplace by focusing exclusively on advisers serving the superrich.

"Advisers we are talking to have to meet two criteria: that they serve only ultrahigh-net-worth clients and that they are very large, at least \$1 billion in assets," CEO and founding partner John Straus says.

His firm was two years in the making, Straus says. Developing the technology platform was a particularly critical and time consuming task. But every piece of the firm, which also hosts advisers' series 7 on its broker-dealer, has been designed with the ultrawealthy client in mind, according to Straus.

It's also making its foray into the market at a time when three wirehouses have retrenched their recruiting efforts; only Wells Fargo is still attempting to recruit at high levels.

"It's certainly a benefit," says Straus, who once served as a wealth management executive at UBS and J.P. Morgan. "But the advisers we are talking to are generally not thinking about going from one wirehouse to another. It's generally staying put or starting their own company."

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So why target the superrich? It's about more than money; their evermore complex needs create opportunities and challenges for service models, Straus says.

"Many firms have tried to serve ultrahigh-net-worth clients using broader tools that were designed for a wide number of client segments, from those that are very wealthy to those that aren't so wealthy. That creates compromises depending on where the client is on that spectrum," he says.

FallLine, being designed from scratch, avoids those tradeoffs, Straus says.

The firm's new hires, who operate as Requisite Capital Management, said they chose FallLine for that reason.

"We launched Requisite to enable us to reshape the delivery of wealth management services to our clients. As an independent firm, we can offer a full spectrum of solutions, embracing technology as a catalyst for defining and managing the client experience," they said in a statement.

Straus adds that FallLine is in talks with other elite advisers about going independent with the firm.

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"Our business plan is that we will have three to five adviser companies come onto our platform per year. Given our target adviser, some of the advisers we are talking to are extremely large — even larger than Doug and Bryn's company," he says.