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# A maverick RIA and a bank walked into a bar in 2006, 2011 and 2014. It's all settling out in a 2018 M&A & spin-off pub crawl

*Bill Rice: With ... Boston Private, we were unable to find a mechanism that worked for both parties to deal with incentivizing key employees.*

Boston Private lets a $9-billion RIA buy itself back to free up cash to be used to roll up more bank-minded wealth managers this time around and Peter Raimondi is back in the game

**16 hours ago by By Lisa Shidler**

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**Brooke's Note: My number one pet peeve with roll-up owners and M&A specialists in the RIA business is the monotony of the message of what makes for a deal that lasts, prospers and even achieves, yes, synergies. It always comes down to that petri dish word: culture. But for all the eagerness to discuss culture, the conversation rarely gets much more interesting or useful when it comes to describing it, never mind obeying its checklist. The overriding culture too often turns out to be the one that says: When the man or woman with the suitcase of cash comes to your door, take it, marry whomsoever carries the article of luggage -- and ask questions later from your desert isle. In this article, we have a maverick, a bank and a super RIA all in various stages of divorce Match.com searches and remarriages with the vague hope that something was learned the first time around. My chiding tone aside, I am quite sure they all did learn and I will forgive everyone a little messiness in getting it right this time around. Just please come up with better ways to talk about culture and know that when certain germs cohabit, petri dish the results are predictable based upon prior clinical trials.**

Four years after gobbling down Banyan Financial with indigestion the outcome, Boston Private Bank is once again hungry for deals after selling a minority chunk of a giant RIA that is pleased to be off the menu.

Boston Private purchased Palm Beach Gardens, Fla.-based Banyan Financial in 2014 in a deal worth $60 million and, on paper, two third-tier roll-ups become one second-tier roll-up verging on tier one. See: As Boston Private and Banyan Partners merge, the Big Three roll-ups become the Big Four.

Yet after marrying in haste, each side predictably began to repent at leisure.

"We went through a rough transition when our companies combined," says Scott Dell'Orfano, president of the wealth management arm of Boston Private Client. See: How Scott Dell'Orfano is helping to double the size of Banyan Partners just six months after leaving Fidelity.

# Culture culprit

The culprit was the usual suspect: culture. Colorful and headstrong CEO Peter Raimondi was never long for any company with "bank" in its title or its culture. He was out the door by 2016 to join Gladstone Associates LLC, a Conshohocken, Pa. business consultancy with a strong M&A tilt, until his non-compete expired. See: With a nod to OSJ power and DOL rumblings, Gladstone convenes 100 advisors in Philly

The first two years following Banyan-Boston Private Bank deal were tumultuous. Banyan was reportedly too brash and entrepreneurial for the bank and left in 2016.

Now it appears Boston Private has licked its wounds and is ready to emerge on the acquiring scene again, says Steve Levitt, managing partner and founder of New York-based Park Sutton Advisors LLC. See: After lassoing Banyan and Silver Bridge talent, Ropes & Gray launches $2.7 billion RIA to extend its legal brand to financial advice.

"I think maybe they faced some challenges with Banyan and turned around and are doing well and adding a lot of assets," he says. "The good news about a sub-optimal acquisition is hopefully you learn from it and able to avoid some of the same mistakes."

Dell'Orfano says: "We came out on the other side."

(Just today, Raimondi reported the founding of a new third-tier roll-up named Dakota Wealth Management, based in based in  Palm Beach Gardens, Fla., which starts life with $600 million. It is comprised, for now, of Oakmont Partners, an independent RIA based in Peabody, Mass. with over $300 million in client assets under management.

Oakmont principals John DeSimone, Peter Mawn and Myranda "Mimi" O'Bara will serve on the Dakota leadership team alongside Raimondi and his chief operating officer Michael Reed. Also joining the Dakota team as a managing partner is Brett Orvieto, formerly of Fort Lauderdale, Fla.-based Strategic Asset Management Group.

*Steve Levitt: Hopefully you learn from it ... to avoid some of the same mistakes.*

# Anchor away

When the two firms combined there was no set plan in place for a way forward -- not even a full-time transition team. The merger was expected to create a firm with about $9 billion in assets, but Dell'Orfano says those numbers were misleading because some of those assets were assets under administration.



The more accurate number, he says, was $6.8 million to $7 billion. Managed assets now stand at $8 billion, says Dell'Orfano, who has hopes of doubling that amount to $16 billion in three years.

To free up cash and prepare for an acquisition, Boston Private Client Bank and Trust made a deal In April that allows Anchor Capital Advisors LLC to reassume majority ownership and control of the firm.

Anchor was owned by Boston Private Client but operated separately from the wealth management division. See: Where Boston Private Financial stands after selling one of its last original acquisitions for $10.5 million.

# Bank blues

Dell'Orfano says Anchor's departure was a mutual decision. But Bill Rice Jr., CEO of Anchor, says it was more a case of his own firm wanting out of smothering circumstances that kept him from paying top talent the wages necessary to grow the firm and a generally slow decision-making process.

"With our partnership with Boston Private, we were unable to find a mechanism that worked for both parties to deal with incentivizing key employees. Our key employees are incentivized by the success of the company in new and exciting ways that we were unable to realize with Boston Private," Rice says in an email.

He explains that Boston Private acquired his firm in 2006 to help solve a succession planning issue. At the time, his firm had $4 billion in assets and needed scale and capital. No longer. Anchor has since more than doubled in size to $9 billion in assets. See: Postscript to the Fidelity Executive Forum article: The RIA perspective.

Over time, the bank bureaucracy outweighed the benefits of its stable presence.

"...We need to be able to respond quickly to any internal or external factors that may impact our business and we need to be able to do this entirely on our terms. We are now able to leverage the equity in the firm to recruit and retain the highest quality talent," Rice said in an email.

*A four-year-old snapshot of Peter Raimondi and Scott Dell'Orfano shows evidence of differing styles.*

# Seeking clarity

Dell'Orfano declined to discuss specific personalities but admitted culture was a major problem with the Banyan merger.

"You really have to do the due diligence on culture to make sure there's a culture connection. Plus, if we were to do it again, we would make sure there was a dedicated integration team," he says. "The same people who were running the business were also trying to integrate." See: Scott Dell'Orfano lands at a $1.4 billion RIA with plans to deal its way to $10 billion

Dell'Orfano says those culture glitches have been solved. One issue in making the deal was ensuring the company had one client experience. "It's a very consistent process and client experience whether you walk in Boston, California or Florida. The employee base is now aligned with our goals and strategy."

Dell'Orfano admits that when the merger took place, staffers were unclear of even their own roles and jobs descriptions. "Now it's a lot clearer. Once you have clarity with the employee base, then it comes down to if you can execute and we've been executing pretty well in the last year or so."

# Everyone loves Raimondi?

One big issue was Raimondi, who became CEO of Boston Private Client. Raimondi is known for acquiring seven firms in five years -- including a major triple merger and then he sold the firm to Boston Private Bank and Trust for reportedly $60 million in cash and stock in 2014.

Raimondi was named CEO and president of the newly created Boston Private Wealth in 2014 but just eight months into the relationship, he lost the CEO title and industry observers said the marriage of the firms was dysfunctional. See: Noncompeted out of starting another RIA (for now), Peter Raimondi becomes an M&A guy 18 months after the giant Banyan merger

Raimondi didn't respond to attempts to for a comment for this article.

# Private bank cachet

Levitt says Boston Private Client holds a good hand after three years of strong net inflows.

"Their organic growth is fairly strong," he says. "From my perspective of a banker who usually works with sellers, I think a bank like theirs has the cachet of a private bank is attractive to a lot of sellers. There's an opportunity if you're a small RIA to capture more wallet share."

*Scott Dell'Orfano: We're aggressively recruiting and we're looking at more M&A transactions in 2018.*

He adds: "In general, there aren’t that many private banks with their profile."

Dell'Orfano says his firm is open to purchasing private banks and trust companies and even bringing over advisors from wirehouses.

"We're aggressively recruiting and we're looking at more M&A transactions in 2018. We're in discussions with a few firms," he says.

Right now, Dell'Orfano says the business is doing well. See: Fidelity is shopping for new head of sales after Scott Dell’Orfano is tapped for semi-secret mission.

Fidelity is shopping for new head of sales after Scott Dell’Orfano is tapped for semi-secret mission

"We're feeling pretty good about the state of the business and the growth trajectory we've been on. We can undertake another large transaction. We can now see ourselves doing another large transaction. The sale of Anchor Capital freed up capital for us to potentially take on another transaction. It's part of a larger transaction."

Peter Raimondi | Steve Levitt | Scott Dell'Orfano

Boston Private | Banyan Partners | Park Sutton Advisors | Bill Rice | Anchor Capital | Dakota Wealth Management | Oakmont Partners | John DeSimone | Peter Mawn | Myranda O’Bara

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Mentioned in this article:

**Park Sutton Advisors, LLC**

*Mergers and Acquisition Firm*

*Top Executive:* ***Steven Levitt***

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