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BANKING & FINANCIAL SERVICES

# PRIVATE BENJAMIN

In building his own company, Benjamin 'Tad' Edwards took a cue from the financial services giant his father helped build: Stay private.

Tad Edwards poses for a photograph in his office at Benjamin F. Edwards in Clayton.

DILIP VISHWANAT | SLBJ



By [James Drew](#) – Reporter, St. Louis Business Journal  
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Benjamin F. “Tad” Edwards IV opposed the sale of St. Louis-based A.G. Edwards, the brokerage firm that his great-great grandfather founded in 1887.

Edwards was a board member, but he was outnumbered in 2007 as [Wachovia Corp. bought A.G. Edwards for \\$6.8 billion](#) in an acquisition through merger that felt like a takeover.

“It’s hard to lose something that had been in the family for 120 years,” he [told \*The Wall Street Journal\* at the time](#).

The Edwards family couldn’t control the decision. Their company went public in 1971. At the time of the sale to Wachovia, institutional investors owned 54% of A.G. Edwards. Edwards’ father, Benjamin Edwards III, who led the firm for 40 years, had retired six years earlier.

Now, 14 years later, Tad Edwards leads his own successor company, called Benjamin F. Edwards, with annual revenue of around \$200 million, 91 branch offices and the ambition to grow that figure by several hundred more offices.

But the key to that success, and to regulating the pace and direction of that growth, is to do something his father's company didn't: Stay private.

That commitment to remaining private was colored heavily by Tad Edwards' experience of watching the institution his father built falter under the weight of its acquirer, something he believes he won't have to relive with his own firm.

“I am so glad that people don’t look over their shoulders with fear and paranoia about a buy-out or an acquisition,” he said. “Our people know that we have the

ability and commitment to stay private and independent."

## **The clear decision**

Edwards left Wachovia after the federal government engineered its takeover by Wells Fargo to avoid the Wachovia's collapse during the 2008 financial crisis. What was once A.G. Edwards became Wells Fargo Advisors.

In the aftermath of the sale, Edwards said he had about 800 unsolicited contacts from people who had worked at A.G. Edwards and more than a handful urged him to continue the Edwards legacy. He knew that starting a new firm would involve a high level of risk.

Edwards compared the decision-making process to defogging a windshield.

"Over maybe a minute and a half, it gets clear and all of a sudden, it's brilliant clear. You don't even see the glass. That's what happened," he said. "It got so clear that it was the right decision."

From the library of his house in Ladue, Edwards and two employees – Corporate Secretary Cynthia "Cindi" Bohme and Terri Frigerio, an executive assistant – assembled a team of trusted advisers and accountants to help create Benjamin F. Edwards, named after his father. They stepped outside to take calls because the cell phone reception wasn't great in the century-old residence.

Fourteen years later, the national financial advisor and wealth management firm has annual revenue of about \$200 million, \$32 billion in assets under management, 716 employees and 92 branch offices in 32 states. Edwards has expanded the firm by adding an investment banking division and Edwards Wealth Management, a registered investment adviser.

At the core of the steady growth is the firm being privately-held, controlled by the Edwards family with financial advisers and others able to buy shares. Edwards referred to the firm as a “private A.G. Edwards” that can’t be bought out. About a dozen Fortune 500 CEOs are shareholders, all of whom were friends first, he said.

“We have no private equity, no venture capital and no debt. It helps that we’re private because we can control our culture, our destiny and our future expansion,” said Edwards, chairman, CEO and president of Benjamin F. Edwards.

## **Pace of privacy**

After graduating in 1985 from Saint Louis University, Bill Hornbarger interviewed with Edwards for a job at A.G. Edwards. There wasn't an opening, but Edwards – who was working in human resources – said he would hang onto his name.

After working at Stifel for two years, Hornbarger landed a job at A.G. Edwards as a fixed-income strategist.

The acquisition by Wachovia, combined with the 2008 financial crisis and Wells Fargo's eventual purchase of Wachovia, was “jarring,” he said.

“We had a great business model at A.G. Edwards and suddenly you had an outside perspective that had a big say in how we did things,” he said.

As a result, Hornbarger decided he would only work for privately-held firms, where he felt it would be easier to avoid layoffs and accomplish more with a smaller team. He left Wells Fargo, worked for 11 years at Clayton-based Moneta Group, and moved to Benjamin F. Edwards in 2020 as chief investment officer.

“If you have an idea and you get the right people and you get going in the right direction, you can really see the fruits of that and you can make it happen faster,” Hornbarger said.

As an example, he said Benjamin F. Edwards put together its first equity model a year ago through collaboration and moving quickly. That would have been more difficult at a large bank confronted with heavy regulatory oversight, Hornbarger said.

Another aspect is the company's culture. Hornbarger said Edwards has followed his father's way of doing business. He walks around the office, talks with employees, asks them what they're working on and shares ideas.

### **Freedom of selectivity**

Edwards recalled how his father, Benjamin F. Edwards III, entered A.G. Edwards' headquarters in St. Louis through the main lobby, instead of using a door off of the covered parking lot which would have taken him directly to his office. He'd ask the security guards about their families and also regularly visited the printing, supply and mail departments in the basement.

"He wanted to be part of other people's world and I wanted the same thing," Edwards said.

His father never closed the door of his office on the 15th floor of the A.G. Edwards headquarters at 1. N. Jefferson Ave. in St. Louis. At Benjamin F. Edwards, on the eighth floor of the building at One North Brentwood Boulevard in Clayton, Edwards' office has a pocket door that's not used during business hours.

During a recent interview, Edwards displayed a map with red dots showing the locations of the firm's 92 branch offices around the country.

"I see everywhere that we don't have a red dot. I say, 'why can't we have 200 offices and then 300 and 400? We have the team and the technology and the

capital to do that," he said.

But Edwards said that he has turned down proposals to open 10 to 15 branch offices because those advisers didn't fit the Benjamin F. Edwards culture. Free from the pressures of quarterly earnings, the privately-held firm can be selective, Edwards said.

"It's not as important for us where we go. It's the people that we're interested in. 'Do we know the people? Do we respect them and trust them and admire them? And then, are they able to build it?' " he said.

The 67-year-old Edwards said he wants to work "forever," but he looks forward to the sixth generation succeeding him. His son, Benjamin F. Edwards V, who turns 25 on Oct. 14, is working for [Goldman Sachs](#) as a private equity analyst in New York City. A graduate of Mary Institute Country Day School and [Princeton University](#), he is interested in returning to St. Louis someday.

His father said: "It would be fun to work with my son just as my father, grandfather and his father did."

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### **Timeline: From A.G. Edwards to Benjamin F. Edwards: Five generations of the Edwards family in St. Louis**

**1887** -- Albert Gallatin Edwards, Tad Edwards' great-great-grandfather, establishes A.G. Edwards & Sons, with his son, Benjamin Franklin Edwards I. The firm is the only brokerage in St. Louis that works with local banks to place trades on the New York Stock Exchange.



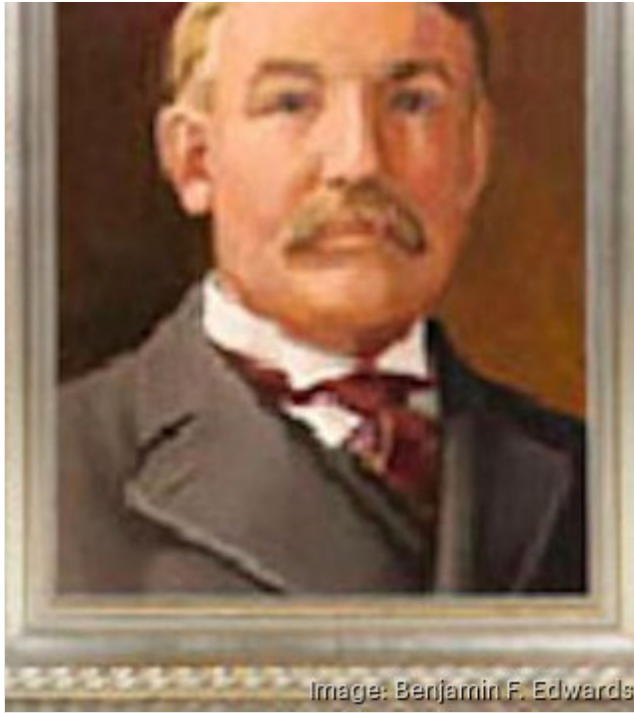


Image: Benjamin F. Edwards

Benjamin Franklin Edwards I, 'Tad' Edwards' great-great grandfather who established A.G. Edwards

BENJAMIN F. EDWARDS

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1925 -- Presley Edwards, son of Benjamin F. Edwards I, joins A.G. Edwards.



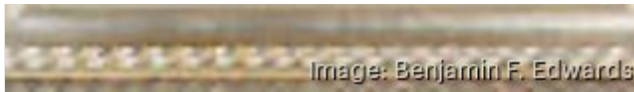


Image: Benjamin F. Edwards

Presley Edwards, the son of Benjamin Edwards I.

BENJAMIN F. EDWARDS

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1929 -- Presley Edwards is named managing partner of A.G. Edwards and leads the firm through World War II and the Great Depression.

1966 -- Benjamin F. Edwards III, Tad's father, assumes leadership of A.G. Edwards from Presley Edwards, Tad's grandfather.



Image: Benjamin F. Edwards

Benjamin F. Edwards III succeeds Presley Edwards as the head of A.G. Edwards

BENJAMIN F. EDWARDS

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**1971** -- A.G. Edwards issues stock and goes public.

**1977** -- Tad Edwards joins A.G. Edwards.

**2007** -- Wachovia Securities acquires A.G. Edwards, the 120-year old firm founded by Tad Edwards' great-great-grandfather and led by his father, Benjamin F. Edwards III, for 40 years. He stepped down in 2001.

**2008** -- Tad Edwards leaves Wachovia Securities and establishes Benjamin F. Edwards & Co. in Clayton.

**2009** -- Benjamin F. Edwards opens its first branch in Springfield, Missouri.

**2013** -- Benjamin F. Edwards crosses 100-adviser threshold, adds investment banking and mergers and acquisitions to its service offerings.



Image: Benjamin F. Edwards

Benjamin F. Edwards sees significant growth since its founding in 2008

#### BENJAMIN F. EDWARDS

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**2018** – Has about 70 branch offices and about 600 employees in 27 states.

**2022** – Has 92 branch offices and 716 employees in 32 states as of Aug 31

2022 has 72 branch offices and 710 employees in 52 states, as of Aug. 31.



The lobby of Benjamin F. Edwards in Clayton

BENJAMIN F. EDWARDS

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*Source: Benjamin F. Edwards*