



Doug Brown, Founder and CEO of DLB Capital, and HighTower Advisors Featured in the Wall Street Journal

Leaving Wall Street Behind

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A new financial-services firm has set its sights on Wall Street brokers who would like to go in a different direction: becoming independent investment advisers.

HighTower Advisors' target market is brokers who want to go out on their own but don't want to assume all the responsibilities of running their own business.

The Chicago-based company absorbs the costs of starting an investment-advisory business, which can include technology, legal support, office space and equipment. HighTower also provides accounting, legal and compliance support, while allowing advisers to make decisions about their business, such as the technology applications and news feeds they use.

Financial advisers own 25% of HighTower and have input in the strategic direction of the firm. HighTower advisers are paid based on their revenue and expenses.

Among the firms providing capital to HighTower: M.D. Sass-Macquarie Financial Strategies Fund, a private-equity fund, and investment manager Franklin Resources Inc.'s Franklin Mutual Advisers unit. The firm's directors, who also are equity owners, include David Pottruck, former CEO of Charles Schwab Inc., and Doug Brown, former vice chairman of investment banking at Morgan Stanley.

HighTower's leadership team and financial backers engender confidence, says Danny Sarch, founder of executive-recruiting firm Leitner Sarch Consultants. How well HighTower can execute its plan remains to be seen, he says. "Time will be the judge."

Meanwhile, in an arbitration claim filed with a securities regulator, U.S. Fiduciary, a firm that previously employed HighTower Chief Executive Elliot Weissbluth and another HighTower employee, alleges wrongdoing in hiring the employee away and in soliciting U.S. Fiduciary clients to HighTower. HighTower says it hasn't seen the claim and can't comment on it.

— *Compiled by Dow Jones Newswires reporters Daisy Maxey, Brett Philbin and Kristen McNamara, at daisy.maxey@dowjones.com, brett.philbin@dowjones.com and kristen.mcnamara@dowjones.com*