

## INVESTMENT ADVISOR'S TOP 25 INDEPENDENT BROKER/DEALERS . . .

**A LOOK AT** the decline since 2007 in the aggregate gross revenues of the broker/dealers in our annual directory doesn't necessarily mean it's time to cut costs, argues Art Grant, president of the mid-size broker/dealer Cadaret, Grant. Grant challenges the notion that shrinking client assets and low compensation are reasons to "squeeze an additional 10th of a percent out of margins. Don't be stupid about how you spend your money," he advises instead. While "reps want to be compensated as fairly and greatly as possible," he acknowledges, taking a bigger cut from the client or client firm "is not how you solve the issue of client assets shrinking. Increase their assets. That's how you solve it." — **Marlene Y. Satter**

### BY ANNUAL REVENUE

RANK	COMPANY	2009 GROSS REVENUE (\$ MIL.)	2009 B/D TOTAL EXPENSES (\$ MIL.)	2009 FEE-BASED REVENUE (\$ MIL.)	2009 AVG. B/D CONCESSION PER REP (\$ THOUS.)
1	LPL INVESTMENT HOLDINGS, INC.	\$2,750.00	\$2,576.00	\$704.00	\$183.04
2	RAYMOND JAMES FINANCIAL SERVICES, INC.	\$835.00	\$757.00	\$251.99	\$270.98
3	AXA ADVISORS, LLC	\$491.00	NA	\$58.00	\$78.00
4	COMMONWEALTH FINANCIAL NETWORK	\$488.48	NA	\$225.79	\$302.00
5	SECURITIES AMERICA, INC.	\$412.14	NA	\$134.75	\$167.96
6	NORTHWESTERN MUTUAL	\$378.64	NA	\$108.54	\$49.83
7	METLIFE SECURITIES <sup>1</sup>	\$377.09	NA	\$32.06	\$61.29
8	ROYAL ALLIANCE ASSOCIATES	\$317.46	NA	\$110.28	\$183.89
9	FINANCIAL NETWORK INVESTMENT CORPORATION	\$309.77	\$298.47	\$101.12	\$139.80
10	NFP SECURITIES	\$309.50	NA	\$62.87	\$216.13
11	JOHN HANCOCK FINANCIAL NETWORK	\$287.92	\$122.35	\$19.92	\$75.00
12	NATIONAL PLANNING CORPORATION (NPC)	\$258.21	\$260.67	\$49.18	\$154.87
13	WADDELL & REED, INC.	\$250.37	\$273.66	\$43.99	\$92.82
14	CAMBRIDGE INVESTMENT RESEARCH, INC.	\$249.56	\$237.65	\$130.16	\$157.83
15	FSC SECURITIES CORPORATION	\$229.08	NA	\$75.47	\$192.76
16	SAGEPOINT FINANCIAL	\$227.26	NA	\$50.85	\$125.34
17	WOODBURY FINANCIAL SERVICES	\$223.20	\$223.20	\$16.80	\$118.00
18	FIRST ALLIED SECURITIES, INC.	\$209.06	\$202.48	\$44.93	\$248.30
19	H.D. VEST FINANCIAL SERVICES	\$207.62	NA	\$58.40	\$39.20
20	NEW ENGLAND SECURITIES <sup>1</sup>	\$194.33	NA	\$28.93	\$94.86
21	PRIMEVEST FINANCIAL SERVICES, INC.	\$183.47	\$172.06	\$6.07	\$126.50
22	PRINCOR FINANCIAL SERVICES	\$182.20	\$187.56	\$18.05	\$69.14
23	INVEST FINANCIAL CORPORATION	\$175.09	\$171.23	\$22.18	\$151.04
24	M HOLDINGS SECURITIES, INC.	\$130.00	\$8.20	\$3.60	\$294.12
25	TRANSAMERICA FINANCIAL ADVISORS, INC.	\$127.10	NA	\$20.30	\$88.80

All data is as of April 1, 2010, and was supplied by the broker/dealers themselves; *Investment Advisor* has not independently confirmed the data.

<sup>1</sup>Part of the MetLife Broker/Dealer Group

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**IT'S NO SURPRISE** that there's been quite a bit of turnover in the rep ranks of IA's surveyed broker/dealers since 2007. But in our annual Presidents' Poll of the 58 leaders of the broker/dealers in our directory, a third of the respondents said the single biggest challenge for their reps forces would be selling or transitioning their practices as they age. And a number of the presidents thought that finding and training the next generation of advisors is the most important issue facing the industry. Recruiting budgets overall are up, with just a couple of firms saying they're dialing back their spending in that area, and several mentioned recruiting and/or adding staff as one of the most important home office changes they've made over the past year. —**Marlene Y. Satter**

## BY NUMBER OF REPS

RANK	COMPANY	PRODUCING REPS	REPS ADDED IN 2009	REPS DROPPED IN 2009	FIRM'S YEARS IN BUSINESS
1	LPL INVESTMENT HOLDINGS, INC.	11,950	NA	NA	42
2	NORTHWESTERN MUTUAL	5,759	NA	NA	42
3	METLIFE SECURITIES <sup>1</sup>	5,395	1,836	2,475	26
4	H.D. VEST FINANCIAL SERVICES	5,097	520	792	27
5	AXA ADVISORS, LLC	5,051	1,472	1,828	11
6	RAYMOND JAMES FINANCIAL SERVICES, INC.	3,266	559	404	35
7	PRINCOR FINANCIAL SERVICES	2,308	259	293	42
8	WADDELL & REED, INC.	2,235	907	870	73
9	NEW ENGLAND SECURITIES <sup>1</sup>	2,232	728	774	41
10	FINANCIAL NETWORK INVESTMENT CORPORATION	2,003	195	569	27
11	SECURITIES AMERICA, INC.	1,906	NA	NA	26
12	JOHN HANCOCK FINANCIAL NETWORK	1,896	NA	NA	41
13	GENWORTH FINANCIAL SECURITIES CORP.	1,879	98	294	28
14	CAMBRIDGE INVESTMENT RESEARCH, INC.	1,729	461	178	29
15	WOODBURY FINANCIAL SERVICES	1,700	356	NA	100
16	ROYAL ALLIANCE ASSOCIATES	1,572	123	430	21
17	NATIONAL PLANNING CORPORATION (NPC)	1,509	450	294	12
18	SAGEPOINT FINANCIAL	1,506	188	741	39
19	AMERITAS INVESTMENT CORP.	1,441	525	384	25
20	NFP SECURITIES	1,432	189	202	13
21	TRANSAMERICA FINANCIAL ADVISORS, INC.	1,428	693	467	26
22	COMMONWEALTH FINANCIAL NETWORK	1,343	170	87	31
23	SECURIAN FINANCIAL GROUP, INC.	1,192	NA	NA	26
24	PRIMEVEST FINANCIAL SERVICES, INC.	1,191	303	890	25
25	FSC SECURITIES CORPORATION	1,051	147	355	51

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