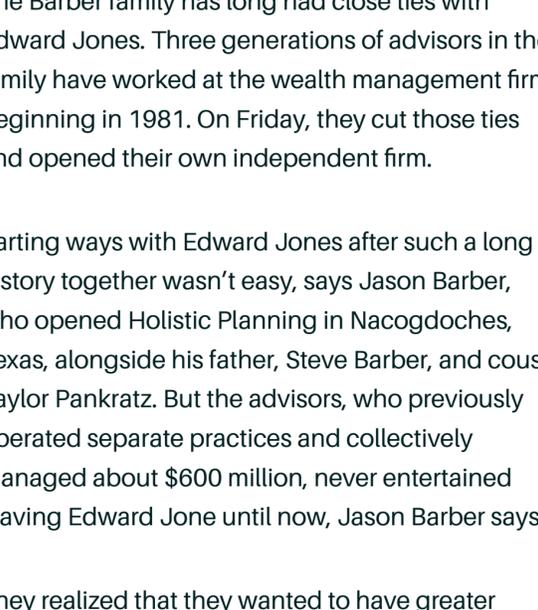


Family of Edward Jones Advisors Exits to Form New RIA

By [Andrew Welsch](#)

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Steve Barber, Jason Barber and Taylor Pankratz

PHOTO ILLUSTRATION BY BARRON'S ADVISOR

The Barber family has long had close ties with Edward Jones. Three generations of advisors in the family have worked at the wealth management firm, beginning in 1981. On Friday, they cut those ties and opened their own independent firm.

Parting ways with Edward Jones after such a long history together wasn't easy, says Jason Barber, who opened Holistic Planning in Nacogdoches, Texas, alongside his father, Steve Barber, and cousin Taylor Pankratz. But the advisors, who previously operated separate practices and collectively managed about \$600 million, never entertained leaving Edward Jones until now, Jason Barber says.

They realized that they wanted to have greater flexibility and autonomy. Being independent will enable them to do that, the advisors say.

"We wanted to control our own destiny," Pankratz says.

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Going indie. The Barber family isn't alone. Hundreds of advisor teams have left big wealth management firms to join the independent advisor sector. Many more are likely to follow, according to research firm Cerulli Associates. Just over 70% of advisors say they prefer the independent model, but only 44% of advisors are currently independent, according to Cerulli. Advisors are drawn to independence because they want greater autonomy, to be a fiduciary for clients, and the ability to build equity in their own business.

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Like [other brokerage firms](#), Edward Jones has lost advisors to the independent space. Just days before the July 4 holiday weekend last year, [Jennifer Marcontell](#), one of Edward Jones' top financial advisors, quit the firm to open an independent practice with [Ameriprise Financial](#). Marcontell oversaw \$1.7 billion, according to Ameriprise. In January, Commonwealth Financial Network, a hybrid registered investment advisor and independent-broker dealer, [recruited a group of advisors from Edward Jones](#) who oversaw nearly \$1 billion in client assets.

Advisors going independent have many ways to do so including working with an independent broker-dealer or opening their own RIA. The Barber family chose the latter.

"We can be 100% fiduciary, fee-only," says Steve Barber, adding those aspects of an RIA were particularly attractive to him.

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Jason Barber says they foresee expanding their services for investors, such as by adding tax preparation services. "We want to offer people a one-stop shop for clients' needs," he says.

His father adds: "I'm a big believer in not just making money, but saving money. If we can better design your portfolio to minimize your taxes, then that is a huge value proposition."

The advisors chose BNY Mellon's Pershing as their custodian. It's one of the three largest custodians in the industry, the other two being [Charles Schwab](#) and Fidelity.

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Ben Harrison, head of wealth solutions at Pershing, says his firm is not only seeing more advisor teams interested in breaking away to open RIAs, but larger ones. "We used to see smaller teams, like \$200 million. Now we see them getting larger, north of \$500 million," he says.

Advisors are attracted to the entrepreneurial aspects of running a business, such as being able to pick what technology tools they use with clients, he says. Pershing helps breakaways with transition planning and aspects of practice management, such as selecting software providers. "We have a very high-touch process and dedicated service teams," Harrison says. "Within the wealth solutions business, we have 900 clients on the platform, 700 of which are RIAs. That's important. We don't serve thousands; we serve hundreds, and they tend to be the upper echelons of the business."

A family business. The Barbers' ties with Edward Jones date back to 1981, when Steve's father, Paul, joined the firm after a 28-year career in the U.S. Air Force. Paul opened a new office for Edward Jones in Nacogdoches. Steve became an Edward Jones advisor in 1992. Jason Barber and Taylor Pankratz joined the company in 2011 and 2020, respectively.

Pankratz worked in the oil and gas industry after graduating from Texas A&M University. But he decided to change careers after a Thanksgiving dinner with his extended family. "I remember Steve saying he was a pallbearer at a funeral for one of his clients. And I was struck by that," Pankratz says. "Here they were impacting people's lives in a really meaningful way. That piqued my interest." He worked as an advisor at [Raymond James Financial](#)

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in Houston for four years before relocating to Nacogdoches, his hometown, to work for Edward Jones.

Although Steve Barber operates in a city of just 32,000 people, his client base grew over the years to include clients in other states, he says. "Our oldest client dates back to 1981," he says. "They're in their 90s and still a client."

Barber says he has long tried to stay ahead of industry trends and offer holistic financial planning to his clients. He became a Certified Financial Planner in 1998. (The CFP is the industry's [go-to professional designation](#), and there are 95,000 CFPs.)

For his part, Steve Barber is looking forward to nurturing the growth of the new RIA and building a lasting enterprise, he says, noting he has served some clients for decades. "I tell them we'll take care of you for the rest of your life...We want a 100-year relationship," Barber says.

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