Recruiting's Next Big Challenge

EDITORIAL STAFF
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We recently sat down with industry headhunters for our annual discussion about the job market for financial advisors. They discussed the big stories: the state of recruiting, acquisitions, corporate culture, branch managers and the size of the deal in coming years, just to name a few.

You probably don't often get the chance to talk to a roomful of recruiters and get their insights. But you don't have to. That's our job. So read the next several pages to get a feel for what's coming down the pike, and where you're likely to find your best opportunities.

FRANCES McMORRIS, Editor-in-Chief, On Wall Street magazine: At the recent SIFMA conference, Mary Schapiro, head of the SEC, said that regulators are looking to create new rules for broker pay. What will really happen, and what will it mean for recruitment?

BILL WILLIS: First, these aren't bonuses, they're loans. They're really enhanced payouts for long-term deals. And the way the deals are today, some of them encourage revenue on the back end. That can be seen as a conflict of interest. I see an environment now where deals remain as they are, yet the rear-end bonuses are based on asset transfers rather than revenue creation, so there's not the implied conflict of interest.

DANNY SARCH: I think it's much ado about nothing. Not that we should ignore what she's saying, but unless Ms. Schapiro has data that shows that recruited brokers truly have more compliance problems than the population at large, then I don't see what the issues are. The crisis that the country went through had nothing to do with retail brokerage.

STEVE ROSEN: It's overkill. [Most of] the deals are asset based, not revenue based. If a financial advisor has a deal based on transferring assets from firm A to firm B, I don't see how that interferes with their moral obligation or fiduciary responsibility.

RICK PETERSON: This is a witch hunt. They should be concentrating on things like the products and services that are being offered to high-net-worth clients, or on the sexy names that we never heard about from Goldman or Credit Suisse, or on some of these other firms that other people can't have access to. That's what the SEC should be looking at, things that actually caused this financial crisis in the first place.

MICHAEL KING: Years ago, most deals had a component for a higher payout for the brokers. There was a lot of worry that this was encouraging them to churn their clients. I think what's going to happen now is the deals are going to be all asset based on the back end-not a combination of production and assets.

MINDY DIAMOND: I'm hoping I'm reading this right-that the intent is that the SEC wants to make sure the firms have policies and procedures and infrastructure in place to monitor their own risky behavior or their own advisors, to protect their own clients.

MICKEY WASSERMAN: I'm concerned. I think that upfront bonuses are being targeted by Schapiro. I think the entire industry is under scrutiny. We can go through what they should be looking at all we want, but the bottom line is they're looking at everything.

RICH SCHWARZKOPF: The big problem might be the IRS, not the SEC. These are not forgivable loans; they're an incentive to move. The IRS has looked at this for years and they may decide this is compensation that will be taxed in the first year.

CARRIE DEGENHARDT-BURKE: Rich is exactly right. The IRS is going to be the only one that's really going to be able to do something about it because there are always loopholes.

DIAMOND: The message to advisors is that the way the deals are structured now, it's as broker-friendly as it may ever be. So for advisors, if you've got any thought about making a move at some point, perhaps do it sooner rather than later.

SARCH: We've all placed people who have gotten big upfront checks. But the question is, are they still doing what's best for the client while they're doing that?

KING: I agree the IRS is going to be an issue, but I think all the firms have tried to work from the idea that these are loans. Merrill, Smith Barney or UBS wouldn't have phrased it this way if they thought they were going to get into trouble.

ROSEN: Many times clients are the direct beneficiaries of a move, because of reduced fees in the first couple of years. I've never heard of a client suffering because an advisor has made a move. At the end of the day, it's still business and it's competition for top talent.

PETERSON: And if the broker really feels as though he's getting better products, services and capabilities at a new firm than he does at his former firm, there's nothing wrong with him telling the client, 'Look, here's why I'm making a move. Oh, and I'm getting an incentive check.'

WILLIS: The SEC is there to protect the investor. If the investor does not want to move from one firm to another and the broker is moving, it's a perfect time for them to change brokers and stay at the old firm.

WASSERMAN: At the end of the day, the broker needs to build trust. And over the past couple of years, trust has been shot. By the administration, by Dodd-Frank, and now by Schapiro. They're all trying to elevate themselves by putting Wall Street down.

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OWS: Let's talk about the size of deals. What did you see in 2010, and what can we expect to see in 2011?

SCHWARZKOPF: I think the final numbers will show somewhere around 50% fewer brokers moved in 2010. We know the big wirehouses are still offering big deals, but they're losing brokers hand over fist. In a recent 18-month period, the wirehouses lost 7,300 brokers.

OWS: Where did they all go? Regionals? Independents?

SCHWARZKOPF: They didn't go to other wirehouses; About 7,300 left the wirehouse system. They went to independents, RIAs and the regional firms-even though the regional firms really reduced their recruiting. Then people are leaving the industry too.

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OWS: But just how big are the deals?

DIAMOND: Well, the top deals are 330%-plus, because in many cases an advisor can get deferred comp paid on top of that. What we have seen, however, is that there has been a tremendous shift in momentum in the last 90 to 120 days-in terms of the retention packages that were paid at the major firms and the whole wait-and-see game. My prediction is that 2011, at least first and second quarter, will experience big movement.

PETERSON: Rich is right, the total number of brokers who are available to move has decreased dramatically over [the] past several years. And the number of clients who have a $1 million or more in investable assets has also decreased dramatically because of the financial times we're in. As we see the number of wirehouse brokers decreasing, I don't think it's so much that they're going into other industries. I think more of them are going independent because the regional firms haven't increased their ranks dramatically.

ROSEN: Recruiting is down, of course, because of the meltdown, and the mass consolidation and retention packages. As people come off retention packages, movement will pick up. I think deals are going to stay relatively high because the pool to recruit from is shrinking. What I'm also seeing is a reverse trend of people who are independent going to a wirehouse, either for the first time or returning, because it's easier to just focus and run your business. When you combine that with these massive deals they're being paid, it does make business sense.

SARCH: I disagree with Steve about the independents. I think that one of the reasons that independence is more appealing now is that their capabilities have now come to match the big firms. Ten years ago the wirehouses had capabilities that no regional or small firm could match. Today, they pretty much have the same things.

WILLIS: If we talk to every one of our clients they'd all say they want to grow. I don't think anyone would say they want to shrink. But we have fewer people in the pool, so it's no wonder the deals are bigger and better than ever. It's just simple supply and demand. Training is a great point; we need to train people. Merrill and Morgan have started programs but it's not enough to just replace the people who are going to retire or die.

SARCH: Nobody's really figured it out. Only one in 10 is still making it.

WASSERMAN: As far as that's concerned, the one in 10 making it, I don't think we should segregate the financial industry from any other sales industry. One in 10 makes it in real estate, in insurance, in auto sales, in copier sales, in any kind of sales. Let's not fight history.

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OWS: So how will wirehouses fight back?

WASSERMAN: I don't know if this is a prediction for 2011 or 2012, but I am not sure why the wirehouses don't open up an independent side, like Wells Fargo or RBC have. What a perfect solution to this dilemma.

PETERSON: A lot of firms have done it. Back when Wheat First-which is now part of Wells Fargo-first came out with the program, a lot of firms started looking at that financial model saying, 'Gee, how are they doing this?' There is still a lot of analysis going on to [determine if] both can run independently. Raymond James apparently is doing it independently and doing it well.

DIAMOND: Another thing to consider is that the wirehouses have spent a lifetime badmouthing the independent space-saying that the only advisors that leave the wirehouses to go independent are the advisors who couldn't cut it. If, in fact, they figure out the economics and launch [an independent brand], they've got a major PR or marketing nightmare ahead of them to assuage the feelings of the people they've upset all these years.

WILLIS: If they're going to let a number of their people go independent, they've also got an economic problem. And that's real estate. Most of these firms own way too much real estate, way too many leaseholds, and way too many empty desks. If they open it up and say, 'You can all go independent and we've got a model like Wells does with FiNet,' their problem gets bigger-specifically the merged firms. Their real estate problems are difficult now and could be made much more difficult.

ROSEN: Wells Fargo does what they do because they have no specific identity. They're everything to everyone. I look at them like the Caribbean, it's not one big country, it's a lot of little islands grouped into one. Wells is a lot of firms rolled into one, and it doesn't appeal to many of the larger advisors with more sophisticated businesses. For a company like Merrill Lynch, Morgan Stanley or even UBS, going that route doesn't make business sense, and it's not who they are. I think these days, more than ever, you have to take a hard stance on who you are and who you're going to be and stick to that. You can't cater to everyone.

KING: The big thing is that the firms have looked at this in the past because when Wells Fargo did it, it was not economically feasible. Whether this changes as time goes by, we'll have to see. But I'm sure there was a lot of pressure on the big firms to consider doing it anyway. [They asked themselves:] 'Why did Wells Fargo do this? Why can't we do it?' And the profit formula-where you have a broker and you have a 75% payout and they cover their own expenses-was never done at any of the firms. Those things have not been profitable so far. The economics will determine that. The profit formula would be a good program to keep brokers in place.

SARCH: The elephant in the room for the wirehouses is whether they truly believe that the broker has their business. When they recruit them, they say it's your business and we want you to bring your business. But when the advisor leaves, they badmouth the guy who left and give out his accounts. All the firms do that. I'm waiting for the firm to stand up and say: 'We really do believe it's your business. We believe in ownership of your business.' Raymond James has done that. Janney has done that to a certain extent. But when you do that, you're empowering these guys, at least acknowledging that the relationship is the key thing. The firms are careful. They're not sure whether they want to do that because of their brand issues, and at a given moment in time, they're losing more people than they're gaining.

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OWS: What about branch managers? What's the outlook for them?

WILLIS: It's a very difficult time for branch managers. All of us probably have been contacted by branch managers who are out of work and want to get back on track and get back to the comp level they were at before. It's sad. They are very talented people and suddenly their careers are quite limited compared to how they lived five or 10 years ago when many of them started. Even those who were the winners, in many cases are not being compensated as they were before. Those who were the losers, well they're in trouble.

PETERSON: We've come full circle. We've gone from producing branch managers-20 to 25 years ago- being the norm, to excessive demands by admin, by operations and by compliance. So they started forcing these managers to give up their books and go back to being nonproducing. And now we're back to producing branch managers and most of these guys don't have books anymore. They have to start from scratch. It's sad to see very competent branch managers who can't get jobs elsewhere. There are no jobs. Branch managers have been forced to take other avenues. Some of them have gone the RIA route and started their own firms.

KING: There are almost no jobs for branch managers now, really almost none. If we have a superstar, we'll get an offer from time to time, but otherwise you won't. And I'm concerned about the idea of producing managers. I don't think it worked well 25 years ago when we went through it.

When you're a manager, you need to be doing your business with your brokers. If you produce also, how is that going to work? That's the trend. We'll have to wait and see.

SARCH: I don't think we're going to go back to producing managers. The firms would like it because it's putting revenue into the seat that is non-revenue generating. But I don't think that the regulators will accept it. So the firms will have to accept a branch manager in that role and the branch managers just have to accept that they're going to make less money. And since all the firms are paying less, they just can't hop to another firm to get more. The standards have come down.

ROSEN: There are going to be winners and losers. The subpar managers are going to be gone because of the supply and demand. The mid-range, talented managers are going to be stuck where they are if they have nowhere to go and the compensation is down. But the top 10% or 20% of the branch complex managers that have a good brand name for themselves, have a following and run a good shop, are becoming more appreciated. They will actually become the winners at the end of the day.

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OWS: What was the biggest story in recruiting in 2010, and what's the biggest story going to be in 2011?

SARCH: The biggest story was UBS being under unbelievable siege at the beginning of the year and then coming back later in the year. They were such a big loser in the first quarter and they've [weathered] that. The other thing is clearly the Morgan Stanley Smith Barney merger, and how that's unfolding, which is very different market to market around the country.

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OWS: On that point, James Gorman said they're committed to making this venture work and buying up more of Smith Barney. Is the joint venture really going to be a big winner in the industry?

WILLIS: When you have a merger of equals, it's always a long and difficult process to meld that culture into one. We've probably all had conversations with Smith Barney people who aren't happy with Morgan Stanley. It's no fun being the one that's bought. And there's a lot of criticism from those people on the Morgan side. In other parts of the country, where the Smith Barney folks have leadership roles, some of the Morgan people feel minimized; particularly the management that report under them. Time and good work by senior leadership are probably going to make it all come out well, but it's not going to happen right away.

DIAMOND: The thing they did incredibly well was to make the decision that they wanted to start this calendar year with most of the major integration changes behind them. The technology, the platform and the thought leadership, is second to none. They've combined or they are combining the best of both firms.

PETERSON: Firms have perhaps misunderstood for years the morale factor of the brokers in their offices. The morale of a broker in his office is largely dependent upon his branch manager. The branch manager in 2009 and 2010 was dramatically cut in pay. Therefore, his enthusiasm and his morale is shot. He sees fellow managers who were friends of his getting out of the business, or terminated and not finding any other jobs. It's bound to affect him. That filters on down to the force below him.

DEGENHARDT-BURKE: When I ask brokers who are thinking of going to Morgan Stanley what attracts them, they will ultimately say the name opens doors. It's got the best name on Wall Street. It's actually got a better name, I think, these days than Goldman Sachs.

SARCH: I'm negative on the Morgan Stanley story, which probably doesn't surprise anybody here. James Gorman, when he ran Merrill Lynch, said the biggest challenge of running a big retail sales force was that the client experience could vary so much from advisor to advisor. Here he is now running a larger firm and that concern is so strong that what they've essentially done is remove the ability of advisors at the point of sale to make decisions as entrepreneurs. I also question the whole concept of scale, which is wonderful if you can say that it's equally distributed. But when you end up with two offices in Purchase; two offices in Greenwich; two offices in Stamford; and two offices in Westport, they're stumbling over each other. You lose the benefit of scale when I can no longer go after an account because my colleague here-who is also at my firm-has that account.

KING: I think the Morgan Stanley Smith Barney situation is a work in progress. It is not perfect and you have a lot of unhappy brokers, more on the Smith Barney side. So it will take some time but they know what they're trying to do, and it will work out.

ROSEN: You have these two elite, behemoth companies that have joined together-of course there are going to be growing pains and speed bumps. At the end of the day you have a CEO who is very smart and understands the business. Morgan Stanley Smith Barney is the only major firm that's not owned and run by a bank, where a large portion, I think it's 35%, 40% of their revenues, is derived directly from retail. At Bank of America, that's far from the case. If Merrill Lynch fell into the ocean it would probably take the board of directors three months to figure it out. They wouldn't miss them.

WASSERMAN: I find the unhappiest brokers out there are the former Smith Barney brokers. They were two behemoths that actually merged together and the big difference was the cultures between Morgan Stanley and Smith Barney.

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OWS: What are the differences between those cultures?

WILLIS: If you ask legacy Smith Barney people, they would say that they were the most consultative financial advisors in the industry. Whereas Morgan Stanley traditionally has been more marketing oriented; capital markets, transactions in that regard. Nothing is wrong with either one. They're two somewhat different approaches to the business, but when one buys the other, there is resentment. That has to be worked through.

DIAMOND: I think that the cultures were actually very similar. They were both viewed as industry leaders, maybe that's where some of the clashes come in because both saw themselves as industry leaders and neither necessarily want to give up the control.

SARCH: I strongly disagree. I think that Morgan Stanley viewed itself as a distribution system. That culture has stayed. It's not as overt as that, but managers are still questioned about how much product they're moving. It is still that type of culture. Smith Barney, as Bill said, had a very consultative culture. Each advisor was very much an entrepreneur. Then they went to a manager who had his franchises to get things done.

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OWS: Who in the next year is going to pick up, or lose, the most brokers?

WASSERMAN: If you're talking about new recruits, I'd say UBS. If you mean net numbers, then Merrill Lynch is going to be at the top of the game.

DEGENHARDT-BURKE: As far as UBS goes, I believe it is their intention to stay at the same number of brokers. Regarding a loser, I'm going to put my money on Merrill Lynch again. They're actually starting to take some of the offices at Merrill Lynch and they're putting in bankers, instead of the traditional branch managers that we know are getting laid off.

PETERSON: I hear from branch managers at UBS that the guns are pointed at their heads every day. Recruit, recruit, recruit. Maybe it's just to replace the people who are leaving, but my judgment is that UBS will continue to be the loser.

WILLIS: I don't think there's going to be a big winner or loser. The Big Four are going to trade punches all next year. In terms of a percentage gainer, J.P. Morgan Securities is going to be a big winner. They have a mandate; they want to add 100 brokers, and that takes them up about 25%. They're opening new offices and people are interested in their story. It's a different story, and it's an interesting story.

ROSEN: I'm curious to see how BofA and Merrill are going to recruit over the next couple of years. This new 14-year deal that they put out says to the financial advisor: 'We're locking you in. If you leave, you're going to get beat.' I'm not quite sure that's what the market and advisors need to see and hear at this point. That's going to work against them very aggressively.

WASSERMAN: If Merrill needs to change a deal in order to recruit because it was an unpopular deal, they'll change it.

SARCH: UBS has done a great job in terms of leadership. [Bob] Mulholland has resonated tremendously throughout the firm. They've also changed the culture-contrasting with Morgan Stanley Smith Barney-by empowering the branch managers. This is a grand experiment because you've got a firm that has essentially taken away the power of the branch manager and another firm that has given it to them. Time will tell which one essentially is right, but I think advisors will prefer UBS.

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OWS: We mentioned JP Morgan. What's their story going to be in 2011 and what kind of advisor are they looking for?

WILLIS: I believe they're about 350 strong right now. They want to add 100 next year and I think they'll do it. They're going to open in a few new markets where they've never been. They're looking for mature, successful folks. They will take on someone who is newer in their career showing promise and make a bet on that type of person. Their recruiting deals don't match Merrill Lynch or Morgan Stanley but they have been enhanced.

DIAMOND: The boutique firms in general have been very big winners. Like Credit Suisse or Deutsche Bank or the Bear Stearns unit of J.P. Morgan. The reason is that advisors want to get out of being one of 18,000 or 15,000 or 14,000. They like being one of 300 or 400. The one negative that we hear about J.P. Morgan is that the Bear Stearns advisors will get access to all things J.P. Morgan, but in real life I'm not sure that it really works that way.

SARCH: There's no question that the name J.P. Morgan is absolutely stellar so people want to hear the story. They're aware of certain holes: Bear Stearns' legacy firm was a transactional firm; they were late to get into managed money; they were late to add banking products; they still don't have insurance and annuities. They're fixing these things and are very aware of it while they're trying to appeal to a broader base. And people like that it's entrepreneurial.

KING: The name is absolute magic. Want something different? You have J.P. Morgan. One of the biggest questions is going to be how are they going to work with J.P. Morgan Private Bank. There's inherent conflict here. The brokers don't all have access to some products they would like. It's really Bear Stearns dressed up very well. It may work.

ROSEN: I disagree. They've actually done a poorer job of integrating with Chase than they've done with the J.P. Morgan Private Bank. They've done a better job with J.P. Morgan Private Bank and they've done a bad job so far having the banking part available to the broker.

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OWS: Will we see more consolidation in 2011 and 2012?

SARCH: I think that firms are very nervous about that because the takeovers have been disasters. I'm not talking about the Morgan Stanley Smith Barney deal, which is a merger basically of equals. But when a big firm has taken over a small firm, I don't think anyone is looking back and saying: 'Boy, this was great.' Merrill and Advest, Smith Barney and Legg Mason, UBS and Piper Jaffray, even to an extent what Wachovia paid for A.G. Edwards, which was three and a half times book, I don't think that any one of these deals really overwhelm people after the fact. And the percentage of the advisors at those smaller firms who stay is below 20%.

PETERSON: I agree with Danny, but I think the wild card in there is UBS. They're at a number where they really can't compete effectively from a scale perspective with the majors. Are they major? Are they a large independent? I'm not really sure and I'm not sure that there aren't discussions going on at all times whether somebody should buy them or whether they need to buy somebody else. So I don't see an enormous number of regional firms getting gobbled up unless it's UBS that does it.

SCHWARZKOPF: I think that consolidation will take place in the independent world, not the regional or wirehouse world. I think you'll see LPL eventually be the biggest firm in the country. They're up to 9,374 just on the registered Series 7. If you count the 6, they're over 12,000.

WASSERMAN: I agree with Rich, there will be a lot of consolidation in the independent world. But where we're going to see, I believe, the biggest change in consolidations are the solo independent practitioners partnering with other solo independent practitioners.

WILLIS: There'll be a lot of M&A in that space. I think part of it is going to be prompted by LPL's ability to come public. I think to compete against LPL, if you're another independent, you're going to have to get a little bigger. But I would also agree that UBS is the wild card.

PETERSON: LPL is one of the largest brokerage firms in the United States. But if there is a roll-up, as Mickey suggested, in the independent world, you can see LPL being a major player.

DEGENHARDT-BURKE: A lot of you guys last year were saying that UBS wasn't going to be around in 12 months. It's still here. They're sinking a lot of money into it and so that basically says to me that it's not for sale right now.

ROSEN: I slightly disagree with Carri. If a house needs repairs, you're going to fix it up before you sell it. So just because they're putting money into it and actively recruiting, I'm not sure that's an indicator either way of where the firm's really going to be in regards to being sold.

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OWS: Tell me your impressions of Raymond James.

SARCH: I like them. They're very well run. I think they put it in writing that the broker owns their book, which means when they leave they don't solicit it. It's right in the offer letter. The deals are increasingly more competitive although they're nowhere near the big firms. But the combination of the pay, deferred comp, retention bonus-they have it built into their compensation plan that they get a retention bonus every five years-is very attractive.

DIAMOND: They haven't been terribly successful in recruiting. A lot of the regionals in the last couple of years have fallen into the neither-here-nor-there category. That's exactly where Raymond James is.

PETERSON: They could very well be a target for acquisition after Tom James retires and the James family starts to sell out or decides to sell out.

SARCH: I disagree. Tom James is no longer the CEO; he's the chairman so that's already happened. I think that because they put it in writing that even the employees own their own book, so now you've got a combined sales force of [true] independents as well as advisors [who] own their own book. Somebody could buy them but what would you be buying? They all could leave. They have a bank that didn't have any kind of bad loans, didn't do any kind of the subprime stuff. They just serviced their brokers and their clients very well. The people there are very happy.

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OWS: In general, what are you expecting to happen with recruiting next year?

DIAMOND: It's going to be a big year. I think that as quiet as at least the first seven, eight months of this year were, there is a lot of pent-up demand.

ROSEN: It's going to get better. Still the same fundamentals are there where there are only a few big shops that cause most of the action. The most important catalyst will be retention packages expiring. That will fire the market.

KING: Recruitment will improve, assuming that the deals stay at the level they're at, or get a little bit better. Schapiro is the hidden issue here. If indeed something changes on the deals, that will change everything.

SARCH: There is an entrepreneurialism going on in the business because of a lot of the disenchanted talent, and talent that was let go. These people are hungry to do something and they're taking their knowledge of wealth management and creating other things. I think that 2011 might be the year that we see more of the alternative stories become more prominent, like [firms such as] HighTower and Focus Capital and United Capital.

SCHWARZKOPF: One of the questions today is: 'Where will the next generation of brokers come from?' The average age of brokers in our industry right now is about 50. And a good number are over 60.

WILLIS: There are no young people in this industry. Training programs are starting up, but it's going to take awhile for that to cut into the supply side. The Schapiro issue is certainly one to consider but it might cause an emergency. People may say, 'Well I better go now before things change in the future.'

PETERSON: The next generation of brokerage firms that's going to emerge in this country is going to be the smaller regionals that will become ultimately regionals. A good example that I know of is the regional firm Rotan Mosle, which became ultimately part of Paine Webber and now UBS. But the reason I bring that up is when I questioned some of the brokers who went to U.S. Capital Advisors as to why they went there, they said, 'You know something? We can remember when Rotan Mosle was alive and well.' People can remember when Legg Mason was alive and well. People can remember the firms like Advest. The firms that people loved and never wanted to leave, they miss that culture they had.

WASSERMAN: I think 2011 is going to be a good year. A lot of things are going to help us out. Dodd-Frank may help movement. The SEC and Mary Schapiro may spur some movement as well. I have not seen advisors so upset with their companies across the board as I am hearing now. For the most part there is a lot of dissent, so we will see some movement, and a lot of it.

THE PANEL

Bill Willis, Willis Consulting; Carri Degenhardt-Burke, Degenhardt Consulting; Danny Sarch Leitner, Sarch Consultants; Michael King, Michael King Associates; Mindy Diamond, Diamond Consultants; Steve Rosen, Rainmaker Associates; Rick Peterson, Rick Peterson & Associates; Rich Schwarzkopf, Schwarzkopf Recruiting Services; Mickey Wasserman, Michael Wasserman & Associates

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Recruiters' Picks

We asked our nine panelists to make a hypothetical investment decision about each retail brokerage unit (not the parent company). Here's how they would invest, ranked by the number of buys.

Firm	Buy	Sell	Hold
JPMorgan/ Bear Stearns	6	3	0
LPL	5	4	0
Wells Fargo/Wachovia	5	4	0
Barclays	5	3	1
Morgan Stanley Smith Barney	5	4	0
Goldman Sachs	4	5	0
UBS	4	5	0
Stifel Nicolaus	3	6	0
Oppenheimer	3	5	1
Raymond James & Associates	2	7	0
Bank of America/Merrill Lynch	2	7	0
RBC Wealth Management	2	7	0
Janney Montgomery	2	5	2
R.W. Baird	2	5	2
Credit Suisse	1	8	0
Hilliard Lyons	1	5	3
Deutsche Bank	0	8	1
Morgan Keegan	0	9	0
Edward Jones	0	9	0