



Citi Loses Advisor Teams With \$7B

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By Tom Stabile

A pair of leading advisor teams from Citi¹ overseeing a combined \$7 billion in assets bolted together last Friday for Convergent Wealth Advisors² of Rockville, Md., a wealth manager that had overseen \$9 billion in assets before the announcement. The teams were led by Lori Van Dusen in Rochester, N.Y., and George Dunn in Washington, D.C.

Convergent's Web site already lists the teams as part of its organization, which had largely focused on high-net-worth individuals and wealthy families before the deal. They now show as the senior lineup of Convergent's new institutional group. Both teams come from Citigroup/Smith Barney Institutional Consulting³, a division of Smith Barney⁴.

Both teams had been included earlier this year on Barron's Top 100 Advisors list, which asserts that it ranks "America's best financial advisors from brokerages and banks," with data compiled by the Winner's Circle. The list, available by [clicking here](#)⁵, said that Van Dusen's team managed \$5 billion in assets and that Dunn's managed \$4.5 billion. Van Dusen also had been listed this spring on Barron's list of the Top 100 female advisors, and she ranked fifth overall. Access that list by [clicking here](#)⁶.

Two sources familiar with the move, both of whom requested anonymity, say that the asset levels cited by Barron's don't match what Convergent estimates that the two teams had managed and might bring over, and neither source would split up the \$7 billion estimate between the teams. Both sources also say that Van Dusen and Dunn's teams had collaborated on initiatives in the past, making it unsurprising that they decided to make the move simultaneously. The two teams did not share clients, however.

Van Dusen and Dunn both are now managing directors at Convergent, and serve on its investment and executive management committees. They both also are equity stakeholders in Convergent.

Also coming aboard from Citi are David Mattia as managing director and Richard Van Kuren Jr. as director in Rochester and Peter Dunne as managing director and Bruce Wall as director in Washington, D.C. All were in the Citi Institutional Consulting division, according to their biographies on the Convergent Web site, but they all also handled high-net-worth investors.

Overall, the two teams came over with 18 people, including administrative staff. The Rochester team will remain in that city as a new outpost for Convergent, while the

Washington team may join the headquarters in Rockville, one source says.

According to the biographies, Dunn had been with Citi for 29 years, Dunne for 22 years, Mattia for 18 years, Van Dusen for 21 years, Van Kuren for 10 years, and Wall for 15 years. The teams will focus on serving a mix of institutional investors, high-net-worth individuals, and family offices, according to Convergent's Web site.

One source says that a big factor in the decision by the teams to move to Convergent is its heavy focus on alternative investments. The source says both teams use outside money managers for their clients, and both teams had significant alternative investment exposure.

Both sources say it is unlikely Convergent will follow up any time soon with similar moves to recruit large teams from the wirehouse brokerages. Citi is the industry's largest separately managed accounts sponsor, according to [Cerulli Associates](#)⁷, with \$182.5 billion in assets and 25.3% of the overall SMA market in the second quarter of 2008, before this defection was announced.

Convergent had already added several senior wealth advisors at offices around the country this year. Though some were from smaller wealth firms, Convergent in April announced the addition of Dan Rice in New York from [U.S. Trust](#)⁸, where he had overseen \$1 billion in client assets. U.S. Trust was acquired last year by [Bank of America](#)⁹. Earlier that month, it announced adding Donald Berghoff in Los Angeles. He had been president of family advisory services on the West Coast for [Northern Trust](#)¹⁰.

Smith Barney itself announced yesterday that it has added two advisor recruits. One is Barbara Clarke, who came out of [Merrill Lynch](#)¹¹, where she had overseen \$122 million in client assets with annual revenue of \$1.2 million, according to a Smith Barney spokeswoman. She is a 19-year veteran and on Aug. 29 joined the Lawrenceville, Pa., branch overseen by Joe Anderson. The other was Walter Stevenson, who on Aug. 7 joined the Berkeley, Calif., office overseen by John Delahaye, the Smith Barney spokeswoman says. Stevenson came over from [Stevenson Capital Management](#)¹², where he oversaw \$159 million in client assets and \$1.8 million in revenue over the past year.

As previously reported in Fundfire, Smith Barney had added three advisor teams with \$625 million in assets on Aug. 22, including a [UBS](#)¹³ team in New York with \$331 million in assets and \$4.2 million of revenue. But it also lost a team with \$700 million in assets and \$3 million in revenue to [Raymond James & Associates](#)¹⁴ in Tampa, Fla., last month.

[City National Bank](#)¹⁵ of Los Angeles acquired the former Lydian Wealth Management in May 2007 and rebranded it as Convergent. Elizabeth Bloomer Nesvold of [Silver Lane Advisors](#)¹⁶, a New York investment bank, advised Convergent on the advisor teams it recruited from Citi last week.

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