

San Francisco Platform Provider Lands Morgan Stanley Breakaways

BY [CHARLES PAIKERT](#) JUL 11, 2013 9:02am ET

Sanctuary Wealth Services, a San Francisco-based platform provider and services support firm for wealth managers, has snagged a Morgan Stanley breakaway team specializing in proprietary asset management.

Five former Morgan Stanley advisors, led by founder Don Garman, last week formed Mirador Capital Partners in Pleasanton, Calif., with around \$200 million in assets under management. Garman launched the firm's flagship fund, Garman Global Growth & Income portfolio, in 1980. Sanctuary will support Mirador with strategic business, operational, compliance and marketing support.

The deal bolsters the status of three-and-a-half-year-old Sanctuary, which has seen New York rival Dynasty Financial Partners grab most of the headlines when it comes to providing a platform of support services for high-end breakaway brokers.

Sanctuary has established a niche supporting West Coast breakaway firms that specialize in entrepreneurial clients who own public companies as well as executives who own shares of restricted stock in publicly traded companies. The firm currently provides services to six firms with approximately \$1.6 billion in assets.

BIG DEAL

"I think this is big news for Sanctuary," said RIA industry consultant **John Furey**, principal of **Advisor Growth Strategies**. "Mirador is a large breakaway team and it certainly points to Sanctuary's value and benefit as a platform. This is validation that the independent channel platforms are getting more sophisticated and usable for teams like Mirador."

Both the deal's timing and Garman's reputation as a top asset manager make the Mirador deal a big win for Sanctuary, says Jeff Spears, the firm's chief executive. "Not many people move in a bull market," Spears says. "It's a vote of confidence and shows that the breakaway movement is not dead. Don Garman is a well-known portfolio manager with a great team, and this is the second money manager to hire us this year." San Francisco-based Crosspoint Capital management signed on with Sanctuary in January.

Garman says he was attracted to both the RIA model and Sanctuary's Bay Area location.

"This is my 21st year in the business and after making a study earlier this year, I concluded that if my job is to create good risk-adjusted returns for my clients, and to also interact with them as much as possible, I needed to be an RIA," Garman says. "I gravitated to a high-quality custodian like Charles Schwab Institutional and a firm like Sanctuary to provide back-office support and compliance.

"We're an organic Bay Area story," he adds. "We wanted to choose a partner that reflected that."

Joining Garman at Mirador are Morgan Stanley veterans Jason Pfannenstiel, Carol Wikle, Dan Murray and Audrey Glafkides.

SILICON VALLEY CONNECTIONS

Most of the Bay Area firms Sanctuary works with have clients whose wealth is tied up in stock from tech companies that have gone public, such as Facebook or LinkedIn, explains Spears -- who, along with his co-founders Keith Ogden and Randy Baum, owns two-thirds of the firm. Because these shareholders are required to disclose any sale of their stock, having a brokerage firm that can handle the legal requirements of the sale is a big plus for the firm, Spears says.

Sanctuary launched its own broker-dealer, Sanctuary Securities, in 2011.

Having a broker-dealer that can execute restricted stock sales also allows Sanctuary advisors to better discuss financial planning diversification strategies with their clients, Spears says.

Sanctuary which is one-third owned by San Francisco-based brokerage firm and investment banker JMP Securities, also has an RIA, Sanctuary Advisors, which advisors can join if they don't want to brand their own firm.

Sanctuary will continue to focus on the West Coast for growth, Spears says. The firm rarely competes for the same client as the much larger Dynasty, itself less than five years old, which now works with 17 advisory firms that have over \$16 billion in AUM.

Sanctuary's firms pay a percentage of revenues and can access any service on its platform, while Dynasty provides its support services on an a la carte basis.