InvestmentNews
The Leading Information Source for Financial Advisers

Moore tops list of executives who have left LPL in last year

President was well-regarded, but his departure not considered a devastating blow

By Mason Braswell | *March 4, 2015 - 2:19 pm EST*

The continuing 'brain drain' from LPL Financial reached a crescendo on Tuesday following the surprising departure of the firm's well-respected president, Robert Moore.

News of Mr. Moore's departure was a sad note for the many LPL advisers who knew him personally. It also added another name to the list of well-known executives who had close relationships with advisers but have left the firm in the past year, according to **John Furey**, who works with a number of registered investment advisers affiliated with LPL through his firm **Advisor Growth Strategies**.

"The big cumulative effect is that all executives that were pretty well known to advisers and respected and what not — now when you go down the list, a fair amount of [them] have left in the last year or so," **Mr. Furey** said. "Robert Moore did a really great job for LPL."

Several key executives, including most recently the East region manager James Sorey, have left the firm over the past year to pursue other opportunities.

Other executives who have left include chief market strategist, Jeffrey Kleintop, who resigned in August to join Charles Schwab Corp. Also leaving over the summer were Scott Welch, co-founder and chief investment officer at Fortigent, a wholly owned subsidiary of LPL Investment Holdings, and John Guthery, senior vice president of research.

In an emailed statement, LPL spokesman Brett Weinberg said in the past two years "we have made tremendous progress in transforming our business to become a smarter, simpler, more personal company. We have seen our share of leadership change, which is normal during times of transformative change."

Mr. Moore, who was seen as a possible heir to the firm's chief executive, Mark Casady, was a very well-respected executive, said David Armstrong of Monument Wealth Management. Mr. Armstrong said the news came as a shock, although he had just eaten dinner with Mr. Moore five days before.

"It's not a devastating blow, but it's a disappointment," said Mr. Armstrong,whose $200 million RIA, Monument Wealth Management, brokers through LPL. "Advisers are sad to see such a good, smart person who had genuine interest in our businesses and lives leave from LPL."

Mr. Moore, 52, whose resignation becomes official March 13, had been with LPL since 2008 and was president since May 2012. He leaves to join institutional money manager Legal & General Investment Management America, as CEO.

The move leaves big shoes to fill for Dan Arnold, who will replace Mr. Moore. Mr. Arnold, 50, has a long history with LPL Financial, but he may not be as well known to advisers. He has served as chief financial officer since June 2012, although he had served in a number of other roles, including head of strategy. He joined the firm in 2007 following LPL's acquisition of UVEST Financial Services Group Inc., where he had been president and chief operating officer.

“It's a compliment to the firm when other companies want your executives,” said Garrett Andrew Ahrens of Ahrens Investment Partners. “If anything it's just unfortunate that a lot of good talent has left in the past year.”

Still, Mr. Armstrong and **Mr. Furey** voiced confidence in the new team and the strength of many key executives who remained at LPL.

“I don't know him,” Mr. Armstrong said when asked about Mr. Arnold. “I'm sure if Mark [Casady] hand selected him to replace Robert, then he's a great candidate.”

William Katz, an analyst with Citigroup Global Markets Inc., said that the executive changes “could ultimately bolster growth” for LPL.

“We do see the change as a natural progression given the respective backgrounds and experiences,” he noted. “We understand the move to leave was voluntary by Mr. Moore and not a reflection of accounting issues or strategic differences.”

In October, LPL Financial Holdings Inc., parent of the IBD, said it expected to incur up to $23 million in charges — $18 million more than previously anticipated — to resolve yet-to-be-disclosed regulatory matters such as fines and restitutions.

“To be fair, LPL's financial execution has been mixed under both Mr. Moore and Mr. Arnold,” Mr. Katz noted.