

# A safe post-protocol landing? Advisor quits UBS for Raymond James

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Just weeks after UBS quit the Broker Protocol in early December, an advisor overseeing \$200 million made his own exit, jumping to Raymond James. That an advisor would move from a wirehouse to a regional broker-dealer isn't remarkable. That he did so without incurring a lawsuit is.

After three firms including Morgan Stanley left the Broker Protocol, industry insiders have feared an uptick in litigation as firms move to block former employees from contacting clients. Morgan Stanley, for example, has filed injunctions against several brokers who departed in recent weeks for rival firms. Is Morgan Stanley engaging in a game of whack-a-mole to intimidate brokers, whereas UBS is taking a more selective approach?

In the past, UBS has engaged in litigation against departing brokers that it claimed violated the Broker Protocol. The firm sued a team in Shelton, Connecticut, last year over such allegations. A judge ruled in UBS's favor. But the firm's strategy in a post-protocol universe is only now becoming apparent. Andrew Hutcheson, whose assets included funds held elsewhere in retirement plans, appears to have landed at Raymond James' Alex. Brown office in Los Angeles without incident. A search for litigation involving him and UBS turned up no records. A UBS spokeswoman declined to comment.



Raymond James doesn't comment on litigation matters, a spokeswoman said. But this isn't their first hire from a non-protocol firm.

"Raymond James has long had a tradition of success in attracting and supporting transitioning advisors

from both protocol and non-protocol firms and we're confident our client and advisor-centric culture will continue to make Raymond James the firm of choice for advisors," the spokeswoman said.

For his part, Hutcheson highlighted Raymond James's corporate culture as a reason for making the move.

"Alex. Brown and Raymond James provide a great deal of resources and support, but among the most unique aspects is the fact that they pledge that you own your book of business. In today's environment, that's empowering for advisors," he said in a statement.

Why this move, unlike others, did not apparently result in instant litigation is hard to tell, says Ross Intelisano, an attorney at New York law firm Rich, Intelisano & Katz. He was not involved with the move.

"I think the most likely scenario is that UBS is evaluating it on a case-by-case basis and they might not walk into a court every time an advisor leaves. It can be costly, and maybe not every advisor who leaves is worth the cost," Intelisano says.

It's also possible that California law played a role, according to attorney Tom Lewis. State law differentiates between solicitation of former clients and so-called wedding style announcements when an employee switches firms.

"In this case, we could infer from UBS's action that the advisor did merely what was permitted under the law," says Lewis, who is with the law firm Stevens & Lee.

#### Slideshow



Wells Fargo, Merrill Lynch, UBS and Morgan Stanley all lost talent in 2017.

In making the move, Hutcheson joins the ranks of hundreds of wirehouse advisors who have in recent years gone independent or switched to regional broker-dealers. Many of breakaways cite what they say are the greater freedom and flexibility available in these other channels.

Their exits have been eased by the Broker Protocol, a 2004 accord that permits advisors to take basic client contact information when switching firms.

Morgan Stanley said it departed the industrywide pact in November because of what it says were loopholes. UBS and Citigroup, two of the original co-founders of the protocol, followed suit in December and January. In 2016, UBS cut back on recruiting efforts in a bid to move resources back to advisors already at the firm. Morgan Stanley slashed its recruiting efforts last year prior to its protocol departure.

By leaving the accord, non-protocol firms have more leeway to enforce non-solicitation agreements.

Hutcheson's hire is also the latest for Raymond James, which has been on a long-running recruiting push. Expanding on the West Coast is an important focus for the firm and its Alex. Brown unit, John Davis, coastal regional director for Alex. Brown, said in a statement.

Raymond James acquired Alex. Brown, an elite brokerage business catering to wealthy clients, from Deutsche Bank in 2016.

Hutcheson said the firm's resources would boost his practice.

"After talking with Haig Ariyan, Alex. Brown's president, and members of the management team and the local office, I got a better sense of how Alex. Brown's platform would be the best fit for helping me grow in my specialty of defined contributions, 401(k)s and foundations," he said.

Hutcheson started his career at Edward Jones in 2005, moving to UBS in 2011, per FINRA BrokerCheck records.