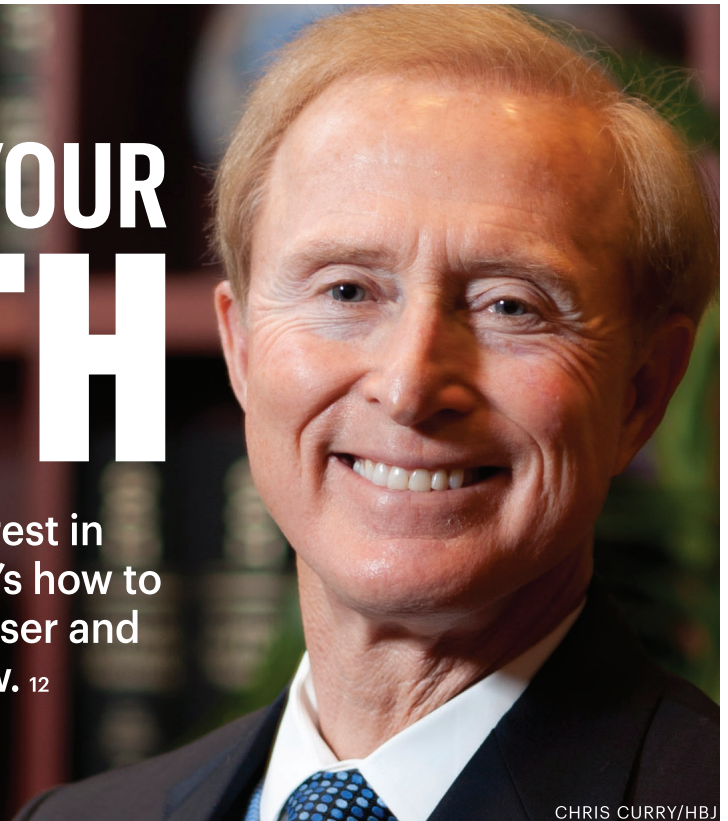


HOUSTON BUSINESS JOURNAL

COVER STORY

WHO'S BEHIND YOUR WEALTH

The SEC is taking a keen interest in Houston wealth managers. Here's how to find out who's behind your adviser and why you need to know now. ¹²



CHRIS CURRY/HBJ

M&A

Wealth management in Houston headed toward consolidation

Houston has seen its fair share of acquisitions in wealth management and financial services this year, which may indicate that the market is maturing and trending more toward larger firms with a breadth of services, said John Merrill, founder and CEO at Houston-based Tanglewood Wealth Management.

"There's going to be a lot of M&A in this business because of the age of these owners," said Merrill, adding that small wealth management

boutiques in Houston will likely be acquired by regional or national wealth management firms as the latter vie for a place in serving Houston's wealthy. To stay competitive, firms will have to scale out their offerings to provide clients as many different services as possible under one roof.

Phoenix-based Heritage Advisors LLC, formerly known as ANF Wealth Management, told the Houston Business Journal in December

that it would expand into Houston over the next two years and target certified public accounting firms to do it. Heritage seeks to offer as many services under one roof as possible – accounting, estate planning, insurance, investment advising and so on – to recreate the feeling of a family office for clients who aren't investing tens of millions of dollars.

Merrill himself insists that Tanglewood will survive and may even be in the market to acquire a firm in 2015.