

Arax Makes a Splash by Buying Broker-Dealer, Recruiting \$2 Billion Advisor Team, and Hiring CIO

By Andrew Welsch
11 January 2024

Arax Investment Partners is kicking off the new year with a bang.

Arax, which is backed by private-equity firm RedBird Capital Partners, said Thursday that it acquired a full-service independent broker-dealer, recruited an advisor team managing \$2 billion, and hired a new chief investment officer.



Haig Ariyan, CEO of Arax Investment Partners
Courtesy of Arax Investment Partners

The moves, which build on Arax's acquisition last year of Ashton Thomas Private Wealth, shed light on how the company intends to expand its nascent wealth management operations.

For example, the acquisition of independent broker-dealer Excel Securities means advisors can do transactional, not just fee-based, business. Although the wealth management industry has been shifting to fee-based business for years, many financial advisors still do some commission-based transactions.

Arax said Excel Securities, which is also an SEC-registered investment advisor, will operate as Ashton Thomas Securities and provide Ashton Thomas Private Wealth's advisors and clients with access to its technology and capabilities. The Rochester, N.Y.-based broker-dealer was founded in 1978 and has approximately \$1 billion of client assets, according to Arax.

Also important: The acquisition of Excel Securities gives the firm the ability to recruit advisors who will serve as 1099 independent contractors, a different relationship from that of advisors who work as employees of the company.

Advisors who join Ashton Thomas as W2 employees gain equity stakes, Arax CEO Haig Ariyan tells Barron's Advisor. "It is a strategic priority for us that FAs who are joining as W2 employees are equity partners," Ariyan says. "We want true stakeholders in our united effort to build something special for clients."

Arax's new advisor hires pointed to the partnership opportunity as one reason they were drawn to make the move. "We are particularly excited to become partners in a boutique wealth

management organization with the resources of a large financial-services firm,” advisors Chris Stafford and Cory Schauer said in a statement.

Stafford and Schauer’s team previously worked at Raymond James Financial’s Alex. Brown unit, which caters to high-net-worth and ultrahigh-net-worth clients. Their teammates include Ines Seferi, Meghan Thomson, Hunter Hendrix, and Susie Register. The team will work out of a new office in Boston for Ashton Thomas Private Wealth. The advisors previously managed \$2 billion in assets, according to Arax.

RedBird hired Ariyan to launch Arax and serve as CEO. He previously led Raymond James Financial’s Alex. Brown unit and worked at Deutsche Bank before that.

In September, Arax bought Ashton Thomas Private Wealth, which had \$3 billion in assets under management at the time the deal was announced. The RIA is based in Scottsdale, Ariz.

On Wednesday, Arax also said it had hired Sumit Handa as its chief investment officer from Pennington Partners & Co., a multifamily office where Handa served as managing director and partner. He previously served as chief investment officer for the City of Philadelphia Board of Pensions Retirement Plans.