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Morgan Stanley's Darst Joins Billion Dollar Breakaway Firm (1)

- David Darst will oversee investments for Americana Partners
- He was Morgan Stanley Wealth's chief strategist for 17 years

By Sophie Alexander

(Bloomberg) -- David Darst, former vice chairman of Morgan Stanley Wealth Management, is joining breakaway investment adviser Americana Partners as chief investment officer.

Darst, who'll be based in New York and Houston, will also be a consultant to Dynasty Financial Partners, a technology venture created by former Citigroup Inc. executives that provides record-keeping, trading platforms and product offerings to firms including Americana, Dynasty said Thursday in a statement.

Investment teams at Wall Streets banks are increasingly branching off to create their own firms as advisers seek to exert greater control and keep a greater share of the revenue. The growth of turnkey companies like Dynasty makes it easier for them to set up their own businesses.

"There's just a tremendous transformation going on in our industry," Darst, 71, said in a phone interview. "I felt this is the way the industry is moving."

Americana, with offices in Dallas, Houston and Austin, was founded in April by former Morgan Stanley executive Jason Fertitta, 47, whose team oversaw \$6 billion in assets at the Wall Street bank. Americana currently has more than \$2 billion in assets under management, and will have substantially more after additional former clients transfer over, Fertitta said.

"When the entire shift is complete we'll have somewhere between \$3 billion or \$3.5 billion," he said in the interview. "It is tracking down a lot of people -- it's difficult."

Darst, who spent 17 years as chief investment strategist of Morgan Stanley Wealth Management, will focus on setting Americana's asset-allocation direction, producing original research and working directly with clients, according to the statement.

A spokeswoman for Morgan Stanley declined to comment. The New York-based bank on Thursday said wealth-management revenue fell about 1% in the third quarter to \$4.36 billion from a year earlier, a smaller drop than analysts predicted. The firm leans on managing money for wealthy individuals and clients for about half its revenue.

(Updates with Morgan Stanley wealth-management results in last paragraph.)

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1461278D US (Dynasty Financial Partners LLC)

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David Darst

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