H.D. Vest Drops First Clearing for Fidelity

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By Diana Britton, WealthManagement.com

The independent b/d's 4,400 advisors are expected to make the transition to Fidelity's clearing platform in mid-2018.

Tax-centric independent broker/dealer H.D. Vest Financial Services is switching its clearing firm from First Clearing, a division of Wells Fargo, to Fidelity Clearing & Custody Solutions (FCCS), according to a spokesperson for the b/d. The firm is expected to make the transition in mid-2018.

"[Fidelity] has been pretty aggressive at getting firms to switch to them and giving them some scale discounting," said Jonathan Henschen, president of recruiting firm Henschen & Associates in Marine on St. Croix, Minn.

Sigma Financial is an example of another broker/dealer that made the switch from First Clearing to Fidelity, about a year ago, Henschen said.

An H.D. Vest spokesperson said the firm did a thorough analysis of its clearing, considering technology platform, service and relationship management, governance, analytics and culture.

"H.D. Vest and Fidelity share a common philosophy—that creating an exceptional client experience should be at the core of every business decision," the spokesperson said in a statement. "HD Vest was looking for the clearing provider with the service and technology that will help them provide the best experience for their advisors, and ultimately, their end-clients."

"Our significant and ongoing investment in our advisor technology platform provides the tools that will support H.D. Vest's advisors and investors, from the tax-filing stage throughout their financial lives," said Sanjiv Mirchandani, president of Fidelity Clearing & Custody Solutions, in a statement.

H.D. Vest, which has more than 4,400 advisors, was sold to Blucora, the owner of tax preparation software TaxACT, in late 2015 for $580 million. Blucora hired Bob Oros, former executive vice president and head of Fidelity's RIA business, as H.D. Vest's CEO, earlier this year.

First Clearing declined to comment.