



# Raymond James acquires Canadian trust company, plans estate-planning division

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Investment dealer Raymond James Ltd. is acquiring a Canadian trust company as part of a strategy to better help clients move wealth from one generation to the next and better compete with the country's banks.

Raymond James is expected to announce the acquisition of London, Ont.-based Oak Trust Co. on Tuesday, a move the Toronto-based buyer said will make it the first non-bank-owned brokerage house in Canada to offer countrywide trust services. Oak Trust has a federal licence and focuses on estate planning and settlement. The new owners plan to brand the division as Raymond James Trust (Canada).

Like virtually every financial institution, Raymond James wants to be part of what's seen as the largest intergenerational transfer of wealth Canada has ever experienced. Over the next two decades, an estimated \$1-trillion is expected to have shifted into the hands of baby boomers – the generation born from after the Second World War to the 1960s – then on to their offspring.

The Oak Trust acquisition has been in the works for two years, Raymond James chief executive Paul Allison said in a phone interview Monday. Clients and financial advisers were repeatedly asking for services that would allow the firm to serve as an executor on estates or offer power of attorney services. "Our advisers are like the village doctor, with close ties to our clients," Mr. Allison said. But without a trust licence, "we were seeing our clients being forced to move their estates outside our firm."

In Canada, Raymond James has 476 financial advisers and 1,400 employees, overseeing \$52-billion in client assets. Mr. Allison said Raymond James clients have approximately 190 "death events" each month, where someone in a family passes away and estate management skills are required. The firm is a division of St. Petersburg, Fla.-based Raymond James Financial Inc., which is home to US\$896-billion in assets. The U.S. parent already offers trust services to its customers.

Oak Trust, founded in 2004 by industry veterans and privately owned, currently doesn't have the licences needed to take deposits and offer related products, such as chequing accounts and credit cards. Over time, Raymond James plans to apply for permission to

provide these services. Mr. Allison said: “The idea is to offer our clients the ability to pay their bills or tap a line of credit, a level of service that fits with the needs of a family office.”

Raymond James purchased a provincially licensed trust in Quebec last summer. Mr. Allison said that acquisition is working better than expected, with Quebec clients signing up for services such as a “wills bank,” which stores wills, powers of attorney and other important family documents for customers.

There are 44 federally regulated trust companies in Canada, according to the sector’s regulator, the Office of the Superintendent of Financial Institutions. Canada’s six major banks all acquired trusts after regulatory barriers between sectors came down in the 1980s, and the largest trusts are divisions of Royal Bank of Canada and Toronto-Dominion Bank.

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