

Edward Wedbush, co-founder of L.A. securities firm, dies at 87

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Edward Wedbush co-founded his namesake stock brokerage some 65 year ago when the Dow Jones industrial average totaled less than 500 and its members included such now-defunct companies as F.W. Woolworth Co. and Bethlehem Steel Corp.

Wedbush & Co., though, weathered financial industry consolidation, recessions and stock market busts to remain one of the last remaining full-service, fully independent brokerages headquartered in Southern California by the time its co-founder stepped down two years ago as president of the Los Angeles company, now called Wedbush Securities.

“How many CEOs do you know who founded a company and were in the driver’s seat for seven decades?” said Lloyd Greif, chief executive of boutique L.A. investment bank Greif & Co. “Ed was one of those guys who wanted to die with his boots on.”

And indeed he did.

Wedbush, 87, who had remained chairman of the securities firm’s parent company, died Sunday at his home in Rancho Santa Fe after a long illness that his family said left him debilitated. Yet just three days before his death he had still managed to make it into his chair at his home office.

“It took every ounce of his being to get into that office and fire up his trading screens and monitor the market and look at some stock accounts of some family clients, long-running



Edward Wedbush, founder of Wedbush Securities, on the firm’s trading floor in Los Angeles. (Wedbush Securities)

clients,” said his son Gary, 55, who followed his father into the business and is co-president of the securities firm.

Wedbush was born on Sept. 14, 1932, in St. Louis and exhibited that kind of drive growing up as the oldest of five children. His father was an electricity dispatcher at Union Electric of Missouri who worked the overnight shift two out of every six weeks.

Wedbush’s father wanted him to find a job after high school to help pay the household bills. Instead, he decided to pursue an education and won scholarships to the University of

Cincinnati, where he earned an undergraduate degree in engineering, and UCLA, where he got an MBA. He never forgot the importance of those scholarships, with education becoming the focus of his philanthropy later in life.

He and classmate Robert Werner formed the brokerage in 1955 after managing to come up with \$10,000 but neither wanted to put his name on the business out of fear it would fail — so they flipped a coin and Wedbush lost. Their revenue for the first year totaled just \$659 but the compa-



Edward Wedbush built the largest stock brokerage in Los Angeles and his name adorns the top of the distinctive downtown high rise. (Gina Ferazzi / Los Angeles Times)

ny became a success and Wedbush bought out Werner a few years later.

Wedbush Securities now has some 800 employees and 99 offices providing an array of financial and wealth management services. It has separate businesses serving institutional clients, clearing trades for smaller brokerages and a commodities trading arm in Chicago. Parent Wedbush Capital has interests in private equity, a hedge fund, high-speed and online trading and other business lines.

Gary Wedbush said his father's life was a classic American success story driven by an "unrelenting optimism" that left his father "zero tolerance" for cynics. "That was really over 60 years a driving force at the firm that helped it grow and be innovative and achieve the prominence that it achieved," he said.

Through it all he followed a style of management rooted in a Great Depression childhood and the company's early years. "When all you have is \$10,000, you're worried about the price of a postage stamp," Wedbush told *The Times* in a 2010 profile.

That penny-pinching, however, ended up earning him notoriety.

The company is headquartered in downtown Los Angeles in a distinctive office building visible from the 110 Freeway, but the interior carpet was described as stained and ragged in *The Times* profile. "That's his consuming passion. He probably gets more fun controlling costs than anything," Peter Allman-Ward, the firm's retired chief financial officer, told the paper at the time.

Gary said his father was cost and value conscious in all aspects of his life. "It's a pretty consistent theme," he said, noting the company's headquarters have since been upgraded. "He got the last mile out of everything."

He even managed to anger his neighbors when he covered the leaky shingles on his Ladera Heights house in tarpaulin for years, despite a net worth that *The Times* estimated topped \$150 million at the time of the 2010 profile.

Wedbush admitted embarrassment over how long the roof problem lingered, saying he was stymied by mold that infiltrated his house from a hillside drainage problem. But he also said his frugal and careful approach to business was key to surviving the

global financial crisis while titans like Bear Stearns & Co. and Lehman Bros. collapsed.

The roof on the home, where Wedbush raised his family before moving to Rancho Santa Fe, was finally fixed a few years later and sold, Gary Wedbush said.

Son Eric Wedbush, 52, who also went into the family business, said there was no doubt *The Times* article stung — headlined "Ed Wedbush's roof leaks, but his wallet doesn't" — but it became part of company folklore that reassured clients the firm was careful with their money.

"It actually turned out to be a positive in my view," said Eric, chairman of Wedbush Securities.

The firm ran into regulatory issues last decade with the Securities and Exchange Commission and other agencies, including allegations that it didn't properly oversee a broker who was pushing a pump-and-dump scheme on clients. The SEC noted the firm had a history of compliance issues and for a time lacked "adequate personnel for a regulated entity of its size and import."

Gary said while the company suffered from a cluster of negative headlines he didn't believe its compliance issues were out of the ordinary. Still, he acknowledged his father ran a frugal operation that placed compliance functions on trusted and loyal employees at the different business units. The company has since centralized and beefed up its compliance staff.

"Maybe some of those great characteristics were somewhat old school in a very new and complicated era," he said, adding that the company his father built has experienced its best profits ever over the last five years.

"I think you can't argue with the 65-year history," Eric said. "The firm is still standing."

In addition to his two sons, Wedbush is survived by his wife, Jean, and daughter Leigh Ann.