
Vivek Ramaswamy \$30-million venture launches wealth RIA --- just ahead of the election -- and dumps Columbus, Ohio for 'economic advantages' of Dallas

Serial entrepreneur and Trump surrogate secured an ADV for Strive Wealth Management as of Oct. 30 and will leave the rust belt.

Author Brooke Southall November 4, 2024 at 9:18 PM



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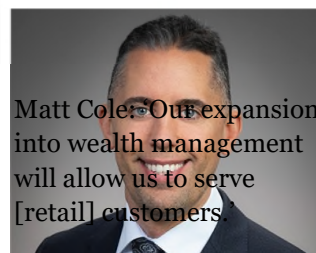
Vivek Ramaswamy: The moment is now ripe to launch a pro-capitalism wealth management business.

Vivek Ramaswamy may be on the verge of being named to a Cabinet position in a potential Trump administration – but he'll be the owner of a newly launched RIA either way.

The co-founder of Strive announced on Friday the launch of the new RIA, Strive Wealth Management, and its flashier new digs in Dallas, after founding a \$1.7 billion ETF maker in Columbus, Ohio.

“The moment is now ripe to launch a pro-capitalism wealth-management business focused on true financial freedom, with a focus on integrating Bitcoin into standard portfolios,” he says.

The time is also ripe – and “not a coincidence” – for



Matt Cole: Our expansion into wealth management will allow us to serve [retail] customers.

Ramaswamy to his RIA filing done ahead of the election – because it might've gotten more complex, according to Ari Sonneberg, managing partner of Wagner Law Group of Boston, a securities law practice.



“If he does get appointed to the Trump cabinet, all of Vivek’s business dealings will be under a microscope and held to more significant standards – especially with respect to conflicts of interest – so doing this before any appointment is the smart move and certainly not a coincidence.”

Historically, running or owning a company and running the U.S. government hazarded running afoul of ethics or the “emoluments” clause of the U.S. Constitution.

But though an RIA may need to steer clear of conflicts, a politician may not in 2024, according to Knut Rostad, president of the Institute for the Fiduciary Standard.

“Not sure in a future [Donald] Trump admin this would be considered a ‘problem,’” he says. “In the prior Trump administration, ethics rules were reconfigured. Emoluments are antiquated under Trump.”

Greener pastures

Strive will be a “Schwab RIA” with all of its assets in custody at Schwab Advisor Services, also a Dallas-based company, according to Strive's ADV2.

The plan is to cross-sell wealth services to Strive's ETF investors, according to Matt Cole, CEO of Strive in a release.

“Our growth to date in asset management has been driven almost entirely by retail customers, and our expansion into wealth management will allow us to serve these customers more completely.”

If the Strive wealth management unit takes off, it will radically improve its profit margins.

Currently, typical Strive ETF fees are about 20 basis points. Strive will ask for 150 basis points from retail customers with \$1 million in AUM, according to the ADV.



Knut Rodstad:
Emoluments Clause
obsolete.



Market dynamics today favor the private real estate credit market

The RIA also gives Strive a fresh green pasture for asset growth after a recent plateauing.

It listed assets at \$1.6 billion in July [23rd] – when it raised \$30 million from Cantor Fitzgerald to start an RIA – and lists \$1.7 billion four months later, or about a 6.25% gain. The S&P 500 rose 5.6% during the same period. See: [JD Vance joins MAGA backers, including mentor Peter Thiel, to raise \\$30 million for Vivek Ramaswamy's RIA rollup startup](#)

Heavy hitters

Building a RIA from scratch can take years [though Ramaswamy could invest his \$1 billion fortune], the Strive RIA may also be in a position to buy growth.

It signaled in July that it may become a serial buyer, i.e. a roll-up of like-minded RIAs, and that it would hardly be constrained by having just \$30 million in its war chest.

“We have ways to finance a roll-up beyond the \$30 million capital raise,” Cole said in a July RIABiz interview, alluding to a stable of rich stakeholders.

The [ways] include: Cantor Fitzgerald, and at least in Strive's seed round Cantor chair and CEO Howard Lutnick; Deason Capital Services, a private family office that manages Darwin Deason's fortune, and private equity shop [Morris Industries*](#) in Lexington, Kentucky. Morris is headed by CEO Nathaniel “Nate” Morris, who has ties to Republicans George W. Bush and Kentucky Sen. Rand Paul.

Lutnick is [tasked](#) with overseeing personnel for a potential second Trump administration.

Marketing to niche

Though 150 basis points is on the high end of the fee scale for most RIAs, Strive is advertising it can “hedge risks” in a way most other RIAs can't by allocating Bitcoin to portfolios. Hedge funds generally command premium fees.

“[Bitcoin allocations] hedge against risks Strive expects to persist over the next several decades, including unsustainable global debt levels, rising fixed income yields, long-run inflationary pressures, persistent geopolitical pressures, and potential restrictive monetary controls,” the company writes in its release.

“[It] differentiates our Wealth Management business from nearly all major competitors today.”



Andrew Besheer: It feels like it was a message aimed at the demographics (young men, crypto enthusiasts).



Howard Lutnick: An early Strive backer.

Andrew Besheer, principal of Besheer & Associates, says in an email that the Bitcoin pitch sounds less about hedging and more about marketing to a niche.

“It feels like it was a message aimed at the demographics (young men, crypto enthusiasts) that the [Trump presidential] campaign is counting on to get them over the finish line more than any actual statement about doing something new, different, or better in wealth management.”

Y'all Street

Texas Gov. Greg Abbott did a minor touchdown dance after scoring Strive at the expense of Ohio. Texas has a minimum wage of \$7 versus nearly \$11 in Columbus and no state income taxes.

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“Texas has become the home of capital in the United States,” said Abbott in a release.

“Y'all Street is growing rapidly in Dallas, and Strive's decision to relocate to Texas underscores our economic advantages that attract top businesses.

“I welcome Strive to our great state and look forward to working with them to create more jobs, spur innovation, and bring new investments to Dallas and the entire state of Texas.”

In contrast, Columbus is home to five Fortune 500 companies and 16 Fortune 1000 companies, including one financial giant, Nationwide.

Strive promises to get its Columbus staff out of Ohio and into Dallas by Mar. 30, 2025. Strive will also move its ETF business, founded in 2022, which recently crossed \$1.7 billion in AUM, according to the release.

Mission to maximize

Strive's Wealth Management's staff includes President Gary Dorfman and Chief Investment Officer Randol Curtis.

Strive was founded in 2022 by Ramaswamy with a “mission to maximize value for their clients through nepotistic capitalism,” which was branded by many as anti-ESG. See: [Vivek Ramaswamy sells anti-](#)

ESG to RIAs to nab quick \$1 billion of AUM, but it's all 'Kabuki theater,' analyst says, to steer proxy votes hard right -- profitably

Donald Trump himself stands to make quick billions on Trump Media & Technology Group Corp. (DJT), the parent of Trump's social media site, Truth Social.

The company's stock has been highly volatile, but it has a market cap of about \$7 billion. The stock's value is expected to be heavily influenced by the outcome of the election.

As for Ramaswamy's RIA, it should be in safely under the wire regardless of what happens with him ending up in a Trump administration, if disclosures are done right, Sonneberg says.

"I would say that as long as he has properly disclosed existing and potential conflicts as required under the law, from a legal perspective he should not be at risk."

Brooke lives on a houseboat, works in an office and juggles calls across the five time zones and four countries his small team works. He's out to prove an economic major can make a living as a journalist and that articles need not be a loss leader if they are written well and geared to an intelligent readership. @RIABiz

Keith Girard contributed to the editing of this article.

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