

How Steward Partners founder Mike Maurer lost his company

Jake Martin / 01 February 2021, 12:36

- **Less than four years after Steward Partners was created, the company's founder and first CEO, Mike Maurer, was expelled**
- **When Maurer died in 2020, he had little to show for the company's success**
- **Interviews, emails and other documents suggest a high-stakes battle for control of the fast-growing company**
- **Maurer and current CEO Jim Gold were once close friends, but their relationship devolved into accusations and legal actions**

Steward Partners is a wealth management success story.

The Washington, D.C.-based hybrid RIA partnership boasts more than 100 advisors across more than 20 offices and manages north of \$7.3bn in assets. Steward has consistently ranked among the country's fastest-growing wealth advisory firms since its 2013 founding.

Run by CEO Jim Gold, the Raymond James affiliate boasts a national presence built on regional recruiting efforts that have brought in wirehouse teams by the droves. In 2019, the firm received a \$50m private equity investment from The Cynosure Group. A pending purchase of Umpqua Bank's \$3.4bn wealth management business, Steward's first acquisition, would give the firm a strong presence in the Pacific Northwest and expand its national footprint.

Steward's growth is widely known in the wealth industry. Here's what's not: When the firm's founder, Mike Maurer (pictured), died on June 15, 2020 at the age of 51, he was in the grips of a years-long legal battle with Steward and its leaders – and, according to accounts from Maurer and those close to him, had little to show for the company's apparent success.

Once Steward's largest shareholder, Maurer had been expelled from the company, stripped of his equity (which he valued at nearly \$60m), and apparently left on the hook for personal guarantees relating to the business.

Maurer's close relationships with Gold, chairman Michael McMahon, and president and chief operating officer Hy Saporta were replaced with mutual legal actions that included salacious allegations of weapons brandishing and inappropriate sexual comments.

Steward, along with Gold, Saporta and McMahon, brought an arbitration claim before the American Arbitration Association (AAA) against Maurer in 2017, alleging breach of contract and defamation. Maurer filed an AAA arbitration claim of his own against Steward, Gold, Saporta and McMahon in January of 2020, seeking the value of his lost equity.

Steward's arbitration claim was closed without resolution by the AAA, while Maurer's arbitration claim remains ongoing, and is being pursued on behalf of his estate.

When asked about a variety of events and allegations reported in this article, neither Gold, Saporta nor McMahon personally responded to requests for comment, while a spokesperson for Steward gave the following statement: 'Steward Partners prides itself on our professionalism and the trust and respect we have earned with our employees and clients alike. This is why our employees, who are all equity partners in the firm, routinely rank us among the best places to work in our industry. As a policy, we do not comment on matters of litigation outside the formal legal process.'

Maurer's widow, Christa Maurer, said in a statement: 'I'm committed to seeing this process through to the end and confident that I will prevail because I believe that I have the truth on my side and I promised Mike before he died that I would pursue the arbitration even if I had to do it without him.'

The fight over what really happened at Steward Partners between the middle of 2013 and the beginning of 2017 has outlived the complicated entrepreneur at the center of the story.

The 'only founder of Steward Partners'

Maurer's career stretched from the swashbuckling Wall Street of yore to the compliance-first era that has followed the financial crisis. During a May 2020 phone interview, he playfully compared himself to Forrest Gump, explaining that 'I've just been around a long time.'

After getting his start as a 'young pup' advisor hustling for clients at Dean Witter and then Merrill Lynch, Maurer was recruited by Smith Barney as a sales

manager in 1998 and became an assistant branch manager after just four months. More promotions followed.

In 2008, he became Morgan Stanley Smith Barney's complex manager for the Washington, D.C. area. Gold became a Morgan Stanley branch manager around the same time.

Coming out of the financial crisis, Maurer found that branch management for a large firm had become bureaucratic and didn't offer him the opportunity to coach advisors, as he discussed in a 2015 [*Wall Street Journal*](#) article.

Maurer began brewing plans for a new model – one that would offer recruits wirehouse-like money alongside greater freedom.

In interviews, he said that it was his mother, Eleanor Maurer, who had come up with the name 'Steward.' Maurer said that he announced the creation of Steward while delivering his mother's eulogy following her death on November 26, 2012.

'Mike is the only founder of Steward Partners, and in his generosity he named many of the early joiners and investors founding partners,' Christa Maurer wrote in a post on Maurer's LinkedIn page shortly after his death.

McMahon joined Steward's board in August of 2013, and Saporta would be hired in February of 2014. Saporta, along with Maurer and Gold, held the 'founding partner' title.

Over time, the founding story would become blurred. In a 2020 article, *InvestmentNews* said that Steward was founded by Gold in 2014.

After exiting Morgan Stanley in April of 2013, Gold joined Steward in July of that year, the month of the company's founding. Emails reviewed by Citywire appear to show that Gold first became involved in Maurer's plans for Steward in late May.

In an email dated May 22, 2013, Maurer forwarded Gold a draft of Steward's business plan, which he had sent to Raymond James earlier that month. Maurer wrote to Gold: 'Just a first draft, but you will get the picture.'

Gold replied two days later, writing that he could 'certainly see the vision and game-plan.' Gold continued: 'Of course I couldn't sleep last night, as I lay in bed thinking about this and what it could look like in 10 years!'

At the end of the email, Gold hinted at Maurer's role in what would become his rebound after parting ways with the wirehouse.

Gold's Form U5 notice of termination from Morgan Stanley, obtained through a public records request with the State of Connecticut, includes this comment: 'Mutually agreed-upon separation arising out of concerns regarding conduct at out-of-office social event; non-sales practice, non-trading related.'

In his May email to Maurer, Gold wrote: 'Regardless of where my journey leads, you have truly been my guardian angel at the darkest moment of my career. I couldn't have navigated through the last 5 weeks without you and can never begin to thank you. As much as the uncertainty is killing me, my life will always be better in the post MS world! I'm proud and honored to call you my friend, being business partners would be awesome.'

The feeling appeared to be mutual. In his response to Gold's email (which Gold had sent from a family address), Maurer wrote: 'Jim has helped me through mire [sic] dark times than I care to remember...a very special man.'

Conflicts arise

The plan worked. Steward grew substantially over the next two years, generating wealth and renown for both Maurer and Gold.

But cracks were beginning to show. In mid-2015, Maurer took a substantial amount of time off, which he described as short-term disability leave for a medical condition. He then took more time off in 2016 to help care for his father, who was in hospice with renal cancer.

As Maurer stepped back, Gold and Saporta received additional responsibilities. In an internal 2015 announcement, Maurer promoted Gold to CEO of Steward Partners Global Advisory, calling Gold a 'born leader' and extolling his 'steadfast character and work ethic.'

However, Maurer would later claim that Gold, Saporta and McMahon exploited the illness and death of his father to push him out of the firm.

He also said, in his 2020 arbitration claim, that during this time he was becoming increasingly concerned by reports of Gold's conduct in the office, 'particularly toward female employees.'

Maurer alleged in his claim that he learned Gold had made 'sexual comments to female employees' and viewed 'adult content' in front of them. He said in a

2017 sworn declaration which was filed in the U.S. District Court for the District of Columbia in relation to Steward's arbitration case: 'I have heard Gold refer to himself as "big daddy."'

In his own 2017 sworn declaration, Gold responded: 'I have never referred to myself as "Big Daddy" outside of the explicit context of referring to my children's nickname for me,' adding that 'It is a good natured nickname my children have for me because I am large and I am their father.'

In his 2020 AAA arbitration claim, Maurer alleged that he spoke to McMahon in September of 2016 regarding his concerns about Gold's behavior. In interviews conducted after the claim was filed, Maurer claimed that McMahon had responded that he and the board would make sure both Gold and Saporta 'paint between the lines.'

Maurer's 2020 arbitration claim alleged that McMahon 'took no steps' to investigate or remediate the issues he raised about the workplace conduct of Gold, and that instead, McMahon 'immediately' informed Gold and Saporta about what Maurer had said. Maurer further claimed that McMahon, Gold and Saporta then began taking steps to oust Maurer from the company.

Maurer would later report being blindsided by the close kinship between Gold and McMahon. In his 2017 sworn statement related to Steward's arbitration claim, Maurer said he was told the chairman and CEO were "'distant cousins'" when in fact they were 'close relatives,' which 'presents a conflict of interest.'

McMahon said in his 2017 sworn statement in reply to Maurer's: 'I told members of the Board of Directors many times that Jim Gold was my cousin. In fact, at my first meeting with Mr. Maurer... we discussed the positive influence Mr. Gold's father had [on] me as my mentor in business.'

On October 31, 2016, Maurer's father died. Maurer had Bipolar II disorder, and he said in his 2020 claim that the death 'triggered a serious episode of depression and insomnia.'

Shortly after his father's death, on November 16, Maurer signed a new operating agreement. In his 2017 sworn declaration, he said that he was pressured by Saporta to sign this agreement when 'unprepared' to do so.

'We had been exchanging edits on the document when Mr. Saporta suddenly came to me and insisted I sign the Agreement at that moment,' Maurer wrote in the declaration. 'He did not give me an opportunity to review the entire

Agreement to see which edits were in it. He also knew that my father had recently died and I was exhausted and distracted.'

Saporta, in his own 2017 sworn declaration, denied that he 'pressured' Maurer or that he came to him 'suddenly' to insist he sign the agreement, saying that Maurer had the final version of the agreement several days in advance of signing.

Maurer alleged in his 2020 claim that it was this agreement which provided the mechanism for him to be stripped of his shares upon his subsequent ouster.

Regardless of the circumstances around which it was signed, this agreement and internal Steward documents show that the plan was for Maurer to take a reduced but active – and compensated – role at the company.

Maurer was to assume the role of 'Founder and Non-Executive Chairman.' According to a presentation called 'Steward 3.0' which was delivered to Steward board members in November of 2016, Maurer was to focus on 'Next Evolution' areas for Steward, including recruiting, business building, and culture, while also maintaining a 'higher presence' in the branches.

He would end up serving in this reduced role for two months, before being expelled from the firm for what were described as violations stretching back years.

The separation

Maurer alleged in his 2020 arbitration claim that on December 13, 2016, at a luncheon following the funeral of a Steward colleague, Gold and Saporta invited him to a Starbucks for a talk. Maurer alleged that they told him that they expected him to 'leave' Steward and then proposed terms of a separation.

Maurer, in his claim, said he 'objected' to the idea and replied that Gold and Saporta had no authority to remove him from the company.

On December 14, roughly a month after Maurer's role was redefined, Gold wrote to Maurer: 'We need to avoid kicking off 2017 without clarifying your role. Otherwise it becomes a massive distraction to the leadership team and hinders our progress.'

Gold gave Maurer an ultimatum: accept a stripped-down role in Steward as 'Non-Executive Chairman,' with no day-to-day involvement or approval authority, or 'completely' step down from the firm but retain a board seat and

'all current units' and continue receiving a salary for three years. He was given two days to make the decision.

Maurer replied the next day: 'Our operating agreement stipulates that I report to the board. In the best interest of all involved, these discussions should remain between only me and the board.'

That same day, Maurer emailed three members of Steward's board complaining about Gold's 'very aggressive' manner at Starbucks, and saying the conversation 'caused me serious anxiety and pain.' He also included a copy of Gold's offer to him.

'I simply want to work with you all to complete an Executive Employment Agreement that is fair to The Founder of our company, protects me and my family while also acting in Steward Partners best interest,' Maurer wrote, adding: 'I am so sad that I must send this email.'

'Wtf! call,' came one board member's response.

A special committee of Steward's board was created to investigate Maurer's claims that Gold, Saporta and McMahan had inappropriately circumvented the board. In Steward's 2017 arbitration claim, the firm said that the committee 'found the allegations to be meritless.'

According to Maurer's 2020 arbitration claim, during an 'unscheduled' board meeting called by McMahan on January 23, 2017, Maurer was invited to speak, then told to drop off the call and wait for the board to report back to him. About an hour later, Maurer was informed by Steward's general counsel, John Scanlon, that the firm's board voted to 'separate' with Maurer.

In a 'Grounds for Separation' email sent to Maurer the next day, Scanlon outlined 'a limited but representative number of issues extending back over three years that served as the basis for the board's decision.'

By Scanlon's account, the board found Maurer had 'shown bad judgment' in overpaying certain employees and recruiters. He said the board also discussed Maurer's 'irresponsible, erratic and unprofessional' behavior and 'sporadic and disruptive' involvement in the company.

'Mr. Maurer's participation in meetings between recruits and Raymond James were so disruptive that Raymond James eventually asked that Mr. Maurer no longer be permitted to participate in such meetings,' Scanlon wrote.

When contacted by Citywire, Raymond James declined to comment.

Scanlon also wrote that Maurer brought ‘knives and nunchucks into the office and displayed them to employees,’ and that he mentioned his concealed weapon during a meeting. (Per Steward’s arbitration complaint, in December of 2016 Maurer allegedly pointed to a bulge in his jacket and said ‘I want you to know I’m packing.’)

‘There are a hundred or more examples of the above behaviors, which have been distracting and interfering with the performance of other members of the company’s management for a significant period of time,’ Scanlon wrote, adding that the ‘cumulative cost’ to the firm caused by Maurer’s ‘bad judgment’ over the years was in excess of \$2m.

Maurer said in his claim that he was not informed of any accusations against him prior to his expulsion, and was not given the opportunity to respond. His Form U5 does not disclose any specific cause for Maurer’s dismissal.

Money matters

When Maurer died in 2020 after suffering multiple heart attacks, he had little to show for his work at Steward. Many colleagues and friends attributed this to a combination of mistakes on Maurer’s part and betrayal by those he trusted. One fact not under dispute is that Maurer himself picked the firm’s leaders – including each of the individual respondents to his complaint.

‘Jim is one of the funniest people you’ll meet,’ Maurer said in a 2020 interview. ‘With Jim, and all of these folks, if you’re friendly, they’re the most charming people in the world; if you’re not, or you raise a question they don’t want to answer, they become very, very, very nasty – really nasty.’

In their sworn 2017 declarations relating to Steward’s arbitration claim, Gold, Saporta and McMahon each refuted Maurer’s accusation that they voted to expel Maurer in order to ‘enrich’ themselves. Instead, they said, he was expelled due to his ‘multiple violations of his fiduciary duty and breaches of the various operating agreements.’

Maurer’s shares, each added, ‘returned to a general pool.’

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