



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is, A Special 5th Anniversary Episode: Five Themes Driving Change in the Wealth-Management Industry. And it's a conversation with my partner, Louis Diamond. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

This podcast is available on our website, diamond-consultants.com, as well as Apple Podcasts and other major podcast platforms. If you are not already a subscriber and want to be notified of new show releases, please subscribe right on your favorite podcast platform or on the episode page on our website. For Apple Podcasts users, I'd be grateful if you'd give the show a review. Your input helps us to make the series better and alerts other advisors like you who may find the content to be relevant. And while you're at it, if you know others who are considering change, or simply looking to learn more about the industry landscape, please feel free to share this episode or the series widely.

It's hard to believe that five years have passed since launching the first episode of this show, and as many longtime listeners may already know, it was a journey that started with an idea of creating a handful of episodes that explored and explained the independent space. Then we realized we were onto something. Word spread. The number of downloads increased, as did the number of regular listeners.

And while it was the theme of independence that served as the launchpad for this series, the content came to represent far more. We welcomed extraordinary guests, from breakaways who candidly shared the stories of their journeys, to leaders from the C-suites of top firms, and industry thought leaders who graciously offered their wisdom and experience.

And here we are today, the result of an industry that has evolved to become one of abundance, not scarcity. That is, advisors have a wealth of options available to them, more than ever before. Yet, as new options seem to enter the space daily, it comes with both opportunity and challenge.

One of the greatest challenges is how to stay informed on what's going on in the wealth-management landscape and how this constant evolution could impact your business. We've been told time and again that this series has become the go-to resource for anyone considering change, not just those going independent. We're proud of that.

So in this episode, my partner, Louis, and I explore five of the most salient themes that resonated most over the past five years: themes that have direct impact on the way you grow your practice and serve clients, whether you're an employee advisor at a firm or an independent business owner. There's a lot to discuss, so let's get to it.

So Louis, as always, thank you so much for joining me.

Louis Diamond:



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

Absolutely. It's funny, and it's an honor to be here. Can't believe I'm doing this for five years. I remember when you came up with the idea of the podcast. Originally, I said, "Really, you're going to do a podcast?" But it's been an incredible way for us to share different perspectives, add real value to the advisor community, and it's been one of the most fun things that we've had an opportunity to do. So really excited to jump in and celebrate five years of success.

Mindy Diamond:

Yeah, let's do it. Okay, so in conversations with our team, and in reviewing transcripts of five years' worth of shows, we came upon five themes that were repeated throughout the series and have influenced change in the wealth management world. So let's walk through each and share some insights that we gleaned from our guests.

The first one: let's start with what I think is one that drove the most change in the industry, and that's evolved advisor mindset, which has really changed and evolved in the last five years alone.

Louis Diamond:

Yeah, I agree with you. I think what this really comes down to is advisors, for the last number of years, not just over the last five years, have desired greater freedom, flexibility, and control, and what they've been willing to sacrifice in order to achieve this is what the big shift is. So instead of just focusing on, "How am I going to get the next forgivable note?" and changing firms every 10 to 12 years in order to recapitalize the business, it's much more about thinking long-term and thinking about how to access greater control in everything that they're doing. So to me, that's one of the biggest shifts. What do you think?

Mindy Diamond:

Yeah, a hundred percent, and I think that that really goes hand in hand. That desire for more freedom and control, and ownership, in some cases, probably leads to the second biggest change in mindset, which is the notion that advisors have begun to really view themselves as business owners, and viewing their business as a business, regardless of whether they sit at a big firm or are independent.

Louis Diamond:

Yeah. I think that's exactly right. And even if you are a career employee advisor, you may not own your business, but you feel like you own your client base and you have agency over your professional life. And that has been one of the real tides of change is wanting to have agency and control over everything an advisor's doing. And this can manifest itself in advisors spending more time to work on their business rather than in it, and creating their own brands or taking risks, even if it means taking a step back in the short term. So really exciting to look at this, and I think we have a couple of examples of guests over the last five years that have really embodied this changing advisor mindset.

Mindy Diamond:

Note: This is a transcription of a spoken word dialogue and as such there may be errors and/or omissions.

Page 2 of 13



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

And before we share some of those examples, the one thing I'd add to that is that regardless, again, of where an advisor practices, they use this mantra: begin with the end in mind. And so, whether you're looking to leave one firm and go elsewhere or leave somewhere and launch an independent firm or stay right where you are at your current firm, it's the notion of beginning with the end in mind. What do I want my business to look like five years, 10 years, at the end of the day, from now? And making decisions to stay or go, to add staff, to grow, whatever it may be, based upon that. So Louis, so let me turn it over to you, and how about let's talk about some examples that have really embodied this concept?

Louis Diamond:

Yeah, absolutely. There's many, many episodes to call upon. One of the first ones that comes to mind was an interview we did with Brock Moseley of Miracle Mile Advisors. He was actually a two-time Morgan Stanley breakaway, and Brock talks about how Miracle Mile, his RIA, really came to be because he realized that he couldn't accomplish what he wanted to by staying put, and his mindset was more about, "If it doesn't exist, I'm going to go build it." And I thought that was really, really inspiring to hear.

Another example would come from Terry Cook, and this was an interview from 2021. Terry talks about all the extra work that went into starting the business, but the fact that he was willing to put in the work because he realized that in order to build the business of his dreams, he would have to roll up his sleeves and get his hands dirty, and it's paid off big-time for Terry.

I'm just going to rattle off a couple of other ones. There's so many good examples. Steve Dimitriou of Mayflower: he began his career with Wells Fargo Advisors transferred over to FiNet, which is their independent channel, and then realized that he wanted more freedom and control, and ultimately, he valued this more than stability and the ease of staying put. So he broke away to form his own truly independent RIA. And talk about the change in mindset; he really shifted even within one firm to having his mindset change over the years.

Other folks that have embodied this change in advisor mindset... It's actually not even advisors themselves, but a few ex-wirehouse leaders that had their own mindset shift from, "I have to work at a big firm in order to recruit advisors," and to have advisors ultimately serve their end clients.

We look at episodes with Jim Dixon, who built Sanctuary, Jim Gold, who built Steward Partners, Shirl Penney of Dynasty Financial Partners, Rob Barton Stein of Kestra Private Wealth... All of these leaders, they took big risks. They realized that what was available out there for advisors and to build a company didn't exist. So they took the risk and did it themselves. To talk about a change in mindset, you got it right there.

And then a couple of other ones, I think, comes by the way of advisor coaches we've had on. These coaches, their whole job is to help advisors change their mindsets. You look at Matt Oxley who talks about elite advisors' growth mindset is a mental compulsion. Love that line. We look at Steve Sanduski



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

and John Bowen, and ultimately, recently, with Matthew Jarvis, who he went the opposite way of changing the mindset of, "I have to work 40, 60, 80 hours a week," and doing something that's more soulful, and instead, adding massive value in a condensed period of time that fit his needs. So lots and lots, can keep going, but to me those are the top couple of episodes that hit on the change in advisor mindset.

Mindy Diamond:

Yeah, I love it. I'm so jazzed by the amount of content and great information that we've been privileged to really hear from our guests. So that leads us to a concept that directly impacted the content for this series itself, and that is the notion of independence as a mindset, not a model.

It's funny; when we first titled the show, the idea was that it would focus solely on the independent space, how and why an advisor would go independent. But over time, we expanded our topics and the roster of guests to include employee models and leaders from firms whose value proposition was rooted less in an advisor being 1099 and more in giving advisors more freedom and control than they might have had at a previous firm. That's about answering the call of an evolved advisor mindset and fueling change throughout the landscape, with supported independence, gaining incredible traction and more independent employee models attracting top talent.

These models searched as a result of creating a more independent culture with the safety net and even the brand of a large firm, to attract those who wanted more freedom and flexibility, but where independence was a bridge too far.

Louis Diamond:

Yeah, so I agree with that. Of course, the series is called Mindy Diamond on Independence, but so much of what we talk about in this series, it's not about, to your point being 1099 or owning an RIA or even being truly independent. It's much more about the feeling of independence, and many firms that have been created and have really gained popularity, whether it's the boutique firms like First Republic and Rockefeller, or what we call the regionals, the national, regional firms, Raymond James and RBC and Stifel. They all represent models where advisors who may not want to build something on their own can have the feeling of independence.

And I would say a couple of episodes that we really hit on this... We had the privilege of interviewing Bob Thornton, who's the President of Wealth Management at First Republic. He gave a rare interview into the culture and how they support advisors, and how advisors often feel more independent with a more boutique private-bank model with First Republic than they would at a wirehouse.

And we looked at an equally hot name in Rockefeller. We had the privilege of having both Chris Dupuy and then Michael Outlaw on the show, talking about what Rockefeller's doing and their version of independence. And then, of course, we had leaders of regional firms, whether it was Tom Sagissor of RBC or Tash Elwyn of Raymond James or Jerry Lombard of Janney Montgomery Scott.

Note: This is a transcription of a spoken word dialogue and as such there may be errors and/or omissions.

Page 4 of 13



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

All these folks came on and talked about how their cultures of supporting advisors has really been a feeling of independence for these folks. Many, many more to talk about, but I think what's really, really clear is that even if an advisor is not interested in being truly independent, they can feel independent, and there's no shortage of options to support these folks.

Mindy Diamond:

Well, that's the key. In fact, we are about to produce our end-of-the-year episode, where we take a look at the year behind us and make predictions about the year ahead. We do this both in writing, as well as we'll do a podcast interview. And the real theme of the year is there are certainly still many, many, many advisors who want to be business owners. They want their name brand. They want to have control over their P&L. They want to be business owners. But there's an equal amount, if not more, of advisors that view independence as a bridge too far. And they like what independence stands for. They want more freedom and control. They want to be part of an organization that's smaller. They don't want the bureaucracy of a big firm, but they don't want to be business owners. And so the real theme of the year, as you said, is the number of models that have been born and continue to be born to answer that call from advisors.

Louis Diamond:

Yeah. I completely agree. And before I even forget, I think one of the most extraordinary examples of guests we have that embody this feeling of independence without actually being independent would be Joseph Panfil and Vince Finney, who were advisors. They were employees of UBS. We actually represented them and helped them become employees of Wells Fargo advisors. So obviously they went from wirehouse to wirehouse, but they gave tangible examples of how this move gave them a sense of agency and control, and ultimately, it's going to set them up to move to independence in the future. So, pretty clear that you don't have to be independent in order to be independent.

Mindy Diamond:

I love it. All right, so let's move to the third idea. Many of our most popular episodes discuss practice management and growth. Vision, talent, scale: each driving factors of growth. And one of the most prolific thought-leaders in our industry tackled the topic throughout an entire episode, actually the second episode, he appeared on over the course of the series, Michael Kitces. "Differentiation has never been more important. You have to be clear what your unfair advantage is." I love that line. And that comes from David Canter, who at the time we interviewed him was head of Fidelity's RIA custody unit. Today, he's the President of Kestra's Bluespring. So what we're hearing from advisors is that focusing on the big picture as it relates to the alignment of their goals, and how that is congruent with their firm's ability to help achieve them, is really what it's all about.

Louis Diamond:



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

Yeah, I agree. I mean, advisors are in the business of serving clients for many reasons. They want to help their clients save for retirement. They want to give their clients confidence that they have a future to rely upon. But we'd be remiss not to talk about growth, and any advisor who's considering change, they're looking to serve clients better, but they're also trying to figure out: how can I grow more efficiently and ultimately grow a much larger enterprise?

So let me hit on a couple of guests that really talked about some tangible tips on growth. So Michael Kitces, who you mentioned, he talks about building with the end in mind, and that firms that he sees do the best job of building with the end in mind are firms that actually have a clear vision of what the end looks like. I really like that. We talk about this concept, and it's building something today that you know is going to be worth something big on the other side, and putting tools in place to help you grow even faster.

Mindy Diamond:

And actually, one that comes to mind also is early on in the series we interviewed Liz Nesvold, who is a very prolific and top investment banker in the space. She's the one who first said, "Begin with the end in mind," because what she does is help independent firms think about buying and selling. And so the notion of beginning with the end in mind really comes into play when you think, if you're building a firm or building a business, that you ultimately want to sell for maximum enterprise value. It's all about putting the steps in place, putting the infrastructure in place, building a business with the end in mind.

Louis Diamond:

Yeah, I agree. A couple of other concepts that really hit on growth: we had Terry Cook, once again, who talks about talent as a driver for growth and the fact that his firm is less bound by predefined plans and instead can look at new approaches that helps drive innovation and ultimately has helped his firm grow.

Ron Carson, another large big name in the space. He talked about how he works on his mindset and how he helped coach advisors, and looks at things like meditation and coaching and strategic plans as a way of driving growth. And he's helped hundreds and hundreds of advisors reach their end goal by following his methodology.

Jon Kuttin, who runs the largest independent practice at Ameriprise, talked about the shift from advisor to CEO, really taking the hard steps of moving away from serving clients and being the primary client service person to instead focusing on the big picture and putting folks in place who could service clients. So Jon can then focus on acquisitions and recruitment and being the CEO, and that freed up capacity in order to help his firm grow and reach amazing heights.

A couple of other ones: we had Josh Brown of Ritholtz. We actually had two Josh Browns, but this Josh Brown of Ritholtz talked about the benefits of scale, and how through scale, his firm gets larger. But it's not just better for them, it's also better for the client, because they get better pricing from vendors. They get benefits of scale that they don't have to give up an arm and a leg for that scale, and they've

Note: This is a transcription of a spoken word dialogue and as such there may be errors and/or omissions.

Page 6 of 13



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

done it without having to sell their firm to private equity or to a hedge fund. They do it in a very methodical way and they don't have to bootstrap it on their way.

And then I'll give you one or two others real quick. We had two different episodes with executives from private equity firm Focus Financial Partners on. First, Mark DuPont, earlier in the series, talked about the three things that Focus does really well. And Rudy Adolf, the founder and CEO, mimicked those when he came on in 2022. He talks about how access to capital and value-add services to help drive growth and succession planning and continuity has been an incredible catalyst for RIAs that have come under Focus's ecosystem, and thinking about ways that a capital partner and a strategic partner can help firms catapult to the next level.

Mindy Diamond:

Yeah. What an amazing array of smart insights. Okay. So likely the hottest topic in the wealth-management space with record-breaking years of a frothy M&A market leading headlines daily: it's a combination of buyers with deep pockets looking to invest in quality firms that demonstrate they can live up to their value propositions and often use the investment to fuel their own acquisition process. And it's firms that see value in bringing on like-minded advisors and teams to create scale.

So back in 2020, we did an industry update called Meet the Investors, which outlined the various players in the field, and it was and continues to be one of our most downloaded shows. And just a few months ago, we did an industry update titled Why Buy? No doubt that market changes have put some caution around M&A and we don't have a crystal ball to predict the future, but for high-quality firms, the multiples have stayed relatively consistent.

Louis Diamond:

Yeah. I think that's exactly right. Going back to the industry update we did on this very topic, I made the point that acquiring means taking on more risks than recruiting an advisor, because it means putting either your hard-earned equity into a transaction or writing a pretty meaningful check. That may not be for everyone, but most firms are at least open to the idea of recruiting advisors, at least ones with books of business.

So it's not a requirement for independent advisors to recruit or acquire. There's many other reasons why someone might consider independence, but at some point, every firm does need to solve for succession, and most firms are looking to grow, with M&A being a pretty efficient way in order to make that happen. And growing inorganically, whether through recruitment or acquisition, is certainly a good way to go for firms that are ready.

Mindy Diamond:

It's interesting you say that, Louis, because as many of our listeners know, we do a lot of work helping advisors that are currently employees at big firms move to independence. We call them the breakaway



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

advisors. And many, many, many breakaway advisors, when we mention that one of the real benefits of independence is growing inorganically, the ability to add recruiting and M&A to the mix in order to increase operating leverage and ultimately what your firm is worth, many of them eschew that topic and say, "Nah, I'm really focused on organic growth." What would you say to those folks? Or what do we say to those folks?

Louis Diamond:

We say to those folks, the benefit of independence is you get to decide what's important to you. And while many firms have demonstrated the power of inorganic growth, and we'll talk about a couple of examples that we've had on the show, it's certainly not a requirement. There's still plenty of firms that want to be independent because they want the ability to create their own brand. They want true open architecture on the investment side, they want to create their own family office. They want ownership. And none of these necessitate M&A, and like we talked about, M&A is certainly not for everyone. You got to be all in or all out.

Mindy Diamond:

The only thing I would add to that is the vast majority of those that have no interest in inorganic growth at the beginning, as they move through their business life and feel good and excited about being business owners, often come around and say they never really realized the impact of adding inorganic growth to the mix. So again, it's your choice, but it can be a pretty powerful motivator for many.

Louis Diamond:

Yeah, and I'd say along the same lines as we talk about objections that some folks might have with going independent, one of the major things that going independent requires is thinking longer-term. So we talked about the changing advisor mindset, so being more long-term-greedy rather than focused on the short term. But many advisors look and say, "Okay, multiples are really compelling right now, and there's a lot of interest in wealth-management firms on behalf of private equity and other buyers, but how do we know this is going to be the case?"

And I think the answer to this, and we talked about this in our industry update in 2022 about why it makes sense to be a buyer, is that right now all you can do is look at the amount of demand there are for high-quality firms and look at the last few years of all these new entrants coming into the space. So no one can predict the future, but what we've seen is the wealth-management business is highly compelling to institutional buyers and to many other firms that have private equity backing. So if you just build the firm the right way, begin with the end in mind like we talked about, certainly it's not a guarantee, but there's a lot to be really excited about on the M&A side.

So let me talk about a couple of guests we've had that really drive home these points. In 2019, we had Rich Gill, who runs Wealth Partners Capital Group, talk about what it takes to become a good acquirer. Rich has been an acquirer for really his whole career, being a senior deal-maker at Focus Financial



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

Partners and affiliated managers group, and now running his own firm that invests in a multitude of RIAs. And he talks about how there's a lot of folks who have aspirations to make acquisitions, but when you really start to delve into what's required to be a successful acquirer, fewer practically are able to do it. And he talks about some of the things that it takes to do that.

Let's look at Matt Cooper, who came on the show in 2022 along with his partner from private equity goliath KKR. Matt talks about how they started from literally zero, built the firm from zero along with his partner, Shannon, and now have reached the valuation in excess of a billion dollars and attracted KKR as a partner. So talk about starting from zero, building the firm the right way, and then going out and acquiring and really focusing on acquisition as a discipline to drive value.

We had Adam Birenbaum, who runs Buckingham. He came on in 2021, and his firm was one of the first marquee groups that sold the Focus Financial Partners. And Adam talks about how in 2010, they started on the acquisition path long before it was in vogue, and the value that Focus brings to the table as a capital partner and strategic relationship, and how they really poured fuel on the fire of his incredible business to go out and become one of the largest acquirers in the industry.

Couple of others. Let's talk about Kurt Miscinski, who's founded Cerity Partners in 2021, another firm that has reached a valuation in excess of a billion, largely through M&A and advisor recruitment. Kurt talks about the partnership mindset, and that he would rather have a smaller piece of a much larger pie rather than owning a hundred percent of the business. And Kurt talks about how the partnership culture and sharing equity really drives his culture and allows for his firm to reach success.

And I'm going to read a quick excerpt from Kurt, because I think it's really instructive. Kurt talks about how his mindset from day one was: I don't have an ego around, "Hey, this is Kurt's business," or, "I'm going to own a hundred percent and convince others to come work here." It was, how do we create a partnership that could be perpetual? How do you create a business that is bigger than any one person at the firm? How do you create a business that one day can be a global leader? I love that. He has vision and he's talking about how, together, people can create something really special, and it certainly happened.

One other example I'll give is Andy Schwartz, who is the founder and managing partner of Bleakley Financial. Andy's brand of acquisition is a little bit different. He's oftentimes recruiting advisors, but is also acquiring them from time to time as well. And to Andy, what they do is help advisors add capacity by taking away a lot of the non-value-add activities. He helps them lower their costs so they can run more profitable business and pass the savings on to clients, and also lets advisors stay laser-focused on prospecting and the things that really matter.

So lots of insights from M&A leaders and those that have built their business through recruitment and acquisition, but like we talked about, not a requirement to be independent, but a lot to learn from really smart people that have built incredible enterprises through focusing on the M&A side.



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

Mindy Diamond:

Yeah. And not to make what I'm about to say a commercial for this series, but what an amazing glimpse into the psyche and the mindset of some really, really successful and smart business owners and how grateful we are to have had them share those insights with us.

And that leads us to the fifth and final idea: the notion that succession planning has become one of the hottest topics in the industry and a leading driver of advisor movement. In the recent study of the impending succession cliff, Cerulli reported that more than one third of advisors are expected to retire within 10 years, setting up the transition of nearly 40% of assets. Yet some 26% of advisors still don't have a succession plan in place.

Yet even those advisors who have a next-gen wrestle with the notion of how they will monetize their life's work at the end of the day. As a result, most wealth management firms have developed programs, such as Merrill's CTP, Morgan Stanley's FAP and UBS's Alpha, that allows senior advisors to retire in place and for the next gen to take on ownership of the business over time.

Surely, for those advisors who are certain that their firm will be the right legacy for the business, their clients and the next gen, these retire-in-place programs are a gift. They offer a path of least resistance, rewarding senior advisors for their loyalty and next-gen inheritors with an opportunity to really build a business. But there are considerations that many advisors are not aware of as they contemplate the next steps in their careers. And in many of these cases, it's the next-gen advisors who are leading the conversations.

Louis Diamond:

Yeah, I agree with that. And as a next-gen folk myself, I think it's a topic I'm passionate about and incredible to speak on. We oftentimes are called to help advisors think about succession planning, and one of the best tips that I think I gave in an industry update in 2019 was about making succession planning a priority. The only way to really take time to work on this is to make it a priority.

If you just leave it on the back burner, it's going to be significantly harder to come back to it. It's a stressful topic. You're thinking about change, you're thinking about your own mortality, and there's always something more fun to work on than succession planning, but making it a priority is what ensures it stays top of mind.

Let's talk about a couple of different guests we've had on that are either next-gens themselves or talk about concepts that really, I think, speak to the mindset of next-gen advisors and succession planning in general.

So I'm going to talk about Jason Cort, who is one of the very first guests we had in the series back in 2018. Jason and his team member Herm Rij, they ran a very large team with Merrill Lynch in Pennsylvania. They sold their business to Focus Financial Partners as they transitioned to independence.



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

And Jason talks about how in thinking longer term, they really thought as a team, in that he wasn't worried as a next-gen about his partner, Herm, being okay with this move. It was more about: are we on the same page and are we all committed to the same things? And sometimes this manifests itself, because it's really hard for anyone to consider change, especially an advisor who's closer to retirement. And oftentimes, it takes the team being on the exact same page to even consider making a change. And Jason talks about this.

Mindy Diamond:

Yeah. And again, Jason Cort and Herm Rij and the rest of their team, we had the privilege of representing. And probably one of the greatest insights was they had seriously considered moving to Morgan Stanley a number of years before that. It was the notion of the freedom to solve for succession, the way they wanted to be creative in how they solve for succession, that drove the desire to be independent and the desire to ultimately sell to Focus Financial Partners.

Louis Diamond:

Yeah, absolutely. Another guest we had on in 2022 was Dan Katz from Revolve Wealth Partners. Dan has the honor to work with his father, Ken, and Dan talked about the decision to go independent and what this meant to his father. And he said that his dad recognized that the business is always evolving and changing and it always will, and that as the next generation, he has different skill-sets than his dad did, and that's not a bad thing. And that oftentimes it takes a different voice, in this case, he and his partner Michael, to really drive home points differently to clients. So talking about the benefit of the next generation of the business.

Ahmie Baum, he's on the other end of the age spectrum than Dan. He is the senior advisor and works with his son Brian. But Ahmie talked about his business moving from UBS in Pittsburgh to Independence as an RIA, and he talked about how the move wasn't exclusively about his son Brian's needs. It was really about the business decision. So he looked at the business as a business, and said, "Where is the business going to be best served?" And ultimately, where the business was best served was also what was best for his son Brian. So really cool to see an older advisor, who easily could have taken his firm's retire-in-place program, think longer-term about the business, and also help his son realize their dreams of being independent.

Let me give you a couple of other ones. We had another next-generation advisor on, Bryan Garris, in 2021. He talked about when he started at Morgan Stanley in the training program, he made it clear to him that he didn't want anything handed to him. I get this. Nepotism runs rampant in this business. And he said, "I'm going to make my own path. I'm going to be successful because of me, not because of my dad." But it was amazing that he had the opportunity to work with his father. And he said on the show that when he was handed a book of business from his father, he didn't want it to feel like it was being handed to him. It was that he earned it. And that, ultimately, the concept of nepotism and being given something is what lit the fire underneath him to make the business better and to always work harder.

Note: This is a transcription of a spoken word dialogue and as such there may be errors and/or omissions.

Page 11 of 13



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

Let me give you a couple of other next-gen examples. Lizzie Evans: she launched her business with Sanctuary Wealth Partners. We had her on in 2020. She talked about how, when she was making the case to her father about going independent, really what crystallized the decision for her dad was the fact that the client experience couldn't be delivered in the same way that it once did, and that in independence, they could customize that client experience, and also that they can have true open architecture on the investment platform.

So of course, it's easier, like we talked about, for an older advisor to stay put, stick in the model or in the firm that they're comfortable with, but sometimes it takes the next generation to show them the light and to see why another model or another firm is going to be better.

And let me round out this segment with, I guess, more of a cautionary tale rather than a next-gen success story. But we had industry attorney Tom Louis on, and he talked about the perils of the wirehouse retire-in-place programs, and he gave some great advice that I'm going to read so I don't paraphrase it and miss something important.

Tom talks about a strong piece of advice being: before any advisor signs a retiring-advisor program or any agreement to that matter, they should absolutely have a professional review that agreement. It should be reviewed by them and make sure that the restrictions and the obligations are exactly what they expect it to be, and once they sign it, that they are likely stuck at the firm for a period of time and they have to make sure they understand what they're getting into.

So not to end on a negative, but I think there's a lot of benefits to the retire-in-place programs at a major firm. There's also many ways for an advisor to monetize their life's work. But before doing that, make sure that agreements are reviewed and that all options are explored to make sure you are in the best possible place for you as the older advisor, but also for the next generation.

Mindy Diamond:

Yes, Tom has been on a couple of times, and I think that that advice was salient, for sure.

Truth of the matter is we probably could have gone on for two or three hours, because there's just been so much wisdom throughout the years. But as always, Louis, it was such a pleasure for me to do this episode with you.

Louis Diamond:

Yeah, absolutely. This one was especially fun because of where we started from, and just the gratitude we have for all the guests that have trusted us in giving them a platform to tell their stories and for gratuitously educating all of you who listen to our show.

So Mindy and I and the entire team at Diamond Consultants are grateful to each and every one of our listeners, and hope the show has helped you better understand a changing wealth-management world. We look forward to keeping you informed, and certainly, if you have suggestions on topics or guests,



EPISODE TRANSCRIPT

A Special 5th Anniversary Episode: 5 Themes Driving Change in the Wealth Management Industry

A conversation with Louis Diamond.

please let us know. I know for a fact there'll continue to be some really compelling breakaways coming down the pike, and many new innovative leaders that will continue to come on our show and educate us all. So thank you, and until next time, see you later.

Mindy Diamond:

I thank you for listening and I encourage you to visit our website, diamond-consultants.com, and click on the Tools And Resources link for valuable content. You'll also find a link to subscribe for regular updates to the series. And if you're not a recipient of our weekly email perspectives for advisors, click on the Articles link to browse recent topics. These written pieces are an ideal way of staying informed about what's going on in the wealth-management space without expending the energy that full-on exploration requires.

You can feel free to email or call me if you have specific questions. I can be reached at (973) 476-8578, which is my cell, or my email, mdiamond@diamond-consultants.com. Please note that all requests are handled with complete discretion and confidentiality, and keep in mind that our services are available without cost to the advisor. You can see our website for more information.

And again, if you enjoyed this episode, please feel free to share it with a colleague who might benefit from its content. If you're listening on the Apple Podcasts app, I'd be grateful if you gave it a star rating and a review. It will let other advisors know it's a show worth their time to listen to. This is Mindy Diamond on Independence.