



EPISODE TRANSCRIPT

6 Months Later: Why a Former UBS Lifer Considers Independence His “Do Over”

A conversation with Ahmie Baum, Founder and CEO, Interchange Capital Partners

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is Six Months Later: Why a former UBS lifer considers independence his do over. It's a conversation with Ahmie Baum, founder and CEO of Interchange Capital Partners. 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're 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 incredibly 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 could benefit from the series, please feel free to share it widely.

Mindy Diamond:

What if we all had the chance to take a mulligan, at least once in our business lives? That is, use the proverbial golf do over rule as a way to reset our goals and expectations and take that shot one more time, but this time from a whole new perspective. That's exactly the way Ahmie Baum put it to me when we first talked about his transition to independence. I met Ahmie over a decade ago, perfectly comfortable enough at UBS at the time, making a good living and building a strong business. Then his son Brian joined the business seven years ago and things started to change, and he began to see the future and their strategy for growth through his son's eyes. It was an awakening that made him dig deep and evaluate everything to create a clean slate. For the first time in decades, Ahmie started asking himself if UBS was indeed the right partner for the future of the business, a legacy that he and Brian would build upon, and Brian would someday take over.

Mindy Diamond:

With 420 million under management, Ahmie felt confident in their growth and gained a new sense of courage to do it all over again. So in June of 2020, Ahmie, Brian and their team launched RIA Interchange Capital Partners in Pittsburgh, Pennsylvania with the help of Dynasty Financial Partners. It's a unique perspective from an advisor who was just six months into independence. Ahmie shares the story around the events that precipitated his change of heart, what other options he considered, how they planned for the move, where they are now and much more. So let's get to it. Ahmie, I am so happy you are here. I said to you offline, I feel like it's like watching my children grow up and having real pride in them because my team and I had the privilege of representing you and your son in this move to independence, and it's such a gift for me to get to interview you now.

Ahmie Baum:



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I feel the same way Mindy, this has been a long time in coming. I was sitting there thinking and preparing for the show and I was thinking, wow, it's been over a decade and a couple of fits and starts. And you were so gracious and frankly did what you said you were going to do, which has been remarkable. Thank you.

Mindy Diamond:

Thank you. I appreciate that. All right. So let's start at the beginning. Tell us a little bit about yourself if you would, for perspective. What came before UBS?

Ahmie Baum:

I started in business 40 years ago. 1979, a friend of mine's father worked for EF Hutton, we ran a restaurant together in college and I had a lot of school loans that had to be paid and I was headed out West to become a ski bum. And I got a letter from the Pennsylvania Higher Education Association saying they wanted to get paid. So I had to figure out and pivot and said, "Well, I guess I'm not going to be a ski bum for a couple of years," and went to work for EF Hutton. They hired me, I don't know why, because I knew nothing about the industry. I did not come from wealth, I didn't know anything that they did. Actually, I do know why they hired me. When they asked the typical question in an interview, what's your weakness? I said to them very candidly, "I don't know anything about your business. How good is your training program? If your training program is good, I can learn anything."

Ahmie Baum:

And he got sad there, at that time I was 24 years old. He said, "I've never had anyone turn that around on me as quickly and put the pressure on me. I think you're the one." And then they called me a week later and offered me the position at EF Hutton. I stayed there till EF Hutton was bought by Shearson Lehman. At that time, after the 87 crash, I had gotten involved in building teams with Bill Good. Teaming wasn't something that Shearson Lehman Hutton was all about. Even though I had one there were some changes in real estate, but my team was thrown all over the complex and Paine Weber was interested in me and had a couple of conversations with Joe Grano, so there was concern that Paine Weber frankly wasn't as far along in money management, which was what I had been pioneering at EF Hutton, but ultimately made the decision to join Paine Weber and then Paine Weber was bought by UBS. So there's the history.

Mindy Diamond:

Yeah. No, and I appreciate that. Okay. So then you and your team left UBS in June of 2020 to go independent and form Interchange Capital Partners. So if you would for perspective, tell us a little bit about what your business looked like at UBS. So to start, how much in assets were you managing?



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Ahmie Baum:

According to UBS, which we found out how they handled this, we were at about 420 million in assets according to them. We recognized going through the process that there were probably... Well, there was only about 350 million productive assets, the stuff that we were actually really getting paid on. Yeah. As I mentioned earlier, I pioneered investment management consulting so we have a lot of fee-based revenue. So I would say it's closer to \$350 million is what we had. The business was built primarily around transition planning and working a lifetime of work for the business owner and professionals. And so we had a legacy book of clients who had been with us for decades. And when my son came to me when he was a sophomore in college, sitting in his apartment in Indiana Bloomington, even though he ultimately moved to Penn state and graduated there. And he said, "What happens when Bound Consulting Group isn't there?"

Ahmie Baum:

I said, "Well, it will go to my partners. Why are you asking?" He said, "Well, it looks like you've done okay for yourself dad, maybe I'd be interested." And I said, okay. So we started a process of getting him some education, some internships in the insurance business, because that's the easiest way. And ultimately when he graduated, had offers from a number of insurance places and he said, "Dad, where's your offer?" I said, "I'm glad you asked, because I have a problem." He said, "What's the problem?" I said, "I've seen second generation and the last thing I want for you is to have the albatross that says, 'Well, you're successful because you just got into your dad's business that was successful.' So if you're going to join, you have to know that you're going to start at the bottom, you're going to figure out and build this thing. It's not that I'm going to hand it to you. I'm going to be there every step of the way to support with that."

Ahmie Baum:

And that was the game changer for us, because it actually gave me my mulligan, my do over. And I said, this was seven years ago, "If I was going to start all over, what would I do? How would I do it?" Because I have always been innovative in this end. I mentioned earlier that I started in 1982, my first fee-based investment management account. Fast forward to when UBS bought Paine Weber and Marten Hoekstra convened a group of top leaders in Pittsburgh over dinner and he asked them, "What's the future of the industry?" And they all looked around and they said, "It's what Ahmie is doing."

Ahmie Baum:

I wanted to monetize the business, and I wanted the fee-based business. And Martin turns to me, he says, "So I guess you're going to retire." And I said, "Just to the contrary, I think there's a next phase of this industry that's really important. And that's truly delivering on comprehensive, collaborative planning." And that was that recognition that the industry needs to move there. Isn't there coming...



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Clearly it is there on a certain level. And so when Brian shows up, we get the opportunity to do the do over. And I said, if I was going to do this, we're going to focus exclusively with business owners and their exit planning and their succession planning. And the reason why is because I had some very dear friends that UBS in the Aesop group in Atlanta, Keith Maricka and Bruce Bickley, and I watched when we first met at chairman's council, I was ahead of them, and they were behind me.

Ahmie Baum:

And in no time they eclipsed me and most importantly, at a conference with Bruce Bickley, where I learned about the blue ocean strategy, I turned to Bruce, I said, "Oh my God, you've created a blue ocean strategy." And so I said, my do over is we're going to create a blue ocean strategy around this single largest, most complex financial transaction in these people's lives. And we had already done some of this stuff because we were so focused on planning, but that was the piece that really ended up changing the trajectory of our whole business and my career.

Mindy Diamond:

So much to unpack in what you just said. And I want to take it in a couple of different directions. First of all, big smile on my face when you talk about bringing your son Brian in because I think as you know, my son works with me, he's now the president of our firm and nothing in this world has been a greater gift for me, or made me prouder than having the opportunity to work with him and see him grow and thrive. I also love how you put it about it giving you a do-over because I talk with so many advisors about how the time they're sort of going along, they're either happily happy enough, or they're unhappily happy enough, meaning they're frustrated, but it's good enough for them. And when they bring their next generation in, it's when they begin to put on different goggles and really have different expectations for the business where they begin to say, "Boy, what got me here isn't necessarily what's going to get him there. And if I care about his future and his legacy or her future and her legacy, I need to do something about it."

Mindy Diamond:

So I want to get to that in just a moment, because that's really important to me. But I'd like to give our listeners a little more perspective about the business. So you left UBS managing what they called 420 million, which was really about 350 million. Did your typical client look then, like it looks today, the business owner? And give us a little bit more just about the business then and now. How much are you managing today, almost a year later? How many were on the team then, how many now? Et cetera.

Ahmie Baum:

Yeah, I mean, assets, we're at 350 million as of this morning. So we brought over all the productive assets, which we're not quite a year actually, we're maybe six, eight months. So one of the things that



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happens when you go after this business owners segment and the way that we did it, there's a very long lead time for this stuff. It's part of the reason why I think it's a challenge for wirehouses to go after this business. It just takes a very... And even Keith and Bruce down in Atlanta said it's like a five-year runway. So Brian starts seven years ago. Two years, we had some interesting things that we can talk about maybe today, maybe later, about how we got a 24 year older to have a Rolodex like no one's ever seen before, but it took a while. And our best year of asset transfer or new assets was in 2019. We brought in a \$70 million family. And I just... Kelly was like what? That was the market telling us that we were on the right track-

Mindy Diamond:

Validation.

Ahmie Baum:

Total validation with it. So the book up until that point was a lot of professionals, doctors, lawyers, accountants, executives, that primarily because as I said, my work for the last 40 years has been all about transition planning, unlocking a lifetime of work. And if you were a business owner or a professional, whoever, it wasn't a niche in terms of that, it was just the niche in terms of the planning and the process and how we went about helping people with the largest financial transaction of their lives, which is not just, and I know we'll get into this, it's not just about the money. So our book is pretty similar.

Ahmie Baum:

The very interesting thing was through the transition, we brought on four new clients. I mean, what? This thing has really just... I mean, I sit here today in six months and pinch myself. So there were eight of us at UBS and we took seven of them and all of them are millennials. So it just wasn't about Brian. It was about Kendra and Chris and Evan and Alyssa. It was about looking and hearing from them, some of their frustrations around working in these big firms. There were a number of things but when we recognized that we had this unbelievable growth strategy, and then the question became, well, where are we going to grow? And you and I had this conversation. What your listeners don't know is we went down this road, this was the third time. Okay. And I stopped two times before. And the reason why I stopped is because as I told you, I don't know if we're going to grow, let me try to double it at UBS first, and then I'll see. And then I recognized that once we identified this growth strategy was UBS the right place? And it wasn't just UBS, Merrill any of these because they just take so much for it.

Mindy Diamond:



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Yup. All right. So again, I want to come back to that, but how did your clients respond to your decision to leave UBS and going independent? You said all of your clients followed you, but what was their response?

Ahmie Baum:

Yeah. Most of them didn't. I mean, look, I did this one time before, and as much as I have an optimistic view and I believe we're always doing everything and everyone's going to come. Well, everyone didn't come, but we replaced them obviously. And there were some disappointments, but by and large, the comment was, "I'm there because of you." I certainly need to understand this because UBS has a very strong brand and UBS was on the attack, which is a whole other story that at some point I'd love to unpack with you around protocol and non-protocol, but we'll hold that later for some other time. I just think it's a travesty that they bring people in and then they fight so hard when people leave. It's just the whole thing doesn't make sense to me. And I don't think it's fair for the client.

Ahmie Baum:

So the biggest issue is to get the clients comfortable with the custody and the safety and the security of their assets. And that's where having a BNY Mellon Pershing as our custodian out of Pittsburgh, that was a major, good decision. Yeah. We went through the due diligence as we had to do, but for the most part, the comment was, "We've been with you for so long, it's really your advice and counsel." Once we could get them recognizing that there was safety and security for their assets, then the issue around products and services, which is the third leg of the stool, was less of a concern. And the real driver was the advice and counsel doesn't change. In fact, the advice and counsel, as we now know is much better because we have a much broader array of opportunities that we can bring that at least UBS couldn't and I'm sure for the other bigger firms couldn't.

Ahmie Baum:

So we've been with you and it's what everybody said would happen. But I will tell you that June 12, 2020 on my 65th birthday, when I resigned, I was back at zero and those first two, three months of battling UBS and battling all the financial advisors and pulling all this stuff together, you don't go into it this thing lightly. But as everybody says who's gone through it, it's a lot of work. There are disappointments, but when you come out the other end, why didn't I do it sooner?

Mindy Diamond:

Yeah, well, that's what everybody says. And you're a unique interview for me because while I've had the privilege and pleasure of interviewing many breakaways now, you're the only one I've interviewed that's at less than a year since break. And I chose it one because I like you, and I'm so happy for you. And I know that you're so happy you made this move, but also because I think that everyone knows that the



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first year post break going anywhere can be a tough one. It's certainly emotionally fraught and for an independent advisor, as you say, the first couple of months of battling UBS and working hard to move clients and learning to be a business owner and all of it can be difficult. So talk to us about that. And I'd especially love to hear about, you said before bringing in four new clients in transition.

Ahmie Baum:

Well, let's go there. That just is a testament to the work that Brian had. And it was interesting because a couple of them said, "We were hesitant when you were at UBS." "Well, why were you hesitant?" "Well, we weren't sure if we were getting you or we were getting the UBS." And these are business owners. That was something that they're not institutions. These are family businesses. As one guy said, "I've been on this tight rope for so long and I recognized when I sat down, talked with you folks that maybe I should take some chips off the table." So the reason why we were able to do that is because we had already been working on a proof of concept. And prior to we had the luxury, because we've done a really good job of role clarity within our group, so that Brian could very quickly get back to these people and start talking to them again and telling them about Interchange Capital Partners, and the fact that we clearly now have owner empathy.

Ahmie Baum:

Because we are true owner. And that's something that's very interesting because in my mind from day one, 1979 at EF Hutton, I said, basically what I have here is a franchise. I never saw myself as an employee. The reality that proved itself to me was that's all I really was. And that was, you talk about the straw that broke the camel's back, was that recognition because I had this thing all mapped out. I had this thing figured out, and I talked to you about it. I'm going to get all these thousands of shares of UBS stock every year and I will get dividend off of that, I was a lifer. You knew that, I told you. They took really good care of me in that aspect of it. So that's how we brought the new people in forward.

Mindy Diamond:

So I think that's really interesting Ahmie, and wonderful, obviously. So why begs the questions, What is it, or what was it that you think you are able to do for those new clients, as an independent business owner that you couldn't, or they thought you couldn't have done for them at UBS?

Ahmie Baum:

I think the issue was that every time we brought a recommendation, the question was since it was always tied in with UBS, is this yours or are you getting some pressure? The other thing that happened, and you had an interview a while ago with another UBS advisor. And when he went through, he had this whole estate planning piece that he was brought the day before the presentation compliance came back and redlined all this stuff, and it's said, "Not the role of a financial advisor." I had the exact same



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experience because as we were building out this business transition to work at the time we called it the business transition group at UVS, I built out a white paper. I was working on it and I sent it off to compliance. And there's a number of things that you have to do for a business owner that's beyond, that's business related. Exit transition planning, and exit planning has the business and the personal. Well, all the business strategies around maximizing and protecting the business, okay?

Ahmie Baum:

All kinds of different things, they would redline, "Not the role of financial advisors." This is planning, and we were the poster child for planning at UBS. We charged our dollar for planning, we got all the... And so the issue was when we would go to a business owner, they had to sign a financial planning agreement that means we had to deliver a financial plan. Well, what about all the business consulting work? What about valuation work? What about all the things around incentive compensation of an employee? And it was just a whole menu of items that we really couldn't bring to the table, because it doesn't fit the role of the financial advisor, according to UBS's compliance. And so the opportunity set to really go into it, and then the agreement that they signed, our very first client signed a \$42,000 annual consulting agreement that had nothing to do with financial planning. It had to do all with the business planning. We could never have gotten that done at UBS.

Mindy Diamond:

Yeah. I know which episode you're referring to. It was an interview I did with Terry Cook some months back who was a UBS advisor. His straw that broke the camel's back moment was exactly that. He was putting together a PowerPoint presentation for a client event or something he was doing. He'd submitted it to compliance probably a month before the presentation. And two days before the presentation, he got the whole thing back redlined with a million places that said, "Not the advisor's role." And that's when he realized it was time to go. So that makes perfect sense. So what else was going on at UBS at the time that made you want to leave in general and then to decide to go independent? And before you answer, I want to give you a little context for the question.

Mindy Diamond:

I asked the question because one, people move because of pushes and pulls, right? They move because they're pushed by frustrations, the things that they wish they could do, the limitations that irritate them, and hopefully they're equally pulled to something that they are passionate about. It sounds like in your case, especially once Brian joined and you had gotten really clear about this growth strategy that you began to believe that UBS was just not going to be the place to get it done. So what were your pushes and pulls relative to what was going on at UBS and the pull toward independence at the time?

Ahmie Baum:



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Well, this is just an unfortunate set of circumstances that took place just given the nature of an international brand. Western Pennsylvania, which is the area that I operated in, in the decade, I think I went through three or four different branch managers in this period. On the Eastern Pennsylvania, it has been solid as a rock. So again, this is the part of the business of having all this management around it. So I go back to that moment when all of this thing changed. I told you earlier that I always looked at this thing as a franchise. And not only that, I always invested in the business, took my own money. Sometimes I got help from the firm.

Ahmie Baum:

If I didn't get help from the firm, it didn't matter. I knew what I wanted to create, and I invested money. My brother who's in the business says, "You would make so much more money, if you wouldn't be doing it this way." But I had a very clear vision of what I felt the organization needed and how to deliver to the clients. And I recognize that I worked for a firm and they can't always supply everything. And I was willing to go out there and do it myself. So the issue was a combination of the fact that something was going on in Western Pennsylvania. Western Pennsylvania had two Paine Weber offices. That had to change. I unfortunately was the one that had to be brought into, so I lost a manager there. Then there were some issues and again, we were never privy to this.

Ahmie Baum:

They talk all the time about being partners and business units, but the fact of the matter is there's some truth to that. But now in hindsight, I can see, Well, look we get paid very well. They've got a great comp system, they've got a good thing there. But ultimately we have to rely on other people making decisions around the business that we just have to toe the line with. So that was one major piece that changed. The other piece was the way they handled Brian in terms of their approach to... And this could be changing. But back then the manager at the time didn't quite get the approach we were taking because Brian wasn't just... His first account didn't get opened up for, I don't know, three and a half, four years from the time he started and I was supporting him, okay?

Ahmie Baum:

And I kept moving gross from me to him to keep him at certain levels that the firm wanted. So Brian was very frustrated as a millennial saying, "Hey, dad, I'm really..." And I would always say, "Go talk to the branch manager." He said, "Dad, he doesn't want to talk to me because I'm not producing." They saw it. So there was that issue that was going on, then there was the fact that the chain of command kept changing, and when the chain of command changed, the agreements that were made with previous command didn't translate. And ultimately the straw that broke the camel's back was when my long-time CSA made a mistake, she admitted to it. She checked a box, she said she talked the client, the client happened to be my cousin. It was a fraud email. \$25,000 went out 15 minutes after she checks the box. My cousin calls us, "I got hacked, it wasn't me."



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Ahmie Baum:

She did it because she had done this for this guy for decades. Everything looked right and there's a zero tolerance policy as there should be. So I'm not saying that. And she was going to retire six months later. Well, a year, six months before that, I knew based upon the agreements of how much compensation the firm was going to pay and how much I was paying out of pocket, that I had to make a decision. And because we are planning oriented, I wanted to hire a planning specialist. So we ultimately hired a planning specialist, and I invested in the business six months earlier, knowing that when she retired, I expected that the money that the firm was paying for her portion of compensation, I was going to get back into my pocket.

Ahmie Baum:

So she gets fired. I turned to the current branch manager saying, "Well, I just want to be clear. I want to be very clear. I expect that money to come back into the system, because frankly, I've already invested and spent it with this estate planning attorney that I hired to do the planning." "Oh yeah, no problem. Matter of fact, I'm working with the region and we're going to try to do a better job because I know what Brian's doing, and I understand what you're doing. And I buy into this blue ocean strategy that you're executing on." I said, "Great, wonderful." Well, this was in December of '19, or November of '19. February, I get the call from the branch manager. "You're not going to like this." "Yeah, don't don't tell me."

Ahmie Baum:

He says, "Not only aren't they going to give you the money, but you can't hire and replace that person." I said, "What?" And again, there was a health issue with the regional guy that was a terrible thing for him and his family to go through. It just was a combination of events so that my support system that I thought was there, ended up not being there and the decision-making process boiled down to a number. So the new divisional or regional, I always forget the layers because I really don't pay attention. I keep my head down, I figure out what I want to do and what we need to do for the clients and what we want to grow for business. So ultimately they said the regional guy was out on a horrific health issue. So the new divisional guy above him didn't know me from Adam. They looked at the numbers. The numbers say that I'm twice as expensive as any of their other financial advisors, I'm the one they're going to cut.

Ahmie Baum:

I said, "You've got to be kidding me." And I talked to this new guy and he says, "Well, you saw the earnings, it's a business decision. We've got to look at this as a business. You've got to do your share." Well, wait a second. I've done my share. I gave my time freely to help train people around money management, to train people around planning, how to charge for planning. I mean, remember, we were



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the poster child for what UBS wants to be. And so he didn't know any of that stuff. And so I turned to him and said, "Well, I guess I'd better start looking at this thing like a business too." He says, "Always. Absolutely." And then as soon as that call ended, I called you. So that was the straw that broke the camel's back, but I will tell you that Brian was having issues with the way they were approaching, Kendra, who was this remarkable millennial who had a strong background in banking and saw how a big bank is, she says, "Ahmie, it's just unbelievable the amount of work that we have to do to protect UBS."

Ahmie Baum:

And that was the other thing. Once I made this decision, worked through this, I remember going through a compliance piece, and they're totally right. And the compliance was probably money laundering or something. And it says, "We are the gateway to the global financial system. We all have to protect that." And you know what? They're 100% right. My response was, "My clients and me, were not the gateway of that at all." So the amount of money and time and energy we spent around that, so you put all that stuff together, but the key, and I keep telling you, the key reason is I knew we had the growth strategy because I never took anything for granted. I appreciated every single client that came over and the vast majority of them did, but I would never have left, and this is the reason why I didn't do it the second time around with you, because the growth strategy hadn't proven itself and I wanted to prove it first.

Ahmie Baum:

To those that are listening, and I remember talking to somebody who, when I was doing this and once I had chosen Dynasty and I know you're going to get into why I chose Dynasty and everything like that, this other gentleman who was with Dynasty talked to some people who went independent and then backed away. And the reason why they backed away was because there was no growth strategy. So I think it's a critical piece. Now you might have a big enough broker business where billion dollar breakaways, that may not be as important but for 300, \$400 million broker business, for me without the growth strategy.

Ahmie Baum:

So yeah, there were all these things that lined up, but I have to go back to the growth strategy to say, "Oh, we can do this and now let's grow it," because the question is, do I want to leave... Well, first of all, the opportunity is huge out there. There's trillions of dollars available for us, for those that get it right. It's huge. So now the question becomes, do I want to give 50% or 40% or whatever, let's just call it 50%. Do I want to give that to UBS or Merrill or Morgan or whoever to make the decision about what to do and then I not have any ownership of that other than I own the stock? I can't, so.

Mindy Diamond:



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The notion for you, the clarity around, "Now I'm confident about my growth and I know what it is I want to do," is everything, I get that completely. But you could have taken that same growth strategy and done a million other things. You could have gone to another wirehouse and would have been paid a lot of money to do it. You could have gone to a regional firm where you would have encountered... Kendra and Brian might've been a little happier, less bureaucracy, and get paid a lot of money to make the move. You could have gone to a quasi-independent or a boutique model, like a Rockefeller, and all of those models would have paid you significant transition money. And yet you chose to go independent, walking away from unvested deferred comp. How did you reconcile that?

Ahmie Baum:

Politics. I ask myself this question regularly, what would you do, Ahmie, if you weren't afraid? That was an important litmus test. So that was number one. Number two, thanks to you and Debra, you gave me the opportunity that I needed to learn about these. So first of all, the move to Morgan and to another wirehouse, because I know this industry, that was a lateral move and I understand why advisors who are 65 years old do it. I remember the first time when a friend of mine says, "Look Ahmie, I just took care of my life. I monetized it. I don't really care if I get anything grown or not. I got all the money now and whether I hit the back ends or not, doesn't matter, I'm clipping coupons for the rest of my life and my family I'm good."

Ahmie Baum:

That was not what I wanted to do. I've got a lot of life left in me, I hope. And I've got a lot of passion for this business, as you know. So for me, that just was not the table. There's nothing in my mind... I think there are differences between UBS and Morgan and Merrill and those kinds of things, but for the end years of experience, which is me as the FA, I don't see much difference with it. So that wasn't even an option. As we started to evaluate the hybrids and some of these others, and I want to say this as nicely as I can, because sometimes I say this and people get offended, by the way I present things. I'll just say it the way it is. We looked at all of these other options. We felt that they were good places as an intermediate step.

Ahmie Baum:

We called it JV. That's where people might get pissed. Okay. I don't know if I can use that word. We called it JV. So the question was, did we want to get to the game and be at the varsity level and go for it? Or did we want the transition? And I struggled with that. I did for a long time, because the money difference was huge. The money difference was good and I'm 65 years old and I'm sitting there and I'm thinking, okay. And again, not wanting to take anything for granted. I wouldn't do that. And so I hope that all the clients, I hope the statistics are true. It worked when I went left from Hutton, but the world's different and all kinds of stuff, so it took me a while. And to the credit of my son and Kendra, because she was the only one I could bring in and that's part of that protocol issue.



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Ahmie Baum:

They said, "Hey, look, Ahmie, dad, this is your call. We will do whatever you want to do." So this was mine entirely. And when I looked at the landscape and I looked at, where is it that we want to be? Where is it that I wanted that a lot of the chat is always, "Oh, you did this for your son." Yeah, I did this for my son, but I also did it for me. And it was as important for me as I did it for my son and my young team. Again, because I'm not one that is going to just sit there and play golf. And I want to be relevant, resourceful until I'm not here anymore. And this business and this industry allows us to do it for it. So that's why we ended up taking the bigger leap, frankly, and it was a bigger leap.

Ahmie Baum:

And frankly, Dynasty is remarkable. We can get into that, but even as remarkable as they were, the first three months, four months of connecting and putting and pulling all this stuff together I mean, I said, "Wow, it's a lot of heavy lifting." There's a lot of education, there's a lot of learning around it. But now that we're there to truly own it, and not only truly own it, but to know that every single person that supports us is paid by us, they work for us. We don't work for anyone except for the client. That you cannot say in some of these other places. And that was critical to me.

Mindy Diamond:

Yep. I appreciate that. And I think when you say anything else you looked at would have felt like the JV, It's not saying that Morgan Stanley is the JV to Interchange Capital Partners. It's more just the fact that for you, that would have felt less than what you really wanted it to be, the real opportunity. And I get that completely. I get that completely.

Ahmie Baum:

Yeah, totally. And then the biggest problem with the big firms is the amount that you have to leave on the table because they have to run their organizations and they do a great job, please. I don't want anyone to... I am tremendously grateful to all of Wall Street. Remember, I came from nothing. I didn't know anything. I was able to build this tremendous thing because of the Huttons and the Paine Webers and the Morgans and the Merrills and because they have really good stuff out there. So I don't want it to come across that I think they're bad, terrible, or not competent.

Mindy Diamond:

It just wasn't right for you anyway.

Ahmie Baum:

At this stage when I look out at my next 25 years, what made the best sense? And true total independence and ownership made the best sense.



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Mindy Diamond:

Yep. So let me pivot to the notion of Brian. And as we mentioned before, I began to view my business through a different lens. If my son had not come into the business, I still loved what I did, I had no intention of going anywhere, but I'm not sure that I would have worked as hard to grow the business or think about making changes to the infrastructure because I didn't need to. But for me, my son coming in was a game changer. And you mentioned, you said, "Brian gave me my mulligan, it was my do over, how would I really want to do it?" So to what extent did Brian's needs impact your decision to make the leap you did?

Ahmie Baum:

It wasn't Brian's needs, it really was a very strong business decision. We knew what we had. And the question was, was it better for us to stay put, or was it better for us to look for the alternatives? And from two lenses from the client's perspective and our ability to really get our hands around family office types of work, and from how much we would have to support the rest of the organization, because we knew without a doubt that the growth was coming. So it really... I would suggest at some point, maybe you put Brian on your podcast and talk to him because he may come up with some very different things. Obviously he was frustrated. The frustration that he had was that he didn't feel that he could deliver on everything that we knew we wanted to be able to supply to these families and to these business owners. Now we worked through it, but it's hard. There's a lot of layers inside of these big firms and I get them and I understand compliance and they have a lot on their plate. They've got a lot of constituents that they have to take care of, and they got regulators all over them and all kinds of stuff, because in fact, they are the gateway to the global financial community and unfortunately there are some bad apples in our business.

Ahmie Baum:

So I think it was more from the client's perspective, we felt we could do a better job for sure. And then it really was that business decision that said, do I want to leave another... Everyone could run the numbers. You're doing three, 4 million bucks and how much are you leaving on the table? And then you're going to go double the business and you're going to leave twice as much. And you've got to go and negotiate all the time with people that are great people. They're committed. There's some phenomenal people in these roles, but they have their constraints. They're not the final decision. So it's constantly a negotiation and for a while, it's just we're spending so much time and energy on that, taking away from the time and energy of delivering this wild client experience and executing on this blue ocean strategy, it gets tiring.

Mindy Diamond:



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Yeah. I hear that a lot. And I think for a lot of folks, they say "Look, once we've seen what could be, what is possible, it's hard to unsee it. And once you've seen it, you become more aware of the things that are limiting you where you are."

Ahmie Baum:

And I think that's part of the issue. I am shocked at the infrastructure available and capable outside of these firms. I didn't even know it existed. I really didn't remember when I tell you, I put my head down Mindy, and you know this. I remember Ben Bines calling me at Dynasty when I asked something about... Because I didn't even understand how the statements work. And he turns to me, "It's the very reason that maybe you're not really right for it." And rightfully so. I mean, all I knew was the mothership and I'm grateful for that mothership. I'm truly grateful for that mothership because for me coming from nowhere with no idea about anything, they helped me grow, I helped them, It was a great relationship. It's why in 2008, when you called and said, "Are you interested?" I said, "No, they're taking really good care of me. I'm not going anywhere."

Ahmie Baum:

I believed in all of that and I was committed to all of that until these various things happen and the industry changed and it's going to continue to change. And I don't know what the future looks like for financial advisors and wirehouses. I've heard some things and everyone has to look at that, and so you have to sit there and I think everyone talks the same thing. You have to look. If you are truly committed to the business, the industry, the clients, you have to take a look and find out where's your best place? For many people, it's at UBS, it's at Morgan, it's at Merrill and I get it. And they're absolutely right. There's a tremendous amount of great things that these firms offer and be able, but it does not come free. There's a cost to it. And I think when you put these things down, everyone has to make the decision. And today the infrastructure outside in this RIA space, especially for those bigger teams and for those growth minded organizations, it's a very viable option.

Mindy Diamond:

Yeah, that's exactly right. The fact that you outgrew UBS and wanted to build your own business as a way of really leveraging this growth strategy and serving clients, isn't an indictment necessarily of UBS or the model, it's just saying that for you it wasn't the best way to do it. I've got one final question. It's not lost on me that you moved dead smack in the middle of a pandemic. So I am wondering, and it's sort of wrapped into the wide Dynasty and we're talking about Dynasty Financial Partners that Ahmie chose to associate his business with. You mentioned that Dynasty was remarkable, not surprised, but how did they help you and sort of making this move in the midst of a global pandemic, how did that work for you?

Ahmie Baum:



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I have to say, it made it easier because we were all working remotely. I mean, my biggest fear and this goes to that protocol issue and all that stuff which I'll repeat, I think the industry needs to re-look at this. They're talking out of both sides of their mouth. There are may be things that I don't understand about FINRA regulations and all kinds of SCC regulations around us, but the fact of the matter is knowing the industry the way it was, one of my biggest fears is, Oh my God we're doing all this stuff and we're not supposed to be doing all of this stuff. And if we get caught doing all this stuff, we've got problems. The pandemic changed all that. We were all working remotely. So the pandemic frankly, made it easier. Now, to get to the breakaway the day, and because this was June, we had conversations going back and forth, should we do it now or later?

Ahmie Baum:

We had already picked an alternate date as August because we didn't know what was going on. So we were doing strategies and talking back and forth. From the client's perspective, it went much smoother because our technology was really remarkable. Not just our technology, there's another part of all of this now that I know what I know. My back office support is significantly greater. Significantly greater from the CSA, the custodian work, all of my compliance, marketing. There isn't anything that we're not getting better response times, more opportunities, every single checks the box off on that stuff, for it. The pandemic had its challenges, no doubt, but on many ways it made it easier. I love Zoom calls. I think Zoom is remarkable and clients are bought into it. Our ability to DocuSign everything. So I get that it was a challenge obviously for the world, for people, the human toll, I mean all of that stuff. But for the move to the business, as much as I was worried about and concerned about it, it really didn't have much of an impact.

Mindy Diamond:

Well, that's a wonderful thing. I mean, I've got a million questions about your views for the future, your plans for the business. I would love to talk to Brian. And so I'm going to take you up on that offer. We're going to do another episode at some point to hear more. But your perspective and your thoughts today, and being so gracious in sharing them again, less than a year out is really much appreciated, and not lost on me. So thank you very, very much,

Ahmie Baum:

Mindy. I can't thank you enough for shepherding me through this process that frankly started in 2008. And then I said, no, and then we started again five or six years later, and then I said, no, and then finally you and your firm and your team hung in there and really, really helped me get the education, get the understanding to be able to make what clearly is the best move we could have made. So thank you so much to you and your team, and thank you for the opportunity to talk with you. And I'm always available to share my views and opinions. That's for sure.



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Mindy Diamond:

Thank you. Thank you, be well.

Ahmie Baum:

You too. Thank you.

Mindy Diamond:

It's not often that advisors are willing to talk about their leap shortly after. So I'm grateful Ahmie was able to share a fresh perspective of the early stages of their transition to independence. While I think many of our listeners will find his commentary relatable, there's one statement he made that I think is most relevant. What would you do if you weren't afraid? 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 blog link to browse recent articles. These written pieces are an ideal way to stay informed about what's going on in the wealth management space without expending the energy that full on exploration requires.

Mindy Diamond:

Feel free to email or call me if you have specific questions, I can be reached at 9734768578 or by email at mdiamond@diamond-consultants.com. Please note that all requests are handled with complete discretion and confidentiality. And again, if you enjoyed this episode, feel free to share it with a colleague who might benefit from its content. And if you're listening on the Apple Podcasts app, I'd be grateful if you'd give it a star rating and a review. That will let other advisors know it's a show worth their time to listen to. This is Mindy Diamond on Independence.