



EPISODE TRANSCRIPT

From Cold-Calling to \$500mm Breakaway: A Former Merrill Advisor's Team-Based Approach to Growth

A conversation with Louis Diamond and Rory O'Hara, Founder and Senior Managing Partner of Ausperity Private Wealth.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is From Cold Calling to \$500 Million Breakaway. It's a former Merrill advisors' team-based approach to growth, a conversation with Rory O'Hara, Founder and Senior Managing Partner of Ausperity Private Wealth. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

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The wealth management business was very different back in 2007, particularly for young advisors just starting out. As Rory O'Hara shares, cold calling was their main vehicle to reach new clients and that he did to the tune of 200 to 300 cold calls a day. Yet he was young and determined with a strong entrepreneurial side, which led him to consider ways to scale the business over time. That is by building a team that could reach more customers than what was possible with one person smiling and dialing.

Rory and his team grew the business to some \$500 million in assets under management, garnering many industry accolades over time, including Forbes' America's Top Next Gen advisors and Forbes' Best in State Wealth Advisors. Rory credits his growth and knowledge gained to his time at Merrill, an experience he calls phenomenal.

So why consider alternatives and ultimately launch an independent firm? A conversation with a colleague prompted him to start exploring what else was out there, and it was through that due diligence process where Rory found that they could do more for their customers and gain access to superior tools. Yet it was also the realization that as an employee of Merrill, they were limited. So in August of 2021, Rory and his team decided to launch Ausperity Private Wealth on Sanctuary Wealth supported independence platform.

In this episode, Rory shares the details of his journey with Louis Diamond. He talks about the pushes and the pulls and how exploration helped open their eyes to the potential outside of the wirehouse. Rory shares the value of having a mentor and how that helped to shape his business mindset and model. Plus, they discussed making the leap as a young team with all under 40 years of age and how the long runway gives them more time to build their firm and add to their growth, why they opted for Sanctuary, and much more. It's a really great story, so let's get to it.

Louis Diamond:

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Rory, thank you so much for joining us today.

Rory O'Hara:

Thank you, Louis, for having me.

Louis Diamond:

Very good. Can you tell us about yourself and why you became an advisor starting with Merrill in 2007?

Rory O'Hara:

Sure. So I began working at an early age. I remember getting dropped off at the local caddy shack of a nearby country club barely able to carry one bag, let alone two, but I've always been a pretty diligent saver. When I reached high school, I had amassed a decent amount of savings, but wanted to grow that to a greater degree than what I was earning in the bank. In having a discussion with my father, I became interested in the stock market, but I didn't want to lose that hard earned money that I had saved, and made an agreement with me, which was extremely impactful, that I was going to invest \$500, and if I ever wanted to take the withdrawal and get out of the market but had lost money, he would make me whole.

So I really had no downside in investing. I did this right before the technology boom and then subsequent crash, but I remember I bought shares of Boeing, Cisco, and then Corning, and from there I was hooked. I was looking at the Wall Street Journal weekly, finding my stocks, and looking at the prices. From that point forward, I had an interest in the market, I had an interest in investing, and the rest is history.

Louis Diamond:

Very cool. Then how did you end up at Merrill to start your career?

Rory O'Hara:

I graduated from Villanova University in 2005, and while I was there, I did some interning and cold calling for advisors in the Morgan Stanley office in Philadelphia. They, fortunately, hired me right out of college. I spent a little over a year at Morgan Stanley, was teamed up with the mentor there, and he transitioned and I followed to Merrill in 2007.

Louis Diamond:

How did you go about learning the business in 2007? It's, of course, very hard to break into the industry. Sounds like you started with a mentor, but how did you get up and running either at Morgan or at Merrill?

Rory O'Hara:



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I think I was very lucky, especially at Morgan Stanley. Just that office, I was surrounded by other younger advisors, many of which were also hired out of college, and we were all cold calling. I learned how to cold call sitting in what they referred to as the bullpen, which were the cubicles in the Morgan Stanley Philadelphia office. I pretty much just followed along the individual sitting next to me. I was fortunate to have been placed there and he was cold calling every day trying to schedule appointments. That's why I listened to his script and copied.

I started calling a different company, not to step on anyone's toes. We were all reaching out to usually Fortune 500 companies trying to schedule appointments. For me, I was 22 years old but looked like I was probably 17, and would cold call under my full name, which was Robert Joseph O'Hara that sounded older than Rory O'Hara and was trying to schedule appointments with individuals at a specific company.

Many times when I met that individual, one of the first things they said was, "Wow, you look young," and I did and I was, but I knew I had 30 minutes with that prospective client. You engage them and try to move forward with establishing a relationship and opening an account. So I was lucky in the sense that it was a great environment of younger advisors trying to make it in the business, but also we were doing so in 2006 and 2007 before the great financial crisis.

Then during that period of time, we were primarily targeting companies that allowed rollovers out of the 401(k) plan prior to age 59 and a half. So I knew if I had a prospective client on the phone that had, say, \$500,000 in their 401(k), I could likely open up an account for \$150,000 to \$200,000 and begin the relationship, hopefully provide better performance because we had access to more investments than the options inside the 401(k) plan, began building a financial plan, retirement plan for that prospective client.

In doing so, I learned that company like the back of my hand. I knew their 401(k) plan options, how the 401(k) process was, the pension plan, retiring and exiting from the company, and really built a niche with inside of those companies. That also allowed us to gain traction and allowed me to gain traction inside of that company from a referral standpoint. So learning the business was really the environment that I was in. Lucky enough, I was doing that in a time where people were taking phone calls and taking meetings in 2008 and 2009 when the markets were crashing, and I think luck and placement had a lot to do with it.

Louis Diamond:

I would say, but it sounds like it's also hard work that you grinded it out, inherit a book of business, you built it from the ground up, and mimicking folks that you respect and who are willing to mentor you is an amazing way to begin your career. I love the angle of starting and becoming an expert on a company because even though you looked young and you were young, if you can become an expert in a certain area, you can punch above your weight class and really build credibility. So I respect that and I understand how you got started. Thank you for sharing that.

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Wanted to ask you about, just given your immense amount of success now that we're in 2023, we're long past the 2008 bullpen days. You, I'm sure, had a very nice office with doors at Merrill before you left, but you built a \$500 million plus practice, you were under 40 years old, and were ranked as the number three top next generation advisor on the Forbes list in the past. So I'm just curious, how did you go from guy in the bullpen to building this immensely successful practice today?

Rory O'Hara:

Well, I think my team has a lot to do with that. As I made it through the training program and the client base started to grow, I really wanted to complement my skillset and what I was doing for clients, and that was working with another advisor and adding another advisor to the team, and now there's two cold callers and then utilizing interns that were cold calling and trying to schedule appointments for us to really just expand.

It's one of those things where if you have the hot hand, you feed the hot hand and cold calling was working. So how do we enhance that? How do we grow that? How do we get in contact with more individuals at the select companies and schedule appointments? Then that evolved to we have this client base that exists and, yes, we're growing, but how do we create a great client experience?

That's where hiring a relationship manager and Jen Fisher came into play, where, "Let's do the little things." We hear a client's child just got accepted into college, going online and buying a sweatshirt from that university and sending it to our clients. When we hear of a client's having their first grandchild or eighth grandchild, going online and sending them a little care package of onesies and diapers and things of that nature.

So it's vision that I had, but I struggled with executing it just based off of time. From there, the client experience has been something we've been very focused on the last 10 years, and cold calling isn't working as much anymore because of the do not call list or, I mean, I don't know about you, Louis, but I don't answer numbers that I don't recognize. I'm not trying to have anybody sell me car insurance or let me know that my warranty is expired. So we've had to transition to primarily referral based business in terms of growth, and I believe you do that by creating a great experience for clients. That's been really the centerpiece of growth over the last 10 years. I was fortunate to build the clients and create a base, and now it's a lot of just organic growth that's occurring.

Louis Diamond:

Yeah. So it sounds like surrounding yourself with a team instead of it just being Rory, running on your own, doing your own thing, you added specialties, you added more capacity, but also, like you said, you have the base generates referrals, and I agree, it is different to build a business in 2023 than it was in 2008, 2009.



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Of course, there's benefits too of social media and more scalable communication, but different if you built the practice today than you did then. I think it's very instructive just to hear how you did it and probably fought through imposter syndrome and being the youngest guy in the room, but clearly, what you did worked, and that's what I think we're really excited to hear more about today is just the evolution of the practice and ultimately becoming the founder of a thriving independent business. So thank you for opening up about that. Can you share with us what the practice looks like? So number of team members, AUM, types of clients, just anything to give us a little bit more perspective on the business.

Rory O'Hara:

Yeah, sure. So there's six of us now at Ausperity Private Wealth, three advisors, a relationship manager, a client associate slash operations manager, and a month ago, we hired a new advisor that we have high aspirations for. We are currently managing a little over \$450 million in assets under management, and 80% of our clients have between one and five million dollars in assets with us.

Louis Diamond:

Very cool. Is each advisor really doing their own thing, running their own process or is it more of a team-based approach where everyone's running in the same direction?

Rory O'Hara:

Yeah, it's very much a team-based approach. I do believe trust is the most important part of this business and the relationship with each client. So each clients have a primary advisor that is going to be handling the client meetings and the majority of the client outreach just to continue to build that trust and know that client on a personal level, but the process is the same. We meet as a committee every other week on investments. We meet every other week on our pipeline and prospective clients. We have a standing huddle every day at 8:45, which is just a check on, "What are you working on today, and you need help from anyone on anything?"

Then every Wednesday morning, we do a meeting to really go through a week in review, what should we be aware of, and anything that we can be doing to help each other, but the process for engaging with clients, the number of meetings with clients per year, the outreach is all the same. The investments generally are the same as well. Each client is unique and has their own financial plan, which I love, but the investment process is quite similar and very scalable.

As I said before, I was fortunate to have some great mentors, one of which was Jerry Brown, who was the largest producer in the Merrill office. He sadly passed away a little over eight years or almost 10 years ago now, but he ran a book of business that was immense and probably had closer to a thousand clients than he did 500 clients. So I learned from that and tried to tweak how I wanted to scale and build the business.

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I think that's one thing I've been fortunate with is I've taken best practices and ideas from top advisors throughout my career, tweak them, and then try to adapt them to our business. I've been fortunate to be invited to, and I really try to attend most of the Forbes' top advisor summits, and my goal there is usually to just have two takeaways that I could either implement or I could enhance with our business. So I think I'm constantly trying to learn the business and improve and tweak things to get a little bit more efficient, to just be better every day.

Louis Diamond:

Yeah, it sounds that way. To paraphrase, and I'll just check your understanding, each client receives a somewhat similar experience. Their advisor might be different, so it's not every advisor's working on the same exact clients, but the deliverable is going to be somewhat consistent, and that's what makes it scalable. Is that accurate?

Rory O'Hara:

You're exactly right, yeah. In terms of myself, Jeff, and Shane, the primary advisors, we have similar skill sets, but we're a little bit different in terms of areas of expertise. I'm more well-versed and more interested in private investments and alternative investments. So I can be brought in to discuss that in detail. There's other areas within planning and taxes where Shane or Jeff might be more well-versed and they can get brought into situations either behind the scenes or directly in client discussions and meetings. We found that this process works well and it's, to your point, scalable.

Louis Diamond:

Excellent. Can you share a little bit about this statement? I saw it on your bio or maybe it was your LinkedIn profile. You have a comment that says, "I help baby boomers and high income millennials achieve financial independence so they can spend time on what matters most to them." I like that. It's different than something I've heard in the past. Can you explain what this means and, briefly, how do you accomplish this goal for your clients?

Rory O'Hara:

Yeah. I think I'm trying to speak to my niche. So baby boomers are who I targeted when I was cold calling, and high income millennials has really been the fastest growing segment of our clients just through referrals. I'm a millennial myself, so many of my friends and friends of friends have reached out. So I'm trying to speak to those two niches, but the point of reaching financial independence is really coming from the financial planning work that we do. We utilize e-money, and that's the target point that we show clients, "Hey, this is the theoretical year where based on your current lifestyle and spend rate, you could retire and live comfortably into your 90s."



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From that point on, we do a lot of what if scenario planning, which really helps clients with their own goal planning. What if you retire a little earlier and spend less? What if you want to enhance your lifestyle? What if people want to buy another property? A lot of financial planning is if this, then that, right? If I want to live this lifestyle, then I need to work until X. It's all subject to change and adjustment, but we try to at least target when work becomes optional, and it's a fun goal for clients that we found they've gravitated towards and it's allowed us to really expand the planning discussions from there.

Louis Diamond:

I think that you should change the tagline, "We help you find when work is going to be optional." That's a great goal.

Rory O'Hara:

I love the advice. I might steal that.

Louis Diamond:

This is jumping ahead a little bit, but we're on the topic. Has your ability to help your clients achieve financial independence, has it been changed now that you are running an independent practice versus when you're practicing at Merrill?

Rory O'Hara:

I'd like to think so. I know that I was client first in deciding whether to leave Merrill where I was very happy and go independent or create a different structure for my team and I and for clients, but I do believe after doing the research that we can provide more access to clients from an investment perspective, specifically in the alternative investment space, which has been an area that we've really allocated significantly more to over the last five years. We have access to interval funds and private investments for clients that are not qualified purchasers, that don't have five million in assets, that are great for providing differentiation and diversification to our portfolio.

The e-money platform where we do our financial planning is vastly superior, in my opinion, than the wealth outlook and the financial planning proprietary software that I was utilizing at Merrill. So I believe we're able to provide better outcomes to clients. That was really the main reason for looking outside of those Merrill walls and moving forward with this journey.

Louis Diamond:

Interesting, and we'll talk more about that. Another thing I noted about your team, and this was one of the reasons I was extra excited to speak with you today, is that I know when you moved, the entire team was under 40 years of age, which is remarkable, especially with such a large business, you don't really



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see that very often. How did you assemble this team and why do you think the age of your team is a positive?

Rory O'Hara:

Yeah, like I said before, I think I assembled it out of growth and wanting to continue growth and wanting to continue to scale, but we're all like-minded individuals. We're very competitive, we're young, high energy, with high aspirations, and I think we feed off of each other and we're friends. We enjoy hanging out. We try to go offsite once a quarter and either volunteer or go off to dinner or do some sort of fun activity. I also know that it's different and I think we embrace that, and I think different sells.

So being all under the age of 40 is different than the average advisory firm and advisory practice. For us, I think that's a huge benefit because we can look our clients in the eyes that might be retiring at 60 or 65 and tell them our structure and us working with you on your financial plan will be intact for the next 20 years minimum. I don't think that's a value proposition that most teams can provide. So it's different, and that's something that I think has helped us win business in the past.

Louis Diamond:

I would agree. It's different, but different's good. You got to figure out a way to be different. Do you think though that not having gray hair in the room and having folks within your team that are closer in age to many of your baby boomer clients, do you think it's hurt your business in any way? Do you get introduced to prospective new clients and maybe they're not comfortable because you don't have folks within the firm that are closer in age and experience to them?

Rory O'Hara:

I'm sure it has. I'm sure there's individuals. I mean, believe me, I used to make 200 to 300 cold calls a day and try to schedule appointments. I'm sure many of those individuals that I met with did not move forward because they thought I was too young or too inexperienced, but there's a lot of prospects out there. There's a lot of individuals that did say yes that I am so thankful for and loved working with. Yeah, I'm sure that has held us back to a degree, but there's so much opportunity. I'm a glass half full type of person. This is how I structured my team and how we move forward. You get yeses, you get nos. You're going to get a lot more nos than yeses. For me, that just rolls off and I pick myself up and move forward.

Louis Diamond:

Yup, and you don't be all things to all people. If someone didn't want to work with you or your business because you didn't have someone that was closer to their age, then they probably weren't the right client and you might lose some opportunities, but I would guess too that you stuck out versus the competition on many clients that you did win as well. So that's the great thing about being an advisor



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and certainly running your own business is you get to craft the company, you get to craft the vision, the mission, everything, and match it to what you think is best for your clients and your target market.

Rory O'Hara:

Certainly is.

Louis Diamond:

So let's talk about your time at Merrill in a little bit more detail. What were the best parts of working there? Obviously, you're very successful. You were there for quite a while, and you said earlier that you never really thought about leaving, at least not until more recently. So I would love to just hear about what was it like working there and what was the best thing or things of being employed?

Rory O'Hara:

Yeah. I mean, I really enjoyed my time at Merrill. I built what I feel was an amazing business there. For me, the learning curve in this business is tremendous, and that's what we're telling our new advisor is you're drinking through a fire hose, and a lot of learning is going through client opportunities or client experiences or, more importantly, client situations.

At Merrill, there was a pretty big breadth of resources available that in turn I learned from, that if I had a client or a prospective client that was a business owner and was trying to set up a 401(k) plan, there's a retirement services group and retirement plan group that I could reach out to and help me win the business, help me close the business, and then I would learn what is an appropriate proposal to share with that individual. On the alternative investment side, there's an alternative investments department, et cetera. So there was a lot of resources available that helped me learn the business and putting my best foot forward.

The integration at Merrill was phenomenal. Being able to sign into the workstation and have access to the client notes, being able to run a performance report, have access to the final financial plan all in lightning speed was really robust and was really powerful. I thought just the competitive nature of Merrill was helpful.

I mean, Merrill and Bank of America, they know what they're doing and I think they try to herd advisors towards certain targets. A lot of that was growth-oriented. So there was a system in place called Growth Grid, where you had households to bring in and assets to bring in, and if you achieved those hurdles, you would receive more points on the grid. We were a fast-growing firm, and we did that. We hit those targets.

Then for the top growers, there was a annual summit typically at a five-star hotel at some great place in the US where there was a tremendous amount of idea sharing and best practices. I loved going to those



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and learning and coming back and taking some of those ideas and implementing them. So I think those were and still are really strong suits of Merrill.

Louis Diamond:

That's a lot of positives and, of course, a lot of good happened there. So what was it that motivated you to consider alternatives and ultimately pull the parachute in the recent past to go independent?

Rory O'Hara:

Yeah. I think I have to credit Shane Fox, my partner, who through discussions we concluded that we should just pop our head out and see what life would be like outside of Merrill. So going down that education and journey, I realized that there was superior technology outside of the wirehouse suits and there was potential access to more investments. I also noticed a trend at Merrill of really just seemingly hearing no more often, and if you push hard enough, you might get that yes down the road, but that took an tremendous toll and then time to work through that for client situations and different outcomes that it was just continue to feel more and more like an employee. We didn't have control. That coupled with realizing there's superior financial planning tools out there was just too much to get over.

Lastly, the big point was a potential change toward something known as team grid. So at Merrill, individuals were paid out based on their production, but they instilled a team grid scenario, where if you were a team, everyone on that team or every advisor on that team, their grid would be set at the highest producer, and then they started tweaking it a little bit year over year. The most recent tweaks were in order to hit team grid, a certain percentage of your clients needed to be leveraging services from the bank accounts, credit cards, lending, the trust department, insurance, et cetera, which could be completely applicable and positive for clients, but to put a number on that, and that was a number that was extremely hard to achieve, we were at a position where we weren't going to hit that team grid.

So my other team members and advisors were looking at tens of thousands of dollars of less compensation, and it was going to create conflict between myself and the other team members, and here I am trying to create a positive atmosphere and focus on growth. Well, you're a team member and you're going to go down several pegs down grid if you're not achieving team grid. The incentive might be to cross-sell the client to get the numbers up opposed to acquire a new client and continue to grow the business. So that was something that I really struggled with that I thought put my firm and my beliefs and how I wanted to take the business on the opposite side of the table of the direction of Merrill and, really, Bank of America.

Louis Diamond:

Yeah. I think what you're describing is the growing sense of incongruence, where your values, your goals were no longer in strict alignment with the firm. Even though there was a lot of good that you got and



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you can still get a Merrill, it caused you or motivated you to poke your head out and see if there was something that was better.

I would assume if everything you said remained true but you hadn't found an option where you had better planning technology and you can serve clients' needs better, that you would've stayed, but it was the combination. We call it the pushes and the pulls of the pushes of the frustrations of harder to do business, the team grid, et cetera, but also the pulls of realizing that there actually is a better mouse trap out there or in your case, you went to build that mouse trap in going independent. Is that accurate?

Rory O'Hara:

I think it's completely accurate, yeah. I was, as I've heard on your podcast, more so running toward something than running away from Merrill, but I think there's a point of inertia there where I didn't know what I didn't know, so I was just adapting to the environment that I was in. I realized more and more I was in a box at Merrill and I was working inside the confines of that box but didn't know what could be done and for what we really could be truly capable of.

Louis Diamond:

Right. Yeah, that's the benefit of due diligence. So call me bias because that's our job is to help advisors through that exploration process and to paint the picture for them of what's out there, but it really does help advisors to either recommit to their firm and make peace with frustrations they're feeling because nothing else is better or in your case, a light bulb goes off and it gives you the motivation to go out and do the hard work of building something that you couldn't imagine building by staying put.

Rory O'Hara:

Absolutely.

Louis Diamond:

Excellent. So I know offline you told me that you had a very important mentor during your due diligence process. Selfishly, I wish I could say that mentor were me, but it didn't happen that way. Can you talk a little bit about this individual, if you can name his name and how they helped you? So I think every advisor, they need a sherpa of some sorts to help them navigate the complexity of the landscapes, whether it's someone like my firm or another competitor or in your case, a mentor, I think there's a lot to be gained from leveraging other people's perspective. So would love to hear about this.

Rory O'Hara:

Yeah, Louis, happy to do so. I think sherpa would be an understatement for Fred. So I'm speaking about Fred Hill, who is the CEO of Harbor Investment Advisory down in Baltimore, Maryland. They're an RIA. In fact, they were just named one of the top 100 RIAs through the most recent Forbes ranking. Once again,



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I think there's luck, a lot has to do with this. So lucky for me, I partnered early with Shane Fox and he is very close family friends with Fred.

Fred began the educational journey of teaching us about what is an RIA, what is the independent landscape, and his background really gave him a unique ability to do so. So he spent over 20 years in management at Morgan Stanley and then left to create and run an RIA, and obviously as we know now, a very successful one.

So he spent a tremendous amount of time with us, and he really was invaluable because the biggest thing is we could truly trust him that he wanted the best for us, he wanted us to make the right decision or the best decision for us, whether that was stay at Merrill or go through the list of potential options outside of Merrill.

I spent an entire day with him down in Baltimore. He set up three meetings with three separate RIAs to sit down and hear from them. They had all transitioned away from wirehouses in the past. I'm sure you hear this too, Louis, but, by the way, no one looks back with regret. There's no one that wants to get back into the previous wirehouse after going independent, but one of the most impactful things he did is it was just a sheet of paper. He drew on one side the wirehouses, he drew on the other side independence, and we just talked through some of the potential steps along the way in terms of educating me on a number of the topics, the difference between W-2 verse 1099, how you can access alternative investments, et cetera.

He was extremely thorough and patient because we took two years of due diligence to try to figure this out. For me, it didn't just click. It took a long time for this to click with me, and his patience and education and just really being that mentor to bounce ideas off of I think is invaluable. He was a great individual personally and professionally, and I don't think we could've done this without him.

Louis Diamond:

Terrific. Yeah, I mean, that's the exact type of advice that you needed at that point in time, but still, two years of due diligence is quite a long time. So why do you think it took so long? You said it took a little while for it to click. What did the journey look like that took you two years?

Rory O'Hara:

Yeah. I wasn't overly displeased with Merrill. I was so focused on growth and trying to enhance the client experience that I wasn't convinced that it could be done better outside of Merrill. It took some time and research and hearing other advisors' stories and then demos of financial planning software, YouTube videos of different financial planning software to really start to build that case. Once again, when I continued to put the client first and put myself in my seat and say, "Can we provide a better client experience?" once that answer was yes, it was, "Okay, then how do we do this? How do we set this up? How do we make this next move?"



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A conversation with Louis Diamond and Rory O'Hara, Founder and Senior Managing Partner of Ausperity Private Wealth.

Louis Diamond:

Right. So it wasn't two years of straight taking meetings. It was an evolutionary process of just weighing your frustrations and pain at Merrill. Given your immense amount of success, it's easier, I think, to live with the status quo or put your head down or fill in the blank of whatever term or phrase you want if the business is growing and if you're having success. So do you think your success in your growth, do you think that slowed down your due diligence process?

Rory O'Hara:

There's no doubt. Yeah, I think there's no doubt because I knew I would have to really slow down the prospecting to dedicate the time and effort to research this, but then also in preparation for the move. You're living a double life as you're looking at offices to rent and furniture and figuring all of that stuff out. I heard from other advisors that the clients that are difficult to transition are the fairly new clients, where you'd provide this value proposition and you're at Merrill and then six months later you leave. That's tough. So you had to slow down growth in an effort to really be prepped to transition and leave a firm or, in my case, set up an independent firm.

Louis Diamond:

You always have to really want it to transition because of the work and the potential give ups, but especially if you're going and becoming a business owner, you have to want it that much more because it is more work, it's more understanding, and you are taking more of a financial risk than you would if you got a big check from another competing firm. So ultimately, after these two years of due diligence, you opted to affiliate with Sanctuary Wealth, which is a very popular supported independent platform and Fidelity as your primary RIA custodian. Can you talk about these choices, how you found them, and ultimately, why you opted for the combination of Sanctuary and Fidelity to help get you out of Merrill and now to help enable your business?

Rory O'Hara:

Yeah, absolutely. Happy to. Because of my research and I really was pretty concentrated on what our wants were, and no surprise to you, I cold called Vince Fertitta at Sanctuary because I just continued to see their name pop up. At the end of the day, Sanctuary checked the most boxes for us in terms of our wants list of control over tech stack, access to alternative investments, and also being a partner index. Fidelity was easy. Over two-thirds of our clients have a relationship with Fidelity primarily through their 401(k). Once again, that's just the nature of our client base being concentrated over maybe two or three different Fortune 500 companies. Fidelity was an easy choice because they were able to utilize their same username and password to log in to Fidelity and see the accounts managed by Ausperity. So that was an easy one.

Louis Diamond:

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If you can recall, what was on your list of wants and then, let's say, what was on your list of don't wants or your red line items that, "I have no interest in handling or dealing with"?

Rory O'Hara:

Yeah. The wants were superior technology, specifically in the financial planning space, so access to e-Money. It was I didn't want to be alone. I wanted to be independent, but I didn't want to bite off more than I could really chew. I first started by looking at setting my own RIA up. I thought if I didn't explore that route, I might always wonder what if. My conclusion was that just would've been too much, that I didn't know what I didn't know, and that was a pretty big risk to the business that I had built and a risk to clients. So I had no desire to deal or run compliance, nor with my team with our age and experience or, some of us, the lack of experience that I want to hand the compliance oversight to someone that maybe got trained or maybe we hired that service.

I really wanted a full operations department. I wanted a compliance department that I could interact with, but I thought with Sanctuary, what was beneficial that they provided that, is we're partners, and if I want to do something, whether it's marketing or something to help a client, they can provide that advice and recommendation. Maybe it might be as strong as a yes or a no, but we're sharing in that together, where if I'm running my own compliance and maybe getting outside counsel from a firm that's providing a service, they're providing that service, but they're not sitting at the table with us if the advice is wrong or if something doesn't go well when materialized. So I really wanted to have the compliance aspect managed by a partner firm, and that's what Sanctuary picked up for us.

Louis Diamond:

Makes good sense, and something we certainly hear often, but of course, there's always downsides to everything. You're never going to get everything you want and there's no perfection anywhere in life or certainly in this industry. I would say one of the downsides of partnering with a firm like Sanctuary is that it's a shared ADV model. So I'm saying downside, not that it's a shared ADV model, but in that you are one layer removed from full control, and especially for someone so young and energetic and full of ideas, did this weigh on your decision at all for joining a shared ADV and joining their platform versus instead building your own RIA firm?

Rory O'Hara:

It really didn't because I'm happy to give control of compliance, control over integration, control of operations to them and obviously pay for it. So once again, I want to be partners with that. I don't want that responsibility and that control. Example of that, as I said before, alternative investments have blown for us. There was an alternative investment that wasn't on the Sanctuary platform, but we spoke with their AI department and nearly found that this is different than anything that was accessible. We



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talked through it. They did six months worth of due diligence and brought it on the platform, and we've been utilizing that for clients. I think that's a true example of partnership that I was looking for.

If I was on my own, I can't fathom having to figure that out and integrate that and be able to provide access to clients that are on Fidelity this alternative investment or this private investment. So I see more positives than negatives.

To your point, nothing's going to be perfect, and that was advice I received from another advisor, Michael Henley, who left Merrill, and does have his own RIA. It's not going to be perfect, but if you include that it's better than where you are now, what's keeping you from making that change to provide a positive impact to your clients, to provide a better experience? I think that that advice is what I took as, "Hey, change needs to be made. We need to just try to be better, and it's not going to be perfect, but if it's better, that's more than acceptable."

Louis Diamond:

Yeah, I would agree with you, and every advisor gets to choose what independence means to them, even though there might be models where you're more independent. Even folks that are practicing as employees of a firm, that's independent enough for them. In your case, Sanctuary's model of independence was independent enough, but of course, you were aware of certain give ups or trade-offs. Another guest we had on the show recently, Jerry Davidse, I think he's actually in one of your old offices if I-

Rory O'Hara:

I know him well, yeah, he was in that Morgan Stanley Philadelphia office cold calling and built his business and was a couple years ahead of me, but yeah, I have a lot of respect for Jerry, and someone I and still do, but looked up to when I was in the bullpen. He was in an office and that's what I wanted.

Louis Diamond:

Exactly. My point of bringing him up, aside from knowing that you're familiar with him, was that his motivation for going independent was he really wanted to have control and responsibility over as much as possible, and sharing responsibility or oversight or risk with the platform wasn't what he was looking for. So ultimately, that's the great thing about this industry, especially right now, is there's so many different flavors of independence or of firms or of platforms that it's your goals and then it's your job and our job to help match up those goals with what's available. It sounds like for you, you hit the nail on the head with finding the right amount of support while taking over the things that you weren't interested in handling yourself.

Rory O'Hara:

Exactly right.



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Louis Diamond:

So let's talk about the transition. So any clients that said no, and if they did, why?

Rory O'Hara:

I think we had a great transition. I mean, it was much faster than we anticipated. We utilized DocuSign for all other than maybe a handful of clients. So we were getting assets from Merrill to Fidelity within a week. I mean, it was much faster than I anticipated. It was critical. A lot of the Sanctuary management was former Merrill, so they know Merrill inside and out and prepped us for what to expect coming out of Merrill and transitioning, and also provided a great idea that I utilize, which was to schedule WebExes for clients.

So we left on the typical Friday afternoon, but I had them email clients with links to join a WebEx Saturday morning, Sunday afternoon, and Monday morning, where I discussed our new firm, why we left, the partnership with Sanctuary, the partnership with Fidelity, and I went through some commonly asked questions, and that really helped with the discussions that we had with clients because they were able to get some background. That was advice from Sanctuary, from another partner firm that had recently done that and saw a huge positive in the transition because of it.

I believe we transitioned about 94% of our book of business. We really pretty much wanted everyone. We ran a pretty clean book at Merrill, and so we wanted to bring over all clients and really tried to, and we hit 94%, so something we were very happy with, but yes, I mean, 6% did not come with us. There was one client in particular that wanted us to match a fee rebate or a fee reduction that was offered by Merrill, and that's something that we did not do and did not want to do, but that was a reason for leaving. Maybe it was the lack of gray hair to what you had asked earlier for some of the other members of that 6%, but my target was 90 and we hit 94, so I was very happy.

Louis Diamond:

94 is exceptional. I think if every advisor knew they can bring even 90% of their business over with certainty, my job would be a lot easier. I think there'd be a lot more advisor movement, and 94 is a terrific amount of success, so congratulations. Well, let's talk about your new responsibilities. So that is a big reason why many advisors still aren't interested in going independent. They would prefer to, if they left, go to a firm that would be more of a full service W-2 option or more of a similar firm than they're used to. So curious, now that you're independent and it's been a good number of months and you're through the transition, what are your new responsibilities that are different from what you were doing at Merrill?

Rory O'Hara:



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Yeah. It's owner versus employee, but I love it, and I wouldn't have it any other way. There's learning every day in terms of this. I think you have to dedicate time to work on the business, not just in the business, and that's something that is forced upon you in this type of environment. I'm also the type that really wants to understand everything before I delegate it out. So I'd been reviewing payroll, I'm understanding how billing works, and checking billing, and then doing it along with my other partners to learn what's being done and why.

It's all new to us. It's not overly complex, but because it's new, it takes some time to really click, but having the control aspect I think is extremely beneficial. We've made a recent push towards marketing, and that's something that I felt was not allowed when we were within Merrill, being able to be active on LinkedIn, to create some video content. We do all of that and we have that decision and that control as our own business. We certainly run through compliance, and that's where Sanctuary comes into play to keep us in line and collaborate with us, but it's typically, "Okay. What are you trying to do? Let's try to accomplish that." That's the relationship.

So we're not figuring out all this on our own. We're collaborating, but the decision making resides with us, and I think that's powerful, and that's what we're looking for. We do have big goals and big aspirations, but we need help with getting the execution. So I'm energized by it. I enjoy it. It is a lot of time, but I think you dedicate time to what you love and what's important. For us, that's learning this business day in and day out and growing and getting better and gaining a better understanding of what we could be capable of.

Louis Diamond:

For you, that's part of your must-haves list was to have that control and to be running a business. It's certainly not for everyone because there's many advisors who probably listened to that and said, "I want to stay so far away from that. I want my life to be easier. I want decisions to be made, and I have enough on my plate. I don't need to pick up more," but for you, it seems like it's worth it to put in the hard work and perhaps to even work more, which is my next question because the output is your business and you get to control every element of it that matches your needs, your team's needs, and your clients' needs.

Rory O'Hara:

Yeah. I mean, one example of that, we just hired a new advisor. So instead of just white labeling the Merrill training program, which you didn't have any optionality in, we're able to create our own goals for our new advisor and our own compensation structure. So I think it's going to fit the firm, it's going to fit us. The Merrill training, the Morgan training program, whatever, it's a box. You can't really deviate from that. I wanted the control to the structure compensation for, say, a new employee and create the Ausperity training program, and that's something we're able to execute on.

Louis Diamond:

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Very cool. Again, another area where people are probably like, "I don't want to do that," potentially, but for you, it's a positive because you get to shape it the way you want to. Love it. So as a new CEO and you were functioning as a team leader, so many of the same cast of characters and a lot of the same responsibilities, but now as a CEO and leader of a business, how have you gone learning the ropes and sharpening your leadership skills as an executive?

Rory O'Hara:

Yeah. I mean, I'm leading, but I'm not alone. I have my partners here. We make decisions as a team. I think that's really important. I love that I get pushback from my partners on ideas that I might have. We collaborate together. We make decisions as a unit, and I think that's critical, and it's something that I needed, that I might have some crazy ideas and I might need to get talked down a little bit and that happens, and I think that's necessary, at least from my visions.

From a leadership perspective, I joined Vistage probably four years ago to get some outside counsel and assistance, and managing people is difficult. Sometimes it's not fun, and that's an area that I really can improve upon. So that helps me sharpen the leadership skills, and it also gives me a different perspective. Being in a group with about a dozen other business owners in different fields holding me accountable to initiatives that I want to push forward and going through issues and working through that outside of my current business, I think that's been extremely valuable to gain that perspective.

Then in addition to that, at the end of the third quarter of last year, our firm hired a business coach that is working through and us developing a strategic plan and helping us begin to implement that and great responsibilities amongst the partners. I think that that's going to be extremely beneficial as well. We know that we're new to running a business. I think we're great advisors and we provide great outcomes, but this is an area where we need some improvement and we're not opposed to being coached.

Louis Diamond:

Yeah. You have to that humility to know that you don't know everything, that's okay. That's why you hired a platform like Sanctuary. That's why you hire a business coach is because you don't know it all and you can't do it all. You have to lean into your unique ability.

Rory O'Hara:

Sure.

Louis Diamond:

Terrific. Has your vision for the business changed since going independent? I know sometimes it's hard to imagine what you can't do today. So for instance, on the marketing side, I've seen a lot of your YouTube videos. I would assume that wasn't part of your vision when you were at Merrill because you couldn't do it. Now that you're on the other side and it's possible, a whole new toolbox of options has



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been opened. So because of this additional control and freedom and empowerment, have you seen your vision for the business change?

Rory O'Hara:

Louis, I think it's starting to, and that's part of the process we're working through with our coach on creating our strategic plan and what the goal of our firm really is. I don't think we have that figured out right now, but it's something we're working towards. I do think it is changing to being the firm that people in the wealth management space respect and want to work for. That's a big goal and that's a big statement, and there's a lot that we're going to have to strive to even come close to attaining, but I think that is beginning to change, and we are seeing our vision unfold. We're in the early innings of that, I believe.

Louis Diamond:

Specific to YouTube, it's another one where it's a lot of work, and a lot of people, they wouldn't be comfortable doing it or wouldn't have the time to do it, but curious to hear from you. How has having a video presence online, how has that helped the business? Have you gotten new clients from it and what's been the reaction?

Rory O'Hara:

Yeah. I mean, going back, that was on my list of wants, and through discussions with Jim Dixon, the CEO of Sanctuary, I wanted to develop a presence. I think that video is really powerful and I wanted to develop, and I was open to being coached on that. Credit to Sanctuary, they enrolled me with ICOM, which is a marketing company that provides some coaching, some accountability, and I was utilizing them throughout all of 2022 to get these videos, get the ideas, and get it out there.

I think that's the biggest thing is you just have to get started. It takes a lot for me to be embarrassed, so I don't mind putting a video out there for everyone to see and critiquing it because I believe, just like this business, you're going to get better, and I think we are getting better with the videos and the content that we're putting out there, but I hope it helps clients and the feedback has been positive.

I think that if we have a relevant topic that we're in discussions with the prospective client or an existing client, and instead of sending them a white paper that is three pages that they'll likely not read, if we can send them a clip of us discussing that topic or that opportunity or that strategy, I think they're more apt to click the link than they are to open the PDF and read the PDF document.

So I'm using it a lot for education, hopefully developing a Rolodex of videos that can be used when situations arise. Yes, maybe something ticks off and goes viral. So far that hasn't happened. I think that's okay, but I think that's different. Once again, I'm trying to lean into what's different right now.

Louis Diamond:

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Couple more quick questions for you and then we'll let you get on with your day. As a young team with many years left to work, do you have aspirations to begin acquiring businesses? Obviously at Merrill, you had the CTP, which is the internal succession plans, but now it's actually acquiring businesses, acquiring someone's equity for their practice. Do you have a goal of acquiring businesses or is your goal more to do what you did recently, which is hire an advisor, bring them through your own training program and make all the talent homegrown?

Rory O'Hara:

I think I want to do both. I know it's easier, and I know we can accomplish the goal of bringing a new advisor in because I've done that in the past and with my other team members. So I know we can do that and do that well, but I think we're tailor-made to be a firm for retiring or soon to be retiring advisors to look at and say, "Hey, I got a book of business. I care about these clients." There's a real relationship there. Here I can transition, and these clients that I appreciate and have friendships with are going to be with the firm with the same individuals and same advisor for the next 20 years.

So I think once again, that's a really strong value proposition, and it's something that we're interested in. We haven't dedicated the time to really pursue that, but it has helped in that front from an education standpoint. I'm part of about a dozen other partner firm leaders that went through a merger and acquisition due diligence, where we did a few offsites and really talked through the opportunity in the wealth management space for M&A, but also educating us on how the economics work and things of that nature. So I'm very open to it, and I do think we'll pursue that in the future. Right now, we're not actively, I guess, marketing towards that.

Louis Diamond:

Understood. Last question for you. Any parting words of advice for those that are thinking about change or even some of your old colleagues from Merrill? Anything you want to leave them with?

Rory O'Hara:

Yeah, Louis, I think we touched on it. It's two things. Put the client first and it's not going to be perfect. Those would be the two parting phrases there. Put your client first, and if you can look yourself in the mirror and you conclude that you can create a better outcome or a better experience for your client, I think you really need to take a hard look at moving and making a change. Then additionally, realize as you're going through that due diligence, whatever you set up is not going to be perfect, but that's okay. Just try to do your best.

Louis Diamond:

Great advice. Rory, thank you for being so open about your journey to growing a very successful book at a young age, the move to independence, and now, we're really excited to see how things go for you at



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Ausperity and looking forward to having you back a couple years from now to talk about all the success you've accomplished.

Rory O'Hara:

I'd love that. Thanks a lot, Louis. I appreciate the opportunity, and it was a lot of fun, so thank you.

Mindy Diamond:

Rory shares that while they were happy at Merrill, it wasn't until they started to get educated on options beyond the wirehouse that they realized they were essentially stuck in a box adapting to the environment they were in. They didn't know what they didn't know until they stuck their head out to explore. In independence, they're able to truly put their clients first and provide a better overall experience, an experience they would not have otherwise been aware of.

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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 by 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 Podcast 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.