



# EPISODE TRANSCRIPT

## Breaking Up: A Former \$750mm UBS Advisor's "Split" for Independence

A conversation with Robert Harris, Senior Wealth Advisor, Avidian Wealth Solutions

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is Breaking Up: A Former \$750 Million UBS Advisor Split for Independence. A conversation with Robert Harris, Senior Wealth Advisor, Avidian Wealth Solutions, and Louis Diamond. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

Mindy Diamond:

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Mindy Diamond:

Many top teams are built on synergistic dynamics where one advisor's talents are complemented by another, and a partnership can provide the perfect shared expertise resulting in better service for clients and greater success for the business overall. But like any relationship, there often comes a point where partners may find themselves on different pages, and it's particularly common when considering the future of the business. That is one may feel that the firm no longer serves them and it's time to consider other options, while the other is content with no desire for change. It's at that point where some reach an impasse, one that can only be resolved by breaking up the team to go their separate ways.

Mindy Diamond:

It's a scenario Robert Harris found himself with his partner. Having built a strong business at UBS over more than two decades, Robert started questioning the status quo, wondering what value they were getting from the firm, particularly for decisions UBS was making that he didn't always agree with. Plus, having gone through the ALFA program with another partner, Robert didn't want to get locked into the firm yet again, and he was really intrigued by independence, but his partner just didn't share those feelings.

Mindy Diamond:

After an intensive due diligence process and a lot of introspection, Robert made the different decision of breaking up the team to pursue what he felt was best for his high-net-worth clients and the business overall. So in September of 2019, he joined Avidian Wealth Solutions, formerly STA Wealth. Robert



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candidly shares his story with Louis, one that talks about the value and potential challenges of partnerships, how retire-in-place programs such as UBS's ALFA impacted his decision to leave the firm, what it's like to break up a team and how he's resolved that both emotionally and financially, why he felt UBS was going in the wrong direction for his clients, and ultimately, why he was so drawn to independence plus much more. So let's get to it.

Louis Diamond:

Robert, thanks so much for being with us today.

Robert Harris:

I appreciate it, Louis.

Louis Diamond:

Very good. Let's start at the beginning. Tell us about your background, please.

Robert Harris:

Yeah. I've been in Texas my entire life. I grew up in East Texas. Typical middle class family, and from an early age, just had the entrepreneurial spirit, and was always working and planning the next thing, and really started in junior high, having a fascination with investing, and that's where it all started.

Louis Diamond:

Very good. So let's go to the UBS days. When did you start there, and how did you land at UBS?

Robert Harris:

Well, I was actually at Paine Webber in 1996. After I got out of Baylor University, went to Paine Webber. I was there for a year and a half. Had a friend that mentioned the training program at Merrill in Houston, which at the time was one of the best training classes in the country, and I joined the PDP program around 1997, and I finished that program. At the time, had a great mentor, Nestor Vicknair, who's still there in Houston. Had a friend back at Paine Webber that knew of two partners that were looking to bring on another junior partner, and they had tried one or two, didn't work out. So in the summer of 2000, I was approached by my old office, by two gentlemen, Ben Brown and Barry Hart, that I really didn't know that well, just knew through the office, and had a conversation. It was my same previous branch manager and everything, and basically, a round trip, came back to Paine Webber, and then worked with Paine Webber and joined Ben Brown and Barry Hart.

Louis Diamond:



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Very good. So it's a partnership dating back to the early 2000s. So up to the point where you left UBS, what did the business look like, the combined business?

Robert Harris:

We had three partners. Sarahbeth Pipkin was a partner on the team as well. She had went through the training program as far as the wealth... the planning program that they had at the time, and she did a lot of planning for us, and so we brought her on to the team. Then, we had three assistants as well, and so the three of us were managing around \$740 million and probably just shy \$5 million in revenues.

Louis Diamond:

Wow, heck of a business, and let's then go to the pushes and pulls of your decision to, first, even consider leaving UBS because I know you're there for a really long time, and having worked with you, you were definitely one of the better prepared people as far as being very well-educated. So I'm curious about your intellectual journey and just what transpired between feeling a little bit unhappy to feeling like it's time to go, and what motivated you to do so?

Robert Harris:

To be clear, it wasn't so much as a decision to leave as a decision to start doing research. So somewhere around 2016, probably spring of '16, I had friends that had already gone independent and had heard a lot about flexibility, had heard a lot about what they're offering clients, some more deliverables that they had, and also, in some cases where they were charging fees in a different format, and just the overall factor was flexibility that got my attention. The other thing is, is we had another partner, Herb Lester, who had come into our partnership to be a part of a sunset deal. It was a huge blessing. Great gentleman, great man of character, and we really didn't know what we were getting at that time when we partnered up, and then he was on the team for many years. Then, in 2011, signed the sunset program, and that ended in 2016.

Robert Harris:

So I think what was going on at the time was I thinking about working with more business owners, more people selling businesses, complicated planning, and a lot of things in that world, and how to build up the right team to structure around that. Then, I was hearing from my friends what they were doing in that area and a lot less roadblocks to many different factors within the business. It just piqued my attention, and so that's where I found your podcast, which probably I listened to every single one of them, but it was not a decision. The only world I ever knew was the wirehouse business, but that's what I had done. This summer, it'll be 25 years. I've done it for 23, and that's all I knew.

Robert Harris:



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So I didn't have a reference point. If someone told me it was flexible, that really didn't mean anything to me. I didn't know anyone that had done it before 2016. So I really didn't have concrete evidence of what that looked like nor did I know how mature the business and how rapid the independent space was developing at... or before the end, and then certainly, since 2015 or so. So that started the process. That wasn't even a conversation with a partner or anyone. It was just, "Hey, I want to read about this and get to know more about it." That's how the research started.

Louis Diamond:

Yeah, and I think you have the personality where you want to understand every facet of something before you do it.

Robert Harris:

Sure.

Louis Diamond:

Which is probably what makes you a gifted advisor. So I'm curious. Aside from our podcast, which... Thanks for the shout-out, by the way. I'm curious. What other resources or tools did you find most helpful as you got up the speed in what it meant to be independent?

Robert Harris:

Well, later on... Well, I would go through everything. That's where I just start to find and googling everything about RIAs. I started looking at the scorecard that I think Schwab was putting out. I just started looking at metrics and what was going on. At the same time, I was seeing a lot of decisions being made at the firm that I just didn't feel was... It was trending as if what's coming against either us or what we were doing for clients. I don't want to put to specific issues, but it was just this, "Okay. Let's see what this other part is really about." So if we understand that there's more flexibility and we understand that you can do these certain things that you can't do inside of a wirehouse, and also, why are all these billion-dollar teams transitioning to independent?

Robert Harris:

That's what really caught my attention. It wasn't what a lot of people thought were a hundred-million-dollar guy leaving. You're seeing very tenured advisors, 20, 30 years, and some of the 60 and 70-year-olds driving that change, not just the younger. So that piqued my interest because of just the size of teams doing it, who they were working with, and so I just read every article out there on these transitions. Then, as the process matured and doing research, I actually reached out to many of your guests and still talk to many today. So I could go further with them about what did that process look like, is it really true, how it is on the other side, and then I was very much shocked by what a one-way street



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it was. I mean, everyone went. They said, "I wish I would have done it sooner." It was true in our case, and it was true in their case. You really just don't know until you do it.

Louis Diamond:

Love it. That's incredible, and were your partners on the same page about leaving because I believe that you have some different age dynamics within your group. So can you please talk about that?

Robert Harris:

Yeah, and I'm sensitive to talk about that, but I... Ben Brown and I were partners for 19 years. One of the most highest character of people you can be around. High integrity. Great partnership. I mean, he pretty much built a team up around who we had around us and what was going on. So I had so much respect for him. He's about 20 years older than I am. I'm 47. I was 45 when I transitioned. Sarahbeth is in her 30s. So at the time, when I was doing this research as we got a little further, I would bring it up throughout the years.

Robert Harris:

Probably a little too often, but I would bring it every time something would happen. Whether it was a deferred comp thing, or a new thing for the client, or what have you, I would always calculate, "Okay. How much are we paying UBS for these decisions I don't like?" I would just think about, "Why are we paying so much for lack of flexibility?" So everything became more of a... seen a lot of things through the lens of what I was learning on the other side and realizing, "Hey, there's no friction over here, but there sure is a lot of friction over here, and we're giving up a lot for that."

Robert Harris:

The other thing is I'd already been through two sunset deals. We had that partner, Barry Hart, that retired in 2002, and then we had Herb Lester that retired in 2016 or his deal was done. My concern was... and the firms are very smart about this, and it's... Not only is it a five-year ALFA program, but now, it's, "We're going to do two or three years before that starts. You can sign another thing for the retiring partner." So now, you're looking at seven years if you want to keep an entire team together. So they almost force you to do this due diligence and to understand, "How does this affect everyone on the team if there's six of us?"

Robert Harris:

At some point... and I've always said I hope he worked till he was in his 80s because we had a great partnership. But at some point, someone is going to trigger an event that is going to lock a team up for five years or so. So my issue that I kept bringing up was I'm not trust decisions that have been made over the last two, three, four years. How can I put myself in a situation where I am absolutely locked up



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for five years or more? There are no outs, and I wake up, and I'm still with this knowledge of what I believe is better for clients, but I'm going to stay here because of a financial short-term benefit.

Robert Harris:

So I never brought this situation up to Sarahbeth, our junior partner. I only brought it up to Ben, the senior partner, because he and I were about 49%, 51% partners, and I wanted to go to him, just bring up concerns, "Let's get educated on the overall market. Before anyone makes a decision, let's make sure that we have all the knowledge out there because here's what I'm hearing on my side, and I think it'd be really good for our team." But I also have to be... acknowledge that we may have different visions. At the end of the day, no matter what was articulated, the vision was to be a UBS, and my vision ended up being, "I think we can do better for clients in the market that we're looking at to be independent." So unfortunately, in the end, we had to separate that team, but it was hard to do. But once you know, you can't unlearn what you feel is right.

Louis Diamond:

Yeah. I mean, that's an incredibly instructive story or parable I think for what many advisors and teams feel. What we're seeing now is that it's the next generation, the younger advisors, if you will, that have that edge to either go independent or at a minimum, not be locked up for five, six, seven, even sometimes up to nine years. For the retiring partner, the decision to be locked up matters. If they're not comfortable with the direction of the firm, then they won't stay, but it's easier to bite the bullet for the last couple years rather than having 20-plus years of runway and in your case, seeing what was possible on the other side.

Louis Diamond:

So it's I think something that many teams go through, this multi-generational split, and you mentioned too that you were 49%, 51% partners. Of course, financially. I'm sure your wife probably threw a fit when you came to her with this decision that you could have just bide your time, block that for five, six, seven years, kept the partnership together, and then be an heir apparent to a, by that point, probably \$800 million-plus business, and then could have transitioned. So you had really have wanted to be independent in order to cause that fracture and give up that much.

Robert Harris:

Well, I do say... I mean, I've heard it on your podcast a thousand times where if it's only about the money, you're doing it for the wrong reasons. I never once thought about another wirehouse or another contractual obligation. My thought was I will never move for money, and I don't mind. I mean, people get paid, and they transition. That's great, but I... When I made my phone call to the relationships that I managed, and I could tell them why I did this, and I had a list of what were my desires for clients and



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what was my desires for the team, and I would show people that in a meeting. We were going into coronavirus when all that happened. So most of it weren't even face-to-face.

Robert Harris:

But at the end of the day, when you say that you left a seven-figure number on the table and that in income, and you walk away and have zero clients, zero equities, zero anything, it should speak volumes to what you believe is right for the client. I'm not saying that's the direction everyone should go. I mean, I have a child in a special needs school and another one that has to go to a private school, and we had issues where I was taking care of my father as far as assisted-living goes and lost him during my transition. So we had so much going that this needed to be right that there was no safety net, whatsoever. So for me, the passion was there. The knowledge that this was right in my core was there, and it just didn't matter. I viewed it as a down payment on the next 25 years.

Louis Diamond:

Well said.

Louis Diamond:

First off, sorry about what you've... the journey you've gone through. It certainly wasn't linear, but it seems like now at least, you're hitting your stride, and it was the right move. I agree with you that it's hard to think of a more powerful narrative to clients than literally putting your money where your mouth is and saying, "This is what I turned down. This is what I gave up." I feel this strongly about why this is a better business model for you that I'm willing to make the investment in the future. So I'm curious. Given the dynamics with Ben, how did it impact your due diligence process, and then your eventual transition?

Robert Harris:

Well, it certainly impacts, but my thing was I just knew if I gathered the data that you might be able to sit down and share data. That way, everybody is on the same page with that. I knew that this was not something that probably was going to happen as an entire team. So it's also another thing that was... I was very prayerful about for three years. I was very patient. I was very transparent. It was not something that I wanted to do and say, "Oh, we need to do over here." I also knew that we were affecting our lead assistant was going to stay... I mean, I could not bring the head assistant with me and also, Sarahbeth and Mercy, and disrupt all the families that I knew would be staying behind with Ben.

Robert Harris:

So when we showed up on that Friday, and I didn't know Sarahbeth was even coming till just literally a couple of months before probably at the earliest, and Mercy, we didn't even know till after we had



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transitioned. So you're making phone calls to people, and you really don't even have the entire team in place just because of the way protocol works. You're not going to talk to people, clients, or assistants before you resign, and then you add the fact that you're splitting up a team.

Robert Harris:

So the due diligence was there to share information of whatever they wanted to learn and take from, but one thing I kept thinking about is returns over the next decade are going to be X. You can no longer deduct fees. If we do this and it's right for flexibility, right for our clients in every way that we can manage more and do other things for them in tax, estate, and complicated planning issues all in-house, if we can do all of those things, and oh, by the way, they pay 15% to 20% less in fees because my grid is much higher here than it was at UBS, our clients all... Not so they would come with us, but just out of the benefit of we shared our higher payout with the client.

Louis Diamond:

Wow, that's a powerful story. So let's talk about the transition to Avidian Wealth Solutions. When you transitioned, the firm was called STA Wealth, and you made the move in September of 2019. So what else did you look at before joining Avidian? Can you describe the business model of Avidian and what your relationship is with them?

Robert Harris:

Sure. What I looked at. I wasn't interested in a big firm. If I was interested in a big firm, it probably would have been... a wirehouse if I had gone independent within a big firm. I didn't even talk to them, but I do know several people that went the Raymond James route. I understand that kind of in-between. I had a very good friend in Houston that we had done a lot together, and he used dynasty as his backbone and wonderful man. He really was a good mentor through this transition process. We came very close to teaming up together. But in the end, we looked at each other and said, "If I don't know if Sarahbeth is coming and I don't know for sure what assistant is coming, I need to make sure I have a team around me because if I walk out the door that's me by myself, and I was willing to do it, then I need to make sure I'm surrounded by a great team so that my clients do not get any less of service or attention than what they had previously."

Robert Harris:

So dynasty, I was very interested in. If I were starting my own shop, I probably would have gone that route. Now, that doesn't say anything negative about anyone else because I really didn't go looking around. I had a friend that our sons went to the same school, played sports together, and Mike... and Cy Cattan, and he was at Avidian. He and his partner had been together 14 years. They do very in-depth planning for very high-net-worth families, mainly business owners, entrepreneurs going through life-





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changing events. I sat down with them, and for years, he'd be like, "Why don't we do something together? Why don't we do something together?" I was like, "I'm being patient. I want to see what happens here. I want to see what the team is thinking before do anything."

Robert Harris:

Then, the more I waited, and just did research, and talked to Cy, it was just a natural fit. So if I were starting a firm from scratch and say we were going out to get a dynasty, or some backbone, or what have you, it would have been the team that we have today. So I didn't leave just to go independent. I left to merge our partnership together with Cy and Scott. So we have a team of 12 total. Six assistants, and we have six advisors. Now, four partners on the team, and that's me and Sarahbeth, and Cy, and Scott Bishop. Between all of those, we have five CFPs and two CPAs. So it's just a very credential-deep team. But when you ask about Avidian... So it was STA Wealth. There was no change of control. It was just an evolution of the name along with the business that was started in 2003.

Robert Harris:

It's approximately \$3 billion of size. Our team individually manages \$925 million of that, and when we look at the firm, basically, it's highly collaborative. So even though there's upwards of close to 20 advisors, everyone of these advisors, at any point, if they have someone on another team that specializes in a certain issue, they can come up with their own agreements to work together with and to go through situations with in a fees-sharing way, but we also have two JDs in the house. We have three CFAs in the house, one PhD. So there is an investment group. There's the planning group.

Robert Harris:

It's basically a family office atmosphere for our clients. Again, our team is focused mainly on the business owners, the entrepreneurs going through life-changing events and guiding them through that, but Avidian is a very collaborative independent firm, individual employee-owned, no outside influence, whatsoever. Three locations in Houston, but all in Texas, obviously. But, again, I wanted small, I wanted lack of headwinds to do business. I wanted centralized compliance, and more than anything, I wanted a highly credential team to handle all these situations for families.

Louis Diamond:

Yeah. It sounds like you found the ideal match, and did you grapple at all or were you concerned about having seemingly less control in joining a firm versus even having your own brand? Did that come on your radar screen, or were you able to get over that because of these other gains?

Robert Harris:



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Well, I'll tell you. I was able to get over it because I knew friends that were at the weekly Bible study with the guys at Avidian. I knew the leadership after meeting them. I knew it's a small enough firm that you know the culture very quickly. If Cy and Scott are here, and they are happy, knowing that where they stand as far as what they're looking for in deliverables and culture, I knew once I met the leadership here that this was the right fit.

Robert Harris:

Again, I was not at the point. It's one thing if you asked me, "If your entire Brown and Harris group at UBS was leaving together, what would you have done?" I'm not so sure what that would have looked like, but I just knew that the culture here, like I said earlier, if I were starting a firm from scratch, the culture here was exactly what I would have built. That is one that is not of competitive against one another. It's collaboration. We have two meetings a year as a firm, and I think there might be 10 minutes, and each minute is spent on financials. It's highly client-centric, highly advisor-centric, and that is where the vast difference comes from the culture here to where I was previously.

Louis Diamond:

Yeah, that makes sense, and how about talking about your transition? So how much of your business moved over, and because of the fracturing of the team, how did that impact portability or the overall experience?

Robert Harris:

Well, I mean, there's no question that the risk were increased in our situation. Pen to paper, I would say there's probably less than 10 families that have not come over that we desired, that we wanted to come over, they fit the business model, that we wanted to be a part of our team. I think there's just a gap there of articulating really what we have to offer and also, being a 20, 30-year client of a team that half the team is still there. So it's a little easier in that situation versus a random advisor calling out of the blue saying, "Hey, I've inherited your account." We have noticed. I mean, we've had \$15 million in the last week come over from UBS, but it was 20 months later.

Robert Harris:

So what I will say is it's probably around 70% of the assets, but we're, right now, given the fracture, given everything that we've done, we're at 90% of where we were on our share of revenues. So I know a lot of people come on and they're like, "Hey, we're 120%," or, "We've done this," or, "We've done that." If you would have told me 20 months ago today before I started that you would have the culture you have, the balanced life you have, the team around you that you really could not handpick if you tried, and you'd be at 90%, I would sign on that all day long.



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Robert Harris:

So our referrals are much bigger. The three CPAs that were clients before all came with us. We're getting a lot more share of wallet. We had clients that have money at Vanguard, Fidelity, Schwab, and all of a sudden, the extra \$5 million is coming over here. So we knew we would play out over time, but I feel very blessed and fortunate to be at where we are. If we look at where we are as a team, 925, and that's just under \$6 million of revenues. We feel very fortunate.

Louis Diamond:

Yeah, it's amazing. I think most advisors, if you gave them that guarantee, you'll move 90% of your revenue over within 20 months if you went independent. I think most with sign with that in mind tomorrow. It's usually just that fear gap of not knowing what's going to come. That holds a lot of advisors up. It makes it a tough decision to leave.

Robert Harris:

Agree.

Louis Diamond:

How about deferred comp. I mean, you're at UBS for a really time. You were on a big team. You were growing. I would assume you had a pretty significant amount of unvested deferred that went poof when you left. How did you reconcile leaving that behind?

Robert Harris:

Well, it's a tough pill to swallow, but it was a short-term. I knew going forward that if it was five or seven years later and I was still facing the same things that I was facing, knowing what I could be offering clients and growing faster, I wouldn't... 10 years from now, I won't miss that money. Did I miss that money in the last 20 months? Sure. That doesn't feel good. It also doesn't feel good to wire back the amount of money you have to wire back within 48 hours leaving, but that's why you... If you want flexibility and you want choices, you better be smart with the money that you've been given that is not really yours.

Louis Diamond:

Yeah, that's really good advice.

Louis Diamond:



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So let's now pivot to being independent. You selected Fidelity Institutional as your RIA custodian. Talk a little bit about the relationship with them and how you ended on them, and then what are some of the improvements or changes you've seen in technology, in platform, in overall service?

Robert Harris:

Okay. Well, first, I'll say that we have dual custodians. So we can use Schwab or Fidelity, and that's helpful for just a couple of situations, but we have clients at both. I love being able to do that because we have a lot of people that have 401(k)s, or they have business plans, or what have you at Fidelity, and they sign a piece of paper, and it's over here the next day. They're used to Fidelity, and they're used to Schwab and the name.

Robert Harris:

As far as technology goes, I can't... I think your previous guest have summed it up well, and it doesn't matter which wirehouse we're speaking of. If I had a backbone system that you had to build on top of and build on top of, you're never going to be in the great fintech revolution that we've seen here lately. So I was very versed in the tech stacks that were out there because keep in mind, I had a mindset of going to do our own firm for a while. So I had looked at every CRM. I looked at all the demos and looked at everything.

Robert Harris:

When I came here, we had all the different tech that I was reading about or before I came. It was just like, "Check the box. Yes, we're going to use that." Whether it's the eMoney or whether... using electronic vaults or what have you, or the planning system there, or MoneyGuidePro. We can use either or the Wealthbox, or using Box. I mean, we're 100% web-based, and in 20 months, I have not had one minute of downtime in 20 months. When you tell that to a wirehouse advisor, words... I mean, I had the cellphone number of the head of technology at UBS, and they were great people. Everyone that I dealt with and encountered at UBS I thought were great people. It was just a very big ship that you cannot just say, "Scratch that. Let's add this. Let's do that." So we just had all kinds of issues when it came to technology.

Robert Harris:

So fast-forward, we're transitioning. It's March. It's time to go home. I ended up buying a scanner for our two assistants on our side of the team at their homes. They're going to FedEx, and back and forth. They're scanning documents. Everything e-signature where we can do e-signature. We didn't miss a bit. Throw in Zoom for meetings, sharing screens, and what have you. We also had probably 13 virtual events last year. So we had more events during coronavirus than we had previously at UBS because lack of FINRA, finally, but we are able to do nine investment seminars.



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Robert Harris:

So we did Ladies' Lunch and Learn, like six of them, that Sarahbeth runs with Mercy. We had webinars that were private that were recorded in our own studio in our office. We have a studio, and so we did webinars. We did interviews with the top of the investment committees at PIMCO, at BlackRock. You name it. I was personally typing weekly emails through March and the debacle of the markets that was going on real-time, compliance-approved, same-day going to clients.

Robert Harris:

So when I look back at coronavirus, I was shocked at first at how many people transitioned in coronavirus, and then I was thinking actually, it was the best time ever because if you had the technology, you had more contact with clients, better services, better maneuverability. By the way, I can be with clients in my office if I want to. No one is telling me I can't. Our assistants can actually scan documents. The big firms are having them email them to one or two people in the office, and this, that, and the other. So we had a couple of clients come to us just because of how hard it was at their firms, not just UBS, to do business during coronavirus.

Louis Diamond:

That's incredible, and you hit on a couple of I think major items that a lot of advisors would love to do, which is to market themselves freely, to get content on real-time, and we saw it especially in the height of the pandemic, where if you weren't out in front of your clients within a couple of hours, the information was stale.

Robert Harris:

Right.

Louis Diamond:

Clients wanted to hear from advisors ASAP and not have to wait a couple of days for like an email to go out.

Robert Harris:

That's right.

Louis Diamond:

So thank you for sharing that. Is there anything aside from maybe the partnership with Ben that you miss from UBS either from a client service standpoint or just the lifestyle?



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A conversation with Robert Harris, Senior Wealth Advisor, Avidian Wealth Solutions

Robert Harris:

Outside of the group, and I mean this, people that I worked with for so many years in that office and just seeing everyone, I can tell you that there's not a single thing that I miss as far as an offering goes. If I look at what we do, we have two assistants, and all they do is private equity deals. So Cy handles most of our private equity on our team, but we're able to bring deals to clients that everyone in Houston, and Texas, and Oklahoma, and our surrounding knows exactly who these people are and players are.

Robert Harris:

One thing I always felt when I was there is I would tell you that we are bigger as an independent firm than UBS, and people would roll their eyes and be like, "What are you talking about?" I'm like, "Well, here I am on an island with a client, only being paid by my client." We had Goldman and multiple banks fighting for their credit lines. Great rates, transferred every line we needed to transfer over. Then, you go from there to private equity to doing investments that these clients would want to do, but you couldn't do it unless it was Blackstone and a billion-dollar deal.

Robert Harris:

We're able to do \$100 million, \$500 million deals with very well-known 20, 30-year experienced people. Then, you'd go from that to multiple custodians if you don't like one custodian versus the other, and then you go from there to any mortgage broker you want to use. "Oh, I'm going to use the same guy 18 times who does a great job, gets it done on time," and I personally know him and can call him, and it's not an 800 number. One of the things I didn't like when I was at a large firm was you were always dialing 800 numbers.

Robert Harris:

Everything we do is right here in-house or someone I know. I open my door, I have two CPAs. I walk 10 feet down the hall, I got two JDs. I had a guy just send over a purchase agreement for his business to review, immediately review in-house and sent to another attorney. We are not paid on any of that stuff or it's... Let me rephrase that. It's a part of what we offer a client for their fees, but the flexibility in teaming, the flexibility in how we pay staff, the flexibility in how we can do succession planning, what would I miss by going back because you really don't understand until you sit on this side of the desk? The restrictions that you're paying over half your money for.

Louis Diamond:

Another gem of a statement. Thank you. So let's rewind a little bit. I want to go back to the unfortunate split with your partner, Ben. What advice could you share with other advisors who might find themselves today on different sides of the fence as their partners in a similar scenario as you and Ben?



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Robert Harris:

Well, I mean, first, I would say you owe it to everybody on your team, yourself, your clients to be transparent, and it should never come out of the blue, especially in a vested relationship where even in a mentor situation or maybe you're the older one on the team. Whatever it is. I would just say be very prayerful, be very honest and transparent. Then, at the end of the day, if you've done everything you can do and you've laid out data, you just have to understand that just by you talking more doesn't mean someone is going to change their mind. Just like someone from UBS could tell me over and over why I should come back, it doesn't make me a bad person that I don't agree, and it doesn't make someone a bad person if they have a different vision. It's just an unfortunate circumstance, but you have to be willing to say, "Are you willing to do this?"

Robert Harris:

If you're honest and transparent, and you can look back with no regrets, I think that's the big thing. So keep your integrity, keep your character through the whole situation. Do it by the book whether protocol or not. So you just need to have that honesty and integrity together to trust one another. But when you've done everything you can do and you know one decision is right for you, but more importantly, you can look your client in the eye and say, "This is why it's best," then you have to do what's best for you and the clients in that moment. That's not saying what he or someone else is doing is wrong for the client. It's just that we have different visions.

Louis Diamond:

Yeah, exactly right. Two more questions for you here. As an independent business owner, how has your lifestyle changed? Are you working longer hours? Are you spending time on things that you never would have spent time on at UBS? What's that like?

Robert Harris:

Well, I will say this is very different than some of your other guests who... You can do it different ways. That's what I love about the independent space. You can do it all on your own. You can partner with someone that has the backbone of the systems, and compliance, and what have you, and that's what pretty much what I did. I mean, it's no different. I mean, I tucked in. So all I'm doing 100% of my day is working with clients. I'm not doing a single thing about the business. Even though I'm in the independent world, I'm under the complete backbone of Avidian, and that's why they get the revenues they get from our team. But at the end of the day, I chose to do that for me because if anything, I was spending 20% of my time and our assistants were spending even more than that on dealing with all kinds of stuff.

Robert Harris:



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So I would tell you that if you went and asked your assistants at these wirehouses what are they most frustrated with, what's going on, it's like they're running their own business out there, dealing with all the compliance and all the jumping through hoops to get simple common-sense things done. I would tell you it's easier to be independent on many factors. As far as work-life balance goes, you have to realize. No, I don't think anyone... Maybe you remember this, but Sarahbeth was having her third child and was several months, two and a half months and five months of maternity leave when we did this transition. It just happened because it was a window when we were going to do it, and again, so I told her that we're going to work till 7:00 on first Friday, we're going to work till 5:00 on Saturday, we will never work on Sunday a day in our business like we never have before, and we will not work past 5:00 at any point during this transition.

Robert Harris:

Now, is your mind working? Yes. Are you writing more notes at home? Are you figuring out who you need to talk to when this happen? Yes. But I tell you that through all that we went through coronavirus, all that we went through, everything that we did, you can still do it, raise two kids, have a wonderful life, have all your activities, not miss a practice if you just focus and really hone in on what you're doing, and plan, and then show up at work, and do it. So we didn't miss anything. It is stressful, but if you're leaving as an entire team, I would ask, what are you waiting for if you feel that this is right for your team and your clients? Because if it's this wonderful even after a breakup, I can't imagine what it's like bringing 90% of your clients and growing like you would grow independent if your entire team came.

Louis Diamond:

The last question I have for you is what we always end on, but it's hard because you've already given such good advice to a team considering this, but I'll ask it again. Any parting words of wisdom to an advisor or a team that's considering making the leap similar to what you did?

Robert Harris:

Yeah. Again, take your time. Do the research. I would even say that when I started this process, it didn't mean that it would end with independence. So even doing the due diligence does not say and should not tell a partner or anyone else that this is a done deal. I would argue that if you don't do the due diligence, even if you're happy where you are, then it's insane to me. I do want to add a point that we haven't covered, and that is I don't really believe that a lot of the people going into these succession programs truly understands that if you go read any book on succession plan, you need to deal with business owners.

Robert Harris:





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Number one, they don't know two years, three years from the day and when they're going to retire. No client knows that. They also don't know what the market impact is going to be at that moment on the valuation of the one person offering you money for your business, and it's certainly not a structure that is conducive to... if you want to hang around a little longer or change your mind, or flexibility, or capital gains treatment. My thing is I don't believe even on a business valuation case that people are doing the due diligence that's proper to say, "Am I receiving a fair sum for me as the retiring partner?" So I would say that there's a lot of due diligence to do, and they can find all that data by many of the partners that you mentioned on this podcast. But I think everyone owes it to themselves, even if what they're currently doing is correct, to at least look.

Louis Diamond:

Absolutely, and ultimately, for a retiring advisor, the bar is pretty high to leave because they can hit the easy button and coast, but I think you're right. Even if you decide to stay, to get educated lets you stay from a position of strength rather than just doing it by default.

Robert Harris:

Absolutely, and at the end of the day, you want to make sure what you're offering right now, you're locked into for five years, and I would just say go read those agreements. Just go read those agreements and really tell me that you're comfortable with what's in those.

Louis Diamond:

Absolutely.

Robert Harris:

So.

Louis Diamond:

Robert, this has been extremely helpful. Thank you so much for opening up, sharing I think some pretty personal things about your journey. We really appreciate you doing this.

Robert Harris:

Well, thank you, Louis, for all you do. Appreciate it.

Mindy Diamond:

It's certainly not easy to break up a partnership, particularly when strong feelings have developed over years of building a successful business together. But when the partners have different visions for the



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firm, it can be difficult to find a single path that will satisfy both. But as Robert candidly shared, it ultimately comes down to being honest with yourself and doing what's best for the clients overall.

Mindy Diamond:

I thank you for listening, and I encourage you to visit our website, [diamond-consultants.com](http://diamond-consultants.com), and click on the "Tools and Resources" link for valuable content. You'll also find a link to subscribe for regular updates to the series, and if you're not a recipient of our weekly email, Perspectives for Advisors, click on the "Articles" link to browse recent topics. These written pieces are an ideal way to stay informed about what's going on in the wealth management space without spending 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 by cell at 973-476-8578 or my email at [mdiamond@diamond-consultants.com](mailto:mdiamond@diamond-consultants.com). Please note that all requests are handled with complete discretion and confidentiality. Again, if you enjoyed this episode, feel free to share it with a colleague who might benefit from its content. If you're listening on the Apple Podcasts app, I'd be grateful if you gave it a star rating and a review. That will let others know it's a show worth their time to listen to. This is Mindy Diamond on Independence.