



EPISODE TRANSCRIPT

Creating a Destination for Other Advisors: How a \$600mm Breakaway Team Transformed into a \$2.8B Business

A conversation with Louis Diamond and Todd Resnick, Co-Founder and President of One Seven.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is Creating a Destination for Other Advisors: How a \$600 Million Breakaway Team Transformed Into a \$2.8 Billion Business. It's a conversation with Todd Resnick, Co-Founder and President of One Seven. I'm Mindy Diamond and this is Mindy Diamond on Independence.

Mindy Diamond:

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

Mindy Diamond:

Most advisors we speak with who make the leap to Independence do so not because they are running away from something, but rather because they're running towards something they see as better. They're the entrepreneurial types who have their mindset on growing a business bigger than themselves and to remove any constraints that may impede their path. The guest on this episode, Todd Resnick, speaks much about that early vision and demonstrates clearly how he and his colleagues were able to achieve what they set out to and then some. In July of 2016, Todd and three of his Morgan Stanley colleagues left with some \$600 million in assets under management to start RIA One Seven, headquartered in Ohio, hiring RIA consultant and service provider, True Clarity to assist them in their launch. Their goal, to serve their clients in new and creative ways, but even more so they were attracted to the idea of building what Todd describes as a destination for other advisors and that they have.

Mindy Diamond:

Today, One Seven is a firm with \$2.8 billion in managed assets. They've been prolific acquirers and most recently made news for their merger with MGO Investment Advisors, an RIA that specializes in 401K services. Top that off with merchant investment management taking a minority non-controlling stake in One Seven to drive additional organic growth. In an article for Wealth Management, Merchant Managing Partner, Tim Bello said they've got a real clear vision for what the future might look like. One Seven's mission is centered on trusted connections, meaningful work, and purposeful growth. And as Todd shares, it's that vision which guides them each and every day with the focus on the goal of creating a community of advisors.



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Mindy Diamond:

In this episode, with my partner Louis Diamond, Todd discusses how this unique point of view came about, their due diligence process, and ultimate decision to leverage True Clarity, how One Seven achieved their growth over the last six years, the value of taking on Merchant as a capital partner, how his perceptions have changed over time, and much more. So, let's get to it.

Louis Diamond:

Todd, thanks so much for joining us today.

Todd Resnick:

Thank you. Pleasure to be here.

Louis Diamond:

Very good. Why don't you just tell us about your background and how you got into this business to begin with?

Todd Resnick:

I actually started off after college in a different field. I thought I was going to be a television and film producer, so I moved to New York with my wife, who was my girlfriend at that time, and after a couple of years, I became pretty uninterested in the space I was in. It wasn't fulfilling things for me and I knew I wanted to be in a business where I was connecting with people, building relationships, and not really just making it transactional. And it was kind of funny how I was on a family vacation and a family friend, who spent his whole life in the financial services world, told me that if I wanted to be happy and successful, I should go into financial services. And I just said, "Okay, great. Why not? I have nothing to lose and everything to gain."

Todd Resnick:

So I started asking around, interviewing, talking to people, trying to understand exactly what that meant to be in the financial services world. And after a little while, ended up back in Cleveland, which is my hometown, with my wife and started with a group of guys at Merrill Lynch back in 2007, right before the Great Recession started. So, it was a really interesting introduction to the world of finance and financial planning for me.

Louis Diamond:



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Yeah, definitely a good way to cut your chops is chaos. I would probably guess, too, that maybe it was helpful that you didn't have that many clients during the financial crisis because there's less people to call.

Todd Resnick:

There's less people to call. There's less to try to understand when you're not being bombarded by people with millions of dollars at that time, wanting to know if the world is coming to an end. I still remember the morning of Merrill Lynch getting bought, and the morning of this company going out of business. And I was doing everything I could to help my team and to help our clients and to work with a few clients I did have, but it was definitely a different experience, but still a good learning one. And I'm happy to say that the clients I do have from that time period are still great partners and relationships of mine, so that's a great thing to think about.

Louis Diamond:

Yeah, it's good. I know after Merrill, you moved over to Morgan Stanley, what drove the move to Morgan and when did you make that change?

Todd Resnick:

We left Merrill right around November of 2008, so as we were having to stay and sign things that we were never going to leave them and the real impetus for it is my team wanted to be not controlled by a bank. I think they knew where the ball was going in terms of, where the puck was going in terms of the industry and what a bank could do to us and make us do and in terms of how we ran our business.

Todd Resnick:

So, we made the move to Morgan Stanley, and it was great. We had a really successful transition in the midst of chaos and everything that was going on in the world. And we had a really good run there, but over time we just realized that thinking about independence and trying to understand the space of independence was really the best thing for us as a team and started that process.

Louis Diamond:

Two questions before we get into your next move, which was to the independence space as your team was thinking about, "Okay, we're at Merrill," like you said, "not looking to work for a bank," how did you reconcile in your mind that you're going from one major firm to another? Even though Morgan Stanley isn't a bank in the same sense that Bank of America is a bank, they still, obviously, operated many of the same lines of business.



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Todd Resnick:

Correct.

Louis Diamond:

How did you pick through the differences between the firms?

Todd Resnick:

I'll say jokingly that the first part really wasn't my concern. I was so new and so green at the time that I just felt lucky to be taken with them, so they called me one day and they said, "Well, you can come with us, but you have to go back into the training program, and you'll be on salary." And I was like, "Well, that's great." And they really believed that at the end of the day, going to a place like Morgan Stanley, we got some really great partnerships lined up right away with the fixed income desk and people like that. And I think it was just the feeling that we got of how we were treated at the time by the leaders at Morgan Stanley and the support they were giving us to make the change over to their brand.

Todd Resnick:

But I agree with you. I think looking back now, knowing what I know, it's really hard to sit there and say, "Well, we're going from this large brand to this large brand. And here's all the reasons why it's great for you." It was good for the advisors. Let's not lie. Everybody was writing a check, and everybody was willing to give you something to make the transition, which is definitely a positive from an advisor standpoint. But at the end of the day, I don't know that there were a long list of major positives for the client, especially like I said, looking back on what I know at this point.

Louis Diamond:

Yeah, although at that time period, very, very different environment than today and for a decent team, the options were pretty scarce, especially compared to today. If you were extremely entrepreneurial, you could have dipped your toe in the independent waters like the folks who started Luminous Capital, they were really outliers. And so, you really just had going to another major firm, especially during a time of chaos.

Todd Resnick:

Exactly. And we said we would never do that again. At what point do we say, "Well, going to this firm now, because they have a better bond desk or they have better investment solutions." And to your point, back in 2008, we had really understood the entire landscape that was out there. And like you mentioned, it wasn't what it is right now. It would have been spectacular. Now, at the same time, there could have been even more concern from our clients over "What does it mean? How does it work? The



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world is in a situation of chaos." They may have felt even less comfortable, I don't know. But maybe it was the right path. It was certainly the right path at that time.

Louis Diamond:

Yeah. It was the path that got you to where you were today, so it wasn't a bad one.

Todd Resnick:

No, not at all.

Louis Diamond:

Let's talk a little bit about your team structure and just the overall business makeup at Morgan Stanley. I believe you guys were managing close to \$600 million at the time. But can you just explain what the team looked like, what you focused on, how you built the business, et cetera?

Todd Resnick:

Yeah. It's funny. I was thinking about that in preparation for today. And I realized and I still say this, that there were three very distinct personalities on our team at that time. I was the young guy. I just did all the stuff they asked me to do and I learned and soaked in everything I could. One of my partners, Stuart was the fixed income guy, knew the fixed income space really well and all of his clients were old time friends of his. He was a rabbi in his former life, so I've said every client, he either married them, Bar Mitzva'd them, birthed them or buried someone, so everyone was his best friend. Bruce was more of the markets guy. He was more of our sales guy. He was out there pounding the pavement out there all the time.

Todd Resnick:

And then Mike was the third partner. He was the CFP, really the planning background. And I always joke that Mike is the guy that walks into a bar and someone just says, "Mike, I've been thinking about you. I just got a million dollars and I need you to help me." That's how Mike has built his business, I always say. So, we had three really different personalities, three really different backgrounds, which for me, was incredible learning. But I knew that no matter where I was with a different potential client, who to bring to the meeting in terms of personality, perspective, background, things like that and we really worked in a nice way together for a long time.

Todd Resnick:

Everybody had their clients, who were their primary clients, but we would serve as backup to each other and again, bring our different expertise or knowledge to the space. And for me, what I really decided on



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early on was as the young guy, I was 27 at the time, was that I needed to find something that I could do that would make me so valuable to the team that they would never want me to leave. So, I really took on a lot of the behind-the-scenes stuff, due diligence, understanding what we wanted to invest in, building models, essentially running plans, presentations, meeting with their clients. And I just got to know how to do everything. As time went on, I became more and more of a part of the team, became a partner and it worked out really well for us for a long time.

Louis Diamond:

That's smart advice, make yourself indispensable and figure out something unique to bring to a business, so that's a great way to find your footing. What motivated the team to consider alternatives? I know ultimately in 2016, the team left to go independent, but what led up to that decision?

Todd Resnick:

I think the first part of it was what a lot of advisors come up against was someone telling us that we were crazy, for lack of a better word, for giving up so much of our paycheck every month. And then for us to actually do the due diligence of, "Well, what are we getting for that money?" And that's not what we're here to discuss today necessarily. Every advisor out there knows what they're getting and what they want and what they're giving up to the house. That's what everybody understands. We started there with, "Okay, can we do better for ourselves and our families?" Yes. And then we started doing all of the due diligence of, "Well, what does it mean to go independent? What resources are out there? What tools are out there?" And we decided that if we were going to do this, we looked at the Schwabs, we looked at the Ameri-prises. We looked at joining another firm in becoming part of their RIA.

Todd Resnick:

We knew the two things we wanted to do were one, do it by ourselves and the other was to build something that could cater to the model we used to know and the model that our clients knew. So, we wanted the experience to be very similar in terms of the resources and tools, whether it was secured lending, whether it was robust fixed income and investing, whether it was the financial planning tools, the way we did reporting. We didn't want anything to change the best we could and we wanted to obviously expand and increase the tools and resources that we had. That was really what it came down to was can we do better for ourselves? Can we do better for our clients and can we replicate or build on the experience that we were all having?

Louis Diamond:

It doesn't sound like you were super unhappy with Morgan Stanley. It was more just you bumped up against the operating model or the business model, which was being an employee of a major firm.



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Todd Resnick:

I think that was a big part of it, what are we getting and what do we need? And then for me on a personal level and this is probably something a lot of listeners will think about or at least, a certain amount will, I wanted another challenge. For me, it was I was 35 years old and I love my clients as people and the relationships that we have. I'm not an investment guy. I don't love sitting and looking at the markets and studying them and all of that stuff. I was just looking for another challenge and a growth opportunity for myself. So, I really took on the lead in terms of what we were going to build, how we were going to do it and creating the model that we have today.

Louis Diamond:

You mentioned earlier that within the team, there were three very different personalities. I would assume three people at different stages of their lives. How did you all get together and reconcile likely different goals and how did that ultimately align to the independent space?

Todd Resnick:

As we communicated throughout the process, I think we recognized at the end of the day, we all had similar goals. We all wanted it to work a certain way. We all wanted our clients to have a similar experience and it was really the opportunity, as you said, especially for my three partners who were older than me to really start thinking about, "Okay, what do I want to happen in terms of the legacy I create for my business? What is the financial component if and when I do sell my business or when I want to retire." So there was that conversation.

Todd Resnick:

But I think looking back, especially at the beginning, we didn't even think about it the way we do now. We didn't know everything. And I think the first year, 18 months, it was really just trying to figure out how to swim in the space of being independent. And then obviously, the time we spent in the beginning to build it up. But having those conversations about what everybody wanted, having the arguments around what everybody wanted and what they needed out of this, I'll never forget them, I'll tell you that.

Louis Diamond:

Well, it seems to have worked out the way it should. And those conversations, it ultimately makes you better as a team, but not every team, too, can get to a point where everyone's aligned and moving the same direction. Especially because back in 2016, when you were considering alternatives, certainly, the breakaway movement was well underway, but you mentioned some of the options that were there, it looks very different than it does today.



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Louis Diamond:

And that leads me to the next question, and this is one of the things I was most excited to hear about. My recollection is your team was one of the first, if not the first team, that platform provider, True Clarity, launched around, so I'd love to hear that story. It's part their origin story, but also how it worked for your group as you established your business.

Todd Resnick:

Yeah. It's funny thinking back now, all the things you don't know and I talk to advisors every day and I said, the things you don't know, and the things you don't understand at that time are overwhelming. But the good thing is that somebody did make the introduction to True Clarity. And they were a young company just like we were and we really loved the people. Pam who's still who I talked to pretty much every month still. Pam was really great in terms of helping us to understand everything that went into launching a firm.

Todd Resnick:

How to handle compliance, how to handle billing and finance, marketing, technology, helping us do the due diligence on vendors and partners and solutions. It was really, really valuable. And they really did at that time, and they still do, understand our vision of what we wanted to build. And over the years, they were really valuable in helping us better fine-tune the mission and the vision and what it is that we wanted to provide to the advisor community, so they were great. We don't work with them anymore and they've acknowledged and they will.

Todd Resnick:

Their goal is at some point they want to help you spread your wings and fly away from the nest and take it on yourself. And we did after a certain number of years, but they're still great people. We still share a lot of ideas. We share introductions to people in the industry and continue to work together to this day.

Louis Diamond:

Very interesting. And they helped you launch your own RIA, correct? It wasn't joining a centralized platform. It was them being your general contractor to build your own SEC-registered RIA?

Todd Resnick:

Correct. It was probably more along the lines of consulting on everything that came along. For instance, they didn't do our compliance, but they were involved with us and our third party vendor. They helped us with billing, but we still ran billing internally. Everything was not doing it for us, similar to a platform,



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but helping us do it for ourselves, which was definitely challenging. Even that's what I talked to advisors about all the time is doing it for ourselves was also overwhelming.

Todd Resnick:

And what I realized at that time is you can't do everything. You can't run an RIA and do marketing and do sales and do operations and deal with clients. So, they really helped me, especially in the first few years of managing my time, managing what I could and could not do and helping our firm get to where we are today, for sure.

Louis Diamond:

Definitely. And thinking back on it, obviously you've contracted with True Clarity because you wanted their expertise, but there still have to be some challenges that you faced in the transition. Maybe just think about one or two unexpected surprises and how you overcame them.

Todd Resnick:

Well, I'll never forget the first night actually was, well, I should say the night before we launched. Our lawyers, we were still trying to figure out the operating agreement and our attorney said at probably 7:00 the night before we left, "You can't resign tomorrow. We don't have an operating agreement." I'm like, "Well, that's going to be a problem because all my partners have cleaned out their offices, so we're resigning tomorrow at 9:00 AM whether we have an operating agreement or not. This is going to happen."

Todd Resnick:

And I remember sitting and my kids were at the pool and I honest to God sat there on a chair at the pool crying because it was just so overwhelming, so challenging, so exhausting to get to that point and have something like that be said to us. That was definitely a first one.

Todd Resnick:

The second one was the first, I'll call it, mini audit that we got, which is the thing that I think that's like the scariest thing that happens. I was actually on vacation and our compliance consultant jumped in and took on some of that role and helping get things navigated.

Todd Resnick:

The third thing is just the things you don't know, the technology. Picking one vendor at the beginning and realizing pretty quickly that wasn't the right vendor. Picking partners that you realize aren't the right



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partners and having to real quickly within the first 365 days, navigate in a different direction, hire somebody else, on board a new platform, offload from an old platform.

Todd Resnick:

Those are things we didn't really expect to have happen, but at the same time, I'm glad they did because they helped us realize things that we didn't realize in the beginning or helped us learn how to better evaluate what we need and what tools we need. And like I said, have gotten us to where we are today.

Louis Diamond:

Yeah. Thank you for sharing that. Sorry, you broke down crying, but at least-

Todd Resnick:

It's okay. It's part of life. You know what? No, it's part of life and it was a moment of, I just need to get it out and that's okay. It's all right.

Louis Diamond:

I know from having a chance to work with you that you're energetic, you're an entrepreneur, you have a vision. Every opportunity is one that you try to figure out a way to make it better for everyone, which is really, really cool to see. But in the beginning, it had to have been much more about just building a platform for your partners and for your own clients. Can you explain how the vision for One Seven has morphed and changed or maybe it's been exactly what you attempted it to be. But I think a lot of folks who go independent, they have one thing in their mind of how it's going to go and what they're going to build. And then once they get started, either positively or negatively, plans change.

Todd Resnick:

Yeah, that's a great question. There's a lot there. The original concept behind One Seven, we hired a branding firm and the few things we said were we want a name that doesn't say advisors, partners, planners, capital, wealth management, or anything like that. We wanted to be very different. We wanted to talk about things from a different perspective.

Todd Resnick:

And the other thing that they realized when talking with everybody involved in the launch was that we really looked at things from a relationship standpoint. None of us were stock pickers. We didn't hang our hat on wealth, on asset allocation models or picking the best ideas. We hung our hat on relationships and planning and really becoming family to our clients. And so as they heard that, they gave us all sorts



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of names. And the last one was actually the one we ended up choosing, which was One Seven and the meaning behind it was what they called the Seven Pillars of Wellness.

Todd Resnick:

When you think about it, each one of us, you and I, and everyone out there is essentially made up of seven things in our lives. And you could probably say six or eight or any other number, but it comes down to, we have a financial life. We have a physical life, our bodies. We have work. We have family. We have community, which may be charitable giving or what we do to give back to the world around us. We have mental and spiritual. And again, that means something different to everybody. But when you really think about it that's what makes each one of us whole and complete.

Todd Resnick:

So, when we thought about it, we're like, "That's what it is. That's what we are to our clients." It's not just the markets. It's becoming part of the significant life events that they have by talking to them about how they're doing physically. Do they need to find more time for themselves to take care of themselves? Are they happy at work? What do they want to do within the community? And that's not novel. It's not something different in the industry. That's what everybody I think wants to get towards and wants to be is that irreplaceable person in the client's life. And that's what we decided to name the company after, so from a concept standpoint, that was that.

Todd Resnick:

And then we built all the pieces and the tools and we thought, "Okay, we've got our own little Merrill Lynch, Morgan Stanley. We're just going to go out there and open the doors. And all these advisors that know us are just going to start calling." And of course, as you might imagine, it didn't happen, so that was interesting. But it helped us really start to fine tune and create the messaging around what One Seven was. Now, in terms of what it is today, the last thing I'll say is, it continues to morph. I don't think it's that different than what it is than what it was six years ago.

Todd Resnick:

From a personal standpoint, I'm always doing something to give me a different perspective on the business. So, I do personal coaching every week. I've done self-development programs with my wife. I even once every couple years go to some far off distant lands and do a weeklong retreat. That just helps me open up my mind to new ideas and new things that we could be doing to make the company better, make it more in touch with what advisors need. And that's really what we think about every day is what do we do? Our mission is how do we create life changing opportunities for our advisors? That's what everything is thought through from a lens perspective and we just continue to evolve from there.



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Louis Diamond:

Love that. When you started One Seven, was the initial goal to become a platform that other advisors could join?

Todd Resnick:

That was I think what I wanted, but I didn't really actually know how we were going to do it or how we were going to get there. But that was a part of the initial concept, yes.

Louis Diamond:

I'm completely with you that you build a platform and you have all these relationships, you would think that people would just follow or you would hope. It sounds like you maybe stumbled a little bit in initially finding people. How did you put a plan in action to move from "We got this great thing" to actually being successful in recruiting advisors? What were some of the action steps you did to position One Seven, to be a destination for some of your old colleagues?

Todd Resnick:

Yeah, that's a great question. You are 100% right. We thought the first phase was just going to be all these Merrill and Morgan advisors and that didn't really happen. And so, we started to think through how do we present? How do we speak to advisors about what is their biggest concern and challenge and continue to fine tune the model? The real turning point for us, I think was actually about three years ago, I was meeting with an advisor and I drove a couple of hours to have lunch with him to find out that he wasn't joining us. And the thing that he said in the meeting was we want to be with somebody that has a plan or a model for us to grow.

Todd Resnick:

That really resonated with me was we didn't have something that helped advisors grow. We had just a platform like every other RIA that did compliance and finance and marketing and operations and things like that. But we didn't have anything that was really designed to say, "Here's how we're going to help you fast track your business and scale it and run it more efficiently. And be happier ultimately at the end of the day." And so, that was really the turning point for us was about three years ago, we built this concept called Seven Tool Advisor and Seven Tool Advisor was essentially seven solutions that help an advisor be better at their job. And hopefully in the end, live a better and happier life because their business is running more efficiently for themselves.

Louis Diamond:

And what are those seven tools?



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Todd Resnick:

The seven tools are the RIA itself is the first tool, so all the things that RIAs do, compliance, technology, finance, marketing, operations. Those are the five core things we say. The second platform is a 401K platform. We have a sister firm that we just finalized our merger combination with. They will help advisors run their 401K plans, everything from plan documents and design to rollovers and everything in between, so we have a 401k platform that's been well-received.

Todd Resnick:

We have an insurance and annuity solution. So, again, advisors either love doing insurance annuities or they don't go near them with a 10-foot pole. Whichever one it is, we have specialists that help our advisors solve those problems for their clients when they do come up and not have to give the business away or say, "Hey, it's not something I do." We have an investment management platform, so advisors can offload their investments. We have a financial planning desk with two amazing planners on staff that can help our advisors get their plans done and do all the behind the scenes work for planning.

Todd Resnick:

We have coaching, so we help you with prepping to transition. And then after you transition, we have a coach that helps you with, as we call it, what is 2.0 of your business look like? And then the last piece, which I'm really excited about is we actually bought a lead generation business about a year and a half ago. And that is really starting to blossom into what we think is going to be our own internal lead generation activity that we're hoping eventually we're able to just say to advisors, "Hey, here's your one or two leads for the month or maybe five or 10 as time goes on."

Todd Resnick:

We really want to help them not only grow in terms of new people, new clients, new opportunities, but also, "How do I run the business more efficiently?" Maybe instead of working till 8:00 or 9:00 or 10:00 at night, I can work till 4:00 or 5:00 and find more time to go to the gym, attend my kids' activities, spend time with my spouse, go on vacations or grow the business by meeting new prospects and clients.

Louis Diamond:

Yeah. Thank you for opening up about what the seven tools are. And I think and it's also humbling to hear that you got knocked down with, okay, this person is not joining you and some people would take that as a loss and just hang their head and complain about why it didn't work. But it seems like that was the wakeup call and you realize that there's a crazy number of firms that can do the basic blocking and tackling of your first tool, which was the RIA, but how can you help advisors in a different way? It sounds like you decided to show up and think through what is it that advisors need that they can't build on their



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own, or maybe that they don't have the scale to build on their own. That's the central tenants of the value prop are.

Todd Resnick:

Yeah. You said it for me. Exactly. Look, any advisor listening to this or in the industry, if you give up the first time that someone says no to you, then you're not going to be long for this business or any business where there's a sales component to it. And so, yeah, I took that as the wakeup call, so to speak of, "Okay, how do we solve that problem?" Because if that's a problem that he has or that's something he noticed, then there's going to be others that notice it.

Todd Resnick:

And the most exciting thing is when I do have an advisor join us or in the process of talking to them and the things that we offer resonate with them, and you can hear the excitement. And I introduce him to the insurance specialist group and I introduce him to the 401K group or they jump into our lead generation opportunities or even just, "Hey, I want to use you guys for admin support that I don't want to have to do." All those things combined, just make it such a beautiful merger combination for us and the advisors that join us. And hopefully, it's going to make them more successful and then in turn the company as a whole.

Louis Diamond:

Absolutely. And can you explain more about the lead generation system? Because I think that's pretty different. Obviously, something that is likely not able to employ really at most broker dealers or firms. I'm curious, how does this platform generate leads and how does it work?

Todd Resnick:

It's actually an ever evolving thing, which is really exciting. We brought on a new Director of Marketing. And I was actually on a same page meeting with him this morning, where we were going over all the different things that he's working on. And he's working with this company on this strategy and then fine tuning it. So it's not just, "Hey, I've got a lead generation opportunity," and we just throw it out there. It's constantly fine tuning the messaging, the process, the procedure for how to engage with that platform and then using it to be successful.

Todd Resnick:

What we do is we not only have our own systems that we've built over time, but we're also bringing together other platforms and specialists and solutions that we can then bring to our advisors and say, "Okay, we're handling this for you," or "we've built a really great relationship that we can help facilitate



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or engage with you." The beginning of it was actually this business called College Funding Evolution, which is the company that we bought, which specializes in late stage college planning, so helping families figure out, "What college does my kid want to go to? What's the cost? What's the budget? How am I going to pay for it? And what services does my child need to pick the right college?"

Todd Resnick:

And so, it's changed over the years because of pre-COVID, it looked one way. COVID and post-COVID, it looks a different way. But even still, I just heard that we have an advisor today or tomorrow doing a webinar that has 350 RSVPs right now.

Louis Diamond:

Wow.

Todd Resnick:

So, even if half of them show up and then half of them do a meeting, you're still talking about engagement that happens in very few things that I've heard of. Does an advisor get 10, 20, 30 qualified meetings with potential clients from a webinar? It's pretty awesome.

Louis Diamond:

I would agree. And thank you for sharing that.

Louis Diamond:

What does One Seven look like today as far as number of advisors you're serving, assets under management? And also, if you can just explain the business model? Are advisors affiliating with you? Are you buying them? What does that all look like? That was a lot of questions, but I give it straight.

Todd Resnick:

Yeah, I got it. I said this a couple of times. As of today, we have 36 advisors. We're in 11 different states plus DC, and we're probably right around, I'll look at it tomorrow morning, but we're right around \$3 billion in AUM. And we've got another four advisors joining us in process, which will bring on another roughly \$400 million. My expectation is by the end of the year, we'll somewhere be around \$4 billion in assets and 40 plus advisors, 45 to 50 advisors.

Todd Resnick:

In terms of how they join us, that's what I really think is the best part about this is it's really an open opportunity of what the advisor needs. Not only did we merge with our sister firm, MGO, which is the



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401K specialist, so that's about of our \$3 billion, about \$800 million of that is in 401K plans where we manage the plan from soup to nuts. But we took on a minority investor in Merchant investment management a couple months ago. And so, what that's done is really opened up the opportunity of how we can work with advisors in the industry.

Todd Resnick:

And we really say to them like, "Hey, come to us and tell us how you want to do this. Do you want to walk away tomorrow and sell everything? Do you want to sell over a couple years? Do you want to join us and sell a portion of the business? Do you just want to join us and use us for all of our tools and resources and continue to do everything and run everything and own everything?" So, it's really an ongoing collaboration with the advisor to build the model and the solution that's right for them. And it's been a great partnership so far in that exercise.

Louis Diamond:

Yeah. And I definitely want to talk about why and how you partner with Merchant. But maybe let's before that, let's talk about the recent merger you announced with MGO, which was the 401K firm. It sounded like you've had a relationship with them. What led to the actual marriage happening and how did that all work?

Todd Resnick:

One Seven back in 2016 actually had seven founders. Me and my three partners from Morgan Stanley and then Ron Gross, who was the CEO of MGO and two people from his company, his partner, Paul and actually, his nephew, Rick, who was the one who introduced us. Ron and I and Rick, more than anybody, collaborated beginning in the summer of 2015, all the way up until our launch in the summer of '16. We really collaborated on everything that was going to go in to start the RA. But Ron and Rick were staying were still at MGO, running 401Ks, running that company, which was incredibly successful on its own.

Todd Resnick:

And so, over the years, more so than anyone else, I just kept having the wakeup call and the realization that in order for us to really build the business the way we wanted to, in order for us to 100% put everything into creating the right experience for advisors and their clients, we needed to be one company to bring all of the talent, all of the energy, all of the ideas together and harness it into one business. The driver behind it, what really started that was in March, April of 2020, when the markets were doing what they were doing and COVID was happening, one day, I just wrote my Jerry McGuire manifesto or whatever he calls it in the movie.

Todd Resnick:

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

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But my white paper on why we should merge together and sat down with Ron the next day and read him my whole report. And he goes, "I agree." And that was it. We started that day like, "Okay, what's the next step?" And we went through a real thorough process of figuring out how to do it, when to do it, and it took until May 1st of this year. So, about almost two years of constant back and forth and work to get it done, but it finally did happen.

Louis Diamond:
Congratulations.

Todd Resnick:
Thank you.

Louis Diamond:
That's exciting. Let's talk about some of the advisors that you've brought on. We don't have to go one by one, obviously, because you have a lot of advisors. But what's maybe one or two representative groups that you can share and what led them to you versus either starting their own RIA or going somewhere else?

Todd Resnick:
Well, there's so many great examples as I'm sure any firm could share about a success story. A couple that stick out for me are actually two of our most recent advisors that joined us. When we met with them, we talked about not only the ways we could help them in terms of their business from a financial standpoint now and in the long run, but also, the ways we could leverage Seven Tool Advisor, the components to help them with their business.

Todd Resnick:
Originally, when they were joining us, they had a third partner that was going to be part of it, who was going to be doing the planning. But for some reason, I can't remember he didn't join them. So right away, we were able to step in and help them with planning by taking that off of their plate. We were also able to help them with admin by providing them all the admin support they needed, so they didn't have to go out and hire an admin as they were trying to figure out how to transition their business over. So, I think that was one really great one.

Todd Resnick:
Another one that I thought was really fun. I look at all of them as fun in their own way was a great team that we have. It was a father-daughter team that were looking to leave a different RIA and there were



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some things they had to get unwound and solved in order to do it and we spoke for years. We would talk and then we would lose track of each other and talk again. And then just really providing consulting and as much support as possible. And we were actually able to bring in Merchant at some point to help them just think through solutions, alternatives, and options. And at the end of the day, we were able to help them, do our part at least, in helping them get unwound and join us, and it's been great.

Todd Resnick:

There's so many great examples of people just looking for a home, wanting to be part of something. Because that's really what we try to do is think of it more like a community of advisors versus an aggregator or a roll up or anything like that. And helping each person just craft their story and go from there.

Louis Diamond:

Yeah. Thank you for sharing those examples. I think it helps to crystallize the value add. Let's talk about Merchant. I saw a press release in August of 2022 about One Seven's new partnership with Merchant Investment Management. I think it's also timed around the consummation of the merger with MGO. We talked about MGO. But can you talk about the thinking behind going out and raising capital from anyone, but especially Merchant? And what was it that won Merchant the opportunity to be in business with you?

Todd Resnick:

Yeah, that's all good questions, obviously. The Merchant thing happened a couple of years ago. I met them and we didn't know what the opportunity was other than that, we were trying to do a couple of different deals. And some of the banks didn't understand entirely what we were doing, why we were doing it, and Merchant was able to step in and do some credit lending for us, which was really, really valuable at that time.

Todd Resnick:

I still remember during COVID, walking around my neighborhood, talking to some of the principals there. And really knowing that ultimately, if I wanted to build what my vision was and build the platform and the community for our advisors and their clients that we needed support beyond the people that were in our office. We have a lot of great bright people, but as you know like anything else, sometimes you just need that other perspective. You need to step away from the table and get a different point of view.

Todd Resnick:



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Matt Brinker, who's one of the principals there. I think it was him who said, "If you guys did a combination of MGO and One Seven, and even this lead generation business, that's the type of platform that we want to be partners with." That really stuck with me because I thought, "Okay, this is going to help us with our secret sauce and building it out." So, we just hit it off with them. Quite honestly, we didn't do at this point, we didn't go and do 10 months of due diligence on multiple partners. We really felt like this was the right one for us from the beginning in terms of how they worked with us, how they communicated, how they were always ready and available through text message or anything else to just get on the phone or respond to a question or call.

Todd Resnick:

It was just always been that type of working relationship. And we knew that they were going to give us the tools and support us with what we needed to really solve advisor's problems. In terms of what they want to do with their business, how they want to monetize it or sell it or pass it onto their children or partners. They were just ready to jump in and get to work on that with us.

Louis Diamond:

It sounds like it wasn't about the liquidity event. It was more about what having them as a partner did for your business from a strategic standpoint, is that accurate?

Todd Resnick:

Yeah. Honestly, at this point we didn't need to sell anything. We didn't need cash or anything like that. We have a strategic vision and if we want to build it, we believe that being partners with them was going to make it a reality.

Louis Diamond:

Yeah. Love that. And does any part of you regret that now, you don't get a hundred cents of the profits? That now it's split up and you're sending some to Merchant?

Todd Resnick:

No. Look, there's always a cost of doing business. It's the same way for an advisor thinking about joining us. That there's nothing for free, whether you're at Merrill Lynch or One Seven or anybody else. There is a cost of doing business. There's a cost for being part of a platform, not having to take on everything yourself. When you're an advisor, not having to do compliance and operations and billing and everything else.

Todd Resnick:



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And for us, it was okay, we get a lot of great thinking when it comes to how to do something and how to be successful with it. So, when we have an opportunity for a new partnership, we bring in Merchant right away. They help us with all the behind-the-scenes analytics. They help us with really looking at different angles and all the different options and variables of anything we're trying to accomplish. And helping us know when it's time to walk away in theory as well. I don't regret it and I think in the long run, based on what I know they want to create and what they want to help us create, that it was definitely the right move for us and for the advisors that are part of our firm.

Louis Diamond:

Yeah. It sounds that way. And that's the thinking that a lot of independent business owners go through is, "Okay, I may not need the liquidity. If anything, I might be better off waiting to raise capital when the business is larger." But you do a deal like this if you believe that the partnership is going to accelerate growth and help you build an even bigger business. And if you weren't sold on that, then you wouldn't have done the deal.

Todd Resnick:

Yeah. And it's the same for an advisor where I've talked with advisors in the past that have said something to the like of, "Well, I'm going to wait until I grow more to do something like this or do something like that." And I look at it like, "Well, how do it won't happen by joining us?" It could accelerate growth and it could accelerate opportunity. And I think that that goes for all of us in whatever we're doing that I just looked at it as an accelerator.

Todd Resnick:

And it has happened in just a few months of being partners with them. Some really huge things have happened. Some really huge things are in the works. And I really do think that a percentage of that happening is because of what we're able to come to the table with versus what it was just a few months ago.

Louis Diamond:

Well said. So now, that you've been independent for a little over six years, can we just talk about how your perception and opinions have changed? Let's start with two positives that you did not expect of the RIA channel when you were white boarding the plan to go independent back at Morgan Stanley.

Todd Resnick:

I'd say the first thing that sticks out that comes right to mind is I think advisors believe that a Merrill or Morgan is really the only place that they can get the best in class things, especially when it comes to



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alternative investments. And I might be a little in the weeds for this talk, but the number of things that are out there, the ideas, the providers and the ease of doing business with them versus what I remember from back at the wirehouse model was really, really exciting. And it's growing day by day of people we're meeting, advisors we're talking to the things that they're doing and the ideas they're bringing to the table, so I think that was the first thing.

Todd Resnick:

The second is just the opportunity set that's out there. I really didn't have any idea what from a leadership standpoint of the firm, I had no idea what it was going to turn into when I started as an advisor 15 years ago, let alone started the firm six years ago. I never imagined that we would be where we are today. I never imagined we'd be wanted by an investment group like Merchant. And I didn't think that life was going to go that way and I think as an advisor, when you really start to peel back the onion on what's out there and the opportunities and how you could help your clients and help yourself, it definitely is something I didn't fully understand at that time.

Louis Diamond:

Right. And how about two negatives or things that maybe in your mind you thought would play out differently?

Todd Resnick:

Am I allowed to say there's no negatives? No, I'm just-

Louis Diamond:

Not allowed. It's not true.

Todd Resnick:

I think one challenge I'll say is there's, at the same time, the positive of all the different investment options and solutions that are out there. It also is sometimes overwhelming and I think there is an ease of business. The positive to being at a Morgan or a Merrill is you walk in and you've got that one platform on your desk that does everything inside and out, backwards and forwards.

Todd Resnick:

And when you go truly independent, you have to build it out and put it together. And right when you partner with one technology or solution provider, another one pops up in your inbox and is like, "Well, wait, I'm doing the same thing and I can do it better and cheaper." And you can literally spin yourself in circles, looking at solutions and spending your whole day. And I think that's, again, not a negative, but a



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challenge is trying to keep the blinders on as to what's really important. What do I need to do to build the business and make it successful and give my clients the best experience? I think that's the biggest thing that comes up for me.

Todd Resnick:

And then obviously, the things you just don't know. In anything in life, you jump into something, whether you take your time or do it overnight, there's things that just pop up. And when you're independent, there's a little bit more of an ownership and accountability to it, which again is not a negative. It's just something that advisors and their staff have to prepare for and think about.

Louis Diamond:

Right. Thank you for sharing those. Two more questions for you. The next one is what's on the roadmap for One Seven? Where are you going from here? Or put another way, what are some things you're working on that you're really excited about?

Todd Resnick:

Well, we've got lots of amazing people that we're talking to, and I don't know what will happen with those, but I think some of them that I'm really excited about could turn into some almost like unique business lines for us that we could start to offer out to advisors to participate in in terms of going back to that lead generation. I'm really excited to see where we go with that as well.

Todd Resnick:

Our hope is that at some point in the next six to 12 months, we've got really active platforms going that are bringing in 401K leads to our advisors and then private clients that are looking for solutions. Whether it's insurance, annuities, managing their investments or something like that, so I'm really excited about that. And then just more tools that Merchant and us are working on in terms of providing solutions to our advisors and things that they're looking for when it comes to succession planning and building the future for their business. So, that's one thing and that's a lot of things.

Todd Resnick:

And then on a personal level, I would say continuing to think about what our community looks like and how we engage with our advisors and support them. We have our third annual conference this fall, which is going to be outside of Cleveland for the first time, down in Florida. And that's a ton of work, but it's really three incredible days of bringing everyone together to connect, to learn. To meet each other in some instances for people that I haven't met before and just feel like they're part of something bigger than themselves in their one- or two-person practice that is in a city of their own.



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Louis Diamond:

Yeah, that's a lot. You have your hands full.

Todd Resnick:

It's a lot. We have our hands full, but we run a good system for managing it all and have a lot of good people. And that's something else we're trying to bring to our advisors. New ideas and solutions to help them run their practice more efficiently. Yeah, there's a lot and I'll be excited to report back to you on it all soon.

Louis Diamond:

Yeah. Look forward to reading and hearing more.

Louis Diamond:

Last question, we pretty much ask every guest this, any parting advice for advisors considering a transition?

Todd Resnick:

It's actually one of our core values is always be growing. And I think the only advice I could say is to an advisor is just be open minded. Whatever home you find, find the right home for you, don't overthink it and be open to change. Grow, and change, and create. And I think it's going to be a really excellent experience and journey for the advisor, for their families, and for their clients.

Louis Diamond:

I like it. Growth through change is a good thing.

Todd Resnick:

Yeah, exactly.

Louis Diamond:

Very good. Todd, thank you so much for joining us today and congrats on all of your success. And we'll have to check back in a couple of months or a couple of years and hear when you're at \$10 billion.

Todd Resnick:

I appreciate it. And thank you, Louis, for the time. And thanks for having me. I appreciate it very much.



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Mindy Diamond:

Todd shared an incredible story about growth through change, as he puts it, but it was his parting words that sum it up perfectly. Don't overthink it, be open minded, and find the right home for you and your clients.

Mindy Diamond:

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

Mindy Diamond:

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.

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