



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is, From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6 Billion Firm. It's a conversation with Louis Diamond and Phil Fiore, chief executive officer and executive managing director and co-founder of Procyon Partners. 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 Podcasts users, I'd be grateful if you'd give the show a review. Your input helps us to make the series better and alerts other advisors like you, who may find the content to be relevant. And while you're at it, if you know others who are considering change or simply looking to learn more about the industry landscape, please feel free to share this episode or the series widely.

Mindy Diamond:

Institutional consulting is a specialty within the wealth management industry focused on advising corporate, foundation, endowment, and retirement plan clients. It's a business that's often well-served by large firms such as Morgan Stanley's Graystone Consulting, Merrill, or UBS, which typically have the advantage of a well-known name and solid platform. Yet, much like private wealth, institutional clients have come to want more from their advisors, services beyond what might be offered by a brokerage firm.

Mindy Diamond:

Such was the case with Phil Fiore. He started building his practice at Prudential Securities in the '90s, later moving to Merrill in 2005, then on to UBS in 2009. He and his team, FDG Institutional Consulting Group, built a strong business, with more than \$8 billion in institutional assets and \$400 million in private client assets. Yet, it was in 2017 that Phil and his partners decided that working for a large firm limited their ability to grow and offer more to their clients. They had a desire to expand their footprint and their services, neither of which they could achieve at UBS.

Mindy Diamond:

As Phil shares, a large firm like UBS has no choice but to manage to the lowest common denominator, a formula that works fine for many advisors, but not for those who have clients that require specialized



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

services or customization, or those advisors who have their sights set on building an enterprise. So Phil and his team opted to make the leap to independence, leveraging Dynasty Financial Partners.

Mindy Diamond:

In this episode with Louis Diamond, Phil looks back over his journey and the first five years as an independent business owner. He discusses transitioning the business, plus how they grew the institutional side and expanded their private wealth services. Phil shares how the move enabled them to offer a more holistic approach to wealth management, execute a wildly successful M&A strategy, and much more. It's a great story, so let's get to it.

Louis Diamond:

Phil, thank you very much for spending time with us today.

Phil Fiore:

You're welcome, Louis. Thank you very much for having me.

Louis Diamond:

Why don't we start off, if you can tell us about your background and how you got into the world of wealth management to begin with?

Phil Fiore:

Yeah, sure. And I will tell you, it was really by luck. I was employed as an independent property and casualty insurance broker. And I had joined a local country club up in Simsbury, Connecticut called Tower Ridge, and I had a great group of friends that we played golf literally every Friday, Saturday, and Sunday together. And one of those guys was a guy named Jeff Kanter. And Jeff Kanter managed the Prudential Securities office in Hartford, Connecticut.

Phil Fiore:

And July 4th of 1994, we were playing together in a tournament and he had said to me, "Philly, you got to come work for me," in this old Southern drawl which was always awesome to hear him speak. And I said to Jeff, "Jeff, you can't afford me." He said, "Try me," so I did and he did, and there you have it. August 29th of 1994, I joined Prudential Securities and started studying for my 7.

Louis Diamond:



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Amazing. And I know your “why” story for becoming an advisor is pretty powerful just from reviewing your bio and talking to you in the past. Can you share a little bit about why you are a financial advisor and what drove you to become the success that you are today?

Phil Fiore:

Well, listen, my parents, as you probably read, Louis, came over from Italy with literally \$5 in their pocket and didn't speak a lick of English. And growing up in Danbury, Connecticut, as I did my entire life, I didn't want from nothing, not that we were wealthy at all. We were probably lower middle class, but I had an amazing upbringing, and my parents took that risk to come over to America for a better life for their kids.

Phil Fiore:

And for me, I was now given the opportunity to get into wealth management and a career that I never even envisioned, quite frankly. My dad was a factory worker. So if you think about people stepping on each other on their dad's shoulders, I should have been management at a factory. And so, I was given the opportunity to jump generations to get involved in this business. It was just an amazing opportunity for me. And quite frankly, I wanted to give it everything I had and be the most successful I could possibly become so I can look back at my parents and say it was all worth it.

Louis Diamond:

Amazing. That's extremely powerful. We always ask advisors about what their why is because I think it does drive someone's story and ultimately really what motivates them. So it's helpful to get a look into that. How about your journey in the industry? So you mentioned Prudential Securities starting in 1994, then moved to Merrill in '05, and then ultimately to UBS in 2009. So let's talk about the move from Merrill to UBS, since that's more recent. Why'd you move to UBS and how did it go there?

Phil Fiore:

Yeah. Believe it or not, even though it seems as though I had moved a bit, it's actually in direct contrast to my loyalty, believe it or not, with firms. And let me just go back really quickly to Prudential. I loved that firm, but it got bought in the early 2000s, Louis, by Wachovia, and Wachovia then being a large bank, a Southern bank at that as well. And I just didn't think that a bank really understood investment management or wealth management businesses. That's what caused me to move to Merrill.

Phil Fiore:

And back then, when I went to Merrill, that wasn't the best deal, so to speak, on the street for my team. Morgan was at the time. But I figured Merrill will never go out of business. Right? And so, sure enough,



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

in 2008, we all know what happened, right? Merrill gets swallowed up by Bank of America and here we are all over again.

Phil Fiore:

And at the time, I really considered potentially going independent, but the timing was such that Madoff and Lehman's out of business, Bear's out of business, Merrill gets swallowed by B of A. I just didn't think it was the right time to hang our own flag. And so, UBS, although it's still a bank owned by a Swiss bank, wasn't a domestic bank. And so, we gave it a run at UBS and that proved to be very successful for us.

Louis Diamond:

That makes a lot of sense. So it wasn't that you were trying to jump around. It was more, bank gets bought, culture changes. Ultimately, you had to find a new home for the business. And I would probably guess, back in 2009, especially in the chaos, the financial crisis, you said you were looking at going independent, but very, very different set of players. And really, you were probably looking at being completely independent without any sort of support. So was that really what kept you from going independent at that time, was more that it just seemed like too much work, too much hassle, and the infrastructure wasn't as mature as it is today?

Phil Fiore:

I think that's exactly right. I mean, I love the idea even back then, Louis, of independence, but the support constructs weren't there, quite frankly, at all. There were some players. I remember a player like NFP or someone like that that was there, but it wasn't like it was when we broke five years ago. So we felt as though the risk was way too big and we didn't want to put our clients through that.

Louis Diamond:

Yeah. Makes sense. Can you explain your team? At UBS, you're known as the FDG Group. Explain the team, how much business you did as far as assets or any metrics you can share, and just the overall team and what it looked like.

Phil Fiore:

At the top of our game, we had about 15 people at UBS. And it's very difficult, as you could probably imagine, to run a large business in a wirehouse like that. It's very, very difficult, because a lot of decisions that you need to make, you really can't. Right? But we had a very substantive business. We were managing maybe around seven and a half, \$8 billion, doing about six and a half million dollars in revenue, and that was just what was counted on our ledger.



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Phil Fiore:

But we did a lot of partnering at UBS. And so, a lot of FAs that weren't part of our team formally, but we partnered with, had assets accounted to them as well. So, probably in total, we had probably close to \$11 billion if you add up everything, and probably doing close to nine or \$10 million in revenue, something like that.

Louis Diamond:

Yeah. It's pretty incredible.

Phil Fiore:

Yeah. It was a great team. It was a great run. We were getting to a point, Louis, where we were bringing in about a billion dollars a year. It was incredible. It was an awesome, awesome business. And we really focused on the institutional side of the business, the 401(k) consulting business. That was really our claim to fame in UBS.

Louis Diamond:

That was going to be my next question because I'm sure a lot of people are listening and saying, "Wait, that many billion and you do that much in revenue?" So can you just explain the makeup of the business then? And I know it's changed a little bit now, but where you have these complementary components, the institutional consulting, the retirement business, and then also private wealth. So can you just explain maybe also like, how did you find your way into working on the institutional side? Because it's not the path that every advisor takes.

Phil Fiore:

I think that's a good place to start and then we can back into some of the other questions that you had. But back in 1997, when I was still a fresh FA at Prudential Securities, I was out there, as you would probably surmise, not coming from a trust fund family, not having wealthy friends and family, I cold-called, and I was trying to pick up business as any other young FA would do at the time. I happened to be introduced to the CFO of a very prominent city in New Jersey, and they were going out to RFP with a portion of their DB plan. And he asked me if I was able to answer the RFP, of which I said, "Of course, no problem." I really didn't know what he was talking about at the time, if I'm being perfectly honest with you, but I told myself, "I'd figure it out."

Phil Fiore:

Long story short, we end up winning that portion of the RFP. It was like a \$10 million allocation at the time. And I thought to myself, "Isn't that interesting? I can, in one account, get all this money and access



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

to all these people versus having to do it one by one by blocking and tackling on with private clients." So the business, at least my focus of new business, was around the institutional world, going after retirement plans. And the thought process for me early on was, if I could build a mountain of retirement assets, that can ultimately fund a private client business as people look to retire. So that was the thesis back then, and quite frankly, I still think it's somewhat of a thesis for us.

Louis Diamond:

Yeah, I would say so. In other words, the retirement business, it helps feed the private wealth business because you have the decision makers and the employees of these retirement plans that then become potential referrals to the private wealth side. Is that what you're saying?

Phil Fiore:

That's exactly right. And our retirement business goes beyond just investment consulting and market commentary and those types of things. At the board level, Louis, we are very, very active in educating the various participants that make up these retirement plans. And so, that's where there's a great synergy between our institutional team, our consultants on the institutional side, and our private wealth team, even at the wirehouses, because what we would do is, we would educate our participants on finance 101, asset allocation 101, estate planning-type 101, and it would ingratiate these participants to our private wealth team.

Phil Fiore:

So when and if their money was ever in motion, they retired, they changed jobs, what have you, more often than not, they're calling up our private wealth team in looking at what their options could be for their next chapters. So it was a cool plan that still to this day works quite brilliantly.

Louis Diamond:

Yeah, I would say so. I think you were onto something and clearly it's been a major driver of the business. So I'm curious, what was it like being an institutional consultant on a brokerage platform, or in other words, running a large institutional retirement business at a major wirehouse? Did you think it helped you bring in business? Did you feel constricted in any way? What was the experience like?

Phil Fiore:

So I will tell you that it was good and bad all in the same breath. Good, because as I said before, we had a lot of FAs that partnered with our firm or our team, I should say, at UBS and even at Merrill Lynch. And so, if Louis Diamond was an FA at UBS and your private client was a CFO of a company, you would call up a team like ours and we would go after the 401(k) plan together. So if you think about the brokerage



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

world for us at the time, what UBS had, 5,000 FAs, let's call it, those 5,000 FAs were potential partners for us. So that was the exciting part.

Phil Fiore:

So I literally would wholesale our abilities throughout the firm, and we were uberly successful in our win rate and establishing various partnerships with various FAs at UBS. So that was great. The negative was, as wirehouses typically do, it's hard for them to manage truly elite teams the way that truly elite teams need to be managed, because they're managing, unfortunately, to the least common denominator at the firm.

Phil Fiore:

So when our business required more customizations and more inputs for our very large institutional clients, what the firm was wanting us to do was to do less, to do more run-of-the-mill type of reporting versus more and more customized reporting. So that became the ultimate conflict then, and it wasn't a way that we can really build a truly specialized and customized business, quite frankly.

Louis Diamond:

That makes sense. But wouldn't have... Like a Morgan Stanley Graystone, which is more of a specialized institutional consulting business versus the way UBS does it. Do you think that would've solved some of your issues, or was going independent really the only way to get the level of customization that you required?

Phil Fiore:

We looked at going to Morgan Stanley Graystone, and it may have. The problem is, ultimately, I think, for us, in making the decision to ultimately go independent, Louis, is that we wanted the ultimate levers to be able to pull to make the decisions for our business and our clients. And having those decisions come out of HQ, with people that probably have never ever sat in a 401(k) boardroom and did institutional consulting, we think was not the right answer for us in this next chapter of our careers and for our clients, quite frankly.

Louis Diamond:

Yeah, I got it. And also just getting to know you. You are an incredible entrepreneur, so you probably would've butted up against some sort of restriction or area where you couldn't push forward and create something special. So it seems like, inevitably, you would've found your way to the RIA channel regardless.



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Phil Fiore:

And we'll get into this, I'm sure, but if you think about some of the things we're doing now in our space, there's no way a Graystone or any brokerage firm would allow us that flexibility and ability. I think you're right. I think we would've been able to run down the path of institutional consulting and done that very, very well, and we were doing it very, very well, both at Merrill and at UBS. No question. And we would've done it exceptionally well at Graystone as well.

Phil Fiore:

However, if you think about what we're able to do today, it's much, much better for our clients, it's much better for our firm, and there's no way I was able to do that at any wirehouse.

Louis Diamond:

Yeah. Well, now that you brought it up, what are some of the things that you're doing today that you said there's no way you could have done at UBS, at Graystone, or probably any traditional brokerage organization?

Phil Fiore:

So the way that we think about it at Procyon is, whether we are sitting at the boardroom table talking to the board of trustees or the people that run the 401(k) plans or the benefit plans, or we're sitting at the kitchen table talking to our families, our private client families, Louis, we want to be able to holistically serve them. And what that means to us is more than just our lane of institutional consulting or private wealth management. What we want to be able to do, for instance, in the boardroom, is be able to speak to that same committee who's making the 401(k) decisions. They'll probably make decisions for their benefit plans and everything else that's touching them in the total benefit areas of their firm. So why not be able to partner with them for that stuff as well?

Phil Fiore:

I think you know this. We've launched Procyon Benefits a year ago. And what an amazing way to sit with the people that not only make a 401(k) decision and healthcare decisions, but now holistically, they can partner with one firm to serve their entire benefits schematic for their operation. And if they trust us and love us on the 401(k) side, why not love us and trust us on the benefit side? And that's what's happening, and there's no way to be able to do that inside a wire.

Louis Diamond:

Yeah, brilliant. You already have the relationship. That's the hard part, so may as well figure out other ways to be indispensable and also have the benefit of making more money for Procyon.

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

Page 8 of 22



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Phil Fiore:

And clients want that. It's hard for them to find truly valued and trusted partnerships. And our clients tell us all the time, "You're the best partner we've ever had." So if that's the case, why are we not partnering more holistically to help you? And we want to be on your staff, not on your payroll. Right? So why not bring that adage across your whole benefits schematic? And by the way, let's talk about private wealth for a second. We just launched Procyon Tax this past January, and we're launching Procyon Risk, Property and Casualty, in the next month or so. We're just getting through some contracts.

Phil Fiore:

And so, if you think about a family and everything that they're dealing with at the kitchen table, how are we not solving for that? Well, I want to go from a conversation that's talking about asset allocation and investment management to total financial management for that family. And now, our other verticals in Procyon Tax and Procyon Risk are able to ultimately help them in the solving of some of those issues, just like Procyon Benefits is doing on an institutional side.

Louis Diamond:

Absolutely. Yeah. Killing it. Let's backtrack. Let's wind back the clock to June of 2017 when you decided to launch your RIA firm, Procyon Partners, partnered with Dynasty Financial Partners to help ride shotgun on the transition and to help with the infrastructure of the business. Can we just talk about the decision to go independent at that time? You may have had this grand business plan of the benefits and the tax, but maybe before that, what attracted you most to the RIA channel in particular?

Phil Fiore:

Well, we didn't have the master plan back then. We knew that we needed freedoms. We didn't want someone above us controlling how we execute for our clients. That's what we knew in launching Procyon. We also knew at the time, Louis, that we didn't know what we didn't know, and this was a new world. We knew that there was a lot of unbelievable things that can come of this world, but we also understood that it was a new and complicated world.

Phil Fiore:

And by partnering with Dynasty, they helped us make sure that we were looking at all the potential hurdles, all the potential stones that need to be turned over, and making sure that we were checking off every possible thing that we need to think about before we launched our firm. And so, coming from the wirehouses, we didn't have to experience or think about some of the things that we now had to think about in building our own brand and our own flag. And so, this was a nice way of having a firm that's done this before, that's taken wirehouse teams and brought them into the independent world. This was



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

a nice way of having someone who's done this before check the boxes for us so we don't screw anything up.

Louis Diamond:

Yeah, absolutely. And on the topic of Dynasty, how do you interact with them today? So now, five years into being an RIA, the way you interact with them, I would assume, has changed. So what's most impactful that they do for you today?

Phil Fiore:

It certainly has. Right? We went from a place where they were helping us launch our firm to a place now where, how were they helping us get from what was seven people when we launched or 10 people when we launched, to now, we'll have close to 40 by the end of the year with seven offices. Right? You're exactly right, Louis. The job for Dynasty and our partnership has changed dramatically, in a very positive way, I will tell you.

Phil Fiore:

So I think there's three areas of the firm, of Dynasty, that we really rely upon. Number one, we're part of the DEG group at Dynasty. That's their enterprise group. So we have dedicated people that are helping us with practice management, HR consulting, those types of things. That team works with us a lot and helps take some of the work of working in the business away from the partners so we could be more strategic in thinking about the business. That's been huge. And they also help us, from a consulting standpoint, in figuring out the best ways to go about the various things we're thinking about, be it Procyon Tax or investment platforms or otherwise. So, a great resource there.

Phil Fiore:

M&A. Ben Bines, in particular, has been a very strong partner of ours in bringing us various people to consider in tucking into our firm. So that's been wonderful for us. And then there's stuff on that financial side that they help us with. We utilize our OCFO services, which have been great. Again, it allows us to not have to work in the business by hiring CFOs and controllers and stuff like that. We're able to outsource that quite easily with Dynasty, so that's been nice.

Phil Fiore:

And the marketing department. Gordy and the team there has just been amazing. We couldn't market at the wirehouses. Marketing is a whole new thing that we had to get comfortable with, and we could spend a lot of money foolishly because we don't know what we're doing. And Gordy and the team there



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

are really instrumental in making sure that we're building the brand the right way without throwing good money after bad.

Louis Diamond:

What's some examples of how you market yourself today?

Phil Fiore:

LinkedIn has been an amazing tool for us. When I was at the wires, I could put my title and my name out on LinkedIn. It was really not much more back then I could do with LinkedIn. But LinkedIn is a huge driver, Louis, of building your brand in the marketplace and touching the various people that you want to touch across the country. And people become very interested in understanding what your brand is doing. So we have multiple campaigns going on at the firm across RFAs.

Phil Fiore:

For instance, we have a very senior FA who, matter of fact, owned his own RIA one time ago and then was part of another independent RIA that joined our firm. And he has a very niche market. It's called CCRCs or life planning communities. And we were able to do some significant marketing for him in particular to essentially make him a national recognized expert in that market. It's cool things like that.

Phil Fiore:

We also have a Naval Academy grad that is with our firm, and this is the second career for him. And we are establishing him as a Naval Academy grad expert in marketing and really focusing on those types of people in the marketplace that we couldn't otherwise do. So LinkedIn has been a very, very strong, strong tool for us. We also have a couple of women who founded the WOW initiative for the firm, WOW being an acronym for Women Owning their own Wealth. And they've established this awesome community where they're doing these great women events with some great speakers. And again, LinkedIn's the driver of that.

Phil Fiore:

But Dynasty, with their help and the marketing team, is helping us control and figure out the best ways to approach all these awesome ideas and approach the marketplace in a way that's not, number one, draining all of our funds, because we can throw good money after bad with marketing. It's very easy to do. And also, very importantly, making sure that we're paying attention to the numbers, the statistics, as to what's working and what's not. And so, we're not continuing to throw money just to throw money at something to think we're doing something, but we're getting results from the money with what we're doing that we're throwing at, if that makes sense, Louis.

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

Page 11 of 22



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Louis Diamond:

Yeah. Thank you for the specifics and really making it tangible. We can talk about freedom to market, but to hear how you actually do it successfully with the niche markets and the nationwide targeting and holding yourselves out there as an expert with unique viewpoints is certainly different than what you're able to do at UBS.

Louis Diamond:

I want to talk about the transition, especially on the institutional side. A lot of advisors who service institutional clients, whether they're retirement clients, maybe they're an endowment or a foundation or the stock plan, they sometimes have the reaction that, "My clients really need a big brand name behind me." They're comfortable with UBS, Merrill Lynch, Wells Fargo, Morgan Stanley on the business card and to have their deep pockets. Did you get any objections like that in your move into Procyon, or if you did, how did you overcome that?

Phil Fiore:

We did not. We didn't do stock plans. So from that business, I kind of understand how a client would say they need a UBS or a Merrill Lynch because they actually sold a stock plan product to that client. In our world, institutional consulting, we were the work product. Our team was doing the work. The assets were generally held at 401(k) providers like Vanguard or Fidelity or otherwise. So our institutional business, quite frankly, was the easier of the two, private wealth or institutional, to come over because there wasn't any account transfers. It was literally a change of consulting contract.

Phil Fiore:

Now, that being said, we had to explain a little bit more, like, "Where are my assets held? Are they held at Fidelity, Schwab?" Right? We had to go through a little bit of explanation because it wasn't as if we were saying, "Hey, we're going from UBS to Merrill Lynch. Sign here." People get that. Right? When you tell people, "Hey, we opened up our own firm. It's Procyon. Know your assets are not going to be held at Procyon Bank. They're going to be held at Schwab, and here's how it works," but the assets really came. Some of our publicly traded companies had to go to RFP, which we expected, but the clients that we wanted, Louis, all came and they're happier for it, and we are certainly thrilled that they joined our amazing firm.

Louis Diamond:

That's an interesting perspective. And was there any sort of pushback on risk management? So as your own RIA, Procyon, is liable for compliance, and obviously you might have a lot of cash flow, but you don't have the deep pockets that UBS did. Was there any fear or concern about that, and what would be



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

your reaction to a potential client who said, "I can't go with you because I think it's risky compared to going with a major bank"?

Phil Fiore:

We didn't get that concern. We bought significant fiduciary insurance coverage. So we think that if we ever got that concern, we can show them our insurance dec page and hopefully that would provide the right answer. But we didn't get that kind of pushback, Louis, believe it or not. And I'm not positive that it's safer elsewhere, because the problem that we were having at the wires is that, we'd be in a board meeting, doing amazing work that we're doing on behalf of the participants of that plan sponsor, and inevitably we'd have to answer a question, like, "Hey, was it..." I'm not sure if it was UBS or Merrill Lynch, but, "This wirehouse, that trader just lost \$2 billion in Europe. How's that going to affect you guys?"

Phil Fiore:

And now, it has no bearing on the work that we're doing. Right? But yet, there's a balance sheet issue relative to some trader that traded something inappropriately, and now there's a problem that we need to answer to that we had nothing to do with. And so, I think the risk is somewhat mitigated because the risk is only defined by the work that we're doing. There's no outside influence that can affect our firm like it could at the wire.

Louis Diamond:

That's such an interesting perspective. I never have heard that angle or thought about it. But I think you're right. You control your own destiny, so you create the policies and procedures that make sense for your clients and you're not dragged along by someone else in another part of the country and the policies that the firm needs to make to corral those individuals. That's fascinating.

Phil Fiore:

And that's why, Louis, when people talk about, "Oh, compliance. Oh my God, is it harder?" Listen, one of the founding partners, Chris Foster, is our CCO, and he's amazing as a person and he's amazing as a leader of the firm and a wonderful compliance officer. Anyone would want to have him as a compliance officer. But we are managing the firm based upon what our clients and our FAs need. We're not managing the firm across this vacuum of people that we have no idea what they're doing.

Phil Fiore:

So the risk analysis of what we're doing and what we're complying with is very, very different than I think that a wire or a super-regional can really get their arms around. And therefore, they have to



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

manage very differently than we're able to manage. We're able to manage to the elite team that we have and the elite clients that we have versus the least common denominator at our firm, because there is no least common denominator at our firm. They're all exceptional at what they do, and we manage accordingly.

Louis Diamond:

Perfect. So you gave us a little bit of a preview that now, the head count's up to close to 40 people at Procyon, but what does the business look like today? Head count, assets, and you mentioned the tax and the benefits business. But maybe just give us a quick thumbnail sketch of what Procyon Partners is looking like on this day in 2022.

Phil Fiore:

Yeah. So we just celebrated our five-year anniversary. It's been quite amazing. Thank you very, very much. We are somewhere around five and a half, \$6 billion as we sit here today. The asset mix has changed a little bit. The FAs that we're bringing on have been predominantly private wealth. So the revenue at UBS was pretty much 50/50 between institutional and private wealth. Obviously, the asset mix was significantly higher to the institutional side because we're landing hundred-million-dollar, billion-dollar plans, and the asset mix still is higher here, but the revenue is a lot different because we're doing so much private wealth business now.

Phil Fiore:

I would think the makeup is something like three and a half to \$4 billion institutionally and a billion three to a billion five private wealth, so a very, very substantive business. And we will have seven offices by fall. We have six today. And our actual count today is 33 people, and we'll be at 37 by September and probably 40 by the end of the year, so an awesome growth rate in five years. Dynasty says to me all the time that what we've done in five years, they don't see firms do in 15. And so, we know that we're playing a very significant game and we're doing it very, very well. So we're very proud of what we've done thus far.

Louis Diamond:

I would agree. It's definitely a very differentiated business model. The next segment, we'll talk about mergers and acquisitions and advisor recruitment, because that's been a major success story for Procyon. But aside from the inorganic growth, what are the other ways that your advisors have been able to grow differently now that they're part of Procyon?

Phil Fiore:

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

Page 14 of 22



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

We have two growth goals every year for the firm. We have an organic growth goal, which runs at about 14 to 15% per annum on a revenue basis, and then we have an M&A goal. And we've, knock on wood, have hit our organic growth goal every year and we expect to hit it every year, this year included. And so far, we're tracking well above plan through June so far.

Phil Fiore:

So what we're able to do, Louis, that we really couldn't do is focus our marketing effort around the various niche markets that we have. And again, whether it's Naval Academy graduates, whether it's women professionals, whether it's doctors, whether it's CCRC communities, we're actively in the marketplace throwing out vast blankets for RFAs so people in those markets can understand that Procyon and these particular FAs understand their story and can help them.

Phil Fiore:

So we, as a firm, are very committed to making sure that RFAs can spread their wings the way that they want to spread their wings. We're not the firm that says to an FA, "Hey, knock your shoes off. Go at it on your own." We are very much integrated in how they want to market themselves, and we do everything we can to help them establish themselves and spread their wings in the markets.

Louis Diamond:

Yeah. And the advisors that have joined you, whether through recruitment or acquisition, how would you describe their growth? Is a lot of it because of the multiple lines of business that kind of feed the private clients into them or what's the story on that?

Phil Fiore:

I think the other lines of business help them with respect to being able to say to a family, "We can do wealth management. We could do tax. We could do insurance. We can become your family office." I think that's a very, very cool story for RFAs to tell, because we're bringing the whole family office dynamic downmarket. Right? You don't need to have \$100 million of investable assets for us to give you the feel of a family office, and I think that's a cool story for RFAs to tell, Louis. So I think that helps from a storytelling standpoint.

Phil Fiore:

But I think that RFAs just feel empowered to be able to go after markets the way that they want to go after the markets and have a team behind them to help close those markets. So at our firm, it's one team, one dream. Right? So if an FA has an opportunity with a large family that he or she may need some help to close, we can fill up that boardroom with whomever they need to bring some gray hair,



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

some AUM, whatever they need to help close that business. So, again, they're not on an island. We're all in this together, and everyone is rowing the same way to help them all succeed the way that they want to succeed.

Louis Diamond:

Yeah, I get it. And I know equity is a major part of your culture. Procyon Partners, it's in the name. And I know in deals you do and just overall, thinking about everyone as partners is critical. Can you explain the thinking behind this? Because obviously it would be probably better for you personally to hold on to more equity given that you believe in your company and its growth, but how does equity shape your culture?

Phil Fiore:

Yeah. I think that the more people you can get at the table, the better the firm is. From my perspective, you're 100% right. If I held on to 100% of the company, that would be great, but would I have the same company? I don't think so. The talent that we have at the firm, both partner talent and non-partner talent, that want to be partners is amazing. And the only way to ever get that talent and have that talent be loyal to you, Louis, is by saying that there's a track of you being able to become a person at this table, because we want your mind. We want your energy. We want your passion. We want your ideas.

Phil Fiore:

And quite frankly, that's the culture of the firm and that's the only way, in our opinion, to build a truly great firm. We want the best thinking to come out of that room, not Phil's thinking, not the partner's thinking. We want the best thinking to come out of a boardroom, and the only way to do that is to franchise the best people at the firm. And so, when people join the firm, we want them to know that there's a partner track. Let's run down it and see if we can make that happen together. And so, that's kind of the culture that we built.

Louis Diamond:

Yeah. That's powerful. How about the difference between serving as an institutional consultant as an RIA versus a wire? We talked about it a little bit, but I'm curious how you can service those types of clients in a different way than you could before.

Phil Fiore:

I just think we have freedoms, whether it's bringing new reporting metrics to them, bringing new analysis to them, partnering with other vendors to bring a whole different perspective and analysis to them, is something that we were never able to do. Our clients are very sophisticated. They want



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

sophisticated things. And some of those things are one-offs. Some of those are more platform-oriented. But it doesn't serve the masses. So I think it's been awesome for our clients and awesome for us to be able to deliver things that are truly differentiated in the market and customized for our clients, not customized for our firm, if that makes sense.

Louis Diamond:

Yeah. So, putting you on the spot here, give me one example. Obviously, you don't share the client name, but one act or service or thing you're able to do for one of your institutional clients that you couldn't dream of doing at a wirehouse.

Phil Fiore:

Well, we launched a financial wellness portal because, in our mind, we want our plan participants to be able to access information when they want to access it. So if they're home, it's 10 o'clock at night, and they want some information, we want them to be able to go get that information and education. So we have a technology vendor that overlays over our client's retirement business and/or benefit business, which is even better because it's now holistic, as a way to further educate and help inform our participants. That would never be able to happen at a wire.

Phil Fiore:

And it was a third-party vendor. It was something that one of our partners did a lot due diligence on, and now we're utilizing as this amazing portal that we're able to bring to our clients as a way to further help engage their participant base. That wasn't available when I was ever in the wirehouses, and I don't think it's ever going to be available because it's hard to control that type of output for a larger firm.

Louis Diamond:

Yeah. I bet it's white-labeled in your environment and that is a tangible value-add for your clients. I love it. So I think you're probably most excited to talk about this next part, which is your M&A strategy and how you recruit advisors into your firm. So, two-part question. First, can you just preview for us what are the types of deals or even specifics of advisors or firms that you've brought into the Procyon folds? And then the second part is, what's the pitch to them? Why would an advisor join you or why would an RIA sell their practice or merge it in with Procyon?

Phil Fiore:

Well, we've had a lot of amazing luck with people that have already been independent or quasi-independent, and that's been pretty interesting. The thesis coming out of the wires I would have thought, as I was building the plan on the whiteboard, right? I would've thought that we would've had a



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

lot more influence in the wirehouses. Right? But it was very interesting in some of the deals that we've done, the larger deals that we've done, have been other RIAs that, for a couple of reasons, have felt as though they weren't at the places that they wanted to be.

Phil Fiore:

And I think what's happened to a lot of RIAs, they have these amazing businesses, but the people that are running the RIA are really great at building the business, building the book of business. They want to be client-facing. They want to do the client work. They love it. But they're being forced to do these other things that's taking them away from the things that they truly want to be doing, and that's a conflict and it's a very interesting point of tension for that RIA.

Phil Fiore:

And so, we've been lucky enough to give those people a home where we can take over the infrastructure and that type of stuff that has to be done in managing the business and allow them to shed themselves from that stuff and focus a majority of their time in the things that they love which are client-facing, and that's proven to be an awesome, awesome story for some out there that own their RIAs or a part of an RIA that they won't get supported fully on.

Louis Diamond:

Yeah. And that is very interesting, because I would be surprised too. You'd think with your standing and the business you built in the wirehouse world, you spoke the language, you had the relationships, that would've been your main avenue for inorganic growth. But I think what you're saying is spot on. There's definitely probably the majority of RIAs that are bogged down with the day-to-day and could benefit from a scaled firm that can help put them in the areas that are most impactful to them. Can you give an example of a firm that you've acquired and maybe what was their rationale for selling to Procyon and how it's gone?

Phil Fiore:

Well, let's talk about Pivotal Planning, a large transaction that we did last May. We just celebrated the one-year anniversary of the merger. They were a very large RIA in their own right. Very, very successful. But the principles of that firm were tied down running the business. And these people are exceptional FAs, not only from an investment schematic standpoint, but they love the process. They love the ability to go out there and meet new families and meet new COIs and all that great stuff that comes with that. And they felt as though that they couldn't do that to the level that they needed to to truly grow their business without bringing on a whole bunch of infrastructure that they then had to manage.



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Phil Fiore:

So when we met, we were doing some institutional work as partners, partnering firms, that's how we met each other, they happened to be another Dynasty network firm as well, but we started to talk a little bit more granularly about their needs and what's happening within their firm and how we believe that we could unlock the potential of what they're trying to do by becoming one greater force.

Phil Fiore:

And that's exactly what happened. They transitioned to us last May. Obviously, you got two different cultures coming together. We got multiple offices now and a lot more people, but it's gone exactly to the plan. They've now been able to relinquish some of the stuff that they were bogged down with. We've now taken over, and we were able to help them scale their business and what they want to do with their business in a way that they couldn't have otherwise done without us. So they didn't need us, Louis. We didn't need them. But together, we're a much better firm because of it.

Louis Diamond:

That's the perfect M&A deal, right? No one has a gun to their head.

Phil Fiore:

100%.

Louis Diamond:

Two questions for you to wrap up. Now that you've been independent for five years, let's talk briefly about how your perception and opinions have changed. So can you give me one unexpected positive about the last five years and then one negative or thing that you didn't anticipate that we'll say is less positive? Maybe it's not negative, but it's just more of a surprise that way.

Phil Fiore:

The positive side is pretty cool. The RIA community is really a community, and it's very helpful and everyone's willing to lend a hand and everyone's willing to share their best thinking. It's in direct contrast what happens in the wires. Right? You can have someone right next door to you at a wire that you won't say boo to because you look at them as your competition. And I guess it's the same in the RIA world, right? I guess every RIA is my competition, but that's not the way we think about it.

Phil Fiore:



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

Everyone has an open door and a willingness to help anyone in the community, and not just the Dynasty community. I'm talking about the RIA community. So it's very collegiate. It's very nice, and it's awesome because you could pick up the phone and call any RIA and they kind of know where you're coming from and they're willing to help, which is something that I kind of knew was out there, but I found that very, very surprising and a huge, huge positive.

Phil Fiore:

As far as a negative, listen, I don't think this is a negative per se because you kind of get what you ask for in life, but there's always a lot going on. And with respect to Procyon, Procyon is growing at an exponential rate. There's really always a lot going on. And we're making decisions that are affecting the lives of 40 people, someday 50 people, someday 100 people. And the buck stops with you and the various partners that are making these decisions. We are driving the cart, and that can weigh on you a little bit.

Phil Fiore:

Again, I don't think of it, Louis, as a true negative because that's what we wanted. But every now and again, you take a deep breath. You're like, "Wow, we're managing a lot here for a lot of people's families and lives beyond our clients," which is obviously primary, but our entire team now is dependent upon the decisions that we make every day. That, some days, can wrestle with you a little bit to make sure that you're always looking to do the right thing, but you got to calculate this stuff at a different level than you did when you were working at a wire.

Louis Diamond:

There's more on the line, and that there is probably a pretty big reason why many advisors, independence isn't right for them. They want to just stay in their lane. They like that certain things are handled for them. But for you, I think it was really your calling to run something that was bigger than yourself to create all these lines of business, to build a partnership.

Louis Diamond:

So last question for you, just celebrated your fifth anniversary. If we have this conversation at your 10-year anniversary, what does Procyon look like?

Phil Fiore:

Yeah, it's a good question, and everyone always asks me, "Phil, how many FAs you're going to have? How many employees you're going to have?" And it's never been about that for us. It really hasn't. We



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

will be larger. There's no question. Our goal is quite substantial. We want to be certainly an elite firm. We think we're one today, but we want to be a well-known elite firm on the Eastern Seaboard.

Phil Fiore:

And what does that mean? Listen, I can see us having... We'll have seven offices come September, but I can see us having a multiple of that up and down the Eastern Seaboard, where Procyon is a brand to reckon with, not just in wealth management, but in financial services in totality, as we look to holistically serve and continue to serve our clients, building new verticals, and making sure that we are accommodating our clients the way that they want to be accommodated as a full-service financial firm.

Louis Diamond:

Love it. Phil, this has been an extraordinary episode. So many unique aspects of your journey, how you built the business with all these different segments and verticals and how complementary they are. We can really hear the passion in your voice as you describe Procyon and what you're trying to accomplish for clients and FAs that are part of your group alike. So thank you for sharing your wisdom today. We appreciate it.

Phil Fiore:

Louis, it's my pleasure, and it doesn't happen without the amazing people that I get to call my partners and my teammates. So thank you very much. Appreciate it.

Mindy Diamond:

Often, advisors, particularly those with primarily institutional clients, feel they cannot better serve their clients in independence, and they may in fact feel stuck. But with an expanded independent ecosystem, advisors are now finding they can not only match the services they can give their clients, but often even improve upon it while expanding their business, as Phil and his team have. I thank you for listening. And I encourage you to visit our website, diamond-consultants.com, and click on the Tools & Resources link for valuable content.

Mindy Diamond:

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 linked 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:

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

Page 21 of 22



EPISODE TRANSCRIPT

From Institutional to Private Wealth: A Former UBS Advisor on Growth, Expansion, and Building a \$6B Firm

A conversation with Louis Diamond and Phil Fiore, Chief Executive Officer, Executive Managing Director, Co-Founder, Procyon Partners, LLC.

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

Mindy Diamond:

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