



EPISODE TRANSCRIPT

Building a Multi-Family Office: How an Ex-Goldman Advisor Experienced Autonomy and Growth in Independence

A conversation with Gary Hirschberg, CEO & Founding Member, Aaron Wealth Advisors

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is building a multi-family office. How an ex-Goldman advisor experienced autonomy and growth in independence. It's a conversation with Gary Hirschberg, CEO and founding member, Aaron Wealth Advisors. I'm Mindy Diamond. And this is Mindy Diamond on Independence.

Mindy Diamond:

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Mindy Diamond:

Advocating on behalf of his clients is something near and dear to Gary Hirschberg's heart. In fact, before landing at Goldman in 2006, Gary was in the world of nonprofit, serving as Director of Development at Vanderbilt University Hillel and Assistant Director of Developmental Activities at Georgetown University. So it's a bit of a paradox that he would transition from working in fundraising, guiding people to make selfless decisions with their money, to ones that he describes as more selfish, but in a necessary way.

Mindy Diamond:

It was a serendipitous meeting with a friend that led him to Goldman Sachs in 2006, where he built a business managing some billion four in assets for high net worth clients. Yet it was this whole sense of advocacy that made Gary question whether he was being limited at Goldman to really act as his client's fiduciary. That is, to truly serve on their behalf without restriction on what he could or couldn't do for them.

Mindy Diamond:

Plus, there was the nagging desire to build a brand of his own. One that would be associated with him and not the firm he worked for. So in 2018, Gary left Goldman to build Aaron Wealth Advisors with the help of Dynasty Financial Partners. Less than 4 years later the Chicago based firm expanded its footprint to the West Coast, an office headed by ex Goldman VP, Alexander Fedynsky.

Mindy Diamond:

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In this episode, Gary talks about leaving the Goldman imprimatur behind to build an RIA. He shares what his decision making process was like, what's driving his extraordinary growth, and much more. It's a conversation that's near and dear to my heart, because our firm had the privilege of representing Gary in his move. So let's get to it. Gary, I'm so grateful that you're making the time to join me today on the show. Thank you.

Gary Hirschberg:

You're welcome.

Mindy Diamond:

Let's jump in. Lots to unpack, lots to hear about your story. So I guess let's start at the beginning. Tell us a bit about your background. How you morphed from a career in the nonprofit world to wealth management?

Gary Hirschberg:

Well, originally, actually it was in Palm Springs, California. Flew out of California. I always go, they kick you out when you're 18, they don't invite back until you're 70. So I'm just biding my time in various places. Went to Georgetown University and ultimately got hired by them to do major gift fundraising, which was a great entryway to philanthropy and working with the same type of families that I ultimately did later in my career. At least I always say to people that I was helping them make a selfless decision, where now I'm helping them make a selfish decision, if you will. Later, when I was at Vanderbilt, I also was hired by a subsidiary of Vanderbilt to help them raise money, while I was getting my JD MBA there. And as life works in kind of funny ways, I was getting my dual degree, in the second year of a four year program.

Gary Hirschberg:

I really didn't know what I was going to do. I was in the estate planning route on the legal side. But I knew I would probably be a miserable attorney, just because I had too much of the markets and entrepreneurial side of me. But I got very lucky and serendipitously the partner who ran the Goldman Sachs Midwest Office was on my shortlist for donations. I ran into him in a waiting room.

Gary Hirschberg:

I was the meeting beforehand and I said, "I got to cut this meeting short. The partner is sitting in the waiting room." And he hadn't returned my phone calls for six months, not surprising, I was the director of development or whatever, and he was partner at Goldman, but I walked out, gave him an elevator pitch and asked him for a significant gift, didn't think anything of it. But a week later he called me, he said, "Look, I don't want to talk about the gift right now." For the record, they were incredibly generous. "But have you ever heard of Goldman Sachs?" And for me the rest was history, is that they recruited me

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to go into private wealth at a time they were transitioning from brokerage to more of an advisory model. They were looking for people like me, with JD MBAs. That's how I ended up at Goldman, started my wealth management career.

Mindy Diamond:

Thank you. What a great story. So I guess it begs the question, what was it like? Or how hard was it to build a business from scratch at Goldman all those years ago?

Gary Hirschberg:

You know, funnily enough, to me it was really exciting. You know, I like challenges like that, where I just start from zero. I had never set foot in the Midwest. I was on the west coast. I'd lived in the east coast and the south, but never set foot in Chicago before I was hired. So to me, the idea of building something brand new and new relationships was very exciting. It was wonderful to go start at a firm like Goldman. It has a wonderful reputation. As far as I was concerned, they were paying me to start a business. And this was in 2006 when I started, so it was before the downturn. I go to see the upside of that framework. But a lot of people comment about, "Well, you know, Goldman's name really helps you." Funnily enough, and anybody of my tenure or older will tell you, that for many years the name Goldman Sachs didn't necessarily just open up doors.

Gary Hirschberg:

You actually had to explain who you were. My famous cold call I made to somebody and dialed him on the phone. In response to me introducing myself, he said, "No, I don't need any suits." Because he was talking about Saks, Fifth Avenue. He didn't know who I was. And of course that all changed with the downturn and you know, the name being more permanent in everybody's mind. But to me it was all relationships. It always has been. My philanthropic background really helped being a JD and a member of the bar in Illinois was incredible, even at a young age. And frankly just making the relationships to be able to support-

Mindy Diamond:

Yeah, and I imagine that it was a pretty wonderful place to work. I mean, it's surprising to me that someone never heard of Goldman Sachs because in my view, it's certainly, and I think most of the industry's view, the name Goldman Sachs is the platinum standard. It's really a pristine calling card if you will. So what was it like to work there? And I imagine it was a pretty good place to build a wealth management business.

Gary Hirschberg:

It was great. I mean the support and the training and I always tell people Goldman gave me a separate masters in finance that I never had. At the time they trained people for five months in New York. I know

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that changed over the years, but to me that was an invaluable period to be able to know that I could manage these families' money of significance. I was confident in the legal side of things in taxation because that was my background. The financial side, they really did teach me and my colleagues, which many of them I'm still very close with in my class at Goldman, how to do that. And then it was our job to go out and sell it. We had a lot of wonderful resources. The culture at the time was very much of senior people helping junior people, which is something I really want to replicate in Aaron Wealth, by the way. It just was a wonderful time period. I'm so very thankful for some of those senior people who helped me navigate when I was new and young and trying to build that business and make a presence. And that was really the culture of Goldman at the time and I really think it was... Very grateful for that opportunity.

Mindy Diamond:

Yeah. So you left Goldman in 2018. Tell us for perspective, what did your business look like when you left Goldman?

Gary Hirschberg:

So I had a team of two. One partner, one younger advisor, and a number of support folks. Total of about 1.4 billion of assets from Goldman's terms. Probably about a billion of that, I was the direct relationship in terms of that framework. It was maybe, I don't know, 22, 23 families in a couple of institutions. So very concentrated business. I was very happy with that. My whole model is still today, as well as when I was Goldman, that I'd rather have very in depth, complicated, large relationships than hundreds and hundreds of separate relationships that I really don't have the time or ability to dedicate to. That's what our business looked like.

Mindy Diamond:

That's a sizable and significant business. And I mean kudos to you in a 13 year period or a 12 year period to have built a business of that size. What was going on in 2017 or 2018 that made you want to explore options outside of Goldman?

Gary Hirschberg:

I guess it was a combination of two things. I mean, one would be where I was in my career and my age. When I left Goldman, I was 39 years old at the time. And so I would say long in years of experience, but still young in terms of my longer runway. It made me think about what I want to do. Do I want to stay 100% here or not? And honestly, I probably could've and would've, but what is now public, at the time was less public. Goldman was going down a different route. They wanted to create a more retail side of the business, which is their markets efforts. And I knew that internally and I could see it.

Gary Hirschberg:

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I've been a student of other financial institutions and I could see sometimes when you have such a wonderful ultra high net worth offering, but the firm in general goes down to a retail side of things, it can affect the brand and ability of you as an advisor to service your ultra high net worth clients. That was my entire business. So that caused me to start looking around to say, is this really where I want to be for the rest of my career? On behalf of these wonderful relationships that I've developed, of course not knowing, not guaranteed whether they follow or not of course, but I felt pretty strongly about some of the relationships that I had built.

Mindy Diamond:

So tell me what you mean by more retail. Meaning less high net worth focused?

Gary Hirschberg:

Right. Being able to take... Either acquire your robo advisor or having the resources in the firm dedicated to wealth management for those that were more affluent or even less. Because firms that do that, they just do. The margins are much higher and the resources there and a lot of times inevitably either the brand will be associated with that, because that's what the firm wants, or they'll be attracted to the margins there and try to institute some of those processes in the ultra high net worths, which just doesn't fit. It's two different businesses. And to me, that was my concern. That I had seen that with multiple other firms as well. Honestly, I'm still a very avid Goldman Sachs stockholder. Because I think they're going to make a ton of money. I think that they do business really well in this space and they're really monetizing their name. And I wish them the best of luck on my behalf, selfishly.

Mindy Diamond:

Right. Let me ask you a question about that. I've had the privilege of representing not just you, but several other very significant Goldman teams that opted to go elsewhere. Most of them cited two main reasons for moving. One was looking for more investment flexibility, so more freedom and control if you will. And the other was a concern that Goldman was becoming more retail. And yet there are, what 500 or so advisors in their private wealth unit and the majority of them service ultra high net worth or high net worth clients. So what were you concerned about? Or how specifically did the notion of becoming more retail impact you?

Gary Hirschberg:

I would agree with my colleagues. It is a combination of both. When you become more retail, typically a lot of... and again people can do things differently, but it does become more product oriented and the products that you create. And that was something that I maniacally was focused on, is not to be restricted to just a Goldman product. But a lot of other firms I've heard of from others that have gone down this path, it just is impossible to avoid. Which caused me to feel less frankly, independent within the firm. I looked at the independent side of things and said, this makes more sense, right? Because I

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want to be advice oriented only person who can advocate on behalf of our clients. The other part of it's just selling. Reputational.

Gary Hirschberg:

If all of a sudden you get a reputation to being a retail firm for new people who may not know you as well, and you bring up that brand, it just becomes much more difficult. And I learned that a long time ago. So it's having your reputation and brand associated with a much larger institution sometimes can really be difficult, in difficult times for things that are nothing your fault. We're all running individual businesses that are very personal to us and our families. There's nothing more frustrating than trying to build a business to have it sidelined because somewhere else in a 30,000 plus firm did something really bad and unethical. You are now having to defend that in the front lines of your business. So when I looked at the whole framework, that's when I started to say maybe it's time to take a look around.

Mindy Diamond:

I mean, I think what you're talking about is beginning to feel a sense of incongruence between what you wanted your business to be and the direction the firm was taking. Does that sound right?

Gary Hirschberg:

That's correct.

Mindy Diamond:

Got it. Let's talk a bit about your exploration process. I remember you had had your attorney reach out to me to gather some information about my process, our process, without mentioning your name. Obviously what you were concerned about was confidentiality. What were you most worried about?

Gary Hirschberg:

Because I wasn't necessarily ready to jump. I didn't want to make sure... At the time my thought process was that I knew someone like yourself would know a lot of people, but I didn't know you. I didn't want to accidentally bring out to my current employer that I was looking around. That was something I was very careful about or at least trying to. The best way I knew I had to do that was to employ my attorney to confidentially do so. Funnily enough, if you remember, he actually gave you misinformation.

Mindy Diamond:

Yeah I do remember. I'm smiling because it was actually a creative way of doing it. You're 100% right. Confidentiality is key. It's your business, it's your livelihood and to take the leap of faith to put your trust in someone you don't know can be scary. So I guess, how did you ultimately overcome that fear to get the courage to come to the table and open yourself up to both me and other firms?

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Gary Hirschberg:

I was very glad that we did some of that advanced work because the timing of me leaving Goldman, the time was not specifically planned at that time. The opportunity to leave presented itself in a much more opportune way. I left on Memorial day. My 90 day garden leave was done on Labor day. Perfect time. A lot of people are checked out for the summer. So that 90 days goes a lot quicker. And for me at the time, I was like, all right so this makes sense. It just was a gut instinct I needed to make. The day after I left you had already passed our due diligence framework. There was no reason not to open up and start having this conversation where of course you did a wonderful job to help steward me through the decisions that came later, as to what exactly we wanted to do and how Aaron Wealth ultimately was created.

Mindy Diamond:

And thank you. I appreciate the kind words. So I want to come back to the notion of garden leave, because that's a whole topic unto itself, but a couple questions before that. Did you always know that your next step after Goldman, as you began to get a sense of incongruence if you will, between your goals and the firm's, did you know that the only right choice for you was to become a business owner? Or did you really consider other more traditional options too?

Gary Hirschberg:

If you define traditional options as going to another wirehouse and large bank, that part I always knew if I was ever going to leave Goldman, I would not want to go to another similar institution. To me that was jumping from the fire to the frying pan. No amount of money would convince me of that. It just wasn't, in my opinion, what's right for the clients. If you're truly running a business the way I believe that the ultra high net worth should be serviced. I did consider though, not necessarily starting my own business, but joining other RIAs.

Gary Hirschberg:

As you know, you introduced me to a number of them in different models. Frankly for the first 30 days out of the 90, that was frantic and figuring out what the story would be and plan and which route we wanted, I knew I had something in my head, but I was very attracted to the idea of creating my own brand and having that control and being a business owner. But one of the other RIAs that were in town made a very... I loved them. They were great. I still compliment them to this day. They were the only people that made me pause on that front. It was a hard decision because it was a really wonderful opportunity to potentially draw in a growing larger institution again.

Gary Hirschberg:

But ultimately I came back to, I was 39 years old and when was I ever going to take that risk to create something the way I believe it should be created? And as I joke with the other RIA that is involved here, I

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was like honestly his offer was so generous it made me realize how much more valuable it is to actually own your own business.

Mindy Diamond:

So it had the opposite effect.

Gary Hirschberg:

Unfortunately I was thinking it did. It had the opposite effect because for me at least, I looked at it and said, that means if I'm successful at this, which certainly there was no guarantee at it at all, if I'm successful at this I bet you anything, the reason they're doing is the ownership, the equity aspect, would quickly become a better investment.

Mindy Diamond:

I want to just comment on that for a second because that calculus of, should I join an existing RIA or an existing independent firm where they've already made the mistakes. They already have a built in infrastructure. A rising tide will lift all boats and it certainly will be a lot easier to join what's already established than figure something out myself is a very common calculus. And as you mentioned there was a great firm, several we originally looked at, but one in particular in Chicago in the final analysis I think that you were really excited about. It was a tough decision. Let me ask you, with four years or so hindsight, was it the right decision to have opted for what was certainly more difficult and more risky in the short term, to build your own?

Gary Hirschberg:

Yes, 110%. But it was right for me. And I respect other people's decisions of what's right for them. It's a level of risk. But ultimately looking back, my staff knows that I have a plaque in my office that basically says the mantra of how I run things. It's like, it's best made plans of mice and men. You can plan all you want but you got to have that flexibility. But when you look back, you can see that was the right decision. And it was. It just was. It has exposed me to some just amazing people that I've been able to hire and to work with. You know it really affirmed the relationships that I was able to bring over. As well as a lot of new opportunities that never would've come my way had I gone with another institution rather than did it on my own.

Mindy Diamond:

All right. Why independence in general? Or specifically, what were you hoping to solve for, or to be able to offer clients that you couldn't as an employee of Goldman or any financial institution?

Gary Hirschberg:

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Short answer to that is being able to advocate on behalf of my families, that we're so fortunate to have as clients, across all aspects of their financial world. Not just restricted to one institution, because that's where you work. And not just restricted to investments. To be able to actually advise them on all kinds of investments, all kinds of opportunities from lending to estate planning to taxation to, should I buy this house or not? Literally yesterday I had a phone call with a client of mine. I mean, really ebbing and flowing about whether they should buy a new home. Just being able to give that advice where when you're in a larger institution, sometimes those conversations can get a little dicier because it's not "approved" by that institution. Here we're not touching assets. We are literally purely advisors. In the independent side that's what it provides, your ability to do that. That's what our clients value the most, is that ability. They know you're the first person to call. You're above all the other actual asset managers. And they truly have somebody on the same side of the table as they are. So that's kind of the short answer, I guess.

Mindy Diamond:

That's a good answer, for sure. What about the transition? So first let's start with the notion of garden leave. For anyone not familiar, garden leave is a post-employment restriction that certainly private wealth advisors at Goldman have written into their employment agreement. And it essentially says that depending upon your title or your length of service or your own personal agreement, you are still employed with the firm from the day you give notice, but you are essentially on the beach and cannot contact your clients for, in some cases, 60 days or 90 days. In your case, it was as you said, a 90 day between Memorial Day and Labor Day. And while yes, that may have been a good time to do it, pretty scary and painful. I mean I remember telling you for the first time talking about, let's really talk about what that means. No contact with clients for 60 or 90 days. How did you get over that? How painful was it?

Gary Hirschberg:

Definitely a surreal feeling of not being able to... Going from one day to have a significant responsibility and then the next to be told you couldn't even talk to anybody. Clearly I had many of my clients call me, which was totally fine, but I had a script of course, that I had to tell them, that I couldn't talk to them. I couldn't comment at all. And for anything with their accounts they had to go back to the existing team that's been assigned to them or the management. That by far was the most painful because there were some clients that really wanted to know more information. Now, what made it better, again, is that a lot of the relationships are really understanding. Because they knew who I was ethically as well as just in general. And they're like, "You know what, call me in 90 days." And I was like, "Totally get it." They understood the contractual obligation. That it wasn't me saying I couldn't talk to them, but it was my employer. They were fine with that. And most of them were. Post the 90 days they were very receptive.

Mindy Diamond:

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So your clients are calling you. You're telling them, "I've made a move. I'm contractually unable to counsel you. And I will be able to talk to you within 90 days." So what did they say to you?

Gary Hirschberg:

Most of them were really supportive. They were mostly asking whether I was okay, to make sure my family was okay. They asked about whether there was any compliance issue, of course there wasn't, which are totally legitimate questions. But most of them were incredibly supportive. And just said, again, "We'll talk to you in 90 days." I mean, I reassured them. I said, "No doubt. Your money's fine. Your relationship's fine. I have nothing negative to say at all about Goldman. You'll be fine."

Mindy Diamond:

And you were unable to tell them, at that point, what your plans were for the future, is that correct?

Gary Hirschberg:

Correct. I couldn't tell them anyway.

Mindy Diamond:

Right. Which must have killed you.

Gary Hirschberg:

Yeah, it was hard. And again, it's going on faith. You know, your relationships that you have. And I think this is... Now having experience of taking a few advisors now over to Aaron Wealth, I give the same advice. You underestimate your relationships with people. If you're doing your job correctly, it's just a natural thing to do is to underestimate. But in reality, you should have faith that people don't view you as just a number on a screen. You are important to them and their families. You are helping them with one of the few pillars in the world. You can help somebody with their health and you can help somebody with their wealth. These are fundamentals for the families we work with. If we're the key advisor for those people, you should have faith that they're going to give you your fair shot. If not, just, you know, move on.

Mindy Diamond:

It's such an interesting comment because last week I did an interview with an advisor from Merrill, who said that when he left, Merrill offered all of his clients free fees for a year. I asked how did that impact portability? And he said, he wasn't prepared for that. He hadn't been expecting it. But he wound up with almost total portability. Maybe there were one or two clients that didn't come and their choice not to come had nothing to do with the free fees. It was to do with something else. So I think you're right. I think most advisors underestimate those relationships. But it's really trusting what you can't see and pretty damn scary.

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Gary Hirschberg:

That's absolutely right. The whole transition from the 90 days. So afterwards of starting the firm, I don't sugarcoat this for people. And particularly if you are starting your own firm and putting your own money up to do so, it was probably the most stressful time I've had in my life. You know, at least professional life. Would I take it back? Absolutely not.

Mindy Diamond:

You know, I appreciate your saying that because I think I worry sometimes that when I invite guests onto this show, they talk about all the good stuff. And while that's great, I love the positives, I think sometimes people wonder if you know what, is it really the truth? Are there any negatives? I think it's really honest to say, it's not for the faint of heart. It was scary. It was hard. I would do it all over again, but I wouldn't want to have to.

Gary Hirschberg:

I'm laughing. If you see me, there's a smile on my face. Because I joke in the RIA world, everybody's always positive and growing. Always. Like there's never a negative, never anything. It's hard to find those honest relationships. I've been fortunate enough to make good relationships with other heads of RIAs. Plus you know, the Goldman network of alumni has been amazing. I can't speak highly enough of them. That actually can have those open conversations and say, "Well, what's worked? What hasn't? What's stressing you? What's not?" Because these things exist. I mean, you're running a business, at the same time running a practice. Everybody's creating something a little different but you learn, at least that's how I learned, so I'm happy to share. It is not for the faint of heart. There are certain people who are just not built for it. Certain people that just can't take that risk. They're not going to run up that hill. And that's okay. They just won't have the rewards at the end. Not the same way. And that's always the consideration. Wouldn't change it for a minute, but-

Mindy Diamond:

All right. So once the 90 days were up and you were back in business, what did portability look like? A billion four at Goldman, once you were able to talk to clients again, what did it look like? And what does it look like now in terms of assets?

Gary Hirschberg:

Funny enough, we just surpassed a billion four assets under advisements in our recent SEC filing. So that's funny, the numbers kind of line up in the same way. For people that are listening to this, as like I'd always encourage them, remember going from wirehouse to independent is not a one to one equation. It depends on what you're doing and how you're doing it. So what may be a larger dollar amount at a wirehouse may actually be lesser when you go independent, but actually may actually earn you more

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fees. At the same time, maybe more efficient of an account. Plus, you know, I made the distinct decision I didn't want to deal with institutions anymore. At least not directly. So the whole endowment framework. I cognitantly left behind a number of institutions, which was a decent piece of the billion four. Which is fine because the math actually worked out pretty well. Dynasty always me on this because when I left, they would create these proformas and say, "Well you're going to take a 100% of the assets, 75% of the assets."

Gary Hirschberg:

I said, "No, no, no." I said, "Show me 25% of the assets. Show me the numbers there." Because that's what I want to build from. I want see where my break even... What do I need? Then I can... Of course I'm going to strive for as much as possible. To me, that was actually really helpful because it really set into place. I'm like, "This translation economically works out really well." Particularly if you believe in yourself and what you're building, which I did. We probably brought over about 80% of the revenue that we wanted to capture. Transition was probably over nine months after I left.

Mindy Diamond:

What you're talking about is not only the risk of garden leave and being away from clients for nine days and taking the leap of faith of trusting clients in those relationships, but it's also the notion of being comfortable with shrink to grow. Right? You're saying that four years later, you're back to where you were at Goldman. So part of that is really being okay with the notion of getting smaller to get bigger.

Gary Hirschberg:

Yes. But understanding that it's like currency exchange. You take a dollar and you convert it to Sterling and you get a certain amount more or less. Just because the number looks different, doesn't mean the value's different.

Mindy Diamond:

No question.

Gary Hirschberg:

You might actually have a better value by being in Sterling than the US dollar. But it doesn't mean it's a one for one equation on the piece of paper and that's exactly what this looks like here. I quickly learned the value of having control in that independence. Because honestly in the wirehouses you're paying a lot as an advisor. You just don't realize it. You get told a lot that you're with a big brand, you're a big name. But when you look at the payout and you look at the stock units and all of that aspect, versus if you had control of your own growth and trajectory, it's just not comparable. I mean it's so easy to overcome that if you are a successful advisor already to make that mathematically work. Even if your AUA is not exactly

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the same as it was before. Which would you rather have? A billion four business that's X, Y, Z profitable? Or a \$600 million business that's 2X profit. I'd rather have the 2X any day of the week.

Mindy Diamond:

No, that's the key. What that speaks to is whether you are long term focused or short term focused because the reality is, while you're right that a business with 600 million that you own is worth more at the end of the day to you than a business at a billion four that you don't own, six months in when you are at a fraction of the billion four, when you left, even just from an ego perspective, it's hard. Not everybody could wrap their head around that. Especially when you take into account, you've walked away from X amount of restricted stock and it costs you money to set yourself up as an independent. I mean, it really takes a long term view. A big picture view. A real tolerance for risk and trust and faith in your client relationships.

Gary Hirschberg:

I would agree 100%. And the ego, I mean, look, funnily enough, is that the other thing I learned is that when you're at a Goldman or a JP Morgan maybe, equivalent ultra high net worth type practices, my practice was kind of middle of the road size. I mean, there are certainly many, many larger businesses. But I realize outside of this world it's a lot of money. But again, it's not about the assets. It's about the relationships. The assets under advisement number, shouldn't matter as you're running a business. It should be the profitability in terms of how you're bringing these people on. And building a business. That's something I think people get lost in. They think they're going to lose this aspect and it's okay. It's okay to leave some of this stuff behind.

Mindy Diamond:

Well, it takes a big picture view. It takes an eye on the prize and not everybody's willing to do that nor should they.

Gary Hirschberg:

Exactly.

Mindy Diamond:

Let's shift gears and talk a little bit about your firm, Aaron Wealth Advisors. So I guess first of all, what is the significance of the name Aaron?

Gary Hirschberg:

Well during the summer, when I was on my garden leave, we were creating the name of the firm. I wanted something that purposely directly had nothing to do with me. I didn't want Hirschberg asset management. I actually felt that kind of reduced value as well as went against the goal of what I wanted,

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which is this firm to live through multiple generations, frankly. That's my intention, to build a brand that outlives me. So what we looked through was, let's figure out something that symbolizes though the ethics that I want to bring to my clients and the employees that work for us and the advisors, most importantly, who are going to represent our clients. So Aaron actually does have that personal connection. Aaron... My grandfather's name was Aaron. I was close to my Grandpa. He was born Aaron Herman Hirschberg. Funnily enough he hated the name Aaron and at 18 changed it to Herman Aaron Hirschberg. So he died Herman. I wasn't going to name it Herman Asset Management, trust me.

Gary Hirschberg:

But Aaron was intriguing because I said, all right so... I got to give a shout out to my rabbi because she was incredibly instrumental to help me think through this, is kind of did a deep dive into who Aaron was as a biblical character. Does this makes sense? Does this fit? It turned out it did. Not in an overly religious way and that's certainly not our intention, but from an ethical perspective. You don't have to be religious in any way to know who Moses is. And Aaron was frankly, your first comprehensive advisor to the most consequential character in biblical history, that'd be Moses right. So if you read the stories with, humility, responsibility and significant ethics, which are all the things I want the advisors that work for Aaron wealth to institute with their service to our clients. So to me it made perfect sense. We got lucky enough that it was available as a name and on top of it, I show up first in everybody's list. Unless you've got Aardvark Wealth Management, you don't have me beat.

Mindy Diamond:

I love it. I love it. All right. So who works for Aaron Wealth today? Who are the advisors? I know Bill Andrakakos is the president and CIO. Who else is part of the team?

Gary Hirschberg:

I originally launched, we had three... My goal was to hire people from across Wall Street. We had three senior people, investment client service operations, Bill being one of my first hires. He came from Deutsche Bank and Northern Trust and has been instrumental to the growth of our business. And Georgette Condos who came from Morgan Stanley, really headed up our client service and equally so was incredible. Since then we had multiple advisor hires. Our first was from Morgan Stanley. We subsequently took out a wonderful woman from JP Morgan, Adrianna, as well as Jenn Barry who came from Citi Group as a 26 year veteran. And then most recently another Goldman advisor, Alex Fedynsky. So that's our advisory group. Our investment group has grown decently as well.

Gary Hirschberg:

Most senior being Toby Stannard who's our head of portfolio management and investment research and has been wonderful. He also came from Northern Trust. He used to work with Bill previously. So it's a nice partnership there and has worked really well. Proud to announce, we just hired our new expansion

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and new client service person. So we're continuing to expand as we need to. I'm a big believer in investing in growth and from the advisor side, I'm just trying to find one person at a time. I'm trying to find the elite group of people that want to join eventually and earn a partnership in Aaron Wealth, that have that motivation, that want to be able to... And that could be individuals as it has been so far. It's been teams. My next expansion most likely is going to be Indianapolis, which we've been having conversations with people down there to leave and be the face of Aaron Wealth in that market.

Gary Hirschberg:

If I found somebody tomorrow in Denver, that was the right person, I'd open up the Denver office of Aaron Wealth. We build around those folks. At least that's the framework that we're looking at.

Mindy Diamond:

Right. So you describe Aaron as the next generation of wealth management. What do you mean by that?

Gary Hirschberg:

You know, I should really redefine that as the next generation of ultra high net worth wealth management.

Mindy Diamond:

Okay. That's fair.

Gary Hirschberg:

It's kind of an interesting point. I'll have to go take a note of that. It's really providing families of our size that we deal with, with an alternative to hiring their own family office employee. It's being able to do so fully without conflict and on the same side of the table as the clients. So not having any interest in product. Not having interest in custodian, lending, none of it. And being able to be, just like I told my clients when they sign up, at least they're thinking of signing up for us, I said, "Look, think of us as this. If you went out on your own and you wanted to hire someone like myself or my advisors to be your employee in your own family office, would you like to do that and go through all that kind of headache? Or could you outsource it to us and do the same thing." That's the service that we're providing. And to me, that's kind of a next generation. It's not mixing the whole product aspect of things. And really bringing on a higher level planning aspect to everything as well.

Mindy Diamond:

What you mean by that is that you are the advisor. You are, on behalf of your clients, going out and shopping the street for best in class, whatever it is. Lending, investments, structured products, etc. Is that correct?

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Gary Hirschberg:

That's right. I can give you an example. Just this last month I have a family that I'm in the middle of a lot of their ins and outs, complicated framework. We just spent the last two months interviewing various independent trust companies, where I sat side by side with the clients to be able to add our expertise and analysis and ultimately work together to decide where they wanted to go. And then I helped lead the negotiation on fees. But being partnered with a larger firm now like us with Aaron, it helps the clients. They have some heft. Because all these vendors and all these providers, they don't view it as a client specific. They view it as a firm, which is powerful. We've learned that. As like, it goes for investment access as well. No one views a single client anymore as what you're looking at. As a firm, you can actually aggregate your influence. So yes, advocating and being able to go out, I could never do that previously. Now we can and it's incredibly valuable for the client.

Mindy Diamond:

Yeah. And you also say Gary, that your previous experience in the institutional side was pretty valuable. That clients benefit from your comprehensive services without institutional constraint. So what does that mean exactly?

Gary Hirschberg:

I mean, that's mostly having to do with... When you invest as a client with a wirehouse that it also is a custodian, the custodian actually leads a lot of those restrictions. What you can actually do and access. Can you advise on products that are outside of things that are custodied outside the firm? Can you opine upon an international issue perhaps, without having running into full on bureaucratic issues that are specific, or compliance issues specific, just because the nature of combining custodianship product and advisory in the same firm. By removing ourselves from that and just being advisors, we have much more flexibility to be able to, as I like to tell my clients, what do you need? What do you want? We'll come up with a solution for you. Because we don't have an interest in it anymore, outside of providing that information and that thought process to the best of our ability to those clients. That freed us completely.

Mindy Diamond:

Yeah. And what about your tech stack? How does your technology as an independent compare to what you had at Goldman?

Gary Hirschberg:

All due respect to my previous alma mater, the ability to be able to choose your fintech has been mind blowing. Awesome. Because as everybody knows, fintech has just blown up, a lot of innovations left and right. But to be able to individually say, this is a really a great solution and sign it up without having any

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interference, is just great. I almost fell out of my chair. There's a group we work that's mostly in our environmental, social governance side of things. They're an asset manager, but they're... I call them a technology and a wonderful one. When I saw what they could do for clients on their values and the reporting ability technology base, I almost fell out of my chair. Because I was like, this is exactly what I've been looking for, to be able to really make that difference for clients. And I signed them up immediately. They'd tell you, I was one of their first investors when they created their company. Now they're much larger. And successful. Same with like an Adapar for example, has been a wonderful partner technologically. To be able to really customize and use that resource in the way we want to and invest in that has just been, it's been great. The clients will tell you that. They're just blown away by that.

Mindy Diamond:

Yeah. And Gary, to what extent has Dynasty, who you partnered with to launch the firm and still partner with to help you navigate the firm, to what extent have they been impactful in selecting your tech stack or helping you build things out?

Gary Hirschberg:

I mean, they've been great definitely. I mean, that's part of the reason why we hired them in the first place, was because going back to the whole 90 days, at the time I had the... When I made the decision to build Aaron Wealth, and time to do so, but I knew I needed to produce something that could compete with Goldman immediately on the face of it, which we did. And the only way I was able to do that, which thankfully enough, thank you for the introduction to Dynasty, they have wonderful people. The ability to have that access and the tech stack immediately was just instrumental. So when we launched, we were able to go head to head and say to my client and say, "I can give you everything you had when you were at Goldman, but more and better. And here's why and you can make your own decision." Dynasty was instrumental being able to provide that. Their ability to access some of these vendors or bring new vendors that we hadn't seen has been really, really helpful.

Mindy Diamond:

Great. Okay. So tell us what you think the future holds for Aaron Wealth. What do you think the firm will look like five and 10 years from now?

Gary Hirschberg:

Good question. My goal is to hire excellent elite advisors in various areas around the country that work together as a partnership. That they come in, they earn their keep and then they can buy into the business itself. It would be mostly almost like an old school partnership model, where everybody's working as an ensemble and can bring the best of their abilities to all clients across Aaron Wealth. Our intention is not to mass grow in any way. Our intention is to very much be strategic. I'm limiting my advisors to 25 to 30 relationships. Then they're done. And ultimately, as I'm doing now, which is training

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the advisors that are here, is that when they succeed, they will then bring in younger advisors and they will train them. I go back to that original culture I talked about at Goldman of senior people training junior people except this time everybody will have an incentive to do it no matter what. And I think that's just something that's very self-sustaining.

Mindy Diamond:

Right. So what do you think the end game is? What do you think looks like when you are ready to... Will you sell the business? Will you pass it on to the next generation? What does it look like?

Gary Hirschberg:

It's probably the latter. That's my goal. I have no intention of not building this to sell it and building it to pass it on to whatever the next generation is. Maybe it's one of my children. I don't know. I've said maybe it's not. Maybe it's the partners that are there. Funny, when I started here and... I can't tell you how many people... I always joke, the people that are the weakest made comments of the fact that I named myself CEO of Aaron Wealth or created various things, basically pooh-poohed it. And I tell people, I'm like, "Listen. If you don't have great ideas and great wishes, you're never going to get there." So I say things like, maybe we go public or sell. If we get big enough, when we're elite enough, that's a possibility. Always is. Seems like a natural step for someone in our position. But again, best laid plans of mice and men. Right now we're just really early and focused on finding good people. That's what I want to do. I want to invest in good people.

Mindy Diamond:

And you said you're growing one elite advisor at a time and one client at a time, which is probably the appropriate thing. There's probably a million more questions I could ask you. But I want to ask you one final one that I ask most people that I interview, is what would your message be to other perspective, breakaway advisors. So with the benefit of hindsight, is this a move you would make again? What would you say to them?

Gary Hirschberg:

I would say to take a moment and really think internally about your ability and tolerance for risk and be honest with yourself about it. But then to really, truly reach out for those that have done it before. Utilize... This is an incredibly generous community of people that run RIAs. It's funny, I don't feel like I compete with other RIAs. People are willing to share and be a support. Because frankly people did that for me. I can't tell you how many conversations I have with people that they reach out and I'm happy to tell them about my experience, answer their questions. Give them the strength or give them the path to say, maybe this isn't your right decision, to go down a different framework. And got to tell you, I've gotten one or two leads out of that, that we're still having conversations that potentially makes more sense for them to join in Aaron Wealth.

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Gary Hirschberg:

That was what I would do. If I was somebody in that position, I would seek more carefully, similarly carefully, but carefully choosing who you're going to talk to, that council for people who have been there before. And you'll find that they're very willing to do so.

Mindy Diamond:

Well I think you're 100% right. And actually one of the benefits, one of actually the unintended benefits but happy benefits of this podcast series is that, by me interviewing someone like you, an advisor listening who has questions about your experience can certainly call you, but you're telling him what your experience is. All they have to do is listen to this and hear your experience and many others who we've interviewed as well. So there's lots of ways to access the experience and the knowledge of what is, you're right, a very generous community.

Gary Hirschberg:

Absolutely.

Mindy Diamond:

So Gary, I thank you. You've done a great job. It was a privilege and pleasure to counsel you before you moved. It's a privilege and pleasure to hear how you've grown and what you're building now four years in. And I look forward very much to continuing the conversation.

Gary Hirschberg:

Thank you so much for having me. I really appreciate it Mindy.

Mindy Diamond:

Gary credits his background and the culture he grew up with at Goldman as the basis for his extraordinary success. A heritage that serves to frame how he sees Aaron evolving in the years to come. It's an important lesson to keep in mind. That is, the experiences we have are a powerful reference to help us define our way forward. 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 to stay informed about what's going on in the wealth management space without expanding the energy that full on exploration requires.

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Feel free to email or call me if you have specific questions. I can be reached by cell at 973 476 8578 or by email at 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. See our website for more information. And again, if you enjoyed this episode, feel free to share it with a colleague who might benefit from its content. If you're listening on the Apple podcast app, I'd be grateful if you gave it a star rating and review. That will let other advisors know if it's a show worth their time to listen to. This is Mindy Diamond on Independence.

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