



EPISODE TRANSCRIPT

From Lifer to Leaver: \$3B Former UBS Advisor Finds His New Edge

A conversation with Ghislain Gouraige, Partner – NewEdge Wealth.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is From Lifer to Leaver: \$3B Former UBS Advisor Finds His New Edge. It's a conversation with Ghislain Gouraige, partner at NewEdge Wealth. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

This podcast is designed for advisors like you who are interested in learning more about the evolving wealth management industry through candid dialogue with breakaway advisors, those from the C-suite, and industry thought leaders. It's available on our website, diamond-consultants.com, as well as Apple Podcasts and other major podcast platforms. So be sure to subscribe and share it with your colleagues.

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It's amazing what can happen when you take the time to stop and listen for a moment. The world opens up around you, and what was once good enough somehow doesn't quite feel that way anymore.

Ghislain Gouraige describes his transition much like that. The 27-year veteran of UBS was a self-proclaimed culture carrier, someone who drank the Kool-Aid and viewed his business solely through the eyes of the firm. He couldn't even imagine that there might be something better. As Ghislain shared, he was the guy who just wasn't listening beyond the four walls of UBS. No doubt, in building a \$3 billion business at the firm, there didn't seem to be much of a reason to do so.

That is until friend and UBS colleague Robert Sechan left to build NewEdge Wealth in 2020, an RIA designed to allow other breakaway advisors who serve high net worth and ultra-high net worth clients to build their own firm on NewEdge's platform. Rob shared his own transition journey and details about NewEdge in an earlier episode of this show, so please be sure to give that a listen to learn the backstory.

But it was Rob's departure that sparked Ghislain. That's when he started paying attention and realizing that there might in fact be better ways for him and his team to serve their clients and grow the business. So in January of 2022, the 11 person Coral Gables, Florida team left UBS for NewEdge Wealth.

In this episode, Ghislain speaks candidly with me about how one's perspective can be restricted and what happens when you open yourself up to learning more about what's going on around you. He talks about the high points of his career and building an extraordinary business at UBS, and the turning points that led to his transition.

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Ghislain discusses why he opted for NewEdge over building his own RIA or even taking an outside transition deal from another large firm. He shares what life is like nearly two years later, how the change has impacted his business, and what he foresees in the future. Plus, Ghislain shares actionable advice for those considering their own future and much more. There's a lot to discuss, so let's get to it.

Ghislain, I can't thank you enough. I'm actually honored that you're joining me today. Grateful for your time.

Ghislain Gouraige:

Mindy, the honor's all mine, and it's a pleasure to get a chance to have a conversation with you. Been listening to your podcast for a long time. I'm aware of the good work that you're doing in our industry. And again, it's a real pleasure for me to be here.

Mindy Diamond:

Thank you. All right, so let's jump in. A lot to talk about. So I guess let's start at the beginning. Maybe you could walk us through your background, your upbringing, and what brought you to the world of wealth management.

Ghislain Gouraige:

I guess I didn't come to the world of wealth management in the most traditional and direct way. I came from the law background. So I went to law school, started out practicing law with a big firm in Miami. And turns out that it just wasn't for me. And I always had an interest in financial services industry, and moved from the law practice, the law firm, to a bank, which was at the time NCNB, and went through their training program, went into private banking with Citibank for a point in the '90s, and then moved into Merrill Lynch where I was on the lending desk where I worked out of the Merrill Lynch International Bank, and we were doing securities based loans and had great interactions and relationships with the FAs within that system.

And over time, it just made sense to become a financial advisor, and didn't want to do it at Merrill, didn't want to compete against the people that I had worked very closely with, and had good relationships with the person who ran Lehman Brothers down in the Miami market, and began my career really as a financial advisor in 2000. And you can imagine what that was like when the tech wreck was happening, is a tale of two stories, right?

So one is market's crashing, there's carnage everywhere, and I always look for the positives and the bright side is, well, I didn't blow up any clients. So starting new. And the practice really was launched at Lehman, and Lehman encouraged us to team up. And I met my partner Jared Kaplan back at Lehman in 2001, and we basically had a blank slate, and we just grew our practice of blocking and tackling, just opening accounts, doing the things that we needed to do.



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And the focus became entrepreneurs, and that's a theme that we'll touch on later in this conversation. But the idea was to find money in motion and work with those individuals, families, founders who had an exit. And we grew from there.

And what we learned is in a place like Lehman, great culture, some of the smartest people we've ever worked with, our business, the private client side of the business wasn't the main focus of that institution. It was an investment bank with a private client arm. Consequently, Dick Fuld, the senior management wasn't going to lose sleep over not making the numbers in that particular business. So we felt that it was a bit under-resourced, and wanted to find a place where wealth management was the main show, was in the DNA of that firm.

Ended up at UBS in 2006. We made a quick pit stop at Bank of America for two years, and that was an experience not to be repeated, because that experience taught us as well that you can have everything. It's like you're in the mall and there's a boutique shop for everything. But the problem is it's a retail bank. Same issue except for it's a huge institution. The quality of the people wasn't what we experienced at Lehman. And you felt that you were a nail that stuck out. And in that bank, everybody's a hammer. We're lucky to be able to get to UBS and start our practice there. I think we had all the elements to grow and grow dynamically, and it did work out for us

Mindy Diamond:

Well, clearly it did. Thank you for sharing that. So that brings me to probably the \$64 million question that anyone who knows you or have read about you would ask, which is you had about \$300 million when you joined UBS, \$300 million or so under management, and have grown it to over \$3 billion before transitioning in early 2022 to NewEdge. What was the secret sauce? How did you grow it so significantly?

Ghislain Gouraige:

It's funny you asked the question in that way, Mindy, because there was no secret sauce. We just really focused on a market segment that we felt that we could develop expertise in and demonstrate capabilities. So we grew with our clients.

What we learned over time was working with entrepreneurs that are having exits requires you to have a differentiated story. So at the beginning, we were the same people that would look to find who sold the business and when the article was printed, or we found out about it, we'd make that phone call. And what tends to happen in that situation, Mindy, and we learned this the hard way. You're in a bakeoff. You're constantly in a bakeoff, and at best you're going to walk away with a part of the relationship if it's large enough, and you're going to find yourself being second chair, third chair in the relationship, trying to negotiate yourself into a position where you are the trusted financial advisor, which is the role we want to play for our clients.



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So we learned and developed that the earlier you get in front of the entrepreneur, and help them solve issues, and consult with them, that's going to be the formula for success. Because as soon as the sale happens, the assets are going somewhere. They're getting wired into an account, and we wanted it to be ours, not sitting at a bank and then fighting with the usual suspects for our share of that pie. So that really was the focus.

The other thing that helped us grow is we grew with our clients. Some of our clients were serial entrepreneurs, running businesses, very, very successful. They would do one transaction, off to the next one. And the assets grew from there. And I can tell you that for us, the goal beginning when we were at UBS was, how do we get to a billion? How do we get to a certain \$5 million in revenues? And that took a while.

But the next billion if you will, happened more quickly. And for a period of time there, we were able to grow within five years. We doubled the assets, doubled the revenues, and doubled the size of our team. Breathtaking. It was remarkable.

But one of the things that we also did within the UBS system was we partnered with other advisors. And the insights you learn over the years, and stop me if I'm running on, but what I wanted to say is we grew because we were able to convince other advisors that if they have a buddy, or a college friend, or someone they know from the community that they already work with that sells a business, that advisor might not be seen as capable of managing a relationship that's grown immensely more complex.

So typically a client will ask an advisor, "Well, how many clients like me do you work with?" And if the answer is you're the only one or if you're a handful, it doesn't give you the best opportunity to win. And if you're doing it as a solo practitioner without a team, again, that doesn't give you the opportunity to win.

So we were able to successfully partner with a number of advisors within the UBS platform to win. And it was a win for the client, obviously, a win for us, and a win for the advisor that partnered with us. And that kind of helps explain how we grew as quickly as we did.

Mindy Diamond:

Right. So a couple of questions about that. I agree with you that growth is definitely breathtaking and remarkable. Do you feel that your success was attributed to having been at UBS? And I guess said another way, to what extent was UBS impactful in that growth, or would you have grown that way no matter where you were?

Ghislain Gouraige:

I think the answer is a bit of both. So to give credit to UBS as a firm at that time, the management I think was oriented towards focusing on advisors, focusing on clients. And you felt that you were supported in your ability to grow.



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And our team matured. So we had growth in the team, we had consistency. We felt pretty secure about our knowledge base, about the client segment that we were targeting, ultra high net worth clients, family office work. So there was a focus there. That's what we wanted to go after. And I think both combined to propel the growth that we've talked about.

Mindy Diamond:

The other thing I want to ask you about that is the strategy of partnering with others. So amazing strategy, if you're prepared to stay with the firm and/or if you know that every one of the advisors you're partnering with would leave with you if you were going to. So if you fast-forward to the decision to leave UBS, and now you've got assets that are partnered with many different advisors, how did that impact the transition?

Ghislain Gouraige:

Well, that's a really, really important question. One of the ways that we approached it is those relationships that certain advisors had with clients, we weren't going to disturb. They took a leap of faith in us to entrust us with what for them was one of the most significant relationships. And we respected that, and accepted that in our transition, we weren't going to have a hundred percent of the clients come over and not harm the FAs that had become friends of ours that we'd worked with for years.

As it turns out though, there was one specific advisor who we had an incredibly tight relationship with, where anytime he ran into a potential ultra high net worth opportunity, he brought us in. And conversely, when we found opportunities that fit better in the high net worth market segment as opposed to ultra high net worth, which at UBS was \$10 million investible or above, he would benefit from that.

And that relationship exploded. And we had significant assets with this advisor, over half a billion in that relationship. And that individual moved with us in this transition. It was an important thing to be able to do to keep those relationships, and more importantly, to keep him. And the frustration that we had, and this is a good example of what happens in these bureaucratized wirehouses, is he sat with his team in the wealth management division. We sat in the private wealth division.

Mindy Diamond:

PWM, right.

Ghislain Gouraige:

Yeah. You couldn't merge the teams, channels of representation. So we had the same investment policies. We covered clients the same way. We spoke to each other very frequently. We saw each other as a defacto one team. But de jure, or in reality, you couldn't make that happen.



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So the splits, for example, getting credit for being one team. If you roll up the revenues on both sides, you get to qualify for the highest payout, that couldn't happen. So we were frustrated a little bit by that, and making the switch allowed us to be able to say to this partner, he really was a partner, "Come join us, let's lock arms, and let's move on to the next chapter of our lives."

Mindy Diamond:

Okay, well I want to spend a lot more time in a minute talking about what made you leave UBS, but I do have one follow-up question on that. So a lot of advisors look to build businesses by doing one of two things. Either doing what you did, partnering with other advisors within your firm that are not able to do a certain type of business, or where it's better to partner with someone else, and/or by becoming let's say the ALFA recipient. So ALFA being for those not familiar, UBS's retire-in-place program.

So I spoke to a UBS advisor not long ago, a younger advisor that said he's building his business by becoming the defacto ALFA recipient in his market. And I said to him just what I asked you, which is, "That's an amazing strategy if you're 100% positive that you're going to stay with UBS for the life of your career." And by the way, that's not an indictment of UBS. I'd say the same thing to a Merrill advisor, Morgan, or anyone else.

But definitively, unless you have a crystal ball and know that you can live with whatever directives or changes come down the pike, and/or that life won't change and you won't want to leave in five years or three years before that agreement is up, then you're tying yourself down. So I'm just wondering what you think about that, and what advice you'd give to those listening that are thinking about or already building a business that way.

Ghislain Gouraige:

Mindy, it's interesting you asked me that question, because if we had spoken a year prior, even six months before we made our shift, I thought I was going to stay at UBS for the rest of my career. I considered myself a culture carrier. I worked on the advisory council when Bob McCann was running things at UBS, and I felt very, very bullish about our opportunity to grow there. So partnering made sense because I didn't plan on leaving.

But to give advice to the others who are considering it, look, you're going to grow your business in the way that makes most sense for you and is logical. And in some cases, it's going to be the recipient of an ALFA type deal. And that does put an extra obstacle or extra hurdle to any transition that one might end up making towards an independent firm like we did.

But these are not insurmountable. And I think if it's the logic dictates that it's the best for your client and for your practice to evolve outside of the wirehouse platform, then you'll find the solution that makes the most sense, and you'll find a way to work through those obstacles. They're not insurmountable. And I think these things get resolved on a case-by-case basis. Obviously there's a back and forth with regard to the firm that you're leaving, and I think one can be fair to all parties concerned and make that

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transition. I think that a lot of the advisors who make that decision, it's going to be more difficult for them to change firms, but it's not impossible.

Mindy Diamond:

Yeah. And so look, my advice to them is eyes wide open. As long as you go into an agreement like that or a strategy like that knowing what the consequences are, then that's fine. I just think a lot of people do it blindly. They see an opportunity to inherit in air quotes, a billion dollar book, or be the recipient of a \$500 million book. And that's so sexy, that they often forget about what the possible consequences are.

Ghislain Gouraige:

It does come with some handcuffs, but then you don't have to be Houdini to get out of those.

Mindy Diamond:

Yeah, yeah. Well I want to talk about that in a minute as well.

Ghislain Gouraige:

Sure.

Mindy Diamond:

Let's talk about the star of the show. So look, you were incredibly well entrenched and respected at UBS. As you said, you reconsidered yourself never leaving. You even served on their advisory council, so you really had a seat at the table in voicing advisor concerns to senior management. So it really begs the question of why you even thought about leaving. What drove that decision?

Ghislain Gouraige:

It's really a number of questions and conversations that we were having internally on our team. And I can break it up into a lot of different pieces for you. But it really came down to, what is next? Where do we take our practice? And at one point I thought or we thought, "Let's just double from here." That is the answer. You get bigger.

But once you get to a certain size, you have a decision to make as a team. Do you rely on the firm's resources to help you grow, or do you build it yourself? And then we saw and observed other large teams that just went out and created their own RIA, if you will. This whole independent practice within the firm. So they got a trust and estates attorney, they hired onto the team. They had all the admin support. It was a bloated, I thought, team. And we thought, "Well, we don't want to have team that size, so let's rely on what the firm provides."

And what you end up finding there, if that's the solution that you take, is that there's an issue with the ease of doing business. There's an issue with sharing of resources. And no matter what you're told, you're going to have to take a person who's the wealth strategist, a trust and estates attorney, or the



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person that helps you with the planning practice. You're sharing that individual resource with a whole region.

In fact, we found ourselves... And we're private wealth, but we found that we thought we were most favored nation, but there was one person that covered our whole market. And to get that person available on the fly for a call with an important client, impossible.

In fact, I recall having a situation with a super large family from Europe that was thinking about moving here. And I called, there's a group in New York that was set up for that. And I was told, "We're too busy, we can't take that call." So I'm on my own trying to figure out how do I address the issues, which are complex with that particular opportunity, and the answer wasn't there.

So then you scratch your head and say, "Wow, I thought that we could grow and I thought this platform could help us do that." And then you ask the question, "Well how do I expand the things that I do? How do I become better as an advisor?" And I can touch on some of the things that we're doing here that are different, but the idea of, where do we go from here? How do we grow? And my personal journey is, how do I self-actualize? There's more that I can offer clients, and our clients are requiring things that are more of us. We want it to be the holistic solution for anything having to do with finances. We want to be the first call for the client. And if at every turn it's harder and harder to get the same things done, then you have to make some tough decisions.

Mindy Diamond:

You bring up such an interesting point, and I love what you shared, because we have this conversation with advisors that we are lucky enough to counsel every single day. Particularly the biggest teams, I've had the privilege of working with guiding some of the biggest teams in the industry, and they like you are people that have been extraordinarily successful. They've managed billions in assets, they've grown tremendously, they're well respected within the firm, so they've got a bat phone to the top. They're making more money than they ever dreamed they deserved. So the notion of ever thinking about moving and disrupting the business, which is a huge disruption, is anathema to them.

But every one of them, anyone who chose to move, and even many of them who never move, but consider it, come to a place where they begin to think about the business as a business and think about big picture long term. And while they've been extraordinarily successful, and in your case, UBS served you incredibly well for the years that you were there, they got to a point of wondering is A, what got me here going to get me there? And what does there look like? What is it that I want the business to look like? What is it I want to be able to do for clients? And do I believe that I will be able to optimally do that here? And I think that's what you're saying.

Ghislain Gouraige:

It's exactly what I'm saying. And it's one of those things where it never came to the fore as a question to be resolved until I spoke with Rob Sechan.

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Mindy Diamond:

That actually is a fair question. When did you have the first thought, "Maybe I'm not going to be here forever?" Here meaning UBS.

Ghislain Gouraige:

Well, it goes back to Rob. He and I had served on the advisory council together when Bob McCann was running things at UBS and there was a turnaround story. At the advisory council, we felt we had a seat at the table. We felt that the recommendations and suggestions that we made were heard and acted upon.

And Rob and I hit it off and became good buddies. We would see each other over the years at all the club trips, celebrate our success, and always said to each other, "Let's find a way to work together." But the problem is he's in the New York market and we're in South Florida, never really can make it happen.

So when Rob left UBS, that was a shock to me, because I thought he was a lifer as well. And I thought to lose a team like that, or for a team like that to make the change that he made, I need to understand what motivated him and why.

So I called Rob, and I wanted to hear what happened. We're friends and we spoke pretty frequently. And when he and I got together, my thought was, "Let me just hear out what he's saying. He's a buddy, I just want to hear the story." But I didn't think it was going to change the way I looked at things.

Then he began to walk me through his journey, very similar to some of the questions that were percolating. Not just in my mind, but for our other partners in our team, and ask the question, what's best for clients? Putting them first. And if we put yourself in our shoes where the complexity of our business requires that exceptions be made almost daily, the kinds of clients that we work with, really it's an exception-based business. And for years and years, we felt as if it was more and more difficult to get things done.

In fact, the same things that you can get done three, five years prior, you couldn't get done. Even with our status as a big team in our market, we didn't feel that we could make those things happen. We didn't feel that we were supported. And again, we felt as if the pendulum swung to such an extent, that the over bureaucratization, and the filling out of exception reports, and trying to fight for the things a client wants put you at odds with your firm.

And the outlook was... And Rob helped me think through this. "You want to keep fighting your firm every day? Is that what you get up to do, or do you want to take care of clients and develop those relationships, and be of value to them?" And ultimately, you can't unsee what you've seen. The bug got put in my ear. And pretty quickly thereafter, conversations, I took an interest and said, "Well, tell me more. We'd love to find out how this all works."



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And then you come to understand, which we didn't before, because again, I was maybe drinking too much of the Kool-Aid. One firm doesn't have all the answers, but you have a platform and certain platforms have strengths and weaknesses. But you can't find a solution outside of your platform for a client in the wirehouse in that structure. And the way it was phrased or framed with Rob is, "You come join us. The street is what you make available to the client. We don't pretend to have all the solutions, but we'll find them wherever they exist." And that's the value proposition that we're proposing to this client base when you start thinking about that.

And then the other thought is, "Well, we can build the business in the way that we think the business should be built, and we can be nimble, we can pivot. We have an advantage in technology, we have an advantage in some of these areas, by being able to show the whole market to a client." Then you start reflecting and you're saying, "Wow, I know that we can take our practice and take this freedom, this flexibility, this ability to be nimble, and do better for our clients than we're doing now, and not have to fight every day to solve problems that were easier to solve years before."

Mindy Diamond:

Thank you for sharing that. I want to back up a little, because while we have had Rob Sechan who is one of the founders of NewEdge on this podcast, and much has been written and spoken about NewEdge and its successes, not every listener is familiar with who they are. So before we talk a little bit more about why you joined them, tell us a little bit about what NewEdge is and who Rob Sechan is, the kind of business Rob ran at UBS. And when he left UBS, how long before you left, and what NewEdge's value proposition is.

Ghislain Gouraige:

So Rob left, yes, I believe in the fall or late 2021. I initiated our dialogue early spring of 2022. And obviously, we joined in January of '23, end of January '23. So there was a whole process around that, the due diligence and getting familiar with, and what we discovered that made a difference with NewEdge versus just going on our own.

And that's one of the things that we didn't think our clients would respond positively to setting up Coral Gables Asset Management with our team doing it. We needed to have a little bit more credibility, depth behind it. And I know Rob went into it in the podcast with you, but NewEdge Wealth is built for the ultra high net worth market, which is what we do. So if you have family offices, entrepreneurs, those types of clients we cover, that's what NewEdge's purpose - built to serve.

But in addition to that, NewEdge Wealth is one division of a company called EdgeCo. And EdgeCo has been around for, gosh, the predecessor company was around for 30, 40 years, and has significant market share of the retirement planning business. I think it's like 20% market share. They touch about \$160 billion of assets, and there's a whole infrastructure that's there that's based out of Pittsburgh.



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They also have another company called NewEdge Advisors, which is an enablement platform for advisors that want to go off on their own and use the technology, the resources, the support resources, just like a typical, RIA has.

So we have three discreet divisions that work side by side, and we felt that telling that story to a client... And obviously we're clearing through Fidelity as our main custodian, having that as an infrastructure, having depth. And if you think about the assets that NewEdge Capital Group has, we're about \$40 billion. We're growing in the rankings I think. Barron's had us at 29th among the rankings last year, jumped up to 13th. We're super proud of that. It reflects the growth we're having. So it was important for us to be able to tell the story about depth.

And then Rob's team was very similar to ours, and we'd met them when we were at Lehman together and overlapped for a period of time there. So we knew what they were doing, and we saw how successful they were in their transition, and the vision of where we want to take this.

And I think it's important for us to share that we're trying to build a culture that's different than what you found at the wirehouses, than what you might find elsewhere in the market. We want to collaborate. We want people that understand the business in the way that we do, that want to cover clients as we do, and that share the common vision of growing something. And we like to say internally, we want to play for the name on the front of the shirt, not on the back of the shirt. And anyone who wants to do that, come join us, come talk to us.

Mindy Diamond:

Yeah. So when you began to hear Rob and he's painting a picture that sounded compelling, and I like what you said, you couldn't unsee it or unhear it, you began to become intrigued and began to think about, "Well, maybe being here for the rest of my career isn't necessarily in my best interest." But as you began to think about leaving UBS, was it NewEdge or bust? Was it, "I'm just talking to Rob about joining NewEdge or I stay." Or did you consider other options as well?

Ghislain Gouraige:

It was going to be a NewEdge or bust for me, but I have other partners. So there are five partners, and they all had to also buy into the vision, and they did. But the vision that we have is really a NewEdge focused vision for us, because again, we had conversations with RIAs about doing some things, and did speak to the market, and had a sense as to what other firms offered. But this particular blend, this mix, this trust and the people that were there made a big difference for us.

But just to share with you how, I think it's just providential almost that when we were doing our due diligence, some of the people that were at NewEdge were people that we'd worked very closely with at UBS who had left. And then you're talking to the person who's running the portfolio construction, who's finding the managers, and there's the people you'd worked with that you trusted, and lamented the fact that they were no longer at UBS, and you're finding them around this platform.

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And then you talk to Rob, who's the CEO. John Straus, who's our president, used to run private wealth when we're at UBS, and you land and you find him, and then you see that Bob McCann's involved at NewEdge, and it just lined up and said, "we know these guys. We know how they run a business, we trust them. They were successful." That was the right approach. "Let's join them. Let's lock arms and let's create something. Let's take care of clients."

Mindy Diamond:

I'm with you 1000% that the NewEdge value proposition is compelling. But I'm wondering about the amount of transition money you might have passed up by joining. And I'm not asking for you to tell me specifics about the deal you got. But we know that particularly for a team of your size and stature, that any other firm, small or large on the street, would have loved to have had you and paid real premium dollars to recruit you.

There were other boutique firms like let's say a Rockefeller that would've loved to have had you and paid a premium, a Morgan Stanley, a Wells Fargo, a Merrill Lynch, whatever it may have been. And so there had to have been a certain opportunity cost in joining NewEdge. How did that play into both your decision to join them as well as your partners?

Ghislain Gouraige:

Well, we were given an opportunity to be partners, to be equity shareholders and a significant amount, which made a huge difference for us. And you're right, we could have gotten upfront packages that were super attractive. But at the end of the day, many of those other platforms, especially for the other wirehouses or the other banks, it felt like we weren't taking a step back. We weren't doing something different. And again, some of the challenges that we faced were going to be duplicated elsewhere.

And then I'll be very candid, my eyes are open now. And I may look at the independent world very differently today than I did at that time. So it took meeting someone that I knew and trusted to get me to the other side. But now that I'm on the other side, I would tell advisors, "Open your eyes and ears. Take a hard look."

And maybe NewEdge isn't the best place for everyone. I think it could be. But this idea of this flow of assets toward the independent channel, this ability to take the street to the client, the flexibility that one has, you paint on the canvas as you wish, without the strictures and constraints that I believe in many cases are more artificial than real. But you've got to think about it.

And if you're serious about taking care of your clients, no one firm has all the best solutions. And if you think that through, if you internalize that message, it forces you to look at where you are and make a tough decision.

Mindy Diamond:



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Okay, so I've got a bunch of questions swirling in my head. I want to back up for one second. The notion of becoming an equity shareholder. So in this new world order, and what I'm calling new world order is firms like NewEdge that have become ever more popular for sure, and that have really filled the space of boutique firms like Credit Suisse, and Lehman, and Deutsche Bank that came before them. Equity is an important currency. And for a while, equity was persona non grata. Anybody who worked for Smith Barney and had all their stock wiped out in 2008 eschewed equity like the plague.

Ghislain Gouraige:

Sure.

Mindy Diamond:

But now it's an important currency. So the notion of holding yourself out as a partner and being an equity shareholder is quite compelling. But it also to a lot of people can feel like a lottery ticket, no guarantee. So talk to me about that. How did that play into the decision?

Ghislain Gouraige:

Well then you have to have a certain vision. You have to have a certain confidence that the business that will come with will support your financial objectives. And you're not solely reliant on the financial package transition. You're thinking years beyond.

And then the question that we asked ourselves is, if you take a look at where we are today and where we plan to be in five years, are we better off staying where we are? Are we better off making this leap?

And look, it's a leap of faith to a certain extent. But if you believe in your own team, your ability to grow, and the people that are around you, I think it makes sense. But just to touch on this idea that you've mentioned, which I think is super, super important. The partnerships of yesteryear of a bygone era on the street, being a partner at Lehman meant something, and it drove behavior most importantly. Since you are an owner, and this is the other thing that is the bug in my ear about this transition. Once you're an owner, you begin to think differently. You behave differently.

So our ability to support other teams, our ability to take a step back and not do something just thinking of our team, but thinking about the firm, that's the common vision that we share. So at NewEdge, we're creating a culture of collaboration, which is super, super important to our DNA, and we think that's a distinguishing feature. But taking a step back, you ask the question, "Well, how do you get past the fact that maybe equity is a little bit riskier?" It is, but also you have a greater upside. But it's the behavior, it's the shared vision. It's the way you're going to act every day, and decisions you're going to make, and how you're going to make them. And if you are in an environment where you don't have that and the people that are sitting across the table from you or are next to you, don't share that same vision, why make the leap?

Mindy Diamond:

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I am an entrepreneur myself, so equity in my own business is obviously a tremendous share of whatever assets we have. And I'm with you 100%, but a lot of advisors are really skeptical of it. So I appreciate that answer.

I want to ask you another question. You said that the notion of being able to take the street to the client was really compelling to you, the notion of true open architecture. But I have to ask you, I've talked to many advisors. It's funny. One conversation I had in particular, it was probably a year or two ago a very significant advisor that happened to actually be at UBS, but he could have been anywhere said, "Open architecture. We have open architecture. I'm in the private wealth set. I have access to anything and everything I need. And any advisor who works for UBS, or Merrill Lynch, or Morgan Stanley who says that they don't is just looking for justification to leave." And yet you say no one firm has all the best solutions. So what would you say to that guy if you had him in front of you?

Ghislain Gouraige:

That was me. I laugh when you said that, because I was the guy saying that two years ago. And I can tell you from experience. I'll share one specific example, which is interesting.

When the whole Black Lives Matter thing happened, it blew up, at UBS, I was on phone calls with senior management figuring out, "Okay, how can we find opportunities to work with managers from those communities and bring them onto the platform?"

So a number of us African American advisors got on the phone and spoke to the people in various areas and said, "Well, here are some names of people that we should have put on the platform to help support." And at a level management say, "Yeah, let's do it." And then when it got down to crunch time, those managers, as good as they were, were not measuring up. They weren't going to have five years of track record, X number of dollars in assets, and all the other bells and whistles that are required to be on a platform. So that was a wake-up call. And I know a lot of people walked away frustrated by saying, "You say you want to do something here, but you're really not taking the initiative to get it done." So that kind of opened eyes and ears.

And then we come over here at NewEdge, and you see that there's an opportunity to work, and I won't name names, but there's a real big private equity firm that says, "We're launching a fund, and 40% of that fund is going to be taken by our partners, and we want you for a \$60 million sleeve." That will never be on a platform for a wirehouse, because you don't gear up the whole sales force for a \$60 million raise.

But that's where a lot of the opportunity exists, and these partners were participating in that. And were seeing that. Emerging managers in the private equity space that are innovative, that are growing very quickly, that have an opportunity to really deliver value for clients, we see them. We can bring them onto our platform, we can introduce them to our clients. Having a conversation with an advisor at a wirehouse firm, and we were going through this, and we were told, he relayed the story that even if you



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want to bring on a new firm through the platform, how long does it take? A year, a year and a half to get them on the platform? And that's working through quickly when you know that this comes from a big firm. So you think about it, and my answer to that advisor is it's curated open architecture. There's a limit to who gets on that platform. They have their initial parameters. It's not as open as you're led to believe. And again, once you've made the journey, once you get to the other side, the scales have fallen off and you're able to see things more clearly.

Another example, the UBS advisor would have a tough time answering this, or the advisor that takes that position, what if your client wants to borrow for a mortgage, and you can't find a mortgage solution at UBS? But when you go or pick another firm, they have a platform, they have a mortgage service company, they have an arrangement. But if their underwriting says no, what do you say to the client? And the environment that we're in, we will go to the street and find the best lending solution.

I know that we've had opportunities where... I'll just give you an example. We had a client that has a house in Malibu, the fires there. They want to refi the house. We're not going to get a bank, traditional bank to underwrite that. We found a lender for that. And it might be a hedge fund that lands, it might be boutique, it might be anywhere. We're going to scour the market to find that solution. So those advisors that are culture carriers that might be convinced that they're getting open architecture, the answer is it's curated open architecture.

Mindy Diamond:

Do you think that clients are the worst for the wear, for not having access to true open architecture versus curated open architecture?

Ghislain Gouraige:

I believe so. I believe it makes a massive difference. And I think when I was in the other firm, one of the issues that we constantly had to address for clients is, "Well, you guys are all the same. What's different about you?" How do you answer that? It's the same names you're going to find on the private equity platform at the wirehouses. They're all the same. Not much difference. Different flavor maybe, but it's going to look and feel the same.

So if somebody says, "I specifically want to see this type of investment," they're not going to be able to get it, because the curation exists because these big firms have 10,000, 15,000, 6,000 advisors, and there's some bad apples that are operating there. So you want to make sure that the investments that get shown to the client base fit certain parameters, right?

And our most sophisticated clients and the biggest family offices were coming to us and they were saying, "We're meeting and we're seeing some of these hedge funds, these private equity firms. How come you're not showing them to us?"

Mindy Diamond:



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Yeah, it's interesting to me. So that makes sense. When a client is coming to you and saying, "I'm seeing these options elsewhere, and how come you're not bringing them to me?" But I think a lot of wirehouse advisors believe their clients are happy enough, they're not making noise, they're not asking those questions. And so unless an advisor is put in the uncomfortable situation of having to say, "How come you don't have access to this?" I think many of them just feel like it's good enough. And you are saying that you didn't realize how not good enough it was until you got to the other side.

Ghislain Gouraige:

That's true. What we also need people to understand is there's a wave coming. Assets are leaving the wirehouses, and you have these numbers better than I do at a significant pace. Driven by the large family offices first, teams are leaving to go to the wirehouses.

So if you are sitting there today as an advisor in a private wealth platform at one of the large wirehouses, you can tell yourself that it's good enough for your clients. But tomorrow, next month, the year after, people like me are going to be in front of your clients showing them things that you can't show on your platform. You won't have an answer.

Mindy Diamond:

That's a great answer, and I appreciate it. And not everybody would see it that way, but I certainly appreciate the answer. Let me pivot to the transition itself, your transition out of UBS to NewEdge.

So I guess the first question is, was it a challenge in any way getting your ultra high net worth clients to buy into the notion of an RIA model and a relatively unknown name? Certainly, NewEdge as compared to UBS is not in the same league in terms of brand recognition.

Ghislain Gouraige:

Very good question. And that was the thing that we asked ourselves, kept ourselves up at night trying to figure out what the answer to that would be. As it turns out, there were two answers. One is, "We'll go with you, you're our guys. It doesn't matter." And that luckily for us was the bulk of the book.

There's another sleeve of the clients that had to be walked through what it meant to have the custodial relationship with a partner like Fidelity, and what it meant to be at NewEdge, and here are the advantages that one would be able to demonstrate to them. And of course, we're passionately believing in that story, and got the clients to come on board. And clearly, you had to talk about what it meant to be an independent firm for some clients. And then the bigger the client, there was a certain reticence to not having the brand name associated with them. And I think that you have to take that head on. And to the extent that you as the advisor or we on our team had delivered value to clients, they appreciated that.



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And sometimes it meant Mindy doing different things with these same clients than what we had done before, showing them other opportunities to engage with us so as to continue the relationship and to grow it.

Mindy Diamond:

Yeah. And what was the transition like? What sort of an impact did it have on your personal life? How onerous was it? What did it feel like?

Ghislain Gouraige:

It's onerous, and my wife will tell me I wasn't fun to be around. So she's a saint for putting up with me, and I'm saying that publicly, but it was hard. And you go through a six-month period where you're literally drinking out of a fire hose and trying to make the transition successful.

But what you discover along the way is when that transition period has happened, and you look back, and you had sleepless nights, you're working constantly around the clock, there's this adrenaline flow, then you settle in and you realize, at least I did. "Wow, we did it. Now look at where we are."

And I can tell you that I am rejuvenated personally. I am excited about what we can do for our clients today versus what I couldn't do before. And our clients appreciate it. And I can spell out a couple of things that we do here or that we're able to do here that we couldn't do before that's got us super excited. It's going to spur our growth for the next several years here.

Mindy Diamond:

So let's talk about this. You shared some of the things you were able to do here, meaning at NewEdge and in this multifamily office space. But what are some other things you are able to do specifically in this space, that you couldn't as an employee at Lehman, or UBS, or Bank of America, whatever it was? And I know one of the things you shared with us offline was that marketing is a critical component of your business and where you spend a lot of time. So specifically, how is it different being able to market yourself at NewEdge relative to UBS?

Ghislain Gouraige:

My gosh, you'll have to stop me because I might run a bit long on this. But I wanted to write a book, and part of the book was to share with entrepreneurs what we learned over the years in terms of a lot of mistakes that people make when selling a business or exiting a business that get them into trouble, or that make them regret what they've done. Couldn't get that book done over there. It's happened here.

Secondly, we partnered with marketing and said some of the ideas and thoughts that we had to deliver thought leadership in this marketplace are supported here. So we've created something called the ONWARD series, where I like you get to interview really interesting clients, interesting attorneys, private equity professionals, all the people that touch the transaction process and share insights with our



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entrepreneur clients or prospects who want to hear about this. Get to publish articles and thought pieces about this. I've written a book that's gotten published, and it's all culminated in a conference that we have that we're going to grow every year, so that we can get entrepreneurs in a room and have all the professionals that deal with them in the transaction prior, during, and after, and to share insights. The ability to generate thought leadership and to be able to grow this is something that happened here, because our secret sauce at NewEdge is that marketing department, which really helps you create content that works with you to help you be creative and innovative. And I wouldn't have been able to do that in the firm that I left. And I challenge other advisors who want to develop thought leadership if they're allowed to do it.

One example I'll give you is if you write an article, if you see some articles that are written by the bigger firms about entrepreneurship and how to target the market, they're written by someone in the marketing department, who may have met a client five years ago. In this space, for us and for other independent people, you're talking to clients directly every day, and you can share the insights with them that can help others. And we can all learn from each other and get better.

So we're educating clients, we're consulting with clients, we're making that client experience better, and we're delivering additional value. Would not have happened at the wirehouse where compliance exists to steer your behavior in a particular direction, which they feel exposes the firm to the least amount of risk. That's not what this is about here.

The other example that I'll give is our team distinguished ourselves by managing a structured note portfolio for our clients, it was a diversified allocation. And we were growing it within the firm, and wanted to make it available to other advisors and some partnered with us and did that.

Having come to NewEdge, this becomes a wedge where NewEdge can show to the marketplace, "Here's a product, here's an approach. I can invest in structured notes in a separately managed account," which we've developed. We call it SNAP by the way, structured note advisory portfolio.

And we bring it to all of the advisors at NewEdge. And it's a product that NewEdge is promoting. We've partnered with a FinTech company called Halo. They're also making that available. We're introducing it to the Fidelity platform. So you take one portfolio that one team managed in a firm, and it's grown, and we have about 300+ plus at this moment. And it's growing and it's being helped. It's not being hindered, it's not being challenged, it's not having to fill out reports every day. "So why is this an exception with these trades?" No, you have an opportunity, again, to take your practice to the next level.

So if you ask yourself the question as an advisor sitting in this other environment that we were in, "How am I going to grow? What's the next five years going to look like for me?" For us, the answer is we're growing the entrepreneur part, we're growing the structured note part. We're building a firm with a culture, and we're having fun doing it. Didn't expect that.

Mindy Diamond:

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Yeah, it sounds like that's the cherry on top. Talk to me a little bit about an example of let's say your most skeptical client before you left UBS. When you talk to them about joining you at NewEdge, what is something you are able to do now for that most skeptical client, and what was their response?

Ghislain Gouraige:

So I'll take it in a different direction. So our practice has pivoted while we've been here. And so at the wirehouse, we thought that our distinguishing feature, the value proposition was, "We can give you differentiated performance. We have the structured note portfolio. We can get you hedge funds, private equity, and all this stuff. We can make it look and feel," and then the service model was something that we were really proud of doing. So clients heard that from us repeatedly.

And then when the transition came here, what we're able to add to that conversation is, We've added resources here that we didn't have access to. So we talked about being able to do planning. In the environment we were in before, you are sharing a planning person with the thundering herd to use the Merrill example.

And so for those clients, we're able to have conversations with them, and bring to them our wealth strategy process with the wealth strategy portfolio, wealth strategy professional that's embedded onto our team. That's part of our practice. That becomes a completely different conversation experience.

So one of the examples I'll share with you is we have a client that we worked with for years, always focused on returns, performance. So the conversation around the review meeting was all about that. This shift to wealth strategy created a conversation where we're one hour into the meeting, it's about to wrap up, and we're looking at each other and say, "We haven't even gotten a performance yet." And the client says, "I'm good." And we wrapped up. That wasn't the case before.

So we're expanding the scope of the conversation, and the dialogue, and touching clients in a different way than we were before. And those skeptical clients, those reluctant clients who came over because, "Hey, I'm going to trust you, but I'm going to verify." Well, they're looking at us differently now. And they're talking to us about, "Meet my kids, talk to my kids, help them with their stuff." That's powerful.

Mindy Diamond:

Let me ask you a final question, because I'm so grateful for all of your insights and we've taken up enough of your time. But with hindsight, and it's not even a year's worth of hindsight, but with hindsight, what might you have done differently here? And I think I'm asking about timing as well. You started thinking about this when you saw Rob Sechan leave and you had a conversation with Rob. But with hindsight, what might you have done different?

Ghislain Gouraige:

I would've done this sooner. We look at ourselves and we say, "Why didn't we do this before?" And the reason we didn't do it before is again, we were in an environment that discourages and that allows us to



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be complacent, and to think that we're delivering the best for the client because we're told that. And you buy into that, and you fall into a degree of complacency and you just don't want to challenge yourself. And now that we've done this and now that we feel so energized, we think we could have done this years ago and delivered more value for clients than we had now. Had the opportunity at NewEdge not been available, then I'm not sure that that would've been as easy to do. But we think that this is something that we should have done earlier.

Mindy Diamond:

Thank you. Ghislain, this was extraordinary. Your thoughtful, honest responses are a breath of fresh air. I can hear the passion and enthusiasm you have for this wonderful new life. And I'm really grateful for the opportunity to have you tell your story to us.

Ghislain Gouraige:

And Mindy, I'm so thankful that you've given me the time to share my experience, and I think word of advice to those advisors who are thinking about this or haven't thought about it, open your eyes and ears. You can't unsee what you see once you see it.

Mindy Diamond:

Yeah. Thank you for that. Curious about where, why, and how advisors like you are moving? Download the latest advisor transition report to learn more, including intel on recruiting deals and our insight and analysis on the latest trends in the wealth management space. You'll find it at diamond-consultants.com/transition-report. Or if you'd like to talk, feel free to give us a call at (908) 879-1002. This is Mindy Diamond on Independence.