



EPISODE TRANSCRIPT

Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story

A conversation with Matthew Murphy, CEO, Partner and Rebecca Baker, COO, Partner – Marble Wealth.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story. It's a conversation with Marble Wealth, CEO, Matthew Murphy, and COO Rebecca Baker. I'm Mindy Diamond, and this is Mindy Diamond on Independence. This podcast is available on our website diamond-consultants.com, as well as Apple Podcasts and other major podcast platforms. If you are not already a subscriber and want to be notified of new show releases, please subscribe right on your favorite podcast platform or on the episode page on our website. For Apple Podcast users, I'd be grateful if you'd give the show a review. Your input helps us to make the series better and alerts other advisors like you who may find the content to be relevant. And while you're at it, if you know others who are considering change or simply looking to learn more about the industry landscape, please feel free to share this episode or the series widely.

People are sometimes surprised when they hear of a young growing wirehouse team making the leap to independence. These teams have the tiger by the tail at their firms and a long enough runway to take advantage of a massive recruiting deal from another big firm before opting for independence down the line. So why would they instead opt for independence now? Matthew Murphy and Rebecca Baker built a nearly \$800 million business in just 15 years working with high net worth and ultra-high net worth clients. But it became apparent that they were limited in what they could do for their clients within the wirehouse environment, such as offering sophisticated lending solutions that were not accessible at UBS. And to truly serve their clients in the manner they thought was best meant not just changing firms, but changing models.

"We're young, we've got energy, and we want to build something. Going to another wirehouse wouldn't enable us to do that," Rebecca shared in a Barron's interview. So they jumped into due diligence with our firm heading down a path to explore the idea of launching their own RIA. And ultimately they decided on launching Marble Wealth with Sanctuary Wealth, a solution that offered them support to get the business up and running more quickly than they might on their own, plus the scaffolding that they hadn't considered they might need along the way. In this episode, Matthew and Rebecca recount their journey with Louis Diamond. They talk about what they learned along the way and the impact of having signed on to an alpha agreement with a senior partner. They share what's changed in their ability to serve their clients and grow the business, and they offer valuable advice for any advisor considering change plus much more. There's lots to discuss, so let's get to it.

Louis Diamond:

Matthew and Rebecca, thank you for joining us today.

Rebecca Baker:



EPISODE TRANSCRIPT

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Thank you for having us.

Matthew Murphy:

Thank you for having us.

Louis Diamond:

Very good. Why don't we start off if each of you can tell us about yourselves and what brought you into the wealth management industry to begin with?

Rebecca Baker:

Sure, I'll start. I'm Rebecca and I practiced for 10 years as a CPA. I really started looking at what I wanted to do with my career and what I wanted out of my career. I knew I loved helping people and I really enjoyed the financial industry, so that kind of led me to the wealth management world. On the personal side, I have been married to my husband, Jason, for 17 years. We have two sons, Chapman and Webb who are 14 and 10.

Matthew Murphy:

Yes, and this is Matthew. I always knew I wanted to get into the wealth management space. I didn't come from money, I guess you could say, although I had a fabulous childhood and my parents gave me everything. They provided everything I needed, but it was always something that was intriguing to me and while I was in college, I met an individual who kind of saw that too, and he asked me to interview at UBS, thought it would be a good fit. So I did. So about a year out of college, interviewed with UBS and got in the business. I always had a propensity for numbers and people and organizations, so I thought it would be an industry that would fit my skills. And then on the personal side, me and my wife have been married for a little over 15 years, Lee. I've got four kids, nine-year-old twins, boy and a girl, Ellie and Banks; a seven-year-old boy Mack, and a three-year-old daughter Sims.

Louis Diamond:

Love it. I also very much appreciate how you've wove in your families. Clearly they're very important to you and it wasn't just all business there. Can you share how you both went about learning this business? So Rebecca, you mentioned being in the CPA world; Matthew, sounds like you really cut your teeth within UBS, but curious how you got up to speed.

Matthew Murphy:

Sure, I'll start on that. As I mentioned, I started just about a year out of college. I interviewed with UBS in late 2007. I got the job in the advisor trainee program starting in March of 2008, and I think everybody knows what happened not too long after that. So I got a lot of experience right out of the gate in how to



EPISODE TRANSCRIPT

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handle pressure packed situations. But the biggest thing for me in this industry and learning it, was right out of the gate, I started working with a senior partner, Phillip Young.

He'd been in the industry about 30 years before I came along, and he saw me in the training program. We got to know each other. We were in the same office, and he asked me to basically come work with him and just sit next to him. So those first four or five months in the business were right in the middle of 2008. And being able to sit next to somebody that was dealing with that, that was dealing with clients he'd had for 30 years and how he talked to them and the conversations they had, I had a driver's seat right next to him, a passenger seat to hear all that. And then over the years after that, coming out, 22, 23 in the business, you're not going to work with the clients that a partner for 30 years would. So I got to see situations, see how he managed portfolios, see how he dealt with family interactions, all those things right out of the gate that I wouldn't have been able to as soon. So although my learning curve was steep, I wouldn't change a bit about how I started in the industry.

Rebecca Baker:

Yeah, and mine's obviously a little different than Matthews. I was a CPA, like I said, for 10 years, and I had seen a lot. I had worked both on the audit and tax side, but focused mainly on the tax. I knew I wanted to use that experience with whatever I did with my career. I really liked the financial planning space. I liked, again, helping people and I saw that financial planning somewhat made people anxious. It was uncomfortable for some people, and I just really enjoyed helping people through those processes. So I left the CPA firm I had been at and went to Morgan Stanley.

I was there, worked as a sole practitioner for several years before joining Matthew and Phillip at UBS. So I was continuously learning. I think later on we'll talk about our team and how we function, which I think will show you how we believe in continuous learning. But I really enjoy the planning side more than anything in the wealth management space. So I learned, I used my expertise from the CPA world and from the tax side and implemented that into the wealth management business and still continue to do that today.

Louis Diamond:

Very interesting. And Matthew, to address your method of learning, I think a lot of folks would credit a mentor or senior partner for helping show them the ropes, but obviously that's not the only part of why you've been so successful. Recently you were ranked number three on Forbes' Top Next Generation list in Alabama, 34 in the entire state, and the two of you built a \$700 million plus business while pretty much under 40 years old. So curious, aside from the partnership with your retired partner, I'm very curious how else you went about building the business together.

Matthew Murphy:



EPISODE TRANSCRIPT

Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story

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Sure, I'll take that one. It's a team-based approach. I'm somebody that doesn't believe I have all the answers, that I have all the answers for any one client or that I'm always going to come to the best solution by myself. I learned that from Philip. When we would work together, we sat in the same office.

UBS gave us two offices, but we turned one into a small conference room and the other one me and Philip backed our desk to each other. So we created a partner's desk. And that's something we still do at Marble Wealth today. We all sit in the same room. And that team-based approach has allowed us, I think, to build this business to where it's gotten to. When you're talking about a client or you're talking about a situation, it's not just a one-off conversation, it's a continual conversation over days, weeks, months, years about people that we're having it amongst ourselves. Maybe that's from the planning side, maybe that's from the tax side, maybe that's from me and Adam on the investment side. All of those things work together, but if we're not having that constant open communication and we do that, like I said, by how we sit every day. I think that's what's enabled us to build this business because when you do that, you're able to generate the best outcomes for clients.

Louis Diamond:

Yeah, it's very interesting. Yeah, it's collaborating, especially in a more virtual environment. I think a lot of businesses now are probably being built in an opposite fashion where people are running their own races. There's not as much collaboration, but it seems like the relationship with Philip and just hearing each other speak and being able to problem solve and bat ideas around is part of your secret sauce. Is that accurate?

Rebecca Baker:

Absolutely. It really has helped to have all of us in the same room because number one, you don't miscommunicate anything. So Matthew will be on the phone with a client, I'll hear the whole conversation, and the minute he gets off, he doesn't have to fill us in because we all heard it. He can get up and leave and go to lunch and the client can call back and we know how to respond to the client because we heard the conversation. So it helps in communication immensely, but it also... We do all have different backgrounds. We have different expertise and we have different ways of thinking, and so we always look at what is best for our clients, and we truly believe that even us sitting all in the same room is what's best for our clients because the client benefits from us all collaborating on them.

Louis Diamond:

Can you share, Rebecca, what the practice looks like today? So what's the makeup of the team? How much in assets are you managing? What types of clients are you working with, and anything else you want to share to give us a perspective on your ensemble team?

Rebecca Baker:



EPISODE TRANSCRIPT

Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story

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Sure, our team is made up of... We have five employees. Matthew and I and Adam Rogers are the partners. Adam joined us from Retirement Systems of Alabama. He was a portfolio manager there, so he joined us after we left UBS. Right now we are managing right north of \$750 million. We bucket our clients into three different types. We have the high net worth individuals or families. Typically, those come from the sell of a business. We work with a lot, lot of business owners, and that's just what's developed over time. We also have retirees who either worked in their own business or the corporate world and they have now moved into the distribution phase. And then we also work with young professionals that will eventually move into either the first or the second type of client that I just described. So that's our three buckets that we work with.

As far as our team, like I said, we have five employees. We are looking to add personnel as we grow, we're seeing we are going to need to add, and that'll come in the future. As far as credentials go, we have on our team two CFPs, we have a CFA, we have a CPA, we have a CEPA, and we have a CPFPA. So we do believe in certifications and getting those credentials. Just as much talked earlier about continuous learning, that's part of it. We all have our areas where we focus and those credentials break out the areas that we each of us do focus in.

Louis Diamond:

Can you talk about adding a new partner and Adam to the business because we had the privilege of representing your team. He was not part of the equation prior to the team leaving UBS. So the decision to add a partner and add someone with his background and credentials, it's a big investment. So I'm curious how you thought about adding not just headcount, but also a very experienced employee to the mix after you broke.

Matthew Murphy:

I think that was a big value add for our transition from UBS to Marble to the independent space was adding Adam. We wanted to look at from the investment side... Me and Philip always ran the portfolios, and then as Philip retired, I was running them. We wanted to bring on a CIO type role. Somebody that's totally focused on portfolio strategies that me and him can bat ideas off of and go. And it's interesting when we were in the due diligence phase of determining whether or not we were going to make this jump, that's somebody Rebecca and I wanted to add. We had a couple of people in mind, and Adam was the first person we talked to. We go have lunch with him and we put our hearts out on the table. This is what we want to do, this is how we see this, this is our vision. And I remember we said, "And we'd like you to join us." I think it was about two or three seconds later, Adam looked at us and he said, "I'm in." We were just like, "All right, this is awesome."

Louis Diamond:

Being a business owner is easy.



EPISODE TRANSCRIPT

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Matthew Murphy:

Yeah, that's right. We can hire anybody. So that was a big step for us and having him, and not only his professional side, but his character and the type of person he is, and he's got two boys and his wife Catherine so it's a family affair too, and it's just been a great addition for us.

Louis Diamond:

I love that. Can you talk about how you use your age or ages to be competitive advantages? In this industry, I certainly see it personally given my age, I mean, clients oftentimes probably prioritize or have a bias toward older advisors given their presumed experience. So I think we all see age sometimes as being a negative, but I know you guys lean into your age and use it to your advantage. So I'm curious how you think about age and how that helps to shape your business and your unique advantage in the marketplace.

Matthew Murphy:

I think you're exactly right. There's a negative connotation to age, so I'll talk about that. But then there's also what we see as an extreme positive. Just in the last couple of weeks, we've had two scenarios where prospects have come to us and they've worked with an advisor for 30 years and they're getting one sold of business, one looking to retire. And there are two advisors who are different individuals, they're both retiring.

So when you have a team like ours that all are around 40 or younger, that business owner that sells his business or that retiree that retires, and now in the distribution phase, all that planning that you're going to do and set up the portfolio and how we're going to distribute money or on the business side, all the planning tactics that go into that, we're not only going to be there to plan for it, we're going to be there to see it through too. Over the next 20, 30 years, our team's going to be here to make sure that plan is executed the right way.

So I think from an age standpoint, that's a huge advantage for clients to know that their advisor's going to be there for the long term. On the negative connotation side to it, age that says lack of experience. What Rebecca just went through it earlier, I mean, we've got a soup of letters in certifications, but also when you add up our experience, I've been in this business for 15 years, Rebecca was a CPA for 10 and now has been in this business for six or seven years, getting close to 20 years experience. Adam was at RSA helping manage a fund that was \$50 billion plus in assets for almost 20 years. So we're young, but our years of experience I think would be hard matched to find another team with as many years experience. So I think that when people ask that age, they're saying, "Oh, they don't have experience." But I think we are kind of in that sweet spot where we got best of both worlds. Young enough to see financial plans through, but also not so young that we haven't built up many, many decades of experience.



EPISODE TRANSCRIPT

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Louis Diamond:

Yeah, I think it's a great answer.

Rebecca Baker:

I'll piggyback on that and just say too, again, I go back to the setup of our team, us being able to develop our team the way we have with, as Matthew said, none of us know everything. We can't do everything, but having our team with the experience in the areas that they do focus on is unique. So we may be younger, I mean we're not young anymore, but younger, but we all have great experience in our areas, which coupled together provides for a better quality service for our clients.

Louis Diamond:

Yeah, I think that's right. You can't be all things to all people, so I'm sure there's people that look at your website and they'll call the next guy that they find. But I agree with you that you're going to be around for a very long time, and it's all about your experience and your value add, and clearly you've proven that to your clients and to your prospects. Let's pivot to just talking globally about your time at UBS. What were the best parts of working for the company?

Matthew Murphy:

Sure, I'll take that since I spent almost 15 years there. The best part about UBS was the people. I mean, the way I came into the business, the ability to work under Philip with Philip and eventually become partners with him, I can't imagine starting my career any other way and UBS allowed me to do that. The people in our office were fabulous. The branch manager we had for so long was great. The people we worked with in the complex of the directors were outstanding people. So for me, one of the biggest pros of UBS were just the people that we interacted with every day.

Louis Diamond:

So it seems like life was pretty good there, at least for a while. So what was it that motivated you to even think about alternatives? I know you and I had connected Matthew probably five or six years ago, just batting around some ideas, talking about how the industry was evolving, but I do remember you being very happy and busy and growing. So what was it that motivated you to allocate so much time to the due diligence, but then also to going through the work of the transition?

Matthew Murphy:

I think the first thing to say there, it was nothing from the UBS side per se. Especially when Rebecca came on with us and became my partner, there was just this burning feeling inside that there was a way to do this better for clients. That to have more control over the process to every decision that we made as a company was just focused on is this the best for clients? So what necessary, just necessarily just,



EPISODE TRANSCRIPT

Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story

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"Oh, UBS did this or UBS wasn't doing this." It was just this desire for Rebecca and I to go out, build a firm on our own that we truly thought was a better way of doing it for clients. So when you get that mindset and then you start listening to the Diamond podcast and you start listening to all these things and you can see how the industry is turning and where the puck's going, we knew this was how we wanted to spend the next 20, 30 years of our careers. We wanted to spend it under this umbrella working for clients as independent advisors, fiduciaries for them rather than in the wirehouse employee model.

Louis Diamond:

That's such a refreshing answer because a lot of times advisors move because they're so frustrated or burnt out and they're angry at what happened at their prior firm, but for you, nothing's ever perfect. So I'm sure there was some things that irked you or made you realize that maybe this isn't the perfect place, but it seems like it was much more about a vision for the future and just the spark of what independence meant to you. Rebecca, is there anything else you want to add to that?

Rebecca Baker:

No, I mean, I think we, and we've said it numerous times already, we are constantly looking at what can we do that better serves the client. How can we do things that better serve the client? We both have a very entrepreneurial spirit. We really wanted to own our own business, but at the same time, we kept looking for what is in the best interest of the client. After doing our years of due diligence, we determined that 100% becoming independent was going to benefit the client more than anything. Like I said, we've said it numerous times, but that's our go-to is this going to benefit the client and if it is, then let's explore it. So again, neither one of us had any issues with UBS. We were very blessed to work there and with great people, but this was our vision, like Matthew said, for the future, and we felt like that we could serve our clients better in this role.

Louis Diamond:

Yes, so it was the pulled independence, but it's a challenge to motivate yourself to take that leap because you were growing so quickly, you had an amazing business there. So it's sometimes hard to find time to work on the business when working in it was so rewarding for you guys financially, but also just from developing the relationships with the clients. So I'm curious, prior to leaving, what was one or two things that you saw that said, "You know what, independence is going to be better for the client"? I know now on the other side you probably have many more positive and negative maybe, but prior to moving, what was the light bulb that you said, "You know what, there is this better way"? Aside from being an owner of the business, maybe a service or something in particular that you thought would benefit the client in the independent space?

Matthew Murphy:

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Page 8 of 19



EPISODE TRANSCRIPT

Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story

A conversation with Matthew Murphy, CEO, Partner and Rebecca Baker, COO, Partner – Marble Wealth.

Sure, I'll give two examples. So I think one is, I'll use Adam as the example. The ability to go out and hire people under the wirehouse model. We'd gotten to the point where all the resources that UBS was going to give us, that's as far as they were going to go. So anything we wanted to add, it was going to be on our dime, which is fine. We're willing to make those investments in our team and in our practice and in our clients. But when you look at the independent model, being able to control all those costs from rent to insurance to all these things, we had a very strong belief that we could be better stewards of those dollars than just getting a payout from a big firm. So that was really a driver, and I use Adam as examples, being able to bring him on as a partner, and that would've taken all kinds of time and many months, years to get that done under the wirehouse model.

And under this one, we as business owners can decide, "Hey, this is what's best for our clients. We know how to manage this. We see the numbers every day, we can go make this change and do it." So it's really the autonomy, the control to say, "Hey, another thing, we're big on fees for clients." We've always been on the lower end of how we charge. We did it at UBS. We're always bumping against UBS's discount sharing program. But on this side, when you control the cost and you control everything, we passed along a lot of those savings to the clients and still come out better ahead than we were there. So I think it was just that not to say anything wrong with it, I think it's a great spot for a lot of advisors to be in that wirehouse model that just want to come in and just do the work for the client and go home. Like I said, we just thought there was a better way to do it and controlling from the top down, that's really what we wanted to jump into.

Louis Diamond:

Yeah, thank you for sharing that. So like many folks in the business now, that your team had an Alpha agreement, which is UBS's Retiring Advisor program or Sunset Program with Philip. Obviously you've mentioned his name many times, clearly he was very important to you all and added an immense value to the business. Can you talk though, about being part of this program and how it shaped your view on staying versus going? Or to put it in another way, the fact that you had this agreement, did that kind of change your timing and have you think differently about the business overall?

Matthew Murphy:

Sure, I'll take that just because I've been with Philip for so long and him doing that Alpha. Those stay-in-place programs that a lot of the big wirehouse have put in and UBS with the Alpha program, I think they're good programs for whatever... It's a certain situation, it's an individual situation for an advisor that wants to do that. And where Philip wasn't his career, it worked out perfectly. The models that they showed us on what he would earn through that we blew through those in the five years of that program. I think it almost doubled what it was projected to versus what actually happened. So when you look at the Alpha program that we went through, you would say it was a resounding success. Now I'm



EPISODE TRANSCRIPT

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just 39 as we sit here today, Alpha or one of those programs wouldn't be something I would consider for many, many years.

So seeing that, and although we, like I said, very successful in doing it, me and Rebecca have such a long runway before something like that was even considered. It really didn't play a factor because it's like that's so far down the road. We think from now to then we can build a business in a lot better way. And if you look at the economics behind potentially whatever we want to do in the future with Marble versus doing an Alpha program, I think the economics are going to be a lot better on this side. But like I said, that wasn't a driver, but the Alpha program I think is great or the stay in place programs at other firms depending on the specific situation. We obviously had a lot of success with it. It was just something for us individually that was so far off in the future, just something we really didn't think we would ever get to and thought there was a better way to do that down the road.

Louis Diamond:

And from your experience, would you recommend to other advisors signing on to an Alpha agreement? Let's say from the perspective of the retiring advisor, someone like Philip, but also the next generation successor similar to Rebecca and yourself?

Matthew Murphy:

I think that really goes into the unique situation of that older advisor or the next generation is in. It really depend on them and where they're at, and some people don't have that desire to go independent or build it on their own that they're fine with that. So it may be perfect for some people. I think for the next generation, it's something to just think about and make sure that that's what you want. Because even when you get on the back end of that, you're going to have certain ties there that you just need to understand. So I think transparency, knowing what you're getting into, knowing what you're signing, if you believe in that and you can check all the boxes that the pros outweigh the cons, I think it can be good. But I think especially for the next generation, just something you just want to know all the fine details of it and know what you're getting into.

Louis Diamond:

Yeah, well said. And I would add too, that it's not just knowing the details, but also being comfortable that you're locking yourself in for a minimum of five years. Some of the programs now are extending 6, 7, 8, or even nine years. So making sure that you're comfortable that the firm today that you have a pretty good bet, you think things are going to stay consistent enough where you're not going to regret signing on because it is a very efficient way to build a business. Most younger advisors would love to take over a business, it's just a matter of what are you giving up and are you disadvantaging your clients by staying in place for another number of years.

Rebecca Baker:

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Page 10 of 19



EPISODE TRANSCRIPT

Seeing the Future Through the Eyes of the Client: A \$770mm UBS Breakaway Story

A conversation with Matthew Murphy, CEO, Partner and Rebecca Baker, COO, Partner – Marble Wealth.

In our Alpha situation, we were already working with Philip, we were already all partners. So it's a little different than just joining with a younger or older advisor. We already had the relationships with clients. We already worked with... Because we worked with Philip the same way that Marble works together. Everybody worked on every client. So ours was a little different situation than again, just someone retiring and some other outside person coming in and joining together to form a team to go through the Alpha program. So I think Matthew's correct in the fact that it just depends on the situation and depends on the people. But ours was a little different. Like I said, we were already a team.

Louis Diamond:

Right. So this next question is no doubt self-serving. I will take the air out of the balloon on that one, but I'm the podcast host. I'm going to ask it anyway. Can you talk a little bit about how Diamond Consultants worked with you guys over the years and then up through your due diligence process?

Matthew Murphy:

Sure, I'll tell that. I mean, Louis, you mentioned earlier, me and you connected years ago, and that kind of came from I'm somebody who listens to a lot of podcasts. I read a lot of things. I read a lot of blogs, and I've been listening to you and Mindy's podcast for years. So just making that connection with you over then and talking shop and talking about the future, that was a big proponent of what kind of got my wheels turning, got me and Rebecca's wheels turning on what we wanted to do in the future. And then when it came down to we're actually thinking about this and Rebecca's like, "All right, where do you want to start?" I go, "I think our first call should be to Louis and just start talking through it." And that's what we did.

We hadn't gotten into this, but when we started this process, we thought for sure we were going to go complete. I wish we reversed on that, but with that, Louis set us up with a marketing firm, a transition consultant, all these things that we didn't know that we had to learn and go through and get all the resources. You were invaluable on that, so thank you.

Louis Diamond:

That was a great answer. Thank you for sharing that.

Matthew Murphy:

Yeah.

Rebecca Baker:

When you start out in this process and doing the due diligence, we knew some, but we didn't know much. And so I remember talking to you asking questions and what ifs and should we do this and should we do that, and I think having someone that has been through helping advisors go independent, helping



EPISODE TRANSCRIPT

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advisors go to other wirehouses, helping other advisors go through all different kinds of transitions was so beneficial to us because I can get in the weeds. So trying to dig through some of the options out there was just a task that would've been so difficult if we didn't have someone that could explain to us maybe what some of those options meant and what was out there.

The independent world is so large and there are so many different ways you can go that if you don't have somebody that's somewhat guiding you and listening to how your team functions, the culture of your team, what you want, then it is very difficult to even get started. So I would say thank you for helping us navigate through the beginning stages, because like I said, that world is so big that you can get lost.

Louis Diamond:

Well, pleasure to have helped you. So talking more into details of the actual due diligence process, you from the beginning were resolute on independence that we're not looking to be an employee anywhere, but you were, and Matthew alluded to this, set on starting your own RIA. You wanted the absolute highest level of control. You weren't going to use a platform provider and you guys were going to be do it yourselves. Can you talk about why this was and then ultimately why towards the end of the process you made a U-turn and decided to join the Sanctuary Wealth platform?

Matthew Murphy:

Sure. Rebecca and I started this process, we kind of looked at each other and said, "Any question that comes up or any hurdle that comes up in trying to explore this, we've got to be able to answer yes to the question, is this the best for our clients or is this better for our clients than where we are now?" Because the end of the day, we don't have a firm without clients. We've got to serve them, we've got to get them the best resources. So that was our overarching theme of our... We had a theme or phrase to our due diligence that was, is this the best for the client or is this better for the client than where we were? That's what we did. We were going through, we were gung-ho, full RIA, that's what we were going to do.

Well, when we got into it, like Rebecca said, started getting into the weeds, there were a lot of things that were like, okay, if we've got to tackle compliance head on all the way, if we've got a technology set up, all these kinds of things, that's going to take time away from us on a daily basis on doing what we've got to do to have a business, which is serve clients, keep clients, and get new clients. So that's when we made that turn though. I don't know if there was a single point, but I do remember me, Rebecca and Adam having lunch one day and us talking about it. We all looked at each other and it was like, "Yeah, we need to make sure these areas that we've never done before are handled by somebody that has a lot of experience in it, so it enables us to focus on what we are good at and the skills we do have, which is serve clients."

Louis Diamond:



EPISODE TRANSCRIPT

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Yeah, I think that's well said. And it's not an uncommon, I guess, chain of events. You start off saying, "Hey, we can do this. How hard can it be? Get more into the details." I would've said that you absolutely could have done it. You had the savviness, the work ethic, but the trade-off is how much time do we want with our families? How much time do we want to spend on the real value adds of the business? So is there a way to outsource what we're not good at or what we're not familiar with, and retain the things that make our business special? So ultimately, you picked Sanctuary Wealth to be your platform and Fidelity Investments as your custodian. Can you talk just briefly about the decision to select those vendors?

Matthew Murphy:

Yeah. On the custodian side, we interviewed multiple custodians. Again, I'll reiterate it, when we were picking those, the ultimate question: what's best for the client? Is it better than what we had before? Got to be able to answer yes to those. And like I said, we interviewed multiple custodians and settled on Fidelity. We thought their combination of technology, client facing website software integration with our other software vendors that we're using were spot on. Their trading platform with Adam coming from RSA, the top notch of trading and technology, he was very comfortable with what was on the Fidelity's platform there. So they just checked all those boxes for us and being a little bit more than a year later, definitely happy with the decision on Fidelity. With Sanctuary, we did interview a couple other providers in that space. We'd like to set up a sanctuary. I've said this before, sometimes it's all about the people and the people there were great. And again, a year later we wouldn't want to do it any other way than how we did it.

Louis Diamond:

Yeah, thank you for sharing that. So let's talk about the actual transition though. Were there any clients that didn't want to follow you, and what were the reasons why they said no?

Matthew Murphy:

Yeah, when we were talking with some teams that have made this jump before and we were interviewing them, everybody gave the same answer. You're going to be surprised at some people that don't come and you're going to be surprised at some people that do. And we were no different in that. We still transitioned north of 95% of our clients, but we had a handful that didn't come, and there were individual reasons on each of those. But looking out a year later, we have more in assets under manage than we had on our last day at UBS, a number of new relationships since we've come over. So there's a plan for everything, but I'm very happy with the percentage that we were able to bring over and then where we've come over the last 13 months, everything's worked out well.

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I think just that every advisor would sign up for that level of success. Obviously it was hard-earned and probably sleepless nights and a lot of stress, but 95% plus of the clients and then also having grown in the last year is pretty remarkable. So congratulations on that. Let's talk about what life is like as business owners. Both of you individually, what are your new responsibilities now that you're running a very successful business versus practicing as an employee at UBS?

Rebecca Baker:

I'll take this one. Obviously when you're running a business versus just being an employee, there are a lot of different things. We have to make sure that payroll's run, we've got to deal with taxes, we've got to manage employees, pay bills, keep our books. All of those things have to be done that we didn't used to have to deal with as an employee. My background as a CPA, I do a lot of that and I enjoy a lot of that. So I think that has been something that I've been able to get back into. And like I said, I've enjoyed it. I think as far as our team is... I can't say enough about our team, all five of our employees. The managing people side I would think would be one of the biggest changes. But we're all professionals, we all have families, we all have things going on outside the business and everybody stepped up to get this transition going, to see it through.

Dustin who was with us at UBS before worked tirelessly during the transition process and still does. But we're all professionals. We don't clock in, clock out, and I think we all help each other in those areas that we have had to pick up on. So I would say it is definitely different roles and responsibilities. I don't think any of them are harder or there's any negative that was brought with those new roles and responsibilities. Actually I think I enjoy doing some of the stuff that I get to do that we didn't have control over while we were employees.

Louis Diamond:

Do you find that for both of you, are you working more than you were at UBS? And if so, how do you manage that with the family side?

Rebecca Baker:

I mean, we work a lot. This business does not turn off. It's 24/7. We do have the ability to take our computers and Saturday, Sunday, late at night, we can work. But our culture here is family. And so Matthew mentioned he has four kids, Adam has two kids, I have two kids. They're all in sports or extracurricular activities, and we know that we all are better employees if we don't miss out on the family stuff. So do we work more or less? I mean, I would probably say that's similar, but we work harder and we work better because we have the flexibility. We don't miss things when they're important and all of us know that family is first.

Louis Diamond:



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Yeah, very inspiring. So what types of things can you now do for clients that you couldn't at UBS knowing that this was all about what was going to be better for the client? What are a couple of the specifics now a year plus into this that you would cite?

Matthew Murphy:

Yeah, I'll take that one. A couple things. On the portfolio management side with what Adam and I are doing on a couple things, the technology we're able to run certain strategies that we weren't able to run at UBS. That's been invaluable. There's a lot of other areas that we are exploring and getting into. We've opened up a family office style services, Marble Family Office partnered with outside CPA to do those kinds of services, whether it be bill pay, prepare simple individual tax returns, tax projections. We just had a client, a new prospect come in that sold a business and projecting out taxes for this year and next year using a donor-advised fund versus harvesting losses versus all those kinds of things. So able to offer a lot more services outside of just the typical managing a portfolio and doing some planning that we weren't able to do before.

Louis Diamond:

Can you elaborate on the family office addition to the business? There's a lot of different ways, I guess, to add services. You can hire people yourselves, you can partner, you can outsource to a platform, you can choose not to do the services at all. So I'm curious just to hear how you thought about partnering with the CPA firm and how it's changed the business.

Matthew Murphy:

That's something we always wanted to add, and it's something we're slowly building up and I think we'll build it up over time. Now, a lot of our clients have CPAs they've worked with forever, and we love those relationships. We work hand in hand with clients' estate, our tax attorneys, their are CPAs. So our whole strategy and opening up Marble Family Office and building it up over time is to fill in the gaps for people in that area. Somebody that is looking for a change in CPA, we can have that, although it's not something we prospect with. We're just here to be the net to catch all if they need it. So it's in that vein that we're not trying to take business away from CPAs or anything like that, we're just trying to add these services wherever our clients need them or they need someone, that we're able to fulfill that and do that.

Louis Diamond:

Yeah. Has your vision changed in any other ways since launching the business? So I guess you had your whiteboard or your piece of paper two years ago before you launched the business. How does the business plan look different today than while you were still at UBS?

Matthew Murphy:



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I don't think the vision is any different. I think our vision of building a firm that we're proud of that serves clients in the best possible way is still there. I think on the business plan side, because of our age and because of the skillset of all our partners and employees, we do have some plans of potentially buying out other teams, other RIAs or advisors and merging them. I think that's going to be something that maybe we didn't consider as heavily before. It was kind of in the back of our minds, but now being in this a little over a year and actually talking with a couple, I think that'll be very good for our business. I don't think that's something that just any independent firm can do, but I think with how we work and how we communicate and the different skill sets we bring, I definitely think that is an avenue that we're currently exploring, but we'll continue to over time.

Louis Diamond:

Yeah. Well, let's dig into that a little bit more. So you obviously have the successful case study of taking over the business from Philip. So I've done this before. We get a lot of calls from independent advisors or advisors of all shapes and sizes who would love to acquire as it's brutally competitive. So as you're thinking about adding this as a, not a service line, but as in the next phase of your growth, how are you thinking about finding these individuals? Are you thinking of old colleagues from UBS? Are you thinking of buying firms? How are you going to think about who's the right fit and how to find these individuals?

Matthew Murphy:

I think you hit it on the head. It's got to be the right fit, number one. I think our just professional reach is how we'll do that. People we know in the business. Montgomery and the areas around here, they're small towns, so we know a lot of people. So I don't think there'll be a lack of potential prospects to go talk to in that area. But overall, it's got to be a big fit. And like you said, yeah, we did this with Philip, but people get this wrong per se. Maybe it's not talked about enough. The biggest thing about making a transition, whether you're going into Alpha or you're going independent or you're buying a firm, is the clients have to trust you. And me being young out of school and working with Philip, I worked with him for more than 10 years before we even talked about Alpha or anything like that.

I had built up that trust and Philip had allowed me to build up that trust. He helped me do that too with clients. So I say that to where if you're going to, in our minds, if we're going to bring in another firm that we're going to buy out, we first got to get to know them. It's got to be a good fit. We've got to have common cultures, we've got to have the same outlook on pricing, on how you manage portfolios, on how you plan. And then at the end of the day, all their clients that they've worked with forever, there's got to be a period of time where they have to be introduced to us, where they've got to learn us, we've got to learn them. We've got to build that trust over time. So for us, it's not just a transaction. If we do anything like that, it's going to be that type of process that it's a fit, it's a cultural fit, they like us, we like them, and it's a transition of us earning the trust of their clients over time to bring them into the fold, I guess you could say.



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Louis Diamond:

Yeah, I like that because in this environment, everyone's looking to acquire and oftentimes the reasons are financial, but you don't really necessarily get the fit right. Sometimes it's going towards who's paying the highest multiple or who is the biggest firm. It seems like for you, you wouldn't even consider a deal unless first the cultural fit was nailed and probably would agree with the statement that if you get the fit right, the economics tend to work out because interests are aligned and you can do what's really best for the client.

Matthew Murphy:

That's right. I mean, I think you've gotten the gist of this conversation. Economics is really not something that drives us. We could have obviously left UBS and gone anywhere and gotten a big check, but economics and things and dollars in our park, it's just something that doesn't drive us. We feel like that's the result, that you focus on the process, the results happen, and that's how we tackle everything.

Louis Diamond:

Couldn't agree more. Two more questions and then we'll let you get on with your busy days. So you mentioned earlier that since you've transitioned, you've even grown the business. How has your prospecting changed relative to UBS or put another way, some of the clients you brought on board, would they have landed with you if you hadn't become independent business owners?

Matthew Murphy:

I don't necessarily think that the clients we've brought on board since starting Marble, they wouldn't have come with because we're still the same people and being under the UBS umbrella, being under the independent side, it's still us. At the end of the day, this is a people business. They've got to trust you and that they've got to assume or believe that what you're telling them is in their best interest and you've got to actually do that. So I don't think that it would've been any different. I mean, I would like to say that we would've still gotten those, but I had this conversation with somebody yesterday and I was telling them it's more just a mindset.

From the prospecting side, we know what we're doing every day and how we're serving clients and our communication and how we get to outcomes for people. We're biased, obviously, but we just believe we're doing it the right way. So when that comes to prospecting, I tell people all the time, I'm the worst salesman you ever met. I just can't sell. I've got to just be honest and transparent. And being a fiduciary, being an independent space, that's all it is, is honesty, transparency, and being on the same side as the client. So like I said, I like to think that the prospecting wouldn't be any less because we're still the same people, but our mindset towards that has changed, which I hope is going to make us better in acquiring new clients as we go.



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Rebecca Baker:

And I think the new clients that we have acquired saw the unique way that our team works together, which was different than what they were used to. They needed some tax advice, they needed some estimates and some calculations done that some advisors don't get into. Sometimes it's just about investing, and to us it's all things financial. And so I think just being able to share what we do for clients is one of our best prospecting tools because it is sometimes more than what they are used to.

Louis Diamond:

So let's take this one home, just any advice that the two of you would give to those considering change, whether they're considering independence or just thinking about their business in a different way, similar to what you guys did a couple of years ago.

Rebecca Baker:

I think we heard it from the advisors that we talked to, and I think Matthew and I would both say the exact same thing. Don't wait. If you believe that a change to the independent space is what's best for your firm, take the leap and do it. It's hard, it's a lot of work, it's a lot of sweat and maybe some tears, but it is so worth it on the other side, and it's worth it for our clients. It's worth it for us personally and as a team, and I could not be more proud of the five of us and how we have managed the last year, and I am so excited about our future because I just think we have something to offer and visions that are going to be so exciting to watch.

Louis Diamond:

Let's end on that. I loved the enthusiasm, the exclamation mark to end this from Rebecca. Thank you so much for both of you for spending time with us today and talking us through your thought process and your journey and how you are definitively serving clients better as business owners. Until next time.

Matthew Murphy:

Thank you Louis.

Rebecca Baker:

Thank you.

Mindy Diamond:

Plenty of advisors wrestle with the notion of change, and it's certainly understandable. It's not easy to uproot all that you've become accustomed to and step into the unknown, but I think Rebecca said it best, "If you think a change is what's best for your business and clients, take the leap and do it. It's so worth it on the other side."



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