

# Vulnerability & Termination: An Advisor's Survival Guide

FROM DIAMOND CONSULTANTS

## VULNERABILITY

There's an undeniable surge in the quantity and frequency of forced exits from the major brokerage firms. Whether it's an internal review, an administrative leave, or an actual termination, even the industry's top advisors – including long-tenured folks with spotless records – are finding themselves unexpectedly in their firm's crosshairs without ever thinking beforehand, "What if...?"

**Here are some steps you can take if you feel that there might be a reason for concern.**

### **What to do if you feel vulnerable or are under investigation or heightened supervision:**

- 1.** Assume the worst and operate like you will be terminated. Developing a "Plan B" that you can act on immediately will only serve you. Plus, it's far better to resign under investigation than to get terminated.
- 2.** Always be an exemplary corporate citizen and don't do anything outside the ordinary.
- 3.** Hire an expert securities attorney ASAP. Even if you are not terminated, you want an advocate on your side who can share the realistic outcome and help you prepare for all eventualities.
- 4.** Work with a recruiter experienced in similar situations. They can mobilize multiple meetings with the right firms quickly, to uncover options you would never have thought of. Plus, they serve as a confidant and guide, to help position you and your practice in the best possible light.
- 5.** If possible, take pictures of your production statements on a personal device so you can document your business.
- 6.** Consider working with appropriate counsel to mitigate or expunge compliance dings from your record. This can be a timely and costly process, but if successful, it might prove worth it.
- 7.** Don't believe it when your firm tells you, "Don't worry." There is no casual warning. Even if you make it through an internal investigation, every action from then on will be closely scrutinized. In other words, staying put poses real risks.
- 8.** No one is immune, no matter their size or past record. These days, all firms are much more risk-management focused, and compliance has the final say. Even the largest advisor with a spotless U4 is subject to their firm's heightened scrutiny.
- 9.** Advisors who operate a business that is "outside the norm" (e.g., a proprietary investment strategy or serving international clients) are more vulnerable since most firms are looking to reduce risk and, as such, are eliminating any deviations and even previously granted exceptions.

Curious about the next step in your business life? Let's talk: Call 908-879-1002 or click [Diamond-Consultants.com/Contact-Us](https://Diamond-Consultants.com/Contact-Us)

# Vulnerability & Termination: An Advisor's Survival Guide

FROM DIAMOND CONSULTANTS

## TERMINATION

There are various reasons advisors might find themselves holding the proverbial pink slip, but many stem from the current zero-tolerance compliance climate.

The reality is, termination doesn't mean the end of a career.

**Taking the right steps quickly and gaining a clear understanding of what drives employability will help you get back to business.**

### What to do if you are terminated:

- 1.** First and foremost, hire an expert securities attorney! This attorney can begin a dialogue with your prior firm and guide you on the actions you can and cannot take. They will also work to mitigate U4 verbiage which can be impactful when a new firm is evaluating your candidacy. They may also work with you on a brief narrative of events that you can share with firms.
- 2.** Stay calm and don't do anything rash. While it's a stressful and tumultuous time, if you follow legal guidance and that of an experienced recruiter, there's every reason to believe you will get hired and be able to work with clients again in the future. Remember, you are under extreme scrutiny by your prior firm, and shortcuts will elevate the seriousness of your situation.
- 3.** Be proactive and action-oriented. Although it's overwhelming, getting hired quickly will only help portability. While a traditional due diligence process is best done with the luxury of time, a termination is the rare instance where speed is of the utmost importance. Terminated advisors are wise to take meetings and "get their foot in the door" with firms as quickly as possible.
- 4.** Be honest with prospective firms and show remorse. Every firm wants to know that if they hire you, the prior issue won't happen again.
- 5.** Be realistic about your options and be open to exploring firms that may not have been on your radar before. Ultimately, getting up and running quickly at a place where you can continue to conduct business is paramount.
- 6.** Regardless of what your prior firm says, they will likely take the maximum allowable time (30 days) to file a Form U5, and until that time, many firms will be reluctant to hire you.

Curious about the next step in your business life? Let's talk: Call 908-879-1002 or click [Diamond-Consultants.com/Contact-Us](https://Diamond-Consultants.com/Contact-Us)