



EPISODE TRANSCRIPT

From Insurance Broker Dealer to the RIA World: The Evolution of an Independent Practice

A conversation with Louis Diamond and Dave Pulcini, Managing Partner of SixPoint Financial Partners.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is From Insurance Broker Dealer to the RIA World: The Evolution of an Independent Practice. It's a conversation with Dave Pulcini, Managing Partner of SixPoint Financial Partners. 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.

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. They say that knowledge is limited by perspective. Put another way, you can absorb only what you are exposed to. So if you work for a firm, your view of what you can do to serve clients and grow your business is constrained by what your firm makes available. But then one day you start hearing about colleagues at other firms or models who share their experiences with technology or marketing, or in doing some cursory due diligence, you learn you can greatly expand the services you offer your clients, and that's when the proverbial light bulb goes on.

The guest on this episode, Dave Pulcini, started out as a trainee at AXA Equitable, working hard for nearly 15 years, but never really able to move his practice to the next level. Then he became a student of the industry listening to podcasts from Michael Kitces and Matthew Jarvis as well as this one, and came to the realization that he was working in a bubble, that is, there was so much he didn't know about the real potential to build his business outside the insurance broker dealer model. But it would take stepping outside of his comfort zone, digging deep to identify his goals and clarify his vision and to ultimately set his sights higher, and that he did.

In 2018, he left AXA for boutique independent broker dealer American Portfolios. Earlier this year, Dave and his team decamped for RFG Advisory, a hybrid RIA. In this episode, Dave shares those light bulb moments with my partner, Louis Diamond, and how each served to evolve his independent practice. He talks about the key differences between the insurance broker dealer, the independent broker dealer, and the RIA space, and how he was able to exponentially grow his business with each leap. Dave discusses what it's like when your broker dealer is sold, why his team opted to forgo an upfront check, and the value of thinking long-term and much more. It's a great story highlighting an advisory business breaking beyond the \$150 million AUM range with real actionable advice. So let's get to it.

Louis Diamond:

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

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Dave, thanks so much for joining us.

David Pulcini:

Yeah, thanks for having me, Louis. I'm grateful to be here, and I'm a big fan of the podcast in general that you guys do.

Louis Diamond:

Very good. We didn't pay you to say that, but thank you-

David Pulcini:

Oh, no, please, please.

Louis Diamond:

Why don't you start off and tell us how you got started as an advisor in the first place?

David Pulcini:

Yeah, great question. I think like many financial advisors, honestly, I really fell into it. I wish that I had some really great why story on how I got into it, but I don't. I graduated from college in 2003, and I was interviewing really at any business sales job that I could find; mortgages, banks, heavy equipment sales, a lot more. I know that resonates with a lot of folks out there, but my now wife, she was interning with a financial advisor while she was in college here in Rochester. Before she was doing that, I didn't even know that financial advising or financial planning or financial advice was even a career option.

So anyway, in the middle of all these interviews at these different businesses, she said to me, "Hey, you should totally be a financial advisor. They make a ton of money, and they don't do anything," So I thought that was cool. I was like, "Yeah, I'm a young guy. I don't want to do anything, and I want to make a ton of money." So I turned my resume into probably 10 different firms. As the listeners know, during that time, most of the firms I was talking to, I had a pretty good shot at getting hired. I went through that interviewing process and then I got started.

Louis Diamond:

Very good. I believe you started off at AXA Equitable. That was your first real gig, and we know that's been a real fertile ground for new advisors entering the industry. It's starting off in insurance BD world or starting in a warehouse training program has really been the entry point for many advisors. So curious just about the experience with AXA Equitable, and what was it like to cut your teeth with them?

David Pulcini:



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I thought it was great. I mentioned that I turned in 10 resumes or some number, and I had interviews and opportunities with most of those places, but ultimately chose at the time AXA Equitable, now it's Equitable. The reason that I did was because they had a niche for me to go work with local public schools. I'm from a small town in upstate New York, and I knew that I could get back into those local school districts to talk to my old teachers, several other school districts because I knew a lot of the local coaches, and really, my journey began with that. I think at the time, as many listeners know, I had my one suit, and I was assigned to 10 or 12 different school districts.

My job at that time was to either get our company on the list as approved to do the 403(b)s and also get everybody to set up their 403(b) plan with AXA Equitable. So I did that, and we did really well in the company's eyes, and we ended up setting up literally thousands of accounts, Louis, one by one, and it was a grind. I'm talking about meeting people whenever, wherever they wanted to meet, usually between 15 and 25 new meetings per week. So it is ironic looking back because I was supposed to make a lot of money and not do anything when, in fact, it was the complete opposite. So I was working 70 or 80 hours a week, and my first full year, so 70, 80 hours a week, 15 to 25 new appointments. How much do you think I made Louis? I'll tell the listeners. They'll appreciate this.

Louis Diamond:

\$100,000.

David Pulcini:

\$14,000, Louis, you weren't even close.

Louis Diamond:

Oh, my goodness.

David Pulcini:

Yeah, that's real, man. By the way, part of it was it took me as long as it was possibly allowed to get what we called on contract to get my small salary going. So I was clearly doing something wrong that many meetings should generate some more revenue. But here's the funny part, my friends, my family, all the people that had jobs as engineers, my friends and family that are in marketing, teaching, healthcare, they were just picking on me. I can't tell you how many times I heard, "Why don't you just go do something else?"

But as the advisor listeners know, we know what we can build. Unless you're in our world, I know it's not easy to comprehend or understand. For the record, I wanted to quit or do something else at least 1,000 times. You can quote me on that number, by the way. But one more great thing about AXA Equitable was that they did, they had a really good training system. For most of our new advisors, or most of the



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new advisors that I worked with were, they were my age. We faced similar struggles, and we did it together. So I would say it was an instance of where commiserating in that world was actually pretty beneficial.

Louis Diamond:

So what was the turning point from, we'll say, working less than 80 hours a week and making a lot more money, and I would assume taking on higher value clients? So how'd you switch from the very low hourly wage you're making to making this more of a career path?

David Pulcini:

I could talk about that for a long time. It was a very, very slow process. I think we may get to this later in the episode, but it took me, I'm serious, probably 12 to 15 years to even step outside of that comfort zone to figure out what was next and how that happened. The turning point was actually the Kitces Episode 2 with Ron Carson. Michael Kitces, you guys know this, he has a long-form podcast. It's not 15 or 20 minutes, they're like two hours. So I started listening to Episode 2, and I listened to Episode 1, Episode 2, it's my first introduction to podcasts. I started listening to it on my way home. It was a 10-minute commute, and I ended up sitting in my driveway for the next hour-and-a-half or however long that episode was.

I remember my wife thinking, "Why is he just sitting in our driveway?" This was 2017, just so you know. So I started in 2003. 2017 is the first time I heard of a lot of this stuff that it could even exist because I was in such a bubble being in the broker dealer, in the insurance BD world that I didn't even know that these other things were possible. No one really talked about it in our world. I think you guys have had Matthew Jarvis on your own podcast, but I heard his was Episode 7. I'm like, "How is this guy working" I'm exaggerating, "two hours a week and making a million dollars? What am I doing wrong?" So I think it was through just educating myself and learning and stepping outside of that bubble and that comfort zone.

Louis Diamond:

If you can recall, what were the specific light bulb moment takeaways you had from the Kitces episode that showed you there was a different way?

David Pulcini:

Yeah. Well, I think part of it was in Ron's example, it was very relatable. He said he was driving six hours for a \$50-a-month Roth IRA or something. I'm like, "Man, this guy sounds like me, and obviously he's doing extremely well, so what am I doing wrong?" He talked about building a systems and the processes and all the things that you need to do to run an efficient practice. Honestly, I was doing none of those things. Again, we may get to this, but I did that grind where I was setting up a lot of clients for a long



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time, and eventually, I got to the point where there was no other place to go besides becoming a manager. So I was promoted to vice president where I then was in charge of hiring, training, developing new advisors to go out to the school districts and do the same things.

So I went from just the grind of setting up literally 2000 clients to becoming the manager for about five or six years, and then I didn't even step outside to consider anything else. So the light bulb moments were like, "What are these people doing?" Then there was real planning, and you know this. As you grow and evolve, people are asking me questions that I just didn't know the answer to. There were obvious benefits of having an insurance platform behind me and what it was, I was highly trained on annuities and different types of proprietary life insurance for sure. Without that, I wouldn't have the knowledge I have today. Actually, in fact, I have advisors asking me still to this day all the time to look at their clients' insurance or annuity quotes to help them figure that out. Another benefit was that I was around people that I thought were very successful.

This is the reason I probably wasn't looking for that light bulb moment or it just didn't happen for a long time, was I saw advisors making a ton of money, and I'll get to that in a second. They're driving nice cars, going on beautiful trips, being recognized and all the things that come with that. When I was a 24-year-old-ish guy, I thought that was amazing. I thought that was like, "That's what you want. "I want success. I want to make a lot of money. I want the nice car." Again, those things changed and evolved, but that kept me going. Actually, in a lot of those cases, I specifically remember thinking, and this is definitely not for Ron, but for some other folks, "If this guy can do it, there's no way that I can't." So the light bulb moments just, it took forever for me. I sometimes hear other advisors or other guests you have on and I'm like, "Wow, they nailed it very early in their career, where it took me a really long time, I would say, to figure that out."

Louis Diamond:

Yeah. Thanks for sharing that. So do you think it would've been possible to, we'll say, transform the business and your return on time within the AXA Equitable system? I know in 2018 you migrated from at the time, AXA Equitable to a more wealth management-focused boutique broker dealer called American Portfolios. So do you think you could have done what you're doing now by staying? Then maybe just talk a little bit about the desire to change platforms.

David Pulcini:

Yeah, okay. I could talk about this all day, but I mentioned the positives of being at the insurance broker dealer was I learned, I was trained, there was a great system. I had friends, I still have lifelong friends that they're working there with AXA Equitable still. But what you were saying, some of the downsides are actually might be the upsides. I was highly trained on annuities and life insurance, but if you ask me at that time about estate planning or tax planning or detailed investment portfolios or insurance other



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than the company's proprietary products, I probably would not have had an answer. I once heard an advisor five or six years into the business working with me saying, "I don't even know how to spell the word estate." So with that said, when you have an insurance platform behind you, they obviously expect you to sell their insurance products or annuities.

If you don't, all sorts of things can happen. You could lose a salary benefits, the trips are gone. There's no incentives, no stock options potentially being paid less on other lines of business. You could be culturally painted as unsuccessful or the person that no one pays attention to. So if you're not selling the stuff, and I think our listeners know this, things change quickly. But if you are using company products and adding new clients, they love you. So if you choose to answer your question to build an advisory business, or I don't want to call it going against the grain because it's not like anybody ever says, "Don't do this," but it's not preferred. The minute they see that, I notice most advisors are treated differently, and that's where a bubble is created, by the way. I thought that at that time, and this is just me, I thought for sure I had the best ideas.

I had the best products, the best managers that really the best of whatever could exist, I was actually defensive of the firm in many instances. People from the outside would say, "Oh, you work at an insurance," I was proud. So the downside is that I was in the bubble, and I saw the same things over and over again and really only tracked one thing. As we know, that's new commission on the board. Every day I'd log in to see if anything hit. That's what we call it and if I was going to get paid. So for a bunch of reasons that wasn't good, but to answer your question on what made us leave, a number of things started adding up. So you can imagine working somewhere for 15, 16 years and then I became, I would say, at least somewhat educated on what was out there. I'd like to say I left because they wanted me to continue to wear a suit, but that's not why. So I've heard that before. I've actually heard that before.

Hey, listen, I hope this doesn't come across as negative. I would not be where I am today without starting where I started, and I'm very grateful for my start. But again, as the business grows, knowledge grows, clients need different solutions, and I wanted to be independent. It was just a move that had to be made, and I'm an advisor that wants to challenge the status quo. We want to push things, and I wanted certain things I just couldn't pull off without a significant amount of red tape. So I'll give you some specific examples here with one disclaimer. This was in 2018, so things may have changed. I have no idea. I do want to say that I hope the few reasons that I give, 'cause I could give a lot, resonate with the listeners. I've noticed that not many people are really willing to say some things that I might say, but I want to be here to deliver some truth. So if I get going on this, Louis, you might have to stop me, but I'll pick three things to answer your question on why we left.

Some of them might go deep into the insurance BD world, but this was just the first move, then I'm sure we'll get into the second. But the first one was as a new advisor, I did everything I was supposed to do. I kept my head down, I was bought in, I did everything that I was told to do. Because of that, which is a



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great thing, I looked up later, and I had 2000 clients, so that's crazy. Those 403(b)s that I mentioned, I had over 2000 of them. So these were not inherited accounts. I didn't buy a big book of business, it was just part of that grind. So when you have 2000 clients in your name, if the listeners have ever had this before, they know what I'm talking about, 90% are in the proprietary accounts. So I'll tell you this, Louis, I had 2000 clients with about \$100 million of assets.

Louis Diamond:

Wow.

David Pulcini:

That's not a good ratio. You want the opposite, so I'll quiz you again. How much do you think I got paid on that \$100 million of assets I had?

Louis Diamond:

\$500,000.

David Pulcini:

I would love it, man, the answer is zero.

Louis Diamond:

Wow.

David Pulcini:

Yep, and that's real. For the folks out there, there was some formula where if you had surrender-free assets after 12 years, where if you didn't lose a certain percentage of those assets, you could get up to 15 basis points or something. So I guess you could argue that you get something, but I never got that. So the bottom line was, and folks know this, I was paid for new contributions going forward only, but not on the \$100 million that we built. Okay?

Louis Diamond:

Got it. You weren't compensated or incentivized to service existing clients and to help those individuals. It was all about the next one in the door.

David Pulcini:

That's right. That's exactly what I was going to say is I was still responsible for the \$100 million that you built and all 2000 clients. So to me, I started thinking, "Is this a good business model?" But I already mentioned this, here's what happens when you do this. I was then promoted to being a manager, but I would spend years, Louis, going to these school districts years to become, quote, "the guy." I'd walk in in



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my suit and people would know that you're the person. I basically had a personal brand built within many of these school districts. It was through a ton of hard work, time, effort. I may have even opened up the relationship completely for us. So you fast-forward, you have 2000 clients, and then I realized, "Hey, maybe this one exact account is not the best for every single person I meet," and I know people know what I'm talking about. So I wasn't, quote, "writing company products," and they don't like that.

So what happens is they'll send in the next, I'll call it the 22-year-old Dave to stay out of trouble. So they'll send in the next new Dave, and it's frowned upon that the real Dave returns to that place. So companies a lot of times don't want someone in there that is now using a low-cost option and not driving company product sales. I understand why, but the clients in the schools were confused. Remember, I worked in a lot of small school districts and they were saying, "Hey, where's Dave?" They panic and then the new person in there would say, "Hey, I can help you." So there were probably five or 10 instances, and I'm not exaggerating, per week where I'd get an email from a new advisor in my office that I didn't really know that would say something like, "Hey, Dave, I bumped into school, they approached me by the way, and they want to switch to me. Can you sign these forms?"

So I found myself signing off clients that five years ago I was at their house on a Saturday night setting them up for a 403(b). I'm like, "Well, what is going on here?" So that got exhausting. So by the way, inevitably, I don't mean to say this in a negative way either, three months later, new Dave is gone, and the firm would take the clients over that I just gave away. For the listeners, listen, this is just the 403(b) market. I know that I had grown and honestly didn't want to continue to grow my practice with public school employees at this level. I was intentionally switching folks from high-cost options through the proprietary product to low-cost options, to the point where, and this is the last thing I'll say about this, Louis, is I would get calls from our management team saying, "Dave, this is patterning. You just did 20 of these in a month, and that was a real call."

What I said back was, "Hey, guys. I did 2000 of these in a row. How is that not patterning?" Instead, I won, you win trips, bonuses, and I was promoted to becoming the vice president. If anything, I call this reverse patterning." So when we left, there was actually a rule in place where you could only move six people out of this account per quarter or something out of the company product. However, you could move as much as you wanted to into the product, and I just couldn't do that anymore. So that was a big number one reason. I know that's detailed, but one of the reasons why we wanted to leave it was just that culture, right?

Louis Diamond:

Yeah. They were going against the way you wanted to build your business. You saw a way that you thought clients should be treated and also the way that was, I would assume, fulfilling and meaningful to you and it was incongruent with the culture and the policies of your firm. So it's something we do hear often, and that oftentimes is the catalyst for considering change, but you also need to find another

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model or platform that is going to justify the hassle of a move. So in your case, you found boutique broker dealer, American Portfolios. Why American Portfolios at that time, and why a boutique broker dealer like them rather than one of the big dogs?

David Pulcini:

AP, American Portfolios is AP, they had a great culture of independence. By the way, Louis, I did not even get into the compliance issues that I know a lot of your folks face or folks that are trying to build a business the way that they want to, compliance is our friend. I respect the compliance infrastructure, all of that stuff. So I didn't get into the compliance, I didn't get into some other things, but I think this answers your American Portfolios question as well and is the general culture of just sales. So there's the sales culture of, "The more you do, the better it is, go get the next client." We were just looking for something different, and there's way more to that we can get into if you want to.

But American Portfolios at the time, again, great culture of independence. When we left AXA Equitable in August of 2018, and we went to our first AP Conference in October, so about six weeks later, and I'll never forget the CEO, Lon, who's a great guy, he said something like this on stage. It's right when we walked in, he was giving the address at the beginning of the conference. You have to imagine this coming from the environment that we were in where I was feeling somewhat stuck. He said something like this, "Welcome to the AP Conference. We are not for sale. We are independent. We thank you guys for affiliating with us. We are your partner. We are, in fact, leasing our relationship with you and your clients.

We have to constantly prove why you should stay with us, because if you want to leave, you own your clients. If you decide to leave, we will help you move to wherever you want to be." I remember hearing it, I couldn't believe it. So remember at my previous firm, I didn't own my clients. I guess we can get into that also how it worked out later, but this is after we moved, but we could see the culture before we moved. There were also a number of successful people here in Rochester, New York that they were working and had worked with AP before and they loved it. So I had some easy access to information. A big thing was AP allowed me to market and brand the way that I wanted, to use the software that I wanted to. At the end of the day, they stood for freedom and independence and they let us run our business the way that we wanted to.

Louis Diamond:

So it seemed like for you getting into a culture where it was more, we'll say, easier to access senior leadership. You felt truly independent, and you got away from the big company was what you're looking for. Unfortunately, the comment that the CEO made ended up being either not true or the facts on the ground changed, and American Portfolios was sold relatively recently. That's what we've seen with a lot of these boutique broker dealers is a lot of consolidation and a lot of them being bought by Advisor



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Group, which is who bought American Portfolios and Cetera and LPL, so let's talk about that. American Portfolios was sold or announced to be sold, and at that time and you decided to go to RFG Advisory, which is a RIA hybrid platform. So why don't you talk briefly about why you decided to leave American Portfolios after it seemed like it was a pretty good move and they were supportive revision?

David Pulcini:

Yeah. Again, many of our listeners know how this goes, and it came down to this, Louis, they can choose the firm that we go to for us. I'm not saying anything bad, which they chose the Advisor Group or we can choose for us. We started the due diligence process at the first hint of AP selling, so that if they did, and it was a place that we might think might not be the best fit for us, we were ready to go. That's actually exactly what happened. In fact, I've had a number of advisors like, "How did you do that so fast?" It was more because we prepared, we prepared ahead of time for that. So on a different note, just so the listeners know too, even with AP, and I loved AP and I don't want to make anybody mad when I say this, but I also feel like in general, the OSJ model may be the next old school model.

So I started to do the math on the value that the OSJ was providing versus how much we were paying. In fact, I wanted to start my own OSJ, but it was frowned upon internally because I was already under a different OSJ, and I'm not here to warn OSJs around the country, who am I? But I will say this, hopefully, those folks are bringing value to their advisors. I would say if I were running my own OSJ, and again, who am I? But I'd have systems, processes, practice management. I'd have coaching, marketing, training on all areas of financial planning, updates on latest trends in fintech, branding, websites, social media, path to grow and work together, a clear path for advancement in advisor compensation. So for example, clearly how do you go from 90% to 92% or whatever the number is, rather than leaving the advisors, either guessing or just giving them more when they complain?

So if the OSJ model is just doing compliance and recruiting the next advisor, they'll get smart quickly and then they'll start to do the math and they'll look at other things, which is another part of the reason we looked at RFG, and we ultimately decided to join RFG. The biggest thing for me was we talked to a lot of folks and, Louis, who also did not pay me to say this. I did work with you guys. I work with Josh Tomolak in your office, and he was great. We had, I don't even know, 50 conversations to the point where I would consider him a friend of mine right now, so I talked to him a lot. He knew exactly what we were looking for. For the people out there wondering how this works because this is rarely explained, Louis, because I know that you don't want to come on here and sell the service.

But we reached out to Josh, Josh got a hold of us. I liked his post on LinkedIn and it's just a system and a process. He took all of our information, we got into details on clients, the different advisors in my office, our staff, how we're working. Then he said, "Hey, I'm going to introduce you to this person and this person." He introduced us to several firms and at the end of it, we chose RFG Advisory, which is a hybrid RIA, and I know we'll get into that. But the reason we chose them was the biggest differentiator was the



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culture for sure. I knew that we wanted to go somewhere where, again, we're independent, we can do what we want, but we also had that back office support. When we joined RFG, we actually, before we joined them, we went to an event. Their office is in Birmingham.

We went to an event in Birmingham and they brought in one person after another that does all the different functions of running an RIA. They didn't know this, but it was between starting our own RIA at that time or RFG. By the time they brought in the 12th person over a two-day period, I'm like, "I don't think we're ready to handle all of this stuff yet. The people are great. It's an attitude of, "Get stuff done." It's not a cultural or a compliance issue. It's not a compliance culture of, "No," it's a compliance culture of, "How do we figure this out? Let's get it done." Again, one person after another came in and I just thought, "I don't think we're ready for this yet, and I don't want to deal with it. Let's get our clients moved over and join RFG."

Louis Diamond:

One of the things you mentioned too was you caught wind that your broker dealer was going to be sold.

David Pulcini:

Yeah.

Louis Diamond:

So I'm paraphrasing, you decided to go on offense rather than waiting to see what was going to happen, you said, "Well, the buyer might be good, but maybe they're not. So let's get prepared. Let's have a plan B, and let's figure out if the new buyer actually is going to be the right fit," so that when the sale did happen and the market was flooded with some real colleagues, you were way ahead of the game, which I think was pretty brilliant and a lot to learn from that with a lot of these broker dealer or platform sales.

I wanted to point that out. A question for you, so you mentioned why you picked RFG Advisory, an RIA firm, it would've been easier, probably a little bit more comfortable to just move to another independent broker dealer, so an LPL or a Commonwealth or a firm like it. You would've gotten paid a bunch of money to move over and just would've felt probably more similar to many aspects of American portfolios. Why did you not go that direction?

David Pulcini:

Well, okay. I mentioned the OSJ part of it. I think I wanted to get away from that general model and get closer to 100% ownership, and we know how this works fully, I get it, with a 100% payout on the fees that we're charging our clients. Again, I don't mean this disrespectfully, but we were trying to cut out as many of the folks in the middle as we could because we know what we're capable of. Then, Louis, the question I get the most, "How much money did you guys get for doing this?" Every advisor asks that. You



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guys must get that all the time. How much do I get? I just want to point this out because I love to say that we got zero because most advisors are shocked. So I didn't want to owe anybody anything. I wanted no strings attached.

Most importantly, I am betting on my team and me all day long because we could have taken money and I would get, let's just call it that 90% payout. How long before I break even and regret taking that money? So I've been doing this for 20 years. I'm 42-years-old. What if I grow at 10%, 20%, 30% per year? When will I regret taking that upfront money at the expense of my business for the next 25 or 30 years? I can tell you this, our firm, in some instances, this is good and other people will laugh at me for saying this, but we'll add \$60 to \$80 million of organic growth this year. We'll add other advisors to our team that have books of business. My point of that is, would I rather get 100% of my fees or my fees going forward are some number less than that? If I took money up front, it would've been based on my business then not going forward, and I know what we're capable of. So I hope that helps and answers the question.

Louis Diamond:

Yeah. No, it does. You were thinking longer term. Well, it would've been nice to get some money and everyone would like that to bridge the down earning period of a transition and to de-risk the move, you were thinking longer term that this is a long-term decision and ultimately I'd rather make more as my business grows rather than getting a deal based upon where my business is today. So you were betting on yourself more than most did and thinking about how much the business would be worth later on rather than today, which is smart.

It's honestly, a lens and a perspective that I think most think they would take. But when push comes to shove, it is hard to justify moving without any upfront capital, especially when deals are very high and there's a large opportunity cost to go the direction that you did. But kudos to you for making that happen. So let's talk a little bit more about RFG. There's a lot of platforms that are RIAs at its core. The economics would be similar to RFG, maybe even a little bit better. So what was it, just really quickly, that stood out about them in particular?

David Pulcini:

It's hard to explain. It's one of those things that, and I talked to a lot of folks and it was just a gut feeling, Louis. I know that sounds crazy, but it was the culture, the feeling, the people. I could see where they were headed and what they wanted to do. Also, again, I wasn't totally ready to do the RIA thing yet, and we are now custodied at Fidelity. Most of our clients are on the Fidelity platform, and RFG helped us get there. RFG might not like me saying this, but if they ever sold, just because I've just went through this with American Portfolios, no one's ever going to sell, but until they get a number or something comes up.



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My clients are already at Fidelity. I don't think I ever have to move them again unless Fidelity does something crazy, which would really shake up the financial world. But I don't have to move my clients ever again. I'm on Fidelity. RFG has a great back office. They've got great compliance folks, marketing people, they're helpful. It was just a gut feeling on the culture that I witnessed when I was in there in person and I knew that we could work closely with their back office.

Louis Diamond:

Perfect. That's a great answer. You lead a team with many younger advisors, especially by industry standards. So all of you have a very long runway left. What would you say is the ultimate goal for SixPoint Financial?

David Pulcini:

That's a great question. So I have a mission statement memorized that I won't recite right now, but so we have a firm, we're respected by clients, our advisors and our staff and stakeholders, we have processes and systems buttoned up for anything that we'll encounter. We have a culture of sharing, open communication. We've done a lot together. We have internal playbooks. We have client communications calendars. We have quarterly value ads, we have it nailed down, and we're executing on that. So I consistently have advisors reaching out to us, either asking directly to join our team or just asking industry questions in general. Until recently, I will say this, I wouldn't say that we were ready to take on new advisors or buy a practice or practices, but now we are.

We just started our active search for purchasing practices. We also have a few advisors that will be joining us within the next 12 months, so stay tuned for that. But if you're asking for numbers, I think by default, Louis, we'll be a billion dollar firm because of the runway that we have in the not too distant future. So if we are organically growing at \$60 to \$100 million without the addition of future advisors should just happen, if we also ultimately end up merging or buying practices out. But culturally, our systems are like, they're so clear that we will make sure, and this is a big part for us, our advisors and our team are taking time to be with their family and friends.

So we want to make sure that every member of our firm pursues their own hobbies and interests. They live their best life. This isn't a culture of, "I leave my keys in the door at 4:00 in the morning so that if an advisor comes in, they think that I'm working." This is like a, "Let's work smart, let's do the best thing for all of our clients every single time, and then live our life the way that we want to rather than what I used to do," Louis, "80 hours a week anywhere, anytime." I think that's driven me for that. But having scalable systems in place and staying disciplined and having the right people with us, we're going to have a lot of fun. It'll be a tremendous business, and we'll continue to obviously bring a ton of value to our clients.

Louis Diamond:

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

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I like that. So you got the goal in mind, let's get over a billion. It seems like it's more focusing on the blocking and tackling. "Let's get the," like you said, "the systems and the people correct. Then we know based upon our business and the way we are that good things will happen if we can focus on the small things." So I like that vision. It's just in this industry too. The businesses grow with the market, and as you figure it out, the flywheel keeps spinning. So I appreciate you sharing that. Two more quick questions for you before we wrap. So social media marketing and podcasting appear to be a big tool for your business. Just following you on LinkedIn and seeing your emails, how did that impact your decision to make a change and how are those two elements, so the social media and podcasting, how has that helped to grow the business?

David Pulcini:

It certainly has become a big part of our business. Initially, I talked about this, it was not possible to do these things at the level I wanted to. Again, compliance limitations, whatever it was. But I knew from that moment that I heard that, I'm telling you the first Kitces episode, I'm like, "I need to do this. I need to have a podcast." Other podcasts started popping up, and I thought they were great. I'm totally the person that when I'm driving around now, I'm probably listening to financial services podcasts. One of the things I kept thinking to myself was, and this is when I was still at AXA Equitable, "If someone else does a podcast in Rochester the way that I would, I'm going to be really mad that I didn't do it first." So I wanted to jump on it as fast as possible.

It was a huge consideration of making a move. So again, I'm now able to market, send videos, send podcasts. We can write a book. I can basically do nearly whatever I want for personal and firm branding. I'll tell you this, Louis, the first time of many that this has happened, but a few years ago someone came in and said, "Dave, I feel like I already know you. I already know your team. I know your people, I know your practice, I know your process," and they were quoting me, which was weird. "I feel like I already know you." They're quoting me. "I already know what you're going to ask me on this first meeting, Dave. Here's my statements. Will you work with us?" That's when I knew it was worth it, and it was a huge reason, to answer your question, on why I wanted to be where I'm at now rather than being restricted by compliance.

Louis Diamond:

Flexibility with how you market yourself, and I like that, what we were preselling people. I would guess too, that the beginning starting the podcast felt pretty thankless. It's hard to get traction.

David Pulcini:

It was horrible.

Louis Diamond:



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Yeah, see who's listening, we can share from our own experience too, that you just got to stick with it. It's not for everyone. There's probably millions of podcasts in the Apple Podcast store, but there's a very small number that go past five episodes or 10 or 20, so sticking with it. I know you said you're over 60 now offline.

David Pulcini:

Yeah.

Louis Diamond:

It seems to have worked out. Clearly, you wouldn't keep doing it unless you saw results and traction.

David Pulcini:

Yeah, what I want to add quickly is the credibility you get with your own clients. Here's another thing, if someone goes on a competing firm's website and they're looking for something, and then they go on our website and they see that we have six podcasts on that topic that they can listen to on their own time, we're winning that. Also, our clients, it's a great tool to be introduced or referred without being pushy like, "Hey, if you know anybody that this might benefit, send this podcast episode." It's really taken off really in the last year. You're not wrong, Louis, I've been doing it for about two-and-a-half years. Only after about 30 or 40 episodes did I really notice incoming stuff. I had the credibility. By the way, if you have a podcast, clients think you're famous, like I think Louis is, and they'll say it.

I've had multiple clients say, "Dave, I see where your career is headed. Holy cow, I listen to your podcast. Can you still work with us?" These are great clients. These aren't people that like the \$50-a-month Roth RIA, six hours away. This is folks with millions of dollars saying, "Will you still work with us?" Also, it's a great time saver, and this is not an advertisement for a podcast, but it's like, "Hey, if you have a question on Social Security, here's Episode 6 and 7. Check those out and get back to me if you have any questions," and it spreads and it spreads. You have guests on and other things that local centers of influence, and then they send it to their networks and then they start listening to the podcast. So it's taken off, and I'm so happy I did it. I'm happy overall, that I made the move to a place where I can make that happen.

Louis Diamond:

Last question, any parting advice for advisors? Let's say you're on the smaller side of industry standards, let's say in the sub \$200 million AUM market. I know in this podcast we tend to feature larger practices, the billion dollar plus groups, but clearly most advisors are not that. They may might aspire to that, but most are probably in the camp where you are, which is growing a very successful business, but it takes time and takes discipline to get there. So any advice for advisors that are in the sub \$200 million market who maybe feel stuck in many ways because they feel like they're too small to be independent or just



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may maybe have some head trash, to quote Matthew Jarvis and many other coaches, what would you say to them?

David Pulcini:

Louis, we should cue some motivational music for this one. I would say to my advisor friends out there, I will say this. If you could take your clients with no work, no hassle to move and wave that magic wand and be wherever doing the business the way that you want to, would it be where you are right now? So think about that. If the answer is no, there is an infinite ensemble of issues that you may potentially be facing. So first maybe the fact that you don't own your business, yet, I bet you hear that you are a business owner. Second might be you are just, this sounds bad, but too lazy to move your client's to the right place. In that case, you could argue fiduciary responsibility. I won't get into that. Third is just fear, and that's what held me back for a long time.

I'm here to tell you for the advisors out there, because I talk to a lot of these folks, Louis, your clients work with you. They will continue to work with you when you say, "Hi, client. We are changing our custodian so that your money is now held at Fidelity," or whatever, they will come with you. I'm not in recruiting, Louis, but if people want to reach out to me or find me on LinkedIn, they can. I'll talk to anyone about this. I'm passionate about it, and I get a lot out of it because I can help affect so many advisors and their clients and getting them into the right place, which is why I'm sure you do what you do.

The last thing I'll say is this. If somebody asks where you work, are you proud to say the name, like not the DBA, not the group name or whatever I get it, or the producer group name, but the true name of the place that is paying you? If the answer's anything other than a "Hell yes," it's a hell no. So if that makes any sense for the listeners out there, I would highly encourage getting ahead of it like I did. So if there is a moment where you say, "You know what? I'm so happy I did the due diligence. I'm ahead of it. I'm ready for anything," just get on it and make the phone call to who you need to make the phone call to. I know Louis won't say to them, but call them.

Louis Diamond:

Thank you. I appreciate that final plug.

David Pulcini:

Yeah.

Louis Diamond:

Well, Dave, this has been a great interview. Thank you for sharing your candid opinions. I think your career arc is probably, I think, familiar to many folks that are listening, starting off cutting your teeth



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somewhere, thankful for what they provided, but ultimately just feeling like it wasn't the right place for the long term, and then ultimately, making the move somewhere else. Maybe for many that's the last move they make. But in your case, what seems like your forever home, which is a RIA that gives you the freedom to let you do the podcast, sets your clients up in a nice way, lets you keep more revenue than you could elsewhere. Ultimately, I'm very excited to see where SixPoint Financial is in the future, 'cause it seems like you got the energy and the processes down to really take distinct to over a billion. So I appreciate you sharing your perspectives and your history with us. Until next time, Dave, it's been a pleasure.

David Pulcini:

Thanks a lot, Louis. I appreciate it.

Mindy Diamond:

Dave offers sound advice for any advisor who hasn't taken the time to pop their head out and learn about an expanding industry landscape, because as Dave found out he didn't know what he didn't know, and that knowledge changed his business life in ways he never could have imagined. I thank you for listening, and I encourage you to visit our website diamond-consultants.com and click on the tools and resources link for valuable content. You'll also find a link to subscribe for regular updates to the series. If you're not a recipient of our weekly email, Perspectives for Advisors, click on the articles link to browse recent topics. These written pieces are an ideal way of staying informed about what's going on in the wealth management space without expending the energy that full-on exploration requires.

You can feel free to email or call me if you have specific questions. I can be reached at 973-476-8578 which is my cell, or by email mdiamond@diamond-consultants.com. Please note that all requests are handled with complete discretion and confidentiality. Keep in mind that our services are available without cost to the advisor. You can see our website for more information. Again, if you enjoyed this episode, please feel free to share it with a colleague who might benefit from its content. If you're listening on the Apple Podcast app, I'd be grateful if you gave it a star rating and a review. It will let other advisors know it's a show worth their time to listen to. This is Mindy Diamond on Independence.