$1.6B 6 Years Later: Matt Celenza on Doubling Growth, Opportunity, and Life After Merrill

A conversation with Matthew Celenza – Founder and Managing Partner at Boulevard Family Wealth.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is $1.6B 6 Years Later: Matt Celenza on Doubling Growth, Opportunity, and Life After Merrill. It's a conversation with the founder and managing partner at Boulevard Family Wealth. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

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

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It was nearly six years ago when we welcomed our first guest on this series. At that time, Matt Celenza was just a few months into life as an independent business owner, the founder of Boulevard Family Wealth in Beverly Hills, California.

A seasoned industry professional hailing from Morgan Stanley, Smith Barney, Citigroup, and later Merrill, Matt made the leap to independence after building an extraordinary $800 million plus business serving ultra-high net worth clients. Yet he left Merrill to build his own RIA firm.

A transition like this begs the questions, why leave when business is good? What could possibly be missing that would warrant the risk and hassle of a move? And what about upsetting momentum?

In that episode launched back in January of 2018, Matt candidly shared his motivations, most of which wouldn't surprise you. Such as to achieve greater autonomy in serving his ultra-high net worth clients, to create a brand, and to access products and services that were off limits at his firm.

But it was this driver that stuck with me most, a compelling comment that spoke to his mindset and the focus on his goals. Matt said, "I'm not that interested in the short term anymore. I'm interested in the long term."

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There's a certain reality that many advisors hit in their business lives. They're placing a higher value on being big picture future focused over short-term gain. For Matt, it was about the ability to control that future, and you might say it's working.

Today, his firm has more than doubled in assets under management, plus he's been able to think and act more strategically. In this episode, Matt revisits that breakaway decision with the perspective of hindsight. He shares the journey of building an independent business and the resulting growth. He talks about how that long-term focus is benefiting him, his team, and his clients. Plus, Matt shares a point of view that is relevant to any advisor who has taken the time to consider their goals.

For Matt, it was the realization that there was much more he could do to not only serve his clients and grow the business, but to also achieve his best business life. It's a great story that picks up where we left off, so let's get to it.

Matt, I am really thrilled to have you here today for the second time in six years.

Matt Celenza:

It doesn't seem like it's been six years, but it's absolutely a pleasure to be back.

Mindy Diamond:

Thank you. All right, lots to cover. So let's jump into it. So I first interviewed you in January of 2018, and what was interesting and exciting for me about that, actually nerve-wracking, was it was just three months after I had launched the series overall. You were the first interview I did and certainly the first breakaway interview. And now I end almost every interview I do with a guest by saying to them, "Would love to fast-forward five years and let's have this conversation again." So to do this with you is a privilege.

But for those that didn't listen to the first episode, and I'm hoping that many of them will just after you broke, as a reminder, could you tell us about your professional journey and background?

Matt Celenza:

Well, first off, this is the first I've heard that I was the number one or your breakout interview. I never really knew that, so that's quite the honor. I'm glad to be back. My journey started 26 years ago or so as a young advisor at the Morgan Stanley training program, not really knowing what I wanted to do. And I formulated what I would call now a family office environment style business from an early stage in my career. Lucky enough to have clients that fit that profile.

And since then, I have built that through my time at Morgan. And then my lengthiest tenure was at Smith Barney, Citigroup, where I was a part of the Citi family office. Eventually, we ended up back at

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Morgan Stanley after the merger with Smith Barney, and then I ended up one more stop at Merrill Lynch's private bank before I became in the independent world six years ago.

Mindy Diamond:

So talk to us then about what your business looked like six years ago. How much in assets were you managing? I know you serve the ultra wealthy as you mentioned, so what does that mean exactly? What does it look like?

Matt Celenza:

Well, my business has not really changed from the beginning of my career. I learned a long time ago that you have to treat this not as a hobby, but a dedicated practice. So I've been really focused on treating the client base as a true multifamily office. And what that really means is being able to respond to the needs of a client and formulate a business plan almost on the fly as clients come in with different profiles and different requests.

Now, when I was in the institutional world, it was much more difficult with the parameters that firms and compliance would constantly have around you, which we all lived through. Being an independent, you're able to react a little bit quicker and adjust your platform to work with clients.

So one of the biggest parts of this independent life that we live now is that we can create and customize businesses to fit what our practice really should look like. And that's been a real joy for me, because I've been able to respond, and that's a very important part of our business.

Mindy Diamond:

And we're going to talk a lot more about that, because there's a lot to unpack there. But for perspective, how much in assets were you managing, approximately, when you left Merrill and to launch Boulevard? And how much are you managing now?

Matt Celenza:

So we were about $800 million or so when we left, and we're more than double that now. But I have to comment on the style of business that we run, and I know other advisors are similar to us. It's not always an AUM business.

So I would say that a good way to look at it is at least 50% of our revenues are coming from non AUM business. And yes, that is a vital part to have assets that you can charge on, but we do so much more for clients and consultative work from tax, to estate and trust work, to lending, customization of derivatives, and other aspects of their needs. We've even bought, last year we helped a client purchase a super yacht, and it involved me traveling back and forth to Europe. So yes, we were compensated for that in a non AUM fashion, but there was a ton of work to do on the legal side to get that done right. And so I had to take care of that myself. So our business has changed a lot, and I think the environment is changing a lot from just a straight AUM business.

Mindy Diamond:

Right. So talk to me about that for a minute, because I want to be sure I'm clear on that. When you say it's not always an AUM business, could you have run a not always an AUM business while you were at Merrill or Morgan?

Matt Celenza:

No. It's hard to explain, because I didn't know the real intention of the firm. But when you have a mass number of advisors in a firm, you have to be able to almost manage to the lowest common denominator. And not everyone has the acumen to truly and professionally speak through, not as an attorney, but as a consultant, what an estate should look like for that particular client. And they don't always have the ability to talk through tax strategies, efficiencies within portfolios. They don't always have the ability to understand what credit means.

And so they put a lot of restraints on you, and therefore, you are really beholden to the old-fashioned traditional model of bring assets in, charge basis points on that asset, and move forward. But we could do a lot more now.

Mindy Diamond:

Let's talk about that. Let's unpack that. So double in assets in six years' time, which is extraordinary. Talk to us a little bit about what you think is most responsible for that growth. What have you done differently in the last approximately six years than you did in the 27 years before that?

Matt Celenza:

Well, it's not that I'm doing anything different, it's just we're remaining dedicated to our practice. And I do believe that the independent environment is in a very unique position today.

And what I mean by that is the complexity of the new client is much different than it was in the past. Not only do they have an awareness of tax and estate work that needs to be done in legacy planning and family governance, but it's just more common.

And the only place that you can truly as a client of these needs find the right advisor or subset of advisors is within the RIA space. So we're the recipients of this new need, or this more common need from a complex client. And because we've stayed dedicated to our practice, when somebody comes into my office for a meeting, I don't like to call it a presentation. I just like to have a conversation. And in that conversation, it's pretty apparent that we hold this uniqueness and dedication to exactly what it is they need, and that attracts a client, because it differentiates us from the norm.

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Mindy Diamond:

So talk to me what specifically is unique about it. And I guess what I'm asking is, how do you contrast what's unique about what you're able to do for this segment of client as an RIA, then what you were able to do for that segment of client while at a wirehouse? Specific examples, I guess, would be great. And then also, how do you differentiate from other RIAs? I mean, there are many multifamily offices that serve this client base.

Matt Celenza:

Sure. Well, like I said before, and I know there's some incredible talent out there, and I learn and collaborate with a lot of other professionals in the independent space. So by no means am I demeaning someone's business. But a lot of the business models don't incorporate a lot of the things that we do because they do take time.

And for instance, I will tell you that we are very close to processes where somebody is developing a trust, and putting together an estate that is meaningful for themselves. If it's for inheritance, if it's for legacy, if it's for philanthropy. And when we are involved in these longer conversations, first off, it's more efficient than just going to an attorney, because we can spend many hours at a table, or at a restaurant, or on a vacation talking to clients about what it is and what their choices are, and really understand where their mindset is. So this is an incredible component of the business.

Now, once it's all put in writing, and the attorneys and the tax professionals are involved, there's monies that are usually connected to that. And we are sitting at the center of that. And so when we understand not only the mechanics of the trust structures, but we also understand the formation of the money and the cashflow, we tie it all together.

So we bring efficiency and clarity because we're looking at all components. And quite frankly, there's not many parts of a financial world of a client that shouldn't be connected to the overall plan. This isn't the old philosophy where you spread money around and look for the best return. Most people now that we do business with have a windfall. And our job now is to make sure that's all interconnected and it moves smoothly. So that's been the uniqueness in my opinion.

Mindy Diamond:

And how has your team grown since you left Merrill and Morgan before that, to respond to these needs?

Matt Celenza:

Well, that's an interesting question, because we have a similar amount of employees. We have added some other people. But more importantly, our team grows together, because everybody's involved in the process.

And so was once a sales assistant who is now my COO, she is a dedicated trust specialist at this point. So she works directly with the trust officers, and she has an ability to understand how that component works.

So now, the client doesn't have to interface with a trust company to the extent that she will to make sure that everything is documented, and everything is efficient, and signed on time. And if there's insurance premiums that need to be paid, or there's distributions that need to happen, she then interacts with the other advisors as well, in tax and legal. So people grow from within just understanding the type of business we do. So we're constantly going through a training process ourselves.

Mindy Diamond:

So I'm wondering about something. When you were at Merrill, did you actively feel limited in what you were able to do for these high net worth clients? Or was the decision to leave and go independent about something more than that?

Matt Celenza:

No, I actively knew my tenure at the Citi family office was probably the closest that I have come in that world to being truly autonomous and be able to react to clients' needs. But still, I understand that these firms have constraints legally and otherwise. And financially, they don't really want to invest in businesses like mine, because we're a very small percentage of the population within a firm. So they dedicate their resources to where revenues can really be generated for them. Yes, I felt constrained. And it was my own decision, which I don't put it on the firm.

Mindy Diamond:

Right. So let me ask you a question that I ask a lot of people, actually, a lot of my guests that specialize their niches, your niche, the ultra-high net worth space. There are many wirehouse advisors, many of whom listen to this show, that feel that is it perfect at Merrill, at Morgan, at UBS, at Wells? No, but it's more than good enough. And as long as you know how to work the system, meaning the right people to call, and you have a bat phone to the top, and you know how to press this button, and how to access what you need, that there's nothing that you don't have access to as a wirehouse advisor. And yet, you are saying something very different now with almost six years hindsight.

Matt Celenza:

Well, first of all, almost good enough is not good enough. I guess I can just give you an example. When you're at a particular wirehouse or bank, because most of them have banking platforms at this point, if I'm going to go out and look for the best opportunity to develop a credit situation for a client and I'm at a bank, I have one opportunity. Well now, I have as many as I need. That's just one look at it. There are several constraints because of the proprietary nature, and also because of the internal capacity of intelligence.

Firms don't hire the best attorneys to sit with a client and make sure that they're going down the right path for state and trust. Therefore, a lot of advisors will attempt to put themselves in a position to give advice and to talk about what could be the best options going forward. But the firms themselves don't want that happening. And certain advisors do have the ability to have these kind of consultative conversations, but firms do not want that happening.

So you are constrained. And I think there's a lot fewer advisors today that can truly say that they have everything they need. They may have everything they need for their particular business, but running a true multifamily office business cannot be done within a wirehouse.

Mindy Diamond:

Interesting. Okay, I appreciate that perspective. Let me ask you one other question about your time in the wirehouse world. Other than feeling limited or constrained by the kinds of things you wanted to be able to do for your clients, what else was going on in that world? And we talked about this when I interviewed you five or six years ago, but remind us, for those that might not have heard that episode, what was going on that made you say, "Not only am I going to leave, but I'm going to eschew these what were massive transition packages then and now as an incentive to be recruited, say by Morgan, or UBS, or someone else. And to eschew what would've been the path of lesser resistance." Certainly, going independent Fis the biggest leap. So what was it that made you up to go in that direction?

Matt Celenza:

Well, I promised my good friend and the head of my public relations, Sally Cates, that I would never go down this path. But I had a lot of resentment. I had resentment because I felt that the folks that were running these firms did not have the true experience and ability to understand the needs of the type of client that I and others in the firms were looking to attract, and therefore we were marginalized.

So I'm being very nice in the way that I use my words right now, but the challenge of going independent was far more appealing to me than the path of least resistance to get back to the norm.

And so like I always tell people, if you're going to open up your own business, you have to be ready to sweep the floors and wash the windows. And so that's the challenge that we have. But at the same time, if you do it right and you have the right team around you, and you're dedicated to your practice, the outcome is much more calming for me at least.

Mindy Diamond:

Yes. And I definitely want to talk more about, with hindsight, what would you have done differently. But I know in this evolution of Boulevard Family Wealth in the last six years or so, you've done a lot of interesting things. So one is, I think you are about to launch a life insurance platform, and maybe you already have. So what was the reason behind it? What did it solve for? And how has that impacted growth?

Matt Celenza:

So this has been a very exciting part of my career at my age, which is not always so exciting. I always used insurance as a resource and a solution for clients, because having liquidity at death has always been a priority. If you own buildings, or you own art, or you have hard assets, when you pass away, you have to pay your estate tax within nine months, and that's a 40% number. So this is all not news to anyone, but unfortunately, people don't look at this as the best way to create liquidity using leverage.

So we have always understood that for the ultra-high net worth, and we understand the trust work and the tax that goes behind it. So I've always had some sort of a resource within the warehouses and banks.

When I went independent, I was a bit concerned because my best option would've been to collaborate with an insurance branded platform, either via a company themselves, an insurance carrier, or an independent carrier, which were agents.

And we all know that business has been incredibly transactional, it's not very transparent, and it doesn't really take a process into account that is meaningful to a client along the same lines as whatever other resource that I'm offering. So I decided to hire enough people internally to build a platform for myself. And this started five years ago.

So over the years, we have built what's called a BGA. So it's a general agency, and ultimately what that does is it gives me the ability to own as many contracts from carriers as possible. And we're well over 30 now.

So what that does in value is if a client comes and we can take time to underwrite them properly and understand what it is they can do in this space, we have plenty of products from an agnostic standpoint to choose from. And it's really been value add to our clients and to some retail clients that come in just for the insurance.

The big opportunity that I see, once again, I do a lot of pro bono work it seems. You know the numbers, I think there's 16,000 or more RIAs out there with close to $7 trillion now and 60 million clients, I think the number last I heard was. And so few RIAs have this resource.

So they're forced to either refer out, which is usually not the best solution, because if there's a problem, it's going to come back to you. Or they have to partner with an insurance company or agents. We're looking at now partnering on a trusted third party basis that's RIA centric.

And we really look at the client as part of the RIA. So when we partner with other RIAs, we don't ask for referrals. We work with them. We have someone in the office working with them and their clients, and it's been a real interesting response. So that's another business that we're really working on. But more than even the revenue opportunity, we feel that we're changing the landscape.

I mean, just a quick stat that McKinsey came out with recently. There's about, I don't know the number, it's about 600 billion of premium between annuity and life is split pretty evenly in 2022. 50% of that now has been done outside of the traditional carrier or agents. That means that is now being done in the independent worlds. Out of that 50%, half of that's been done in the RIA space.

So it's becoming a resource now in the RIA world, where before it wasn't. And that's because clients want to trust the person they're doing any component of business with, especially insurance. So if you're an RIA and you're not offering some sort of an insurance platform or opportunity, you better think about it, because there's a good chance that client's going to end up at another RIA doing the business. And that's not good for you.

Mindy Diamond:

Yeah. So I appreciate the best practice notion of it. You also expanded your RIA via an inorganic joint venture with a CPA firm and a family office services group. So what can you tell us about that?

Matt Celenza:

Well, that was another interesting opportunity. We've never purchased or tucked in an advisor. It's always been a personality match for us. But we came across a 70-year-old, trusted accounting firm that has an estate and trust and an M&A practice, very strong practices. And they saw an opportunity to take advantage of relationships that typically end when tax season is over or when a transaction is over. And their referral program is pretty strong to other advisors around the country for different services.

So we now have started a separate RIA that there's a corporate ownership, and the accounting and family office service team is part of that ownership. And we can split fees now with them, which is a very unique way to do this legally. But we are still the advisor, we are the fiduciary, we manage the money, and the acquisition cost is very low for this type of product or this type of structure opposed to a tuck-in or a purchase of another advisor.

So in this particular case, it worked out. And I think that especially CPA firms are seeing this opportunity more and more. And so we've been fielding a lot of calls from around the country, other RIAs asking what we did and how we did it. So once again, we're always happy to help. So we're very transparent about it.

Mindy Diamond:

So I'm curious, many people want to go independent for... I guess people go independent for lots of different reasons, but one of them is to be able to add inorganic growth to the mix, to grow the business

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beyond just adding one client at a time. And I'm wondering after how many years post-launch did you feel ready to begin thinking about inorganic growth or expanding the business beyond what it was?

Matt Celenza:

Well, I really wasn't, and I'm still not 100% convinced that it's the right world for me. But not only my team, but my investment committee and my other advisors, we all know that if one day we want to truly exercise and exit, or I do in this business, we have to have some diversification. I can't just have a few major clients with tons of assets, because once I leave, that's a business that can easily evaporate.

So we decided that it made most sense for the longevity of the business to have some of this type of growth. And we just felt that if we can look at this in a non-business development way and have a partner referring clients in, it made a lot of sense.

And even recently, I've been speaking with the folks at Dynasty. Shirl and I are great friends and we talk often. They have a very unique positioning in that they're constantly on the road and in the face of other advisors and direct clients, and they're getting referrals constantly, requests for referrals.

So they now have Dynasty Connect, and Dynasty Connect will almost filter opportunities to adequate RIAs in certain geographies. So in Southern California now, they'll be calling us if somebody is looking for a place to put their money, instead of just going out there and doing this on their own. So there's a lot of ways to do it now, and as long as you're equipped for it and you're efficient enough, I highly recommend it.

Mindy Diamond:

Yeah. And what gives you pause or what has given you pause about adding new advisor talent to the mix, whether it be by M&A, meaning acquiring another firm, or by recruiting advisors? Whether it be from the wirehouse world, your ex world, or someone who's already independent.

Matt Celenza:

I don't like to think of ourselves as that different, because I do know a lot of other RIAs to do similar work than we do, but we are very protective of our brand. And I was always a bit nervous to bring someone in who didn't have the same ability or willingness to at least recreate their mindset and go after a different type of business that's similar to ours, the one that we do so well with. And so that's always stopped me from just looking at a book of business and thinking, "Okay, this is great from a revenue standpoint." It has to have a certain match to the way that we do business on a daily basis. So that's been my biggest reservation.

Mindy Diamond:

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Yeah, and I get that. You describe yourselves as a multidimensional family office, and wondering what that means, and how it informs how you run the business and serve clients.

Matt Celenza:

So we like to be... And I know this is an old phrase that's been used, but we want to always be the first call, and people call us for just about anything nowadays. But because it's all entangled, we want to put ourselves in a position where if we can't do the job, we will find someone that can do the job effectively. Because ultimately, what happens with our typical profile high net worth client is that even if they go out there and there's some sort of business that's being done, it always gets redirected back to us anyhow.

So we would just assume, be the first call that can go out there and find the right partner, or the right business, or the right opportunity to figure out whatever it is we're being asked to do.

Mindy Diamond:

I also read, Matt, you said RIA firms have to be better than just finding good vendors. They need partners. With the advent of AI eroding many entry level white collar jobs, the only remaining market will be high touch experts who specialize in the wealthy or complex. There will be fewer low or middle market RIAs as the industry gets consolidated and automated. Would love for you to expand on that.

Matt Celenza:

So what we're seeing, when I first decided to put Boulevard Insurance Strategies in the wholesale space, I really wanted to truly understand the space. And I know that you talked to tons of people, and I'm sure you have the same data.

But what we're seeing now in this kind of growth trajectory is that we're seeing more aggregation. So we're seeing these bigger types of firms come out there, and now all of a sudden you're finding firms that have $80 and $100 billion of assets, but they're usually a multitude of smaller firms that they've gobbled up. So how do you find someone that has the ability to offer all of the resources? And I constantly talk to RIAs about if you don't have it, find a trusted third party.

And that's one of the beauties of the independence space is in my opinion, there's a lot of professional collaboration, where we didn't have that in the wirehouses and in the banks. So for instance, if someone did choose to work with Boulevard Insurance Strategies, it's a trusted third party, one that has to be there throughout the whole process, and then afterwards. And we live and die by our reputation. So there's a lot of opportunities for smaller or middle-sized RIAs to collaborate with other RIAs that have resources that they may not have on their platform in order to grow. If not, they will be gobbled up at some point.

Mindy Diamond:

Right. And I think part of what you're talking about is by partnering and choosing the right vendors, it allows them to appear bigger and have more scale than they do.

Matt Celenza:

That's right. I mean, just think about it as simple as someone like we use Black Diamond here. I don't have the expertise and I didn't want to invest the money on developing my own reporting mechanisms from technology standpoint. So I use Black Diamond. It's a trusted third party, and they do a great job for what we do. And I already have these from pretty much every aspect of my back office. I have to have these partners in place. Well, there's no reason why you can't have frontline resources coming through a third party as well.

Mindy Diamond:

Okay. So that's a good segue actually. I want to talk about some of the vendors or firms you've partnered with. So let's start with tech, because you just mentioned it. Tell us about your tech providers, Black Diamond being one of them, and how your tech today compares to what you had access to at Merrill and Morgan beforehand.

Matt Celenza:

Well, first off, hats off to Dynasty as my partner, my consulting agency I like to call them. They do a lot of due diligence. They have, I don't know, 55 or so network partners at this point. So they see enough where they can do a lot of the early filterization. And if we're going to make a choice as to what we want to use in terms of technology, I usually go to them first. And then we do a good job internally of starting to look at different opportunities. And I'll give you an example. We use Salesforce, because it is a great tool and it's very pliable. You can go in there and create different systems.

On the insurance company side, we were having a hard time because you're ending up with a multitude of partners that have different economic disbursements, and you have different information that needs to be passed through from technology, because if not, it wouldn't be efficient enough. And so we had to go out there and not only find a technology partner that can help us organize all of this, but then we had to find someone who can come in and manipulate the system internally.

So it was a process that we had to go through in order to avoid spending the money and the time building something that we didn't even understand what the outcome would've been.

So for technology, we like to use proven concepts. And in a lot of these concepts, even with Salesforce, it's how you manipulate the system for yourself. So I would always recommend having someone internal that can help you go through these processes.

Mindy Diamond:

So that's actually a fair question. How overwhelming was it upon launch to decide about your tech stack? And as you move forward, to help you decide how you add, change out, whatever it is? And I mean, my follow-up question to that is going to be about the value that Dynasty is adding six years post-launch, and it sounds like they're very involved in this tech selection process.

Matt Celenza:

Yeah, I was never really overwhelmed. I always take things a little bit in a good pace. And we always had a pretty good concept of what we would do at the wirehouses. And they did offer decent technology, so we had a baseline platform concept that we knew we had to adhere to. And then we found that there was even other advantages once we went to the open marketplace.

But the neat part about what Dynasty is doing, and Shirl and I, we knew each other from Smith Barney over 20 years ago, and they went through phases of business. And I'm not trying to define what they're doing. But from my perspective, they had to find network partners. That was a big part of their business at launch, and throughout the first decades or the first decade.

Now they're in a position where you have to keep people on the platform. And in order to do that, you have to constantly provide information across the board. And they're very good at that. From PR and marketing, to technology, to legal, to billing, to custody relationships, they have it pretty much nailed down. So you can go at it on your own or you can have a partner like Dynasty. And I'm not by any means pushing Dynasty on anyone, but without them, we would have probably had a rougher time putting things together as quickly as we did and maintaining it for these six years.

Mindy Diamond:

So do you think that Dynasty is adding as much value today as they did when you first launched?

Matt Celenza:

More. The launch comes and goes pretty quickly. And yes, they helped and they were vital to that, but that's a day gone by for me. It's what happens today, and they're doing a great job of keeping me right where I need to be. And they're partners of mine in a lot of different aspects of my business as well. So they've been a great partner to have.

Mindy Diamond:

And what about Schwab? I know you custody assets with them. So other than safe asset custody, how do they add value? What kind of partner?

Matt Celenza:

When I first got into the business, I thought of a custody agent as a very mundane point. You just didn't want your client to think that the money that they were giving you was kept in a closet somewhere in your personal bank account, but it's much more than that. Living on the West Coast, Schwab held a different type of meaning for clients, because they knew that it was a West Coast trusted client. Chuck Schwab, which he likes to be called. I had a couple of times meeting him in person, and having a lunch with him, and listening to him. He's a very down to earth dedicated professional that has really done something major in this world.

But more so than the custody alone, I'm a member of their family office group, and you have to have a dedicated practice. I don't know how many of these teams like mine around the country are part of this, but I don't think it's many more than 100 or so, maybe 200 tops.

And it's a fast track business. So if I have a request for a large wire or I have a credit transaction with the bank and process, you have a different channel that you go through in order to respond to these types of clients that they now know they have in their business through RIAs like mine.

And we also have networking events, and we have professional courtesy amongst the partners in the family office. It's just been an incredible opportunity to work with some of the greatest people that I've come across in this business. True professionals that are not only experienced, but dedicated to helping my business. I'm a big fan of Schwab and the people that work there, and I couldn't say enough.

Mindy Diamond:

How do prospects respond to the notion of assets custodied third party at Schwab, versus having been an employee of Merrill Lynch and assets custodied at Merrill?

Matt Celenza:

When I left Merrill Lynch, that was on my mind. I soon realized that even six years ago, most clients had a very good idea of what an RIA was, and how third party custody had extreme value compared to other banks and brokerages. If you think about it, the sheer number that stands behind someone like Schwab and Fidelity are in the trillions. I think Schwab now is at about three and a half trillion of advisory assets, and those assets are very well guarded and in a really good position. So they now have the ability to respond to their clients with things like technology and other resources.

So clients, it doesn't take them long to understand it if they don't already. And it's never been an issue. They hear someone like Schwab or even Fidelity, and they're very comfortable opposed to anyone else. I mean, we've seen other banks and brokerages not fare so well. I think that the bigger, the better in these situations.

Mindy Diamond:

Yeah, you bring up an interesting point. I think there are many advisors that look at those in the independent space longingly. And one of the things that may give them pause to jumping there themselves is amongst other things, worried about how meaningful is the name brand of my firm,

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whether it be Raymond James, or Morgan Stanley, or RBC, or Bob's Brokerage. How meaningful is that name to the success of my business? And now if suddenly I go out and lose that and I'm custodying assets third party, how does that affect things? And it's actually wonderful to hear you say, and even more so with hindsight that not only has it negatively impacted it, but clients and prospects really understand the benefits of separation of church and state.

Matt Celenza:

Right. I don't look at it as how meaningful is the name. I look at it as how detrimental could it be? And that's been proven time after time. That's not just me being cold-hearted. Too many times a bad article comes out, or something happens, or there's a lawsuit. I mean, look at the folks that were unfortunate enough to be a part of Wells Fargo for the last decade, fully understanding what that bank was doing to their clients. And this isn't defamation. This is factual process that we've seen.

So when you own your own business, you're in charge of the outcome. And most clients that are loyal and that have the respect for you because of your dedication to their relationship, they want to see you succeed.

And I think that another interesting component that we've experienced is that... And this kind of goes back to the earlier question about the aggregation of the business is that assets are growing, but the number of RIAs may be shrinking over the time which we're seeing.

And that's because clients are now saying, "Well, wait a minute. I'm at an RIA. I like who I'm doing business with. It's not a singular entity, so we can have business across the board, and we have a great custody agent. You know what? I'm going to aggregate my own assets at that firm."

So we're seeing a lot of that happen too, where clients are now putting 100% of their assets on a platform that they've never had exposure to before. No one wanted to do that at Merrill Lynch or even at Smith Barney. So they would spread them around because they had institutional credit risk and institutional reputational risk. Well here, they're an independent as much as we are.

Mindy Diamond:

So what does your pitch to a prospect sound like? And I guess specifically, how do you address the fact that Boulevard Family Wealth may not be a well established brand or brand that they've heard of? So what does it sound like and how do they respond?

Matt Celenza:

Well, my pitch is... I hate to use that word, because whenever I sit with a prospect or someone who just wants to understand a little bit more about us, you have to have a conversation. And this isn't a calculated statement that I'm making, but I understand how to engage in a conversation that opens up a client to telling me a lot more about themselves than just how much they're worth, what is really meaningful to their lives, how does their family dynamic look? What is their outlook for the future in terms of legacy? Do they have philanthropic needs? Really, what's on their mind? And for some reason, I've developed an ability to have a real conversation with someone that will tell me enough about them, to A, understand if I'm the right fit. And then B, understand if I can bring value.

And once I can establish that through this kind of open dialogue, then the pitch gives them an ability to look at me. They're almost pitching me in a weird way, because in my opinion, just because someone has good returns on their book, that's not always enough for a client's needs. And then one bad quarter, and all of a sudden you're identified by that.

So we really look at this in terms of what would the relationship look like both ways, and how can we truly add value to what you're looking for? That's my pitch. It's really digging deep, and sometimes it takes many conversations. And when we're talking about the mass affluent, the clients that we have that are well over $100 million and some in the multiple hundreds of millions of liquidity with us, that process can be lengthy. So we would rather take our time and know that we're doing business with someone who is honest and also appreciative of what we can offer.

Mindy Diamond:

I want to turn to what your life is like as an entrepreneur. So for one, are you working harder now than when you weren't a business owner?

Matt Celenza:

Yes. I'm working harder now, because I have to deal with leases, and I have to deal with employees, and I have to deal with other intricacies of running a business. But I love that. I am taking a little bit more what I would call time for myself, and that just means less time sitting in an office and more time traveling, usually incorporating work, or more time staying home and doing things with my kids.

I have a second child now who's embarking on college next year. So we've been doing college tours together. So obviously, I'm always available, but I'm definitely opening up myself more now to taking advantage of my position as an owner to be more flexible with my own time.

Mindy Diamond:

Yeah. But how about right after transition and the impact that had on your personal life? What was that like?

Matt Celenza:

Well, I've always been a worker since I was a very young child. I mean, I'm 56, so I don't want to act like I'm 90-year-old person, but I've worked since I was a very young boy. And to me, I love that opportunity.

And so when we became independent, the first couple years, I was here all day. And therefore, I've talked about this in interviews. My office is a very comfortable place. It's a very creative space. It's not as professional as you would think. We're not looming under fluorescent lights, and we have windows that open into downtown Beverly Hills, and we have a nice kitchen, and we have just a beautiful space that gives us the ability to be comfortable here for long hours, because we do that at times. A little bit less now than in the beginning. So yeah, it always has an impact, but I've always been known to have a balance between hard work and play.

Mindy Diamond:

Okay. How do you think your definition of success has changed since leaving Merrill Lynch? I want to tell you what my definition of success is and see what you think about it.

So I define success as congruence. I mean, obviously success is about having a good business, and it's growing, and making a lot of money, and all of that. But what's most important to me is a congruence between my goals and the ability to achieve those goals doing what I'm doing. So I define it as professional fulfillment, and alignment, and feeling soulful.

And I say that to advisors all the time, that it's not just about how much money you're making or how big a deal you can get if you make a move. It's about where and how do you think you can find the greatest amount of alignment between who you are and what you're doing. So curious to know what your definition of success is, and how it's changed over time.

Matt Celenza:

Mindy, you and I have a similar outlook I would think on life after doing this kind of work for so many years. So obviously, it depends on what stage of life you're in. I do agree wholeheartedly with everything you said in terms of that personal connection with what you do. But when it comes to the definition of finance and what you can make from your living, I tell people all the time that I've gotten to the point where money is just a byproduct of the work that I do. So if I can't solve for the first part, which you just defined, then I can't be happy with anything that I make.

I remember when I was very young in this business and I did a piece of a transaction that I didn't quite even understand, because I worked for a team and I made money, and I went home that day and I thought, "How did I do this? Did somebody suffer as a result of my success?" And so I couldn't live with myself knowing that whatever I made was not truly associated with my hard work and ability to do a job.

So now I always say my greatest joy is when I can get a transaction done for a client or do something meaningful for them. And the byproduct of that will mean that I'm getting compensated for it.

It's a comfort level I guess. To just sum it up in a very small phrase, I have a very comfortable existence within my ability to do my job and get paid for it.

Mindy Diamond:

I love that. I agree with you, because for me, that comfort comes from I put my head on the pillow every night and sleep very well knowing I did right in every conversation, every interaction I had during that day.

Matt Celenza:

Yeah. And more and more, it's interesting, especially with this new partnership where I have some of the CPAs bringing clients in. They're not used to hearing someone like me speak. And so I always get response. And sometimes I hear from them and say, "Wow, they really enjoyed talking to you." And they didn't say they're doing business with us or not. But I love just hearing that. If we could just have a good conversation about money, and life, and the emotional attachment to it, I try to tell people so often, "You're lucky enough to have success in one way or another. Why bring more burden on your life as a result of that?" Our job is to tamper that and bring some light for you into life, along with this money. And not everybody likes that, and then we don't end up doing business. But that's why we're selective.

Mindy Diamond:

Right. And I'm good with that too. You may not like me, and I'm okay with that. Somebody said, "Even if you are the ripest peach, you will find people who don't like peaches." I love that.

Matt Celenza:

That's right. I love that.

Mindy Diamond:

Yep. Okay. I want to ask you a question. I just have a couple more, because we're bumping up on an hour, and this has been fascinating. But I'm wondering if you always knew you had a big move in you. And I'm talking about when you left Merrill. So the move from Morgan to Merrill was a move, but I'm talking about the really big move, the move from Merrill to launch this firm. Did you always know that you were going to be an entrepreneur someday, and that something big like this was on the horizon?

Matt Celenza:

I worked a couple of quick years at Morgan Stanley. I came across a very large client who had faith in my ability to make things happen when I didn't even know what I was doing. He was an internet success story. And so that was my foundational ability to move forward.

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And when I ended up moving to Smith Barney, I was lucky enough to have met a few folks, including Shirl, who we would dream. And we would dream about what this business would look like now and in 20 years. And incredibly satisfying to me today, this group of guys still gets together, and women, and we say to ourselves, "It's exactly what we thought it was going to be."

And during those times, I was always penciling out what it would mean to be on my own. And this was the early, early, early stages of RIA, which goes back much further than people understand. The evolution of RIA started a long time ago. And I would always pencil out, what would it cost me for compliance, and what would it cost for this? And it was just a matter of economics for me.

And then it became, I don't want to use the word complacent, but I became very comfortable with Citi family office. I loved Sallie Krawcheck. She was an incredible leader. I loved Bob Matthews, who was another incredible leader for me at the time, and I was comfortable there.

And then when the markets changed after the housing crisis, and the banks, everything started to move. And then I knew that I had to quickly or at some point make this move.

So it was evolving over many years. It just took me longer than I thought it would to leave. But you find your right time, and it was right for me at the time. I don't look backwards, so I should have done it earlier, but I didn't. So now I'm here and we're doing well.

Mindy Diamond:

And that's the most common comment we get. "One regret I have is that I didn't do it sooner." But what did you worry most about before you left Merrill?

Matt Celenza:

I know this is crazy to say, but the day that I left Merrill, and I came into this office, and we started to call our clients and transition, and I had a ton of people from Dynasty and Schwab, and it was like chaos over here, but very controlled and successful chaos. I started feeling more comfortable than I did five hours before when I left.

When left Merrill Lynch, I had a very good regional manager. He was a dear friend and somebody who supported me, so he was not an adversary in whatever way. And he shook my hand and he said, "I absolutely saw this coming." And that was very heartfelt, and it gave me a lot of peace. And I just thought, "Oh my God," I didn't think, "What if this doesn't work?" I knew it was going to work. I was that confident. But immediately, I felt this pressure, this weird animosity I had towards senior management who I looked at as roadblocks in my career were evaporated instantly.

And so I didn't feel like I was on an island. I have a very strong team who are lifelong partners of mine at this point, and I felt better than anything. I didn't have any reservations or fears.

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Mindy Diamond:

One final question. What do you wish you knew that now before you launched Boulevard?

Matt Celenza:

Well, besides where the markets would be, if I could tell you where they're going to be prognosticating, I wish that I just had the ability to find the right opportunity earlier to make this move. I would've liked to have had this business positioned for an exit a little bit sooner than it will be. But nonetheless, it doesn't thwart my efforts at this point, and there's no resentment over that. That's pretty much it. I have very little resentment about the past. So for me to think what would I need, I probably would've had a couple years head start would've been great. That's pretty much it.

Mindy Diamond:

And so I lied one sub-question of that, because I think your perspective could be helpful. So a lot of our listeners have no intention of leaving their firm or making a move, and some others are thinking about leaving, but would have no interest in going independent. So what advice would you offer them in terms of how you think about transition or otherwise?

Matt Celenza:

Well, thanks to you, that first interview that you did, which I still, I'm telling you, I never knew this until you just told me it today.

Mindy Diamond:

I love that you didn't know-

Matt Celenza:

I thought you were doing it for years, and I didn't realize that I was there. Now I'm going to tell everybody that. But I still receive calls today about that podcast, and it's because people do have either some reservation or some concern about going independent. I do assist with Dynasty in terms of when they're recruiting. They like to have potential recruits talk to breakaways that may have either been at a firm they're at, or have a similar profile to them.

So I do talk to a lot of advisors, and the first thing I tell them is, "There's so many great advantages of being independent. Don't think for a minute it's the revenue, because that has to really build itself like any other business. Your investment is critical." But it is, you have to have a desire to run your own business. You have to have a desire to have a team that has dedicated duties, and it all has to click perfectly.

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So you go home at night, and it's not just a market you're worrying about, it's the lease that you have to deal with. It's the new hires that are harder to find. It's how do you brand your business? Who do you choose for certain third party relationships?

And most of us, I feel that I've met that are entrepreneurial in spirit, that are now independent, we thrive on that. We thrive on having 50 tasks a day that we have to accommodate, and accomplish, and check off. And that checking off of a task is such an invigorating feeling. It's like leaving the gym. It's just an incredible opportunity to exercise your own spirit as being an entrepreneur.

And so I usually try to not build up the money aspect of it and build up the living the dream and running your own business aspect. Because the minute you leave your mother's arms at Merrill Lynch or whatever other firm, you are on your own. And then you realize that maybe that wasn't the best parent in the world, and that's if you're successful. And by the way, that's the way that I prove that my exit from the industry was the right one. Instead of being derogatory, I just try to use my success as a means to show the rest of the world that yes, it was a great idea.

Mindy Diamond:

Yeah, it set you up for where you are today, and that can't be a bad thing.

Matt Celenza:

Yeah, that's right.

Mindy Diamond:

Matt, thank you. This was incredibly insightful. I feel privileged to have told your story or allowed you to tell your story the first time six years ago, and to hear more of the update now. And again, can't wait to do this again another five or six years from now.

Matt Celenza:

You're a good friend to our business and to this industry, and it's an honor to be a part of what you're doing Mindy.

Mindy Diamond:

Thank you.

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