



EPISODE TRANSCRIPT

From Termination to Expungement: A Former \$350mm UBS Advisor Finds Success in Independence

A conversation with Jeff Boudjouk, Managing Partner and Wealth Advisor, Northeast Investment Group.

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is From Termination to Expungement: A Former \$350mm UBS Advisor Finds Success in Independence. It's a conversation with Jeff Boudjouk, Managing Partner and Wealth Advisor, Northeast Investment Group. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

Mindy Diamond:

This podcast is available on our website, diamond-consultants.com, as well as Apple Podcasts and other major podcast platforms. If you are not already a subscriber and want to be notified of new show releases, please subscribe right on your favorite podcast platform or on the episode page on our website. For Apple Podcast users, I'd be grateful if you'd give the show a review. Your input helps us to make the series better and alerts other advisors, like you, who may find the content to be relevant. And while you're at it, if you know others who are considering change or simply looking to learn more about the industry landscape, please feel free to share this episode or the series widely.

Mindy Diamond:

Over recent years, the heightened sense of vulnerability has been a continually growing concern for advisors at the big firms. Let's be clear, we're not talking about unauthorized trading, mishandling of funds, or fraud. Instead, we're talking about violations of internal company policies, such as paperwork or filing errors. While the rules haven't changed, the response by firms has, and in a big way. Hypervigilant compliance departments have been issuing pink slips to advisors at all levels, often without warning, for minor non-sales or non-client related practice violations. And that's the exact scenario in which the guest on this show ran into. Well, almost.

Mindy Diamond:

Jeff Boudjouk started his career in the financial services industry in 1997 with Morgan Stanley, and a decade later he transitioned to UBS. Jeff was building a solid business at the firm, with partner Anthony Landy, generating some \$2.4mm on \$350mm in assets managed. Then in 2017, his world turned upside down. Jeff was called into a meeting in the conference room with his manager and regional director. Jeff was told he was being terminated. No warning, no red flags.

Mindy Diamond:

In this episode, Jeff shares, with complete candor, the details of that day and the days after. Jeff openly discusses what it took to mentally prepare for the next phase of his business life, and the steps he took to keep things moving forward. He talks about how he filed an arbitration claim, and ultimately had the charge expunged and was awarded a settlement from UBS. But what Jeff also shares is how he found a



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new home in independence. That is, how he and his partner Anthony set up their independent firm with Kestra Private Wealth Services at the Northeast Investment Group in 2018 and moved over more than 85% of their assets. And today they're managing over \$400mm.

Mindy Diamond:

Yet most importantly, Jeff offers a cautionary story for those who play by the rules, but find themselves caught up in a world where compliance is the dominating force. It's an incredibly important story. One, I'm grateful to have Jeff share with us, so let's get to it.

Mindy Diamond:

Jeff, I am so grateful that you are here.

Jeff Boudjouk:

Good morning, Mindy. Thanks for having me.

Mindy Diamond:

Pleasure. Let's jump right into it. So tell me a little bit about yourself, if you would, Jeff, how you got into wealth management and your path to UBS.

Jeff Boudjouk:

So my path was interesting. I started as an intern at what used to be Dean Witter. I was 20 years old, still in college. Eventually, Dean Witter became Morgan Stanley, and I was fortunate enough to be offered a position in their training program. That was 1998. And eventually my team and I were recruited out of Morgan Stanley to UBS in 2007, where we stayed until we decided to go independent in 2018.

Mindy Diamond:

Got it. So I want to talk a little bit about your time with UBS. And we'll get to talking, I mean, the star of the show is talking about your life as an independent. But I want to understand what you thought was really great at UBS and on the flip side where you felt that there were some limitations or frustrations.

Jeff Boudjouk:

Sure. So what kind of encouraged us about UBS, and why we decided to join UBS from Morgan Stanley was, in large aspect, it was the global reach. UBS was certainly a global firm based in Europe. It had a focus on wealth management, which is clearly what we wanted to focus in on. There was a holistic approach to wealth management, including financial planning, which is certainly where we saw the puck headed. The legacy of UBS, the history of UBS, so all those types of things were certainly attractive to us



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and our team. So that's really the main reason why we decided to leave what was also a very solid firm, and that was Morgan Stanley.

Mindy Diamond:

So did your experience with UBS, on the positive side, did it change over time? In other words, was it a different firm when you left than when you joined?

Jeff Boudjouk:

Fortunately, sometimes maybe there's a perception that the grass is greener on the other side. And if we all think back to that timeframe of 2007 and 2008, what was going on within our financial markets, and brands that were tarnished, and scandals, and excessive risk taking by some of the major banks throughout the world, certainly tarnished both the image and what turned out to be our perception and reality of what was taking place within the firm. Heavier push towards product, less client centric, I would say. More focused on the bottom line results rather than what we thought was most important, which was to stay focused on the client.

Mindy Diamond:

And how specifically did greater focus on product and greater focus on bottom line change in culture? How did that impact your ability to grow the business or your experience as a financial advisor?

Jeff Boudjouk:

Sure. I would say it became a distraction and then became an outside pressure, if you will. Some of the products that we saw being encouraged, if you will, by UBS, things like credit cards and securities backed lines of credits, or encouraging clients to entirely go online with their resources of statements and account data. Changes in headcount, management being focused on headcount, revenue per FA or average production per FA, and not being so focused on the people that were in the seats rather than, once again, our view that that's where the focus should be. Their view was certainly that the focus needed to be on some of these kinds of metrics, if you will, that drove the bottom line of UBS. And I would assume, quite frankly, other similar wirehouse firms.

Mindy Diamond:

So I know you and your partner, Anthony, believed that the firm was de-emphasizing the advisor client relationships. You just said that, and you've shared that with me offline. Talk to me a little bit about what that meant to you, how that really colored your decision.

Jeff Boudjouk:



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It was a wakeup call. Our view of things was that the client relationship was at UBS because of us. We thought, as advisors, and our team being able to manage our client's wealth and service our clients, that that should and always was the focus of our group. And therefore, that relationship was at UBS because we were at UBS. I would certainly say the firm thought differently. The firm certainly was of the belief that they owned the relationship. And I'm not naive to their viewpoint. But because of that viewpoint, the decisions, I would say that the firm or that management, perhaps, the steps that they were taking to create distance between advisor and client was growing. And whether that was the concept of wealth advice centers where they wanted relationships to be assigned to. Relationships that maybe didn't generate sufficient revenue or weren't of the appropriate size in the eyes of the firm, were encouraged to be sent out to a call center. Where there was change in the types of relationships that the firm wanted us to take on.

Jeff Boudjouk:

The emphasis on ultra-high net worth individuals, which once again, I understand how it can drive the bottom line. We're in a people business, in a relationship business. And a great number of our relationships may not be of a size that a major firm finds desirable, but that could be a relationship that leads to a lot of introductions or referrals or center of influence. Or it could be a family member or friend of an existing client that we want to maintain a relationship with that, once again, the firm was certainly frowning upon. So everything from products to wealth advice center to online resources was in our eyes a way to de-emphasize the relationship we had with our clients. And put the focus at, once again, there was a more of a UBS client relationship versus a financial advisor or a team client relationship.

Mindy Diamond:

So I get how that certainly becomes problematic for the advisor. Do you think that the client sensed it too? Was it a problem? Did it become a problem for them?

Jeff Boudjouk:

I would say indirectly. They were curious as to why discussions around wealth advice centers was becoming more prominent via literature that they'd received from the firm or online messaging from the firm. Why they were receiving solicitation for certain products. Why that wasn't something that was coming directly from us, as the advisor, if we thought it was in their best interest. Why these mass mailings or these mass emails were being received by them rather than, once again, if it was something we thought was in the best interest of the client, that we would be the ones that would recommend it or walk them through the process. So it was more indirect, I would say, in that sense. It wasn't kind of heavy handed, but there was enough of it going on where clients were starting to wonder why were



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they receiving either certain materials, certain product information, not from us, but rather from the firm itself.

Mindy Diamond:

Got it. No, that's helpful. Thank you. So I want to back up a second. For perspective, how much in assets were you and Anthony managing when you left UBS?

Jeff Boudjouk:

Sure. When we left, we were right around \$340, \$350mm of assets under management.

Mindy Diamond:

And how many people on your team?

Jeff Boudjouk:

We had a total staff of four. We had three advisors, Anthony Landi, Deb Shuster, and myself, and then our assistant Kelly Almonte. So there were four of us that were part of the Northeast Investment Group when we left UBS.

Mindy Diamond:

Got it. And tell me a little bit about the kind of clients you serve, what sort of work you do for them?

Jeff Boudjouk:

Yeah, sure. By far, the vast majority of our clients are individual retail investors. I'd put that number at somewhere close to 95% of our clients, our relationships, our individuals. We do take the holistic approach. We try to center each relationship around the concept of financial planning. And we think that's one of the core competencies of a wealth management relationship. The vast majority of our clients are in advisory platforms where we serve as their fiduciary, where we're not charging loads or commissions or anything along those lines. So once again, the emphasis is on individual clients and their families, with that approach of trying to focus in on a financial plan as the core of that relationship, and then provide them the various wealth management services off of that plan. And as their life evolves, certainly the plan is updated and evolves with them, is how we try to manage each of our relationships.

Mindy Diamond:

Got it. Okay. Thank you for that. That's great. So I want to turn to a sensitive subject, and I'm really grateful for your willingness to talk with us about it. You were ultimately terminated by UBS, and every advisor actually feels vulnerable. Every advisor who works for a big firm tells us that they feel a certain



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vulnerability to termination because it's become a zero tolerance compliance world. Can you tell us a little bit about what you were terminated for? And I know ultimately, since expunged, with damages awarded, and would love to hear about that as well.

Jeff Boudjouk:

Sure. I don't mind talking about it at all. It was both an eye-opening timeframe or time in my life, for sure, as well as what ultimately led our group to making the decision towards independence. But back at the end of 2017, December of 2017, I was asked to join my manager and my regional director in a conference room. And ultimately out of nowhere, I was told that I was being terminated from UBS. And clearly, I was shocked. I felt a large amount of betrayal, but ultimately, they told me I was being terminated because the legal department at UBS had thought I failed to disclose my involvement in a legal matter that was pending where I was a witness. So I was asked to provide a deposition in the legal matter, not involving the firm. I had notified my superior of that deposition request, and for whatever reason, either he did not notify the firm, or, if he did, it somewhere somehow fell through the cracks. But ultimately, I was terminated for what the firm said was a failure to disclose my involvement in a deposition that I was requested to provide.

Mindy Diamond:

Do you believe that that termination was justified?

Jeff Boudjouk:

I certainly don't. And probably maybe more importantly for this conversation is neither did FINRA. As you mentioned, that I did file an arbitration claim against UBS, immediately upon my termination, and it took some time. When you're up against these firms, well, one of the things I was warned and I came to realize is they are the proverbial 800 pound gorilla. They have endless amounts of resources to spend on legal teams, both internal and outside legal experts or legal teams. And regardless, I thought it was too important not to pursue. So I did file a claim with FINRA against UBS. And once again, more importantly, the panel of three arbitrators found that what UBS had said and done was not accurate, was not correct, and therefore they had a unanimous decision to expunge my record, if you will, and awarded me a very substantial award against UBS. So my opinion is it was wrong, but I would say, I know people will consider, "Hey, Jeff, you have a biased opinion clearly." So that's why I'd say probably more importantly, FINRA certainly believed UBS was in the wrong.

Mindy Diamond:

Yeah. So what's the takeaway from that? What's going through my mind is, are advisors justified in feeling vulnerable? I am certainly not an attorney and not equipped to weigh in on whether or not failing to disclose involvement in a legal matter is termination worthy. But A, first of all, it sounds like



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you did the right thing in notifying your manager of it. And B, that certainly isn't a sales practice violation in any way. So what's the message? Are advisors as vulnerable as they worry that they are?

Jeff Boudjouk:

More so today than I would say four and a half years ago when this happened to me. I think a lot of us initially as advisors, especially coming out of the wirehouse, where once again, I started as an intern. I was a 20 year old intern. So maybe I was naive, maybe I believed I was more than just a number to the firm, or firms, that I worked for in the past. But there is no doubt, at least in my eyes, that advisors need to open their eyes. I have many friends and colleagues who still work at the wirehouses, who think they're bulletproof because they produce X amount of dollars in revenue and that they're tenure 30, 40 years perhaps, some of these guys or gals. I would tell you none of that matters.

Jeff Boudjouk:

The mentality I've come to realize, as I went through what I went through, and as I started to do a little research along the way in talking to others who have gone through similar issues or are at a crossroad of what they should do, what I would tell advisors that they do need to realize, that the firm's mentality is to either fire or terminate first and then ask questions later. And even if they made a mistake or they mis-assumed, or they misjudged the circumstance, as in mine, where they thought I did not notify my superior. And once again, through the process, it was determined not only from witness testimony, but documentation, written documents that I had informed my superior. The firm didn't go through that process, they just pushed the eject button. And then whatever consequences come after they'll deal with is what I have come to realize.

Jeff Boudjouk:

And for individuals like myself, or anyone else that's going through it, like I said, you're up against this Goliath, this 800 pound gorilla. And that's a tough crossroad for anyone to be at as an individual. So I would encourage anyone, just open your eyes to where the industry is today versus maybe where it was 20 years ago. Where you felt loyalty, where you felt trust, and you had confidence with the people around you that they would always do what's right versus maybe what's either convenient or what's in their best interest versus what is in everyone's best interest. So yeah, that's what I felt. Now the word I would use to sum it up is betrayal. I felt betrayed at that point in time, but things certainly happened for a reason.

Mindy Diamond:

Yeah. Well, you're going to tell us in a little while about how they actually wound up doing you a favor because you wound up in a different place. But I want to just ask you a couple more questions about that. First of all, you say people are more vulnerable today than they might have been years ago. And



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you are right. I mean, from where I sit, it used to be that the more revenue you generated, so if you were generating \$5, \$7, \$8, \$10 million dollars of revenue, you'd have to work really hard to get fired. You might have gotten a slap on the wrist, but unless you did something really egregious like stealing client funds, you were the least likely to get terminated.

Mindy Diamond:

But today, we regularly see \$5, \$7, \$8, \$10 million dollar producers being terminated. And a lot of times for reasons as benign as what you're talking about. Now, not everybody gets their records expunged, but it certainly is a cautionary tale. So I hear you. I want to ask you a couple things because so few people are willing to talk about this publicly. So you're terminated. I'm imagining you were taken by surprise? You had no advanced warning? You didn't see it coming?

Jeff Boudjouk:

Zero, Absolutely none. I thought I was walking into a conference to talk to us about updates in technology and software that the firm was considering, not a sit down with my regional director to be told I was being terminated. So no, I did not see this coming at all.

Mindy Diamond:

Okay. And what was the first thing you did after termination? So you're sitting in this conference room, you walk out. Who do you call? What do you do?

Jeff Boudjouk:

The first thing I did, I certainly cried. As a grown adult, there's only a couple times I remember crying, and they tend to be around the birth of my children. But sitting in this conference room, staring out the window, just in disbelief. Yeah, the first thing I did was cried, Mindy, to be perfectly candid.

Jeff Boudjouk:

But shortly thereafter, after I was told to wait outside, and someone would bring me my keys and my wallet and my jacket, and I couldn't go talk to my team, or I couldn't go say my goodbyes, if you will. Literally told to wait outside, and someone would bring me my keys and wallet. Gave me a couple minutes to kind of compose myself. One of my partners was a brother to me. My partner, Anthony Landi, came out. We had a quick little talk. We hugged each other. We told each other, "We'd figure this out. We'd get through this and come out the other side of it." But my first call was to my wife, of now 21 years, to tell her what took place. And all that went through my head was, "I have two young children at home. I'm the kind of the breadwinner, if you will, of the family, and this is what just happened to me." So between crying, and calling my wife, those were the kind of the instant things.



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Mindy Diamond:

The visceral. No, and thank you for the honesty. I appreciate that totally. You were blindsided and it's awful. But then what? Okay, so you regrouped.

Jeff Boudjouk:

Yeah, you have no choice. You have to. I was in my early forties, and once again, I have a wife and two kids. I have a book of clients that my team and I serve. You had to get your head straight. And if there's another thing I could encourage advisors that either have gone through something or that may go through something is that you really do got to get your head straight.

Jeff Boudjouk:

I've come across some folks who unfortunately haven't been able to move on. But you really have to for the betterment of your clients, your family, yourself, your team, whatever the case may be. You kind of got to clear your head and get focused again as it relates to how you're going to move forward. And for me, I fortunately had a resource and a member of your team. Wendy was someone that I had had conversations with in the past, as my team and I were considering a move earlier on before this event. But yet one of the things I did was pick up the phone and reach out to Wendy to kind of discuss what took place, and start considering what options may be available, and that might be a proper fit.

Mindy Diamond:

Good. And a plug for Wendy, not only is she fabulous, but what that did for you was allow you to rest into the knowledge that someone was going to manage the process for you, who knew every option, who knew what doors to knock on, and could help you to facilitate things. How about an attorney?

Jeff Boudjouk:

Absolutely. Why just one, when there's two? So I actually engaged with two attorneys, a local attorney in Rhode Island, as well as an attorney outside of Boston. The local attorney to deal with any local kind of matters that may arise that I needed his help with. And then an attorney outside of Boston that was more of a FINRA attorney, if you will, or had more experience dealing with FINRA, as I envisioned, that may be an avenue I wanted to go down. I didn't know all the ins and outs of what happens after you're terminated. And really, I don't think any advisor does. I don't think any advisor really realizes the power that a firm has over your licenses and therefore your career. And the things that they can say about you or the things that they can do to hang up your licenses was really astonishing.

Jeff Boudjouk:



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If they are, put certain things on your U4 that create some doubt, I can without a doubt tell you that the states will be a little slower in kind of moving their process forward if you move on to another firm. So yes, an attorney, two attorneys is who I hired. But once again, having Wendy in my corner, as you mentioned, kind of was able to open our eyes as it relates to all the different avenues. Whether it was another wirehouse, whether it was a regional, whether it was a independent or a supported, independent, all the different options that were available in the marketplace that, once again, quite frankly, I knew some about because of some meetings we had had not too early before I was terminated. But ultimately, Wendy was able to kind of paint a picture as to what was available, what to consider, and then from there it was time to have meetings, and discussions, and some road trips. And having an attorney, I'm not a lawyer, as you mentioned, neither are you, an attorney or attorneys were certainly very integral in this process.

Mindy Diamond:

I want to come back to the due diligence process in terms of why independence and all of that. But a couple other questions about the termination, because so many people worry about it, and it's such an opaque issue that a lot of people find hard to get answers about. So first of all, how did Anthony feel? In other words, he was still an employee of UBS. Were you worried that your termination would lead to the breakup of the team?

Jeff Boudjouk:

So I wasn't worried in that sense. I was worried that the firm would have a microscope under the rest of the team. So I wanted to make sure they were protected, that nothing bad came of them, if you will, by them having conversations with me or checking in on me. So my initial concern was to make sure that they were okay. Because they had a task at hand, which was to pick up the pieces and move forward. And once again, stay away from anything that may have given UBS a reason to terminate them because of their ongoing relationship with me.

Jeff Boudjouk:

But as I mentioned earlier, Anthony is like a brother to me. Deb is quite frankly like a mother to us. And our assistant, Kelly, joined us right out of college. She is like a sister. So I know that may sound a little mushy, but we operate like a family. And I knew I had a family in place and that we would come together again at some point in time. We just didn't know, quite frankly, where and when. That took a little due diligence for sure. But no, I had no concerns. I was fortunate and blessed to have someone I can trust and rely on like Anthony, Deb, and Kelly.

Mindy Diamond:

Good. But you must have been worried about client portability.

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

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Jeff Boudjouk:

True. That's a different subject for sure. Because part of this was the concern I had about what UBS had initially put out there on my U4. That even though this wasn't sales related, that there was this failure on my part to disclose this deposition I was asked to provide. And if you think back to also what was going on in our world back in 2017, there was a lot of sexual issues going on within the world. The Me Too movement had finally garnered steam of all the issues that were going on within the country or the world for that matter. And it was daily news of certain individuals that were found to do things that were wrong to colleagues, or to females specifically.

Jeff Boudjouk:

So I was concerned about this doubt that would be in certain client's minds. Why was Jeff fired? Why was he terminated? What did he do wrong? Not everyone's going to go look at a U4 for sure, but I felt I needed to get the message out there. So that when the time came that I was able to reach out to those clients to let them know where we landed or where I landed, that they would certainly be open to that conversation and discussion, which they certainly were. But I think it was because I was able to have these conversations with people, with my clients, with my former clients, to let them know, quite frankly. I was absolutely candid. I told them what took place, what was incorrect about what UBS was saying or had, was posted on my U4.

Jeff Boudjouk:

And it to a man or a woman, clients were relieved that I had those conversations, and literally were sending me cards and gift baskets to my house. Telling me to "Hang in there, Jeff. This is all going to work out. We'll be waiting for you." So yeah, initially I had concerns because I couldn't control the narrative of what UBS said. But once I started having conversations with my former clients, there was a sense of relief that what I and our team had worked on to build these relationships for 20 years was the foundation of that relationship, not some misinformation that UBS had provided out there on a U4.

Mindy Diamond:

So I know ultimately that you had about 85% portability, which is great. So I guess, one, because Anthony and the rest of your team remained at UBS, I assume then that they were able to babysit those clients, which is a great thing. But do you think that your termination impacted portability at all? Was it hard to explain to clients?

Jeff Boudjouk:

It took a lot of time. There's a lot of calls that I made, and each one of those calls wasn't a minute or two, it was a 15 minute, 30 minute type conversation. The net result is, I would say, didn't impact



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portability in a negative way. If anything, it helped portability because clients knew the story. Clients were still in place because the team, as you mentioned, was still intact. Anthony, Deb, and Kelly were still there to maintain the relationship and service the relationship. Ultimately, clients were just waiting to be told or to hear where I went, and then from there they would make their individual decisions. But I would say it wasn't negatively impacted because I had discussions. I had mailed letters while I was kind of on the sidelines. I had tracked down client address. It gave me the ability, once again, to get my message out there. And then to ultimately, when the time came that we found a new home, to have those follow up conversations. And ultimately, an 85% transition rate, in our world, I would say we were very, very happy with.

Mindy Diamond:

Okay. So let's talk a little bit about due diligence and where you went from UBS. So it sounds like you had done some thinking about leaving UBS before the dismissal?

Jeff Boudjouk:

We did.

Mindy Diamond:

Okay. So it sounds like you would've left UBS regardless. Is that right?

Jeff Boudjouk:

Eventually. One of the things we're certainly guilty of is loyalty. Our team and I are incredibly loyal, and we felt we couldn't leave under the watch of our current manager at the time because of the relationship we had. But we certainly had conversations with a number of firms. But we had decided that, for the time being, we were going to stay put until perhaps there was some type of managerial change where that connection to management had begun to de-

Mindy Diamond:

Okay. So you mentioned that Wendy had talked to you about all different options. And we know that a termination can sometimes impact another firm's appetite for someone. But would you have considered independence if there were no termination? In other words, I guess what I'm asking is did you wind up as independent by default, or was it a proactive good choice?

Jeff Boudjouk:

It was a proactive great choice, quite frankly.



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Mindy Diamond:

So tell us what happened when you looked at other firms, the regional firms, other wirehouses, other models besides independence. What did you find and what did you find was better about? What appealed to you more about being independent?

Jeff Boudjouk:

Sure. So we were fortunate that we had a lot of different meetings, and both face to face, as well as over the phone and in virtual at the time. But what we found was that even though the regionals were attractive to some degree because of brand and in history, that even the regionals were kind of more of the same. We couldn't control things like our own personal team brand, which is known as the Northeast Investment Group. That we would continue to be employees. That we had no equity. And that these regionals also were of the mindset that the relationship belonged to them and not to the advisor or team. So we met with different firms, Ameriprise or Jani or RBC and Raymond James and others that were, once again, attractive kind of landing spots. But ultimately, even though they were regionals, they were still not the perfect fit for us.

Jeff Boudjouk:

And that led us to contemplate independence. And to be candid, I didn't know enough about that space. I didn't know the different kind of channels, if you will. Whether it was full independence or what I learned to be known as hybrid independence or supportive independence, and the different models that maybe places like Snowden Lane or LPL, and High Tower, and Dynasty and others had in the marketplace. So once again, Wendy was a great resource for our team to be able to kind of discern the differences, and to help schedule meetings, and then ultimately decide what firms or opportunities we could consider or wanted to consider. Some did have an issue with the termination. There is no doubt about it. The wirehouses certainly did. But the wirehouses were never a serious option at that point in time for us. It was either going to be a regional story or a consideration to an independent platform. And whether that was a hybrid or a full independent platform was really the big decision I would say our team needed to make.

Mindy Diamond:

Yep. So before the termination, when you explored, was your mindset the same? That you only wanted to be independent? Or do you think had you not been terminated and you eventually would've left, might you have wound up at a regional firm or another major firm?

Jeff Boudjouk:



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Yeah, I would say we might've. That was still on the table. We didn't have that sour taste in our mouth. We knew we were being de-emphasized as our roles as financial advisors. But our eyes weren't wide open to the concept, I would say, that we had no control of our destiny. Now, that certainly became the case after my termination, that we had literally no control of our own individual destiny.

Jeff Boudjouk:

So I would say all those options would've been on the table prior to termination, and I'm hopeful that it would've still led us to the avenue that we ultimately chose. Whereas after the termination, it was certainly, our eyes were certainly wide open that a wirehouse was not going to be the appropriate fit. And that, quite frankly, even the regional, even though we had serious conversations with a number of them, wasn't going to be a solution. Because once again, ultimately we still could not control our destiny. We were still employees. We still lacked control. All the things, I would think, that ultimately led Anthony and I to the decision that an independent model was going to be more suitable for us. We come from entrepreneurial families, both of us. Deb as well. Her family is an entrepreneurial family. So we were never afraid of taking on that risk or taking on the work that comes with it. It was more so trying to focus in on what is best for our clients, our families, and ourselves as we move forward.

Mindy Diamond:

Okay. So you ultimately landed or decided to associate with Kestra PWS, or Kestra Private Wealth Services, as a model of supported independence. So why ultimately did you choose Kestra as opposed to other models of supported independence? And you mentioned Dynasty and Sanctuary and Snowden. I mean, there are other models of supported independence. What made you choose Kestra PWS?

Jeff Boudjouk:

Yeah, no, that's a great question. We were fortunate in the sense, as we talked about. Anthony and team were still in place at UBS. I was on the outside. And quite frankly, that allowed me to have the time to really drill deep, and go through a due diligence process with those firms, including Kestra PWS, which is ultimately what we chose. I would point out that the main reason is the culture and the people. The folks who run the PWS side of the business, Rob and Scott, Scott Wilson and Rob Bartenstein, are true advocates, true partners. When we first met them, Anthony and I felt a connection like no other. And for us, once again, it may sound a little funny in the world we're in these days, but that drove our decision. It was about the people and the culture of Kestra.

Jeff Boudjouk:

Yet we were 1099. We had the ability to be 1099 employees. We had the ability to control our own brand. That we were full equity owners of our business. So we had full control. All the things that were very appealing to us. We had a much higher payout. Once again, all things that are very appealing to us



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and our clients. We had Fidelity as our custodian and clearing if we chose Kestra. So all those were certainly wins. But the overriding decision, beyond that, was certainly the people. And it reminded us of the days that we worked at Dean Witter, quite frankly. Anthony and I both started at Dean Witter, and that's a time we look back at with great, great joy and great memories of the culture and the people and the support. And for us, that's what Kestra PWS brought to the table. Specifically with guys like Rob and Scott and their team, that run the PWS channel, allowed us to make what we thought ultimately was a great decision.

Mindy Diamond:

Okay. So let's pivot now to the fun stuff. I want to hear a little bit about your independent business, which is called Northeast Investment Group. So first of all, what does being independent allow you to do for clients and running the business, that you couldn't do as an employee of UBS or Morgan Stanley before that?

Jeff Boudjouk:

Sure. So ultimately, first and foremost, we serve as our client's fiduciary. And that's something we're very proud of. We don't run away from. I remember at a time at UBS back in 2015, 16, 17 timeframe, the battle was how to fight the fiduciary rule, how these large wirehouse and bank type firms are looking to fight the fiduciary rule expansion that President Obama was looking to and put into place. We're proud to be fiduciaries. We're proud to serve as fiduciaries for our clients, and ultimately try to put their best interests always at the forefront. So in that vein, or into that point, it allows us, as independent advisors, to go out there and find the best solutions for our clients. Whether it's a software package, whether it's a CRM, whether it's a financial planning tool that we think is better suited for our clients than what someone that runs a firm that has 10,000 or 20,000 or 30,000 advisors. Being able, for us, to make those individual decisions of what software, what technology is more appropriate.

Jeff Boudjouk:

Branding. And once again, we control the brand. We control that message. So not to have a brand or a message that's being tarnished by decisions made in places like Switzerland or New York or Chicago for that matter, where these major firms are based out of. Once again, we control it, we own it. That was important to us. So everything from little things like choosing the right CRM or choosing the right financial software for our clients, to how we want to deliver our message and our brand to clients, were things that we could physically do. As the Northeast Investment Group, associated with Kestra PWS, that we could never do while we were at UBS. We had to use the CRM that UBS created. And management, I think, would attest that, at UBS, that they're not great software creators or developers. So instead of going out there and hiring a solution that's already in the marketplace, they tried to create their own. And I think if you talk to most UBS advisors, they would tell you what a mess something like that was.



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Jeff Boudjouk:

Or being able to shop around for the best securities backed line of credit pricing if it was an appropriate solution for our client. At Kestra, we have a number of different options to consider that ultimately lead to better pricing for our clients. And to us, that's a win. So anything that we can do to deliver a better experience and a better result to our clients. We have the opportunity to shop, to have competitors come to the table, because of our independent relationship versus what we had going on with a major wirehouse.

Mindy Diamond:

And how aware are clients of the difference? What are you hearing from clients?

Jeff Boudjouk:

So we make them aware, quite frankly. We let them know. If it was something like a line of credit, that when they were leaving UBS, they were paying X. However, at Kestra, they would pay Y, and Y being a lower cost to clients. Or at UBS, they were paying certain account fees or certain minimums because their account size was a certain dollar amount, that coming over to our platform here with Kestra, that those account fees don't exist and those account minimums don't exist. So quite frankly, we would let the client know.

Jeff Boudjouk:

Or even as something as simple as a money market. I was just looking at a recent statement of a major wirehouse firm where their money market today is still yielding 0.01%. And the money market at Kestra is yielding 1.5%. So those were things we certainly pointed out to clients and will continue to point out to clients or new relationships as we come across them.

Jeff Boudjouk:

But like most things, I think it's incumbent upon the advisor to explain the differences of a wirehouse versus the independent channel, if you will. And because clients are, they're professionals or they're blue collar employee, they're doing what they do. And they certainly don't know all the ins and outs of our industry just as if we wouldn't know all the ins and outs of their industry and their career path. So once again, it's incumbent upon the advisor, I think, to paint that picture and explain the differences. And I think it's a winning story. The story of independents over the story of legacy wirehouse firms.

Mindy Diamond:

And how many employees do you have now? So you were a team of four when you were at UBS, is it the same now?



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Jeff Boudjouk:

So we opened up a second office, but our current office here in Rhode Island is exactly the same as it was at UBS. It's four of us. There's three advisors and our assistant, who's the Director of Client Relations, that sit in our Rhode Island office. We recently opened up a new office right outside of Boston. They too have a team of three advisors and a Head of Client Relations as well.

Mindy Diamond:

And that is the \$130mm team that you recruited from Citizens Bank?

Jeff Boudjouk:

That is correct.

Mindy Diamond:

Tell us about that. In other words, the ability to go out and bring on a team. Could you have done that at UBS? And what is it about your business, Northeast Investment Group, that attracted these folks?

Jeff Boudjouk:

Sure. It would've been very difficult to do at UBS. I know UBS encourages the formation of teams, but that's from within UBS. For us to be able to attract outside talent like we did, these three advisors came from the banking world, from Citizens Bank specifically, where they were advisors. They and us had discussions for a period of time. And then those discussions revolved around the concept of a difference between working for an independent firm versus working for a bank. Where, for these guys, there were certain things going on at the bank that they didn't love. They didn't love the fact that branches would be taken away from them at various points in time. If they grew their business too large, they weren't necessarily rewarded. That branches would be taken away or territory would be taken away. That is counterintuitive to the American way or capitalism, right?

Jeff Boudjouk:

The harder you work, instead of being rewarded, perhaps, you'd start losing branches or lose relationships. So this was something that was very appealing to them. We knew one of their main partners for going back quite some time. So we had a preexisting relationship. But ultimately a set of three guys and their assistants, opening up a new office right outside Boston, is something we're super excited about. And doing it with the support of Kestra was extremely important. Kestra is able to offer a very competitive compensation package to encourage the transition, as well as to assist with the transition. And then for us, like I said, it was able to open up a second office, and hopefully that leads to perhaps a third and the fourth, if not more, as time evolves.



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Mindy Diamond:

Now, they could have gone anywhere.

Jeff Boudjouk:

They could.

Mindy Diamond:

They could have gone to a major firm, a wirehouse, a regional firm. They could have set up their own independent shop. What was it that you were able to offer them, both financially and value proposition wise, that made them choose you?

Jeff Boudjouk:

Sure, as it relates to what Kestra brings to the table, maybe first and foremost. They handle the back office. They handle the compliance. They assist with all the onboarding. They assist helping you find the real estate for your office and setting up that real estate. They deal with the technology and the regulations behind everything that it is we do. So I would argue that Kestra brings a lot to the table. So that, to us, is why we chose that hybrid model. And I think that's one of the main reasons why the guys from Citizens, as they left, were seriously considering this. Even though they could have gone anywhere, the model that Kestra puts out there on the PWS side of their platform is very, very appealing, I would say, for guys and gals who are considering a move from a wirehouse or from a bank because they take on a lot of those responsibilities that we have no experience with.

Jeff Boudjouk:

I didn't know how to negotiate a lease contract on a commercial property. I didn't want to know the nitty gritty about choosing the right technology vendor for our computers and our security and whatnot. I didn't want to learn all the behind the scenes intricacies of compliance. I know what we need to do to maintain our compliance status, but dealing with regulators and licensing and such, those are all things that Kestra, at least through PWS, does for their advisors. Why us? Why Northeast, is that, as I mentioned, one of their lead advisors and us had a connection that goes back almost 20 years. We had a friendship in place. So as we've had discussions over the past year or two, he would always kind of pick my brain as it relates to how business is, and how Kestra is set apart from others that maybe are out there. So I think there is that kind of trust and confidence that we had to work off of.

Jeff Boudjouk:

It's a big move. Transitions are never easy. There's always bumps along the way. But I think they knew in us they had someone that they could also partner with that can help open their eyes to some of the pros



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and cons even, of a transition. So that they were best prepared for a successful transition as they made their choice. But yeah, they certainly could have gone anywhere. But ultimately, partnering with us, having the ability to open their own independent firm outside of Boston, and having the support of the folks at Kestra was what won the day over.

Jeff Boudjouk:

And I think also the relationship, right? I think ultimately a lot of the teams that join Kestra, do so for many of the things I just talked about. But also that culture, like I said, guys and gals coming out of the wirehouse, especially folks who've been around this for plus or minus 20 years, there's a huge culture shift at the wirehouses. I think everyone sees it. I think most would admit it. Whether people are willing to do something about it, because of maybe them being content, or maybe kind of just the inertia of a transition, or sometimes the laziness that might be involved, not everyone makes those decisions. But those who are eyes open, I think, realize the changes within our industry are not necessarily all for the better, especially at the wirehouse. And that leads them, I would hope at least, to considering an independent option.

Mindy Diamond:

So Jeff, when you went independent, was one of your goals to be able to add inorganic growth to the mix?

Jeff Boudjouk:

It was. It's part of one of the exciting aspects of going independent. It's part of the concept of you having control to decide how you want to grow your business. Certainly I would think most advisors are hopefully in growth mode. Whether that's factual or not, I'm not sure, but I would certainly hope that they are. I think some of the statistics say otherwise. But for us, this was an opportunity for growth, both organically and inorganically. We have room within our current footprint to bring in advisors. For us, it's important that it's the right fit. So we're not looking to just add anyone or fill a desk. It's once again, it's part of our culture that we want to continue to operate like a family. So it's very important if we bring someone into our current footprint, that it's someone that we feel shares in those values and those beliefs.

Jeff Boudjouk:

But also, as we just talked about, opening up a new office in Boston and hopefully beyond. Those are all aspects of what led us to decide that the independent channel was the best fit for us. Who knows down the line. Anthony and I both have children. If there's aspirations, and it's appropriate for them to consider a career path similar to ours, we want to be able to train them, teach them the business perhaps, if that's something that they're believe in, that they think is a good fit for them. And be able to



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bring them on board within the practice if that's what makes sense. So it's having that equity. Being able to make decisions because you ultimately have the control as a business owner to not only do what's right for your clients as a fiduciary, but do what's right for your overall business, and try to grow smartly both organically and inorganically.

Mindy Diamond:

Right. Four years out now, how much are you managing in assets now?

Jeff Boudjouk:

We're just over \$400mm. So we've been able to grow our business beyond what we had at UBS. Initially, once again, during the transition there was about an 85% transition rate, and then we've been fortunate to continue to grow. We haven't added to our advisor staff, so it's not as if we brought in new advisors here to the Rhode Island office. We've been able to grow our practice mainly through centers of influence or gathering a larger wallet share of our current clients. So we're really happy where we stand today. We're really excited about what the future holds for us, both here in our current footprint in Rhode Island, as well as beyond. But yeah, it's been growth and it continues to be part of our overall kind of equation. Service our current relationships, manage those dollars. We'll look to grow smartly, and mostly by reaching out and connecting with our centers of influences, client introductions.

Mindy Diamond:

It sounds Jeff, like UBS really did you a favor?

Jeff Boudjouk:

I would say so. It may not have seemed it right there at the time, especially day of. But I try to be a believer that things happen for a reason, and that life has different stages. And I certainly enjoyed the previous stages of my career. I certainly didn't love the way it ended, at least not initially, on their terms. But after moving on and then eventually the FINRA decision, clearing kind of my name and reputation, if you will, that was something very near and dear to me. It certainly looks like UBS did me a favor in that sense. I kind of wish it would've ended a little differently at least. But yea, like I said, things certainly happened for a reason, and it brought us to where we are today and we couldn't be happier for that.

Mindy Diamond:

Well, it sounds like you've done great things, and whether or not you arrived where you are by default or being pushed there or it was the right thing, the truth of the matter is it sounds like you and Anthony, the team, wound up exactly where you were meant to, and that's a great thing. So as we wrap up, any



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final words of advice for either other advisors still sitting at the wirehouses or anything you'd like to share with our listeners?

Jeff Boudjouk:

I would actually. Yeah, I think as I look back and try not to have regrets, I think the one thing advisors need to be really conscious and cognizant of is that they really need to develop kind of a plan B or an emergency plan. Kind of break glass in case of emergency. And even though we all may think we're not vulnerable, or maybe that we're bulletproof for whatever reasons, either our tenure or the revenue or the people we know within the firm, I can certainly attest, and I think many others, that none of that really matters.

Jeff Boudjouk:

So having a plan B in place that either if something goes wrong, you know what steps to take. Or what I think ultimately happens, as you begin to develop that plan B, I think it opens your eyes to what's out there, and it may lead you to make a proactive decision rather than a reactive decision. So at a minimum, have a plan B in place so that you're never thrown off, and you're never shocked, and you never feel kind of what I felt, if you will, for those few months that I was sidelined. So whether they do that on their own, whether they engage with the folks at Diamond, which is what I would encourage, that would be it. Have a plan B, whether you act on it now or you put it in your drawer just in case, is what I would say is something that every advisor should strongly consider.

Mindy Diamond:

And I couldn't agree with you more. So let's end there. Jeff, I can't thank you enough for your time, for your wisdom, and probably most importantly for your willingness to share intimate details that a lot of advisors are really curious about. And so I'm really grateful for that. And I wish you, and Anthony and the team, all the best for continued success and can't wait to talk to you again later.

Jeff Boudjouk:

Thank you, Mindy. I appreciate the time with you. All the best to you and the team over at Diamond.

Mindy Diamond:

Thank you.

Mindy Diamond:

No doubt. Jeff's situation is one that could happen to any advisor. That is everyone is vulnerable. And as he put it, no one is bulletproof. But I think his advice of having a Plan B at the ready is a great takeaway.



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Mindy Diamond:

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Mindy Diamond:

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