



EPISODE TRANSCRIPT

\$1.2B ex-UBS Advisor on Independence and the Value of “Controlling Your Own Ship”

with Matt Kilgroe, President/CEO, Cyndeo Wealth Partners

Mindy Diamond:

Welcome to the latest episode of our podcast series for financial advisors. Today's episode is \$1.2 billion ex-UBS advisor on independence and the value of controlling your own ship. It's a conversation with Matt Kilgroe, president and CEO of Cyndeo Wealth Partners. I'm Mindy Diamond, and this is Mindy Diamond on Independence.

Mindy Diamond:

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Mindy Diamond:

Most independent advisors start out by building strong practices at traditional firms. And, while plenty of them continue to build mega businesses as employees, for some there comes a point when the desire to do more for their clients is hindered by the limitations of their firms. It's this combined force of pushes and pulls that often motivates an advisor to explore the potential that independence offers and one of the primary motivations behind Matt Kilgroe's move, because after building at \$1.2 billion business at UBS, Matt found he was hitting a wall in what he could do for his clients. The more he learned about the independent space, the more he was drawn to being a business owner and remove the constraints that were limiting him and his team.

Mindy Diamond:

So in June 2020, amidst the pandemic shutdowns, Matt and his team launched Cyndeo Wealth Management in St. Petersburg, Florida. And they didn't miss a beat, transitioning 98% of their clients in the process. For Matt, this was not the first time he considered independence. Back in 2012, he and his team opted instead to move their business from Merrill to UBS. In this episode, Matt discusses his journey with Louis Diamond. He talks about the key motivations that inspired building their firm and why he chose not to do so nearly a decade ago, how their able to expand the services that his team provides to their high net worth clients, how their clients reacted to the news of their transition, what he sees as the potential for inorganic growth and why, given their size and capacity, they chose to work with Dynasty Financial Partners to build their firm, plus much more. It's a great breakaway story that digs into the why of independence and why now, so let's get to it.

Louis Diamond:



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Matt, thank you so much for joining us today. I'm really excited about this interview.

Matt Kilgroe:

Thanks Louis, really looking forward to it. I appreciate you having me.

Louis Diamond:

Perfect. Why don't you tell us about your background?

Matt Kilgroe:

Sure. Born and raised in St. Petersburg, Florida. I went to college here, at Eckerd College. Was hired at Merrill Lynch in 1991, spent 21 great years at Merrill Lynch. And then, transitioned to UBS by 2012, and was at UBS for eight years. Launched Cyndeo Wealth Partners with my partners back in June 2020, so we've been here running Cyndeo for almost 10 months now.

Louis Diamond:

Congratulations. Before we get to the Cyndeo part of the story, can you walk us through what the team looked like at UBS? What was the makeup of it, what was the underlying business?

Matt Kilgroe:

Sure. We were running rate at 1.2 billion in assets, we had 13 people on our team. Myself, one of my partners Pete Frantzis, Tommy Kidwell is another partner, Eric Branson, Ryan Quinty, and then our operations person Dave Lackore. We had two young advisors, Nate Johnson and Adam Hess. I'll talk a little bit more about them later, but they're focused on the sports and entertainment industry. And then, we had five support people. One of which, I'm always happy and proud to talk about this, but the assistant that I had when I started the business in 1991 is still with us, Paula Labrake. She tried to retire several times, but we keep pulling her back in.

Louis Diamond:

That's amazing. And clearly a large team, not just from an assets standpoint, but a complex team with many stakeholders. How about the typical client of the team, of the business today?

Matt Kilgroe:

You know, the average client's probably at three million. But most wealth management groups, we excuse high on the upper end, and then we have some young clients who may be building or more connected to the higher end clients, so average probably about three million. I think we work with about 400 families in total for that 1.2 billion.

Louis Diamond:



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Excellent. What drove you to leave UBS in the first place? I recall you guys were growing like crazy, and clearly were making a ton of money. And, could have stayed, been extremely successful and done great work for your clients.

Matt Kilgroe:

Well Louis, I would use a term that I've heard Mindy and yourself use a number of times, that there were pushes and pulls. The pushes to leave UBS and pulls to go the independent space itself.

Matt Kilgroe:

The pushes from UBS ... First of all, I would never say anything negative about the wire houses, either Merrill Lynch or UBS. But, the industry and the dynamics there were really changing, and getting to a point where we just felt like we couldn't grow the way we wanted to. The day-to-day things that were happening in the corporate environment were frustrating to us. I could go into a number of different examples, I think most of your listeners probably are in tune with things that happen where you don't have any control. And, I think the number of things that were frustrating us on a day-to-day basis were growing all the time. Those were the pushes.

Matt Kilgroe:

But, I think the pulls were even more strong for us. We looked at the opportunity and the ability to be a true fiduciary for our clients, to look at their situation financially on a holistic basis, and be able to look at everything that they had. I can get into some of the details in a minute, but we were excited about that part. We were excited about being able to have a variety of services and products that we could use, not just tied to one company like UBS. I think that one of the things that we recognized was there's this triangulation of services that has always been there. You custody your assets some place, you deliver advice, and then you deliver products and services to your clients.

Matt Kilgroe:

What we found is that, at the wire houses, that's all in one place. That doesn't necessarily serve the client the best way necessary or possible. When you're independent, you can custody where we like. In our case, Fidelity and Schwab, I'm sure we'll talk about that a little bit more. The advice has always been coming from us, the financial advisors and the wealth management team, so the advice is coming from Cyndeo. And then, products and where products are manufactured can come from anywhere. It really sets us up to be able to do the best job for the client, and that's a big reason of why we wanted to be independent.

Louis Diamond:



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Perfect. And, a few follow-ups on what you said. The first is, on that triangulation of advice concepts. What was an example of where the conflict of it all being delivered and under one roof at a wire house got in the way of providing the best possible outcome to a client?

Matt Kilgroe:

Sure. Well, the first one that comes to mind is just lending. Whether it's security based lines of credit, mortgages for individual clients, or financing for business purpose, UBS had a nice suite of offerings. But as you know, no one company has complete control over the best products. So in that space, we weren't able to really shop without getting ourselves in trouble with UBS. It would be considered selling away if we went out and found a different lending solution that wasn't on their platform.

Matt Kilgroe:

Today, we can go find the lending solution anywhere in the world and deliver it to our clients. That's just one example of what we have seen where we, again, we can be a true advisor and a true fiduciary for our clients.

Louis Diamond:

Yeah, that's very powerful. Was there a moment that you can pinpoint that is like the straw that broke the camel's back? Obviously, you don't leave just because of one thing happens, but there is a moment maybe where everything bubbles up onto the surface. And you just say, "It's either time to explore." Or, "You know what? Pete and team, let's do this. We're going to leave." Can you pinpoint what that moment was for you?

Matt Kilgroe:

There were a couple. From the upper echelons of management, we had witnessed a couple of larger producers who were escorted out. That really hit us pretty hard. I don't want to go into details of that. It was an eyeopener. We saw, in the Midwest, a very large FA team where the lead FA was escorted out. And, it was for something that I didn't think really made a whole lot of sense. So, that clicked it, to some extent, for us.

Matt Kilgroe:

But then, there was one other one where we were trying to bring in a new client and it was a pretty significant win. I understand this from a compliance standpoint, they have politically exposed persons, they have to do an investigation on them. Basically, we ended up being able to open the account but it took a month. So for us to sit there and go back to the client and try to explain why we haven't been able to open the account for an entire month, was just really frustrating. I think that may have been the moment where we just all threw up our hands and said, "We need another solution here."



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Matt Kilgroe:

Those would be the two examples that I would give you.

Louis Diamond:

Yeah, it's extremely helpful. Can you talk a little bit about the dynamics of the team? With so many advisors, key decision makers and just people to appease, often times it's quite difficult to get everyone on the same page. So from the jump, were all the key partners aligned with the direction you wanted to go? Or, did it take horsetrading, or some late nights to hash out the issues?

Matt Kilgroe:

Yeah. Believe it or not, we were all on board pretty quickly. I don't know that I had been saying that this was a goal of mine, of that I had been telegraphing it to all of the other partners all along. But, when the time came and we sat down and started talking to each other, and when I went to each partner individually, there was almost no hesitation. It was like they all saw the same things. They had all been getting calls from recruiters, and they'd been taking them and meeting. I pulled everybody in and said, "Look, we need to do this but we need to do it from one source." I started doing all the meetings myself, and then pulled in the partners as we got a little bit down the road.

Matt Kilgroe:

Yeah. Believe it or not, you would think it would be like herding cats trying to get everybody on board, but it was pretty unanimous that we needed to move in a different direction for sure.

Louis Diamond:

That's helpful. That's not always the case, especially with so many key people that were involved. So that great, and speaks to the quality of the team.

Louis Diamond:

Let's pivot to the Cyndeo chapter. In June 2020, right in the height of the pandemic, you and your partners launched Cyndeo Wealth Partners out of St. Pete. What was it like transitioning during the pandemic? And, did the decision to leave, was it ever questioned? Or, were you more worried or more anxious about it because of what was going on in the world?

Matt Kilgroe:

Yeah, that's a great question. I want to give you a little bit of the background.

Matt Kilgroe:



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We made the decision to leave over Labor Day weekend in 2019, with the target date of launching in June 2020. Obviously, when the pandemic hits in March, it was different. We all remember how impactful it was, what was happening with the markets. I would be lying if I told you that we didn't pause, or at least scratch our head and say, "What are we doing here? Is this the right thing to do?" But in fairness, we really didn't pause that long. It was probably a day, maybe a day and a half, where we said, "Gosh, are we still doing the right thing?"

Matt Kilgroe:

And then, we just said we know what the core of what we wanted to for clients was absolutely the correct thing for us. We just continued down the path. Other than that day to day and a half, we didn't pause much. So we launched in June, and the reality is I think it may have ... I don't want to say it may have helped, but during the pandemic people were easier to reach, they were easier to talk on the phone. It was a little bit more difficult, I would say, because you did have some people that didn't want to meet in-person, and understandably so. But generally, I think that transitioning during the pandemic was not a dramatic hindrance.

Matt Kilgroe:

At the end of the day, clients are going to go where the clients want to go. They're going to be with the advisor, or the advisory team that they want to be with. We felt that really just didn't slow us down much.

Louis Diamond:

That's gratifying to hear. And, our team had the honor of representing your group in their transition and the process leading up to it, so I'm personally familiar with your due diligence journey or your process. But for the rest of the audience, can you walk us through how you thought about due diligence? And, what were some of the options or types of options that you've looked at?

Matt Kilgroe:

Sure. I think the first thing that we had to do was to really get familiar with what the different options are. There's all kinds of different levels of independence. Certainly, we knew that we could go leave for another wire house and get a big check. We were doing over eight million, right at nine million I think, in revenue when we left UBS. So you know what those numbers look like and what we could've pocketed from a standpoint of a check. That was off the table really fast for us. We knew we wanted to be independent. And then, it was just a matter of deciding or understanding what kind of independence.

Matt Kilgroe:

We definitely looked at Raymond James. We're in St. Petersburg, Florida, which I like to say is going to be the next financial or wealth management capital of the world. Raymond James is headquartered



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here. Dynasty Financial Partners has moved their headquarters here. Naturally, we talked to Raymond James, looked at their independent model. But, we really felt like we wanted to not be beholden to anyone. In that scenario, where you're going Raymond James independence, you're still really only clearing through one custodian. Whereas when you're an independent RIA, you have options. We love Fidelity, but we're not beholden to Fidelity. For us, it was really about being completely independent.

Matt Kilgroe:

So we looked at Raymond James, we looked at doing it on our own. Of course, there are plenty of service providers that are out there. We even did look at, or talk to, another independent firm that was consolidating, so we could have joined another independent firm. But again, we just chose or decided that we wanted to be in control of our own ship. That's really why we went down the road of being an independent RIA.

Louis Diamond:

Yeah, that's definitely helpful. You selected Dynasty Financial Partners and Fidelity Investments as your lead custodian. That's, after your diligence, how you opted to align. What was the appeal of those platforms? And, there's a ton of really compelling options out there, not to mention the option you had of, "Let's just do it on our own," because you were big enough. Did that enter your mind? And, what was the clinching moment when you decided for Dynasty and Fidelity?

Matt Kilgroe:

It did enter our mind. We did look at you know, we could have just hired a consultant to help with the launch. That was definitely on the table.

Matt Kilgroe:

Really from the get-go, when we met the Dynasty team, and Shirl Penney and their leadership group, they were very impressive. And really, I think that we felt like they offered everything that we needed. If you think about doing this and you are sitting in a wire house, it's a lot of work. I don't know that we would have been able to do it without some sort of help. And so, Dynasty has a transition team that really did quarterback our launch from soup to nuts. That was really attractive for us. When I look at everything that we're getting from Dynasty, it's pretty important and pretty incredible.

Matt Kilgroe:

To be clear now, Dynasty is a partner. Some of my friends in the industry, or haven't understood, how we're affiliated with Dynasty. Obviously, they're a partner. But the whole back to not wanting to be beholden to anyone, they're our partner and if we decided, at some point, that it wasn't working then we could exit that situation very easily. I can't see that happening, we are remarkably happy with the way things are going. What Dynasty does is they provide us everything from billing for our clients and a



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technology stack. They provide marketing support. The list goes on and on. Think of anything that's in the middle and back office, that's the kind of stuff that they do.

Matt Kilgroe:

Now, it did help that Dynasty moved their headquarters here in St. Petersburg, they're in our building. We see how busy they are, from an M&A standpoint. They've been terrific in terms of helping us with that, I'm sure we'll talk about that a little bit later. That was really the reason for Dynasty.

Matt Kilgroe:

And then, the Fidelity, the custodial choice, they really came down to Fidelity and Schwab for us. We've been thrilled with Fidelity so far. But, I will tell you, I don't know if you knew this, but we are also on Schwab's platform now, too. We have run into a couple situations where Schwab was going to be a better fit for a couple clients, so now we're multi-custodian within the first 12-months of launching. Which is, again, back to that whole ability to be in control and to give clients choices, it's just a real nice position to be in.

Louis Diamond:

And, now that you have been independent almost a year, 10 months or so, how has the relationship with Dynasty changed? Obviously, they are the driving force of the transition and getting up and running. But, now that you've found your feet in being an independent business owner, how has your interaction changed with Dynasty? And, what's been their value add now and going forward?

Matt Kilgroe:

So many things I could touch on, but I'll touch on just a couple.

Matt Kilgroe:

Social media and marketing, as an example, we're leveraging them. You're so excited and you know you can do so many things in the marketing space when you're independent versus being at the wire house. But sometimes, it's like shiny object syndrome. You don't want to try to do everything, you've got to get honed in, and you've got to have a real plan and a process. We are leveraging them on the social media and the marketing aspects. I think they're doing a terrific job. In fact, within launching I've had more friends say to me, "Boy, who'd you hire for your PR? They're really doing a great job." Because of course, they know it wasn't me. We've been really happy with that.

Matt Kilgroe:

M&A, which I'm sure we'll talk about a little bit later. But on the M&A side, Dynasty has been extremely helpful and active. They've got a whole M&A department I can lean on to go to, to talk through does this



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make sense. I think we're doing a good job, but we have a lot to learn. So having the Dynasty people there, especially on the M&A side, has been terrific.

Matt Kilgroe:

And then truly, just operationally, we're working diligently to get our processes and procedures down. I think that's going really well, but it's a lot of work. So the Dynasty folks have been really helpful on that side of things as well.

Louis Diamond:

Think back to the day and the days after you left, if clients asked you, "Matt, why should I come with you? UBS is a great firm. I have all these advisors calling me and maybe even offering me free fees. Why would I come with you?" What did that pitch sound like?

Matt Kilgroe:

Well, you're going to be shocked to hear this. We really didn't get a lot of flack or feedback from clients saying they didn't want to come with us. I don't want to say everyone, but I would say 90% of our clients, when we called and explained it to them, they were like, "Great. Where are we going? What are we doing? How's it going to work?" Our clients, I think are there with us, they're with the advisor. They were never with UBS. It was the same when I was at Merrill Lynch, I don't think they were ever really there because of Merrill Lynch.

Matt Kilgroe:

But, for the ones that did, I'll call it 10% who really wanted to dig in. And, "Wait, you're opening your own company named Cyndeo? I've never heard of Cyndeo. What does that mean?" By the way, I have to say this. Cyndeo is the Greek word for connect. So many people have asked me what Cyndeo means.

Matt Kilgroe:

When we had that conversation though, when clients did bring it up, one of the big comforting things for them was that when be brought up the name Fidelity. Fidelity has a very high trust factor. A lot of our clients, through the years, have had their 401K with Fidelity through their employer. So when we explained they would still have us and we would be the driving force on the advice side, but their assets would be at Fidelity and they would still have the same protections, and the same compliance type oversight, I think it just made them very comfortable.

Matt Kilgroe:

I do think that advisors get awfully caught up in that name behind them. And, the reality is most clients are where they're at because they want to be with you, the advisor. And what we said all along, before we were launching, was that at the end of the day, they're going to have to choose. Do they want a UBS



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credit card and checking account? Or, do they want to be with Matt, or Pete, or Tommy, whoever. It really wasn't that big of a deal, but I can see why advisors feel like it's going to be before they make this leap.

Louis Diamond:

I think we see it the same way, too. Ultimately, the advisor has to be confident and comfortable enough in that conviction that the brand doesn't matter as much. But, it is nice to be able to leverage Fidelity, Schwab, BNY Mellon, eventually Goldman Sachs, as the backup to your story. Thanks for sharing that.

Louis Diamond:

Obviously, moving in 2020 from UBS, it was a non-broker protocol move. Did this make the move scarier for you? And, what was your strategy, your way to still have a really successful transition, but obviously still follow the non-protocol status in your employment contract to a tee?

Matt Kilgroe:

Because I had done a protocol move when we moved from Merrill Lynch to UBS, I knew what a protocol move looked like. When you start talking about a non-protocol move, it does make it slightly more onerous. I don't want to say more difficult, because the client's decision is the client's decision, they're going to eventually make the call. But, it did make it where there was just a little bit more work and there was a little bit more of re-accumulating the data and the information.

Matt Kilgroe:

The first day that we launched, on a Friday, and we had interns galore here, and assistants helping. Before we made a phone call, we did a people search online through public records, to acknowledge or download and get their phone numbers. Even though every advisor probably has every one of their clients in their cell phone today, we couldn't use that information until we confirmed it through a public data source. So we did that, and essentially we had almost like an assembly line, where the interns would download the information for a client, and then bring it into the advisor. They'd hand it to them, and then the advisor knew they were clear to go ahead and make the phone call.

Matt Kilgroe:

It does make it so where there's a little bit more work, a little bit more data accumulation, re-getting back all the information for the client. I can't say non-protocol is not more difficult, but I don't think it ... It didn't hinder us. Let's face it. We brought over, let's say, 98% of the clients. And as I said to you before, we launched with 1.2 billion, and we're almost at 1.3 billion now. It wasn't that troublesome.

Louis Diamond:



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98% is a great percentage. I think most advisors would probably leave tomorrow if they knew, with certainty, that 98% of the book would come. That's a testament to your relationships, and likely how prepared you were for the move as well.

Louis Diamond:

Let's pivot to the vision and the reasons you had gone independent in the first place. Now, with 10 months of hindsight, what are the three things that you now realize you can do differently for clients? That either you didn't think you were possible when you were at UBS, or maybe they were part of your dream for the firm and now that you're independent, you're able to offer these services, or just do something differently.

Matt Kilgroe:

Sure. I think the biggest piece, I can't emphasize this enough, the biggest piece for us was just being able to be a true fiduciary. When I say that, think back to when you were at a wire house and you're trying to do a full financial planning, and really dig in and give clients the best overall advice on everything that they have going on in their financial world, I think we did a good job or as good a job as we could, when we were in the wire house setting. But, we can just do so much better when we're independent.

Matt Kilgroe:

One of the examples that I like to use is, for years, I've had clients who would send me their 401K on a quarterly basis. And say, "Hey, what should I do here? How should I have this allocated?" And they'd send over the options. Well as you know, the wire houses consider that selling away. I can't advise, in a lot of cases, for many clients' assets that they have. That's a big thing. We can sit down and talk to clients, and help them make sure that their 401K in sync with everything else that we're doing. That's a really big deal.

Matt Kilgroe:

But it's not just that, it's also being able to look at other investments that weren't being custodied with us. If an asset's not going to be custodied at a wire house, technically the advisor really shouldn't be advising on it. Again, back to some of our fears about other advisors who had been walked out the door, that scared us. Today, if we have a client that comes to us with, whether it's a private equity deal, or someone that wants to put together a private deal to loan someone money, whatever it is, we can sit down with the client, on the same side of the table, and look at it and act as a true fiduciary. That's incredibly powerful.

Matt Kilgroe:

We see this a lot in the athlete space. For better or worse, athletes get hit up for money, for private equity money, or just open a restaurant, do so many different things. We can sit down with the athlete



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and talk about it, and figure out whether it makes sense or not, whether it fits into their plan. We really couldn't do that at the wire house without potentially getting into trouble.

Matt Kilgroe:

I'll give you another example that we had seen in the last 12 months. And I want to be clear, this is not an endorsement by Matt or by Cyndeo of cryptocurrency, but we can have that conversation. As I understand it now, if you're at a wire house, you can't buy an ETF that represents Bitcoin, or Ethereum, or any of those. We can here, if the client really wants to have some exposure. We have a third-party SMA that's available if someone truly actually just wants to own Bitcoin. And again, that doesn't fit for a lot of clients, I'd go as far as maybe even saying most clients. But, the fact that we can have the conversation, and the fact that we have an outlet for it, is just another example of how, when you're independent, you just have the ability to look at the whole picture and help clients with the things that they want to be helped with.

Louis Diamond:

Absolutely. How about on the growth side? You're up about \$100 million since you even transitioned, which is just remarkable. But as you look forward, how do you think your independence has helped you grow? And, how do you think it's going to help you grow, let's talk about it organically first, differently than you would have if you stayed put?

Matt Kilgroe:

Louis, on an organic basis, it has been exciting for us from a standpoint of the number of people in town, or in the Tampa Bay area, that have reached out, that we've known for a long time. I think each of the advisors who are at the firm have received phone calls, and in a lot of cases, have opened new relationships with people who own their own business. They just really respect the fact that you've gone out on your own and you now own your own business. Organically, we've seen existing clients move more money over. They get more comfortable when they don't feel like you're beholden to one place that's generating products and services. That's been really helpful.

Matt Kilgroe:

Another way that I think we have really seen organic growth and interest has been through the marketing. Social media has been really helpful. It was pretty quick, when everybody saw what we were doing, so you start getting a lot of phone calls. It's just really piqued the interest in a lot of people, on an organic basis. That growth has been strong. And, all the growth that we've had since we launched is organic. We have not done an M&A transaction at all.

Matt Kilgroe:



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And then, I guess the other area, one of the fastest growing segments of Cyndeo right now is our sports and entertainment division. And, the things that we're able to do in that group for that segment of clients has really been recognized. It's amazing the difference, from a standpoint of whether it's agents, or CPAs, or attorneys, the trust that they have when you own your own business versus being at a wire house. And, I know for a lot of advisors, they really don't get that. They almost feel the other way around, they feel like they're stronger because they're attached to this big behemoth. What we're finding is it's really the exact opposite. People are more interested, because they know you own. They know that you're completely vested. If you're like them and you own your own business, you're probably thinking about your business 24/7, and that could not be more accurate.

Louis Diamond:

That's a really, really interesting angle. I don't think I've heard that before. How about on the athlete side? You said that's one of the faster growing parts of Cyndeo. Do you think you could've grown a practice like that, from a capabilities standpoint, within UBS?

Matt Kilgroe:

No. No chance, no chance. Yeah, Nate Johnson and Adam Hess are doing a terrific from a standpoint of growing that business. They're up to I think 45 or 50 professional athletes, mostly NFL and NBA players. And, the ability to grow that and the ways in which you can be creative, and work with them, and do the things that they need to do in a wire house setting. So that piece of the growth, I think, has been attributed obviously to Nate and Adam, but also to the fact that we're independent in supporting them.

Louis Diamond:

How about life now, as Matt Kilgroe the CEO versus the Matt Kilgroe the team leader? Do you now spend a lot more of your free time working? And, are you spending less time with clients, or what's been that dynamic like?

Matt Kilgroe:

I'm doing some extra lifting with regards to being CEO. One of the things that I have tried to stay very focused on is that I don't stop spending time with clients, and I don't have any less contact or less meetings with clients. Obviously, COVID has changed a little bit of that, although we're starting to be a little bit more free, and open and easy. But, there's definitely a learning curve.

Matt Kilgroe:

I'm enjoying it. Yes, I have to admit that have another half of my career at this point, I haven't been doing it for 30 years. I don't know that I've ever been as excited, I don't know that I've ever been as energized as I am right now. So yes, CEO responsibilities and dealing with everything that is running a



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company, it is different. It's definitely not the same as being a team leader within an organization like Merrill Lynch or UBS. I can't even tell you how excited and how fun it is for me personally.

Matt Kilgroe:

I'll always been an advisor at heart, and I will always have clients and spend time with them. We're so blessed to have, I think, the best clients in the world. It's just so fun to spend time with them, so I still say very focused on doing that.

Louis Diamond:

Excellent. How about some of the downsides of independence? Are there things that you either miss from your wire house days, or capabilities that you weren't able to replicate?

Matt Kilgroe:

Boy, I have to really think about that, Louis. No.

Matt Kilgroe:

The only thing that I would say is that, in the independent space, you have to learn how to know what to focus on. I mentioned shiny object syndrome earlier, I think. There's so many opportunities, there's so many things that you can do. And, I think the biggest thing for us at this point is saying no, learning what to say no to. When you're on the wire house side, they say no to you all the time so you don't have to have that. I think that's probably the biggest thing. We're still learning how to do that, and learning what to focus on and learning what to let go.

Matt Kilgroe:

There's not a whole lot of negatives, from the standpoint of independence versus wire house, from our vantage point right now.

Louis Diamond:

How about mergers and acquisitions and inorganic growth? I know from working with you, that was one of the major drivers, and you've had I think a pretty unique vision for why Cyndeo is well positioned for that. How are you thinking about inorganic growth as a strategy? And, what's your pitch to advisors?

Matt Kilgroe:

You have to know a little bit of our background from a standpoint of how we've gotten here. Over the years, we have had many partners be with us and then retire. That was in the wire house setting, so we've actually had four different advisors be with us as part of the team and then retire along the way. All of those transitions were successful, and have attributed towards building what we run now at Cyndeo.



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Matt Kilgroe:

We feel like, while we're new obviously to the independent space, we're not new to M&A. We've been doing this for a lot of years. So we don't need to do M&A, we have a very successful business, we're growing organically. But, for the right situation and the right advisor, or the right advisory team, we think that we can be terrific fit. One, we have a track record of having done it. And two, we think we're building something really special here at Cyndeo.

Matt Kilgroe:

The types of situations that we are looking at and looking for, obviously there is the more senior advisor, maybe the late 50s to early 60s, who is maybe not enthralled by the retire-in-place programs at the wire houses. We certainly can present a very good package, and a very good retirement plan, and good transition situation. Right now, it's just amazing how many conversations and how many situations we're in discussions with, so we've got a handful in that category. But, we've also got people that are in the prime of their career, who aren't looking to retire but are looking for a place to grow. Maybe they don't have the scale or the desire to build and launch their own firm. If the culture fits, we're looking for, and again, are in conversations with a number of advisors and advisory teams in that category.

Matt Kilgroe:

Our pitch is really that we have both the financial back and the operational backing of a partner like Dynasty Financial Partners. They've just been tremendous. We've got a deep bench here. I'm really proud of the fact that we're multi-generational from an advisory standpoint. Our oldest advisor is in his late 50s and our youngest is 33, we run the gamut there. So we feel like we've got a deep bench and a lot to offer to anyone looking to make a change.

Matt Kilgroe:

There's so many options out there right now. Louis, I know you know this, but there's so many options. I think we're not for everybody, but certainly we can be a good home for a number of folks.

Louis Diamond:

Excellent, thanks for sharing that. And, where does Cyndeo go from here? If we had this conversation next year, or three years from now, what does the business look like?

Matt Kilgroe:

I think a lot of that depends on the people that we meet, the ones that we run into who are looking to join us. One of the things that we've always done within our team when we were at the wire houses, and I think we're doing it to some extent now, is you find great people first and then you figure out how to work them in. Where Cyndeo goes from here, I think we can grow. I think we can grow this thing dramatically, but it's going to be about who we meet both organically and inorganically.



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Matt Kilgroe:

I hesitate to put numbers on it. We might be a \$10 billion firm or a \$5 billion firm, I think both of those are possible. But, it's going to be finding great people first, and then working out the process and the details from there.

Louis Diamond:

How about any parting words of advice? This is always our final question. So speaking to either a wire house or an already independent advisor who is thinking of making a transition, what would you say to them?

Matt Kilgroe:

I'm 55, Louis. I wish I was 45. Everybody would probably say that, you always wish you were 10 years younger. But, I wish I had done this at 45, I wish I had done it at 40, because there's so much fun to be had when you're out from underneath that umbrella.

Matt Kilgroe:

To people who are out there thinking about it or looking at it, I would just say while it might not be for everyone, there is a place for everyone who is no longer happy in a wire house setting. Again, that's not for everybody. Some people, it will make sense for them to stay in a wire house and just retire there. But, if you're contemplating this, my advice would be dig in, understand the differences, understand the variations of independence, understand that there are some very competent and very cool places that you could join at existing RIAs. Dynasty has, I think, 40 partners across their spectrum and I think a good number of them are looking to do M&A. We certainly are. But, it's either that or you look to launch your own firm. There's just so many options out there.

Matt Kilgroe:

My main message would be do it, just dig in and do it. And the younger you are the better, that's for sure.

Louis Diamond:

Absolutely. Well Matt, thank you so much for sharing your wisdom and your journey. We will actually come back to you in a year and three years, and hopefully get an update and hear how you guys are still crushing it.

Matt Kilgroe:

I appreciate it, Louis, and appreciate everything you've done for us. As you know, we're big fans of the show, and wish you and Mindy all the best.



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Louis Diamond:

Thank you.

Mindy Diamond:

As Matt shared, when you go independent, suddenly you're able to look at the whole picture. And for Cyndeo, that was a key motivation, the ability to shop the street and beyond, and provide any and all services their clients needed.

Mindy Diamond:

I thank you for listening, and I encourage you to visit our website, diamond-consultants.com, and click on the tools and resources link for valuable content. You'll also find a link to subscribe for regular updates to the series. And, if you're not a recipient of our weekly email, Perspectives For Advisors, click on the blog link to browse recent articles. These written pieces are an ideal way to stay informed about what's going on in the wealth management space without expending the energy that full-on exploration requires.

Mindy Diamond:

Feel free to email or call me if you have specific questions. I can be reached by cell at 973-476-8578. Or, by email at mdiamond@diamond-consultants.com. Please note that all requests are handled with complete discretion and confidentiality. And again, if you enjoyed this episode, feel free to share it with a colleague who might benefit from its content. And if you're listening on the Apple Podcast app, I'd be grateful if you gave it a star rating and a review, that will let other advisors know that it's a show worth listening to. This is Mindy Diamond on Independence.