



INDEPENDENT, BUT NOT ALONE

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Our chosen profession is one that thrives on a strong drive for success coupled with an innate need to help our clients. This drive exists in the fiber of a financial advisor's being. It's called an "entrepreneurial spirit," and sooner or later, it prompts the question, "Why don't I just go out on my own?"

For most financial advisors, the trajectory of their careers has followed a traditional route: join a national wirehouse as a trainee, pass the necessary exams, and build a book—then, eventually move on to another firm that better meets the needs of their practice and their clients.

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Numerous financial advisors move their practices to independent broker-dealers (BD), and many are met with more success than they would have otherwise experienced working for a wirehouse. But the road to independence is often littered with insecurity.

Most financial advisors who entertain the notion of starting their own independent practice have to confront the day-to-day challenge of running their own business. This realization can cause otherwise business-savvy financial advisors to disregard the idea without truly investigating it.

The truth is that many independent financial advisors and RIAs who join the right independent firm have a level of support not entirely different from what they experience at a wirehouse or super-regional, but with a more hands-on and accessible feel toward practice management, compliance and supervision support, case design, and marketing resources.

The following are three financial advisors from HilltopSecurities Independent Network (HTIN) who went independent and came to find that it's the furthest thing from being on their own.

FROM BRANCH MANAGER TO BUSINESS OWNER

Because of the level of accountability involved, going independent is an attractive option for financial advisors who have spent time as branch managers or who have led financial advisor teams.

Ryan Wallace, an independent financial advisor based in Arlington, Texas, is a great example. He joined HTIN in 2010 from a large national firm, which, at the time, implemented a captive model for its financial advisors. At his prior firm, Ryan came to spend more and more time recruiting and supervising financial advisors in his downline. It wasn't long before he began to miss the sense of satisfaction he'd once gotten from day-to-day client work.

"After spending a good while supervising financial advisors, I came to realize I was less interested in managing than I was in working with my clients and handling their investments." Ryan said. "I wanted to go back to being just a financial advisor, but I also wanted to do it on my terms."

Ryan spent some time thinking about which independent BD he might join, and eventually spoke to some acquaintances who happened to be with HTIN. They told him about our compensation and high level of support, and Ryan liked what he heard. At just 29 years old, he decided to make the jump.

However, because Ryan was part of a captive firm, he couldn't promise to bring clients with him. For HTIN, this wasn't an issue.

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*Ryan Wallace
Independent Financial Advisor*

“When looking for new reps, HTIN ultimately trusts in the capabilities of the financial advisor. Of course, a high production level is always attractive, but to some firms, it isn’t everything,” Ryan said.

It didn’t take Ryan long to hit the ground running. He partnered with an existing CPA in our network and together they prospected and served clients under a joint rep number. When his partner was ready to retire, Ryan purchased his book. According to Ryan, the process was seamless, thanks to the help of HTIN’s broker-client services department.

“HTIN empowers its financial advisors to be true independents. When I wanted to join up with a partner, they made it happen. When I wanted to incorporate stocks and bonds into my practice, they made it happen. And now, with zero commissions and the industry moving to a fee-based model, HTIN has helped me incorporate that platform into my practice, too,” Ryan said.

Ryan said it took about 300 days after moving to HTIN to make a living. After 18 months, he was comfortable with the size of his book and felt he was able to meet his production goals.

“It’s been nothing but awesome from my side. I love HTIN’s process and where it’s headed. They’re invested in helping financial advisors build their practices—both on a consulting level and in terms of software,” Ryan said. “Tools like Redtail, MoneyGuidePro®, Envestnet, and their upcoming FIS advisor/client platform allow me to run an efficient and scalable practice.”

A BOOK TRANSITION MODEL FOR BUILDING YOUR PRACTICE

Partnering with an established financial advisor in your network and working with them to create an eventual exit strategy is becoming more and more common. Especially when you consider that the vast majority of financial advisors in the United States are only slightly younger than their Baby Boomer clients. For younger reps, this presents a world of opportunity.

Another HTIN financial advisor, **Jarrold Patterson** in Mansfield, Texas, is leveraging the same model as Ryan to continue to build his practice. Like Ryan, Jarrod came to us from a larger firm looking for more flexibility. However, Jarrod didn’t come from a captive firm; he joined HTIN from a major wirehouse, which, at the time of this writing, is still a member of the broker-protocol.

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*Ryan Wallace
Independent Financial Advisor*

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*Jarrold Patterson
Independent Financial Advisor*

Jarrold had a successful transition to HTIN and has since used his connections within our network to build his practice by developing succession agreements with retiring financial advisors.

As independent business owners, HTIN financial advisors are able to negotiate succession agreements with guidance from the firm to help ensure adherence to FINRA guidelines for retiring financial advisors. These agreements enable a smooth transition for both financial advisors and their clients.

Jarrold works closely with these financial advisors to understand their clients' needs. Then, he develops a succession strategy that clients are comfortable with and that provides the financial advisors transitioning into

retirement a percentage of the income from the book they worked their whole lives to build.

“For retiring financial advisors, it’s important their successor upholds the same level of service to their clients,” Jarrold said. “Although they’re retired, they still live in the same community as their clients and maintain those friendships, so it’s important for your business and for their reputation that you’re on top of things.”

For Jarrold, leveraging the brain trust of our network of independent financial advisors doesn’t end with revenue sales agreements. He often consults with a close group of HTIN colleagues to discuss best practices.

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A SPIRIT OF COLLABORATION

For financial advisors who view going independent as cutting off a lifeline—or for reps who have had a bad experience thus far—it’s important to understand that all independent BDs are not created equal. Some, like HTIN, strive to create an atmosphere that enables financial advisors to collaborate with colleagues within the platform.

Take **Jim Kaighin**, an HTIN financial advisor in Austin, Texas, whose affiliation with us is somewhat of a legacy. His father owned a broker-dealer that cleared through HilltopSecurities’

predecessor firm, Southwest Securities. When Jim decided to go independent in 2011, this existing relationship, along with encouragement from existing financial advisors, made HTIN an easy choice.

Like Jarrod Patterson, internal collaboration has contributed greatly to the strength of Jim's practice. Shortly after joining HTIN, he connected with another financial advisor in our network who suggested he explore bringing insurance in-house, rather than referring cases to an agency.

Jim did just that, providing full insurance offerings to his clients. The effort paid off—he was able to double his previous production. In addition to taking it upon himself to broaden his insurance knowledge, Jim also credits HTIN's in-house insurance agency and their vendor partnerships when it came to building out this aspect of his practice.

“HTIN's insurance department, along with the firm's partnership with Core Group and Ash Brokerage, has revolutionized my practice when it comes to insurance,” Jim said. “They're real experts and I've developed a deep trust in their guidance. I'll bring the facts together on a client case and Core Group gets it across the finish line.”

Jim doesn't just leverage our insurance department when it comes to serving his clients. Approximately 30 percent of his book is fee-based and through HTIN's newly upgraded Envestnet platform he's able to provide his

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*Jim Kaighin
Independent Financial Advisor*

clients with managed account solutions run by professional money managers. For help, Jim consults regularly with our Advisory Services Group, an in-house department that helps reps establish and manage their clients' accounts.

According to Jim, the level of support he receives is best exemplified at HilltopSecurities' Education Conference, held every summer, which brings Private Client Group financial advisors, independent financial advisors, and clearing correspondents together to talk shop, network, and provide a glimpse of upcoming service and software enhancements.

“HilltopSecurities' annual conference in Dallas is a great place to connect with the firm's leadership and all the vendors available to us,” Jim said. “It's also a great opportunity to speak with other financial advisors and get new ideas you can take back home and integrate into your own practice.”

FINDING A NETWORK TO SUPPORT YOUR INDEPENDENCE

The financial advisors above combined their professional competencies and a determination to run their own business with our firm's support. As a result, they were able to successfully grow and manage their practices on their terms.

Their success illustrates that running your own practice doesn't have to be daunting. Whether you're already independent or considering going independent, it's easy to feel like the success of your business is on your shoulders alone. To some extent, that's true—because the reality is, you wouldn't be reading this if you didn't have the urge to run your business the way you want to.

But it's important to remember that all independent broker-dealers are not made equal. The level of service and support varies, just as it does at any other private client employee platform.

Choosing where to plant your flag is as dependent upon word of mouth as any financial advisor's practice. You won't truly understand the level of support an independent broker-dealer can give you until you hear it from their people.



Will Nelson

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Head of HilltopSecurities Independent Network

Will Nelson oversees HilltopSecurities Independent Network's advisor platform, retail operations, and recruitment efforts. He has more than 16 years of experience in the financial services industry.

Mr. Nelson is a graduate of Texas A&M Commerce where he earned his Bachelor of Science in Business Administration. He holds FINRA Series 7, 24, and 66 licenses.



Find out how HilltopSecurities Independent Network can support your practice. Contact us today.

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