



Benefits of
JOINING A BRANCH
Independence and Support



Discover the advantages of becoming
a member of a branch office.

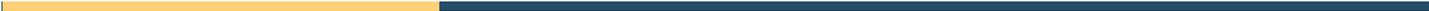


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Branch Support: Independence with a Life Vest

They say the best way to learn to swim is to just jump into the water and do it. Whether your first experience swimming was at a public pool with friends and family or at a lake at camp, your excitement over a new adventure was probably tempered with some apprehension of the unknown. As much as you wanted to dive in and assert yourself as an independent swimmer, you worried about what was in the water and the possibility of drowning.

It's no different in the business world. If you're among the record number of advisors considering a move from a captive setting to an independent broker-dealer, you share a similar worry: Do I have what it takes to dive right in and succeed on my own, especially in the murky waters of volatile markets and an uncertain regulatory environment?

But what if your move to an independent business model could be free of those worries that drain your productivity? What if you could increase your payout and offer your clients greater product selection and superior service, but retain the administrative business support so crucial to your success?

By moving from a captive advisor environment to a branch office at an independent broker-dealer, you receive all the benefits of independence without all the hassles that come with having to sign an office lease, furnish the space, hire support staff, and set up phones and other essential equipment. Joining an established branch office of an independent broker-dealer is the perfect platform for increased flexibility and earning power that comes when you start out on your own, but are reluctant to give up administrative support and group benefits.

What's more, many broker-dealers and individual branches provide additional business-boosting benefits – everything from professionally developed marketing programs to study groups and coaching collaboration. While your work environment can be as plug-and-play as it is at a wirehouse, moving to a branch office enables you to offer your clients a broader range of products and services while keeping more of what you earn – and that bodes well for future growth.

“To go completely independent is a big leap,” said Gregg Johnson, Securities America senior vice president of branch office development. “Branch offices provide support to help you stay afloat in your community, guide you to your destination and achieve your business goals without forcing quotas and product sales.”



**Branch offices
provide support
to help you
stay afloat.**

Independence and Choice: Build Your Business Your Way



Gain valuable networking, support and service from other advisors and staff within the branch.

Many financial professionals owe their allegiance to a single firm or company and often have sales quotas they are expected to meet and proprietary products they are expected to sell. This kind of environment can be detrimental to building a trusted advisor relationship with clients. An independent financial advisor is not tied to any one product or firm. He or she is able to offer clients a broad spectrum of product choices from a wide variety of companies. From this varied menu of options, independent advisors can work closely with the client to provide investment solutions that best align with the client's goals and objectives. Making the switch from a captive environment to the independent, entrepreneurial model creates more opportunities to grow, manage and build value in your own business with a strong focus on your clients.

"Becoming an independent advisor has unlimited opportunities, but it can also be very overwhelming," Johnson said. "If advisors cannot sift through their options and formulate their own structures, their business and their clients can suffer. But by joining an independent broker-dealer branch, branch managers can help advisors form the right business structure and be their guide."

Advisors who have already embraced independence may also benefit from moving their solo practice to an established branch. Branch offices stem from the forward-thinking philosophy that allows advisors to create the business model that works best for them and their clients while having the support of other experienced professionals both at the branch level and the broker-dealer level. By moving to an established branch, independent advisors reduce overhead costs including rent, staffing and training and gain valuable networking, support and service from other advisors and staff within the branch. Moving from a solo environment to a branch office can help advisors reinforce their brand, when marketed as a new partnership, or build their brand into the existing branch, adding credibility to the advisor as being trustworthy and collaborative.

"When you join an existing branch office, you get the best of all worlds," Johnson said. "You have the values of independence in strategy and in product choice, the support of an experienced branch and successful peers, and the extensive resources offered by the broker-dealer."

Margie Swanson began as an independent advisor in a solo office with her broker-dealer in 2003. In 2011, she chose to become an independent advisor under branch manager Jack Connealy with JFC Financial in Lincoln, Neb.

"I joined Jack's branch so I would feel as though my voice was magnified," Swanson said. "Being part of an organization with some clout in the industry has helped me get more done. The branch is tremendously supportive and a great group of individuals to network and share expertise with."

Create Your Own Brand Prestige

In the independent environment, advisors rely on their unique brand to attract and retain clients. They want to do business their way and want a broader menu of products and services to choose from to help their clients reach their goals. Independent advisors want to decide where to spend their money, from marketing to practice management. They want a financially strong strategic partner who gives them a robust menu of services to choose from that truly helps them achieve their goals. They want local support and would rather have someone else handle all the administrative and compliance requirements that come with running their own business. By joining an existing branch office, advisors accomplish all of this with additional guidance and support. As part of a branch office, independent advisors have the option of branding themselves individually or using the already established branch name to attract and retain clients.

“It’s a common misconception that it is difficult to grow a business without a major brand backing you up,” Johnson said. “The fact is, most clients don’t care about a known-brand parent company. They are looking for a knowledgeable financial advisor with whom they can build a long-term relationship based on trust. Independent advisors are able to further that relationship by putting their clients’ need before their broker-dealer’s needs. In a branch office, advisors can build trust with clients through the rapport of the branch and the support of their peers.”



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Get More for Your Money

The costs associated with technology, compliance and business development continue to rise every year. Affiliation with a branch office can help advisors control these costs and better manage a state-of-the-art financial services practice. Independent advisors have the ability to structure their work lifestyle to complement rather than overpower their personal lifestyle. They have the flexibility to choose the type of people and support staff with whom they want to work, can structure their office hours and work days to accommodate their needs and the needs of their clients, and can brand and design their office space to best reflect their personal style. In a branch office, independent advisors also have the opportunity to use the branch’s support staff, office furniture and equipment to save time and money on hiring and training administrative support and leasing and outfitting an office of their own.

“When looking for a branch office to join, look for a partner that will help you manage risk and your work-life balance,” Johnson said. “Your business is your livelihood, and having a branch adds a second layer of assistance to support your business and help ensure its success.”

Most successful branch offices allow advisors seeking greater independence with maximum flexibility the opportunity to create the business model that works best for them and their clients. For instance, at Cooper McManus in Irvine, Calif., advisors can choose to run their business on either a platform that provides a 60 percent payout (covers rent and administrative costs) or more independent platform with a 90 percent payout (where advisors cover all their own expenses).

“Either way, when you factor in that wirehouse payouts have dropped significantly over the years, and they no longer carry the cache they once did, joining an independent branch office is an attractive option on many levels,” said Arthur Cooper, co-founder of Cooper McManus.

Branch advisors don't have to sacrifice access to group benefits such as medical and dental insurance in their pursuit of independence, or spend hours analyzing and comparing coverage quotes for individual policies. Many branches can assist their advisors in finding replacement solutions for health care related benefits for themselves as well as their assistant or other support staff.

Count on Cutting-Edge Technology, Extraordinary Service, Training and Support



You want to partner with a firm that is large enough to provide leading products, services and technology, but small enough to give you personalized support and maintenance.

When an advisor is part of an existing branch office, they receive two levels of service: support from the branch office and from the broker-dealer.

“You can never have too much service and support,” Johnson said. “Branches provide administrative services, supervision oversight and best practice solutions to all of their advisors. Branch managers work closely with skilled professionals at the broker-dealer level so they can pass on information about new products and technology available to them. Size and scale are important when deciding on the perfect branch and broker-dealer counterpart. You want to partner with a firm that is large enough to provide leading products, services and technology, but small enough to give you personalized support and maintenance.”

John Barragan, chief operating officer, and Shawn Sandoval, director of business development, oversee Cooper McManus' branch recruitment, networking with financial advisors and following up on referrals.

“When we work with prospective advisors looking for a new independent home, we have them evaluate what they will receive from our branch and our broker-dealer as opposed to other broker-dealers,” Sandoval said. “The greatest perk to joining a branch as opposed to being completely independent is the opportunity to be one of 40 advisors instead of one in 12,000.”

Independent financial advisors within an established branch office receive coaching, mentoring and local support to help them reach their business goals with service and support resources at the branch level and the broker-dealer level. Advisors are also provided with the latest technology available and training to support new technology.

“We do a lot of the grunt work for our advisors, sifting through and evaluating products and programs for our advisors,” Barragan said. “We take many of the key programs our broker-dealer offers us and implement them within our branch, sharing them with our network of advisors and training them on how to use them.”

Barragan and Sandoval said advisors wanting the most support from joining an existing branch office should look for a branch with top producers and a professional, non-producing management team with the responsibility of running the branch and supporting advisors. This model offers advisors the best of both worlds, coupling advisor mentoring and coaching with business management experience.

“We recognize that a branch environment is not for everyone,” Barragan said. “The benefit of our branch is we have a business team that focuses only on the branch’s business, allowing our advisors to stay out in the trenches, building their practices and working with clients.”

“You want to be part of a branch that makes sure there is added value,” Sandoval said. “You want a team that is focused on the individual advisors and not worried about just their own personal business growth. We truly recognize that we must go beyond just adding compliance oversight beyond the broker-dealer level. We are a network and a resource for our advisors. We don’t just pitch products, but truly help our advisors grow their book. We have camaraderie, constantly share ideas and push each other to succeed.”

Growth in a Branch Office with Broker-Dealer Support

Many branch offices continuously recruit new advisors, but when looking for a branch, advisors should be sure to find one that will fit their business the best and provide the best service available.

“We treat our advisors as if they were our clients,” said David McManus, co-founder of Cooper McManus. “Service level has to be high in that regard. We don’t bring them on then forget about them. We talk to them from a service level daily, and we call them often just to check in. Constant communication between the branch and the advisor is important.”

Todd Terhorst is the branch manager for Diversified Wealth Management in St. Louis Park, Minn. The branch has seven Minnesota locations and an office in North Dakota.

“Branch models definitely benefit everyone, even when each advisor has a different business model,” Terhorst said. “Advisors can share their unique business styles and product knowledge and receive feedback on their choices. There are common support systems in place including staff, software and systems. I don’t know too many people in this business who are really a one-person shop. There’s value in being part of a group while still being a maverick and doing your own thing.”

Terhorst said Diversified Wealth Management’s main office, in St. Louis Park, acts as the national headquarters for the branch, accommodating several staff members and advisors. Other advisors, located in their own offices or working from home, use the main office to access help and support from staff when necessary, allowing the branch manager to be the liaison between advisors and the broker-dealer.

“Our broker-dealer gives our branch great flexibility in the support, products and platforms needed by such a diverse group of advisors in one branch,” Terhorst said. “Our advisors have a variety of platform types they can choose to operate and are allowed to choose between fees, commissions or a hybrid practice. I have the ability to tell advisors they can join my branch and receive all the support they would like, while doing business how they want, when they want and under the name they want.”

Barragan and Sandoval agree the liaison relationship a branch has between advisors and the broker-dealer is a key benefit to joining a branch.



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A sign of a strong branch is one that continues to look for growth opportunities.

“Our relationship with our broker-dealer is so solid, we have a proverbial red phone on our desk,” Barragan said. “No matter which broker-dealer you join, there will always be issues in business. In a branch, you can call your branch manager who has a 15-year relationship with the broker-dealer and can get issues resolved immediately.”

“Branches can help build branches,” Sandoval said. “If an advisor wants to build their own branch, they can do so within our branch and leverage what we’ve done here. Working with our broker-dealer, we can provide excellent coaching, and we can leverage each other’s skills and time. They get to focus on what they are good at – working their business – while we focus on the details of recruiting other advisors for their business.”

Terhorst remarked that a sign of a strong branch is one that continues to look for growth opportunities.

“Recruiters at the broker-dealer will work with the branch manager or a branch’s own management team on ways to expand the branch if that’s what they want to do,” Terhorst said. “They will even help advisors in a branch find junior partners or develop their own branch once they have more confidence to do so.”

Look for a branch at a broker-dealer that listens to their advisors and provides feedback. Advisory councils, like Securities America’s Branch Manager Advisory Council, provide an opportunity for branch managers to offer feedback and ideas on how the broker-dealer can support the growth and management of successful branch offices. Likewise, it creates an opportunity for the broker-dealer’s executive team to communicate the firm’s initiatives and accomplishments, build personal relationships and create strong strategic partnerships. Advisory council members typically represent a diverse mix of business, geographic region, gender and backgrounds.

“In the independent world there are two different classes of broker-dealers: broker-dealers that are there for processing purposes, and broker-dealers that process business, enhance processes and coach advisors, leading them to better results,” Johnson said. “Branch offices are extensions of the latter.”

Benefits of Joining a Branch

1. Protect your practice and lessen your burden with outsourced compliance.
2. Lower overhead costs with shared location, furniture and equipment.
3. Coaching, mentoring and local support to reach your business goals.
4. Camaraderie and joint work with planning and product experts.
5. Training for you and your staff.
6. Market under an established branch brand or receive support in building your own brand.
7. Built-in succession and contingency planning.
8. Access to group health benefits.
9. Built-in support for basic operational issues and problem resolution assistance.
10. Branch manager acts as liaison between advisors and the broker-dealer, offering the best products and programs from the B-D, eliminating research time for you.
11. Ability to enjoy independence while still receiving support.

Built-In Succession Planning

Sandoval said branches, and building teams within branches, lends itself to built-in succession and contingency planning. Many advisors, including solo advisors, struggle to find the right successor for their business after running it for years on their own. Advisors who join a branch build relationships with other advisors they may eventually feel comfortable transferring their business to, and clients see the strength of continuity as a back-up plan in case their advisor should be away or something unexpected happens.

“It really is a win-win situation with a branch,” Sandoval said. “You get support and extraordinary service, plus assistance growing your practice both with clients and with other advisors that in the long term can become successors.”

Grier Laughlin began Quintus Financial Services in Englewood, Colo., in 2008 as an independent advisor under branch manager Jack Connealy with JFC Financial. After receiving branch manager training, Laughlin began to build his own branch, expanding Quintus Financial to include three other advisors: Dan O’Leary, Chet Wallace and Brian Peters. In February 2011, Laughlin was killed in a tragic car accident, leaving his family, the community and the firm devastated.

“After meeting with my partners, we decided that since it was Grier’s dream to build Quintus into a first-class financial services company, we had to continue his vision,” O’Leary said. By expanding from a solo office to a team model, Laughlin’s partners – with support from JFC Financial and Securities America’s Practice Management team – were able to carry on the business, taking care of his clients and helping secure his legacy for his family.



Through a team environment as part of an established branch, you can tap into support services you might not have otherwise.

Conclusion

Being an independent financial advisor means you can supply your clients with optimum product selection and a vast array of services. But that doesn’t mean you have to do it all yourself! Through a team environment as part of an established branch office, you can tap into support resources you might not have otherwise.

About SECURITIES AMERICA

Securities America is a member of FINRA and the Securities Investors Protection Corporation (SIPC). Customer accounts are cleared through National Financial Services, LLC, Member NYSE/SIPC and Pershing, LLC, a Bank of New York Mellon Corporation.

To have a confidential conversation and explore the opportunity of joining a Securities America branch office, call **Gary Bender, First Vice President, National Director of Recruiting** at **800-747-6111, ext. 7130**.



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