

A Tough Talk and Third Party Referrals Convince a Tough Customer

Ned was a successful attorney, a partner in the New York office of a major law firm. He and Susan, his wife, also an attorney, were prosperous and life was good.

Still, six years ago, he had concerns. They were a modern, “blended family” and their two children from first marriages were now in their 20’s.

Ned worried now not about his own comfort and responsibilities but the future for the kids and grandkids.

“I had trusts but when I talked to the estate attorney and told him what I needed, I got back something different from what I asked,” he said.

Moreover, he thought it strange to have 60% of his portfolio in energy stocks circa 2015 – or concentrated that much in any one sector.

“I also had a life insurance policy but the benefit seemed to expire, just when it would be needed,” Ned continued. “The premiums were affordable but the delivery of the death benefit seemed questionable. When I met with the insurance people, it felt as if I were talking to used car salesmen who talked fast without addressing the problem.”

Common enough challenges perhaps, but Ned is not a common customer. He is an attorney with deep experience in the financial services industry, including wealth management.

“I did not understand why I could not get through to them, or why they would not address my concern,” he said. “I know enough about wealth management to ask clear, focused questions but they were not being addressed.”

Add to this the retirement of his long-time Financial Advisor. In sum, the events sent him in search of new advice and a new wealth management team.

Could his wife suggest an alternative? he asked. She could. Try the Sackler Group of Paramus, New Jersey, at Morgan Stanley, she said. Here, she had worked with Lori Sackler, her son, Henry Sackler and their team.

Lori Sackler emphasizes what she calls “The Money Talk” – a discussion she has with all clients about what goals they have, how they feel about money and what they want to achieve for their families.

“So I gave it a try,” Ned said, “and I encountered something I had not before and I’ll admit I wondered about it.

“Lori wanted to hear everything, not just stocks and bonds,” he continued. “She said, ‘Let’s look at your whole life, let’s be holistic and look at all your needs.’”

Both Lori and Ned recall this level of inquiry took some getting used to. “My wife and I are attorneys and I wouldn’t call us cynical, but I would say we question why something has to be done,” Ned said.

“It took some gentle persistence,” Lori recalled. “We had what I call several ‘Money Talks,’ where we explore what’s most important to our clients and for the next generation and examine how their finances can support their vision.”

“One of the first suggestions I had was for him to get new advice on his life insurance and establishing certain trusts,” Lori said. “This is not something we could do for him directly but we did feel we could send him to some talented, third-party professionals who would understand his concerns and actually deliver on what he wanted to accomplish.”

Ned came out of those experiences far happier and confident that now he was adequately insured and his estate plans reflected his vision for the next generation.

Another priority? Lori looked at his liabilities, his mortgages and loans, suggesting that he pay off some higher rate mortgages and work with Morgan

Stanley on others. She introduced him to her Private Banker at Morgan Stanley, after which lines of credit were established at favorable rates in an attempt to optimize his debt portfolio.

Lori and her team also attended directly to the more conventional investment advisory work. Over three years, they unwound the concentrated energy positions in a tax sensitive way which matched Ned's goals, introduced alternative investments and created a highly diversified managed liquid stock and bond portfolio which were tested against risk factors using Morgan Stanley portfolio tools and systems.

He was, Ned conceded almost seven years later, "perhaps a little cynical, definitely skeptical, as attorneys are trained to be careful, "particularly given my past experiences."

"What really impressed me is that a lot of what was recommended generated no fees for Morgan Stanley," Ned said. "For example, the estate

planning, establishing trusts, the insurance review or making changes to my existing life insurance policy. Those actions were just the right things to do whether it generated revenue for Morgan Stanley or not.”

““I felt like I needed the services of a ‘family office’ – advice that the fabulously wealthy receive,” he said. “My expectation of most Financial Advisors is that they handle your stock and bonds and that’s it. But my challenges were far more complex than that.

Lori Sackler said she and the group endeavor to treat all clients in the same way – a full look across all financial needs.

“Many of the services we performed for Ned don’t produce revenue for us,” she said. “But that’s not how we approach our clients’ needs. We have a very disciplined and comprehensive process that allows us to identify and fill gaps in client strategies

beyond the investment advice we offer. We want to help them keep up with change, have time to reflect and satisfy their financial security, life style and legacy concerns. We strive to help them navigate all of their life transitions, and in the end, hope to have a meaningful impact.

“The goal here is to have a great relationship built on trust,” she added. And, we do our best to replicate the family office experience in managing wealth in the process.”

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