

SAYRA

THE VOICE OF FEMALE FINANCIAL ADVISORS

INVESTING IN WOMEN

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Three generations of Lebenthals posed for this picture in 1992. "This is one of my favorite pictures," says Alexandra. "It captures so much of our family history and our personalities. Despite Sayra's sober demeanor, she was thrilled when the baton was passed to me, her granddaughter. My appreciation for what she accomplished grows every day, and I am proud of the fact that I got to work by her side as her sales assistant when I was 23 and she was 91. And of course, dad was making me laugh about something, like he always did. Sadly, Jim passed away on November 14, 2014. He will be missed."

Staff Highlight:
Bella Patel is a fully trained yoga teacher with 200-Hour PURE Yoga Teacher Training and 220-Hour KRI Level 1, Kundalini Yoga as taught by Yogi Bhajan. Look for Bella's health tips on pages 12 and 20!

LETTER FROM THE CEO

HEARING VOICES IN THE CHOIR OF FEMALE ADVISORS

Welcome to the second issue of SAYRA Magazine. We have been thrilled by the wonderful response we received from the first issue. We hear loud and clear that there is indeed a need for a magazine devoted to female financial advisors, who together oversee \$3 trillion in assets. We sent the maiden issue of SAYRA out to some 90,000 female FAs and, not surprisingly, a lot of their male colleagues were reading over their shoulders. They, too, liked what they saw. Turns out that helpful content is gender-blind, but we will stick to our knitting and continue to serve up investment and career ideas and advice with the female FA in mind. Amidst the compliments, we also got some constructive feedback and suggestions for SAYRA, and we will be including some of them in this and future issues.

I'm particularly pleased about our cover story on investing in women. I think that we are at a tipping point when the investing world has come to realize that there is money to be made from women-owned or women-led companies! Guest reporter Nancy Mandell covers the panoply of opportunities that are in existence right now. Kat Cole, CEO of Cinnabon, is an example of one such company, and our interview with her is sure to go viral. I love the fact that she loves her own product! I also hope everyone—men and women—read our interview with James "Jimmy" Lee, Vice Chairman of JP Morgan Chase. The interview came out of one reader's suggestion that we include a man's perspective in each issue. This one does not disappoint. Jimmy is a legend on Wall Street

and has long recognized the talents that women bring to the business. If every powerful man thought like he did, there would be no glass ceiling for women in corporate America.

There is some sad news to report. Since we published our last issue, my father and Chairman Emeritus of Lebenthal Holdings, Jim Lebenthal, passed away at the age of 86. Dad had an amazing life and was in the office up until his last day. I'm so proud that we were able to include the wonderful interview with him in the inaugural issue. Dad was a legend in the municipal bond business, but he was an inspiration to me and all the people who worked with him. In the weeks since his passing, I have given a lot of thought to why he was so special and I think it is because he treated each day as a chance for inspiration and passion. He didn't waste a moment of his life. That's not always easy to do when we are in the daily grind, but perhaps it is the secret to a happy life.

I hope you enjoy this issue. If you haven't already, you can subscribe directly on our website at bit.ly/16ZpxAQ. It's free! Please spread the word, keep the comments coming and be sure to follow us on twitter at @Sayramagazine, Facebook and LinkedIn.

All the best,

Alexandra Lebenthal,
CEO, Lebenthal Holdings





SAYRA EDITORS ASKED FOUR SUCCESSFUL FEMALE ADVISORS IF THEY HAVE EVER FACED A CHALLENGE WITH A FEMALE CLIENT, OR WORKED WITH A DIFFICULT CLIENT AND, IF SO, WHAT WERE THEIR SOLUTIONS. HERE ARE THEIR CANDID ANSWERS.

THE VALUE OF TRULY LISTENING

Kim D.H. Butler

Founder, Partners for Prosperity, Mt. Enterprise, Texas

Female clients get scared quickly (we all do, men just hide it) and one lashed out at me because she misunderstood what we'd suggested. I just listened, very very quietly, literally making only occasional "okays" and taking notes. Then once she settled down, I listed the five main

things she was concerned about as I heard them, and asked her to prioritize them. It turned out, she was really only concerned about number three. Had I spent time addressing the others, we both would have been frustrated. However, since I listened first, then asked questions, then responded, we were both pleased. I've learned that asking questions is so much better than providing answers. About 20% of our clients

are either single, divorced or widowed females. We work hard if a male client is married to involve the female as well since we do all our work over the phone in 50 states.

In 1999, Kim created Partners for Prosperity, Inc., dedicated to the principles of Prosperity Economics. Based in eastern Texas, P4P is a federally Registered Investment Advisory Firm that serves clients in all 50 states. Kim is also an affiliate of Paradigm Life in Utah. Kim's work has been recommended by thought leaders and authors such as Robert Kiyosaki, and others.



I would advise female advisors to share their own life experiences with clients especially if they are relevant to the challenges.

Donna Skeels Cygan

CFP®, MBA, President of Sage Future Financial, LLC, Albuquerque, New Mexico

I have a single client I have worked with for many years. She is very frugal, and does not spend money on herself, even though she could afford to splurge once in a while. She shared with me a few years ago that she was shopping for clothes. She saw a jacket that she loved. She quickly said to herself that it was too expensive, and she could not buy it. She then thought of me, telling her that her money is to enjoy. (It is not to sit in an account and never be spent.) She described it like this: me sitting on one shoulder telling her she deserves to buy the jacket and she can afford it, and a little devil sitting on the other shoulder telling her it would be irresponsible to buy the jacket. She decided to buy it, and now she calls it "Donna's jacket." She laughs when she tells this story.

She has learned over the years to enjoy her money. She will never be outlandish and irresponsible, because her frugal upbringing would not allow it. However, she now goes to Europe for a few months every summer to take painting classes, and since retiring several years ago she has become a very accomplished artist. She is pursuing her goals and dreams to paint and travel, and



she is enjoying her money. It is an honor to work with her.

Before launching Sage Future Financial, Donna, a CFP® and MBA, was the founder and President of Essential Financial Planning for 10 years. Her areas of specialization include investment management, retirement planning, tax planning, estate planning, education funding strategies, and legacy planning. She was recognized three times by Wealth Manager magazine as being one of the "Top Wealth Managers in the US," and once as being among the "100 Top Female Advisors in the US." Mutual Funds magazine named her as one of the "Top 100 Financial Planners" in the country for two consecutive years.

Donna is often quoted in the financial and mainstream media in such distinguished publications as The Wall Street Journal, The New York Times, Newsweek, Forbes, Kiplinger's Personal Finance, USA Today, Financial Advisor, and Investment News. She has appeared as a guest on CNBC, and she conducts educational seminars on financial topics.

Kimberly Foss

CFP® CPWA®, Founder and President of Empyryon Wealth Management, Roseville, California

My client challenge was helping a female client prepare for an encore career as an artist. As longevity continues to increase, many Boomers, faced with the prospect of spending more than 30 years in "retirement," are launching second or "encore" careers. This term was introduced in 1997 by the San Francisco-based Civic Ventures, a non-profit that has since become Encore.org. I find women are especially prone to explore encore careers, whether it's a transition from one job to another or a return to the workplace after taking time away from their careers to raise the children, or due to a layoff or divorce.

In the past, one of my clients who had worked in high tech for years, working her way up from a data control clerk to a programmer and information technology manager, was ready to launch her encore career as an artist. Today she creates beautiful glass jewelry, plates and wall art. Although she wanted to make the jump into the artist's life right away, I counseled her to take some time and plan.

How did I successfully slow her down to ensure the transition was personally fulfilling and financially prudent? First, using the term "encore career"



instead of "giving up on the 9 to 5" helped underscore for my client that her future work and income stream should receive the same serious attention we gave to creating a retirement income stream when she was employed by a major corporation. Our planning steps included:

1. Earmarking funds for the transition. In addition to her emergency fund, which was large enough to cover six months of expenses, we created a special "artist's account" with some of her bonus money to relieve the financial stress of those early encore months.
2. Continuing to save for retirement. I wanted to ensure that the excitement of beginning her second career did not exacerbate a mistake we all make -- viewing ourselves as younger than we are. My client was 54 at the time. During the two years she spent planning this transition, she redoubled her efforts to save in the company's 401(k), taking full

advantage of the catch-up provision. We also talked about the need to take advantage of opportunity to save in a SEP IRA or establish an individual 401(k) once she left the corporate world.

3. Taking the big risks off the table. One of my client's fears in leaving her job was that she would earn far less money and in old age become a burden on her children. For that reason, we purchased a long-term care policy so she would be able to maintain her independence. Because the sweet spot in terms of pricing is in the early 50s, planning for an encore career presents a great opportunity to discuss this coverage.

It's been several years since my client began her encore career. She's very happy and makes enough money so that she hasn't had to tap her emergency fund or her retirement account. Her artistic work is

fulfilling enough that she expects to continue her creative endeavors even after she "retires." I support that, especially because the income she earns will allow the assets in her 401(k) to continue to grow tax-deferred. I think that's one big reason work is becoming an increasingly real part of the "retirement" picture. Although a planning challenge, my client's encore career now allows her to earn money doing what she loves! 55% of my clients are female.

Kimberly began her career with Merrill Lynch nearly three decades ago. As her commitment to helping clients achieve financial goals grew, she was driven to found her own advisory firm, Empyryon Wealth Management, 24 years ago. Empyryon has been named one of the top wealth management agencies in the country by Bloomberg's Wealth Manager Magazine. **■**

I find women are especially prone to explore encore careers.



Christina Povenmire

Founder/CEO, CMP Financial Planning, Columbus, Ohio

I have worked with several couples where the husband died. As their financial advisor, I was one of the first to hear of the loss. There wasn't a lot I could do to ease their pain that first six months other than make myself available by attending the memorial service, and explaining and preparing the paperwork to make the necessary account changes in the first 30-60 days. In the first year, I allotted extra meeting time to share stories about their lost spouses.

Then (typically after a year) I allotted "girl time" to share new boyfriend stories as

these 60-something women ventured back into the dating scene (now online) after 30 years of absence. I do share personal stories with all my clients. So these women knew that I had a rather traumatic divorce, and then went through the process of online dating and finding a new guy myself. In this case, I would advise female advisors to share their own life experiences with clients especially if they are relevant to the challenges.

Generally, the challenges of my female clients are fairly universal: How to create a secure and lasting retirement. Currently I have about 53 clients and of these, 16 are single females, and 29 couples.

Christina Povenmire, CFP®, MBA, is a fee-only financial planner who works with individuals/families and small business owners to help them achieve their financial goals and to maximize their wealth. She owns her own practice, CMP Financial Planning, and has been in business over 15 years. The firm has more than 50 clients (mostly in central Ohio).

INSIGHT FOR FEMALE ADVISORS

WORDS OF WISDOM FROM
MYRNA M. RIVERA

CIMA®, FOUNDER, CHIEF EXECUTIVE OFFICER
CONSULTIVA INTERNATIONAL, INC., PUERTO RICO

SAYRA editors had the distinct honor and pleasure of speaking recently with Myrna M. Rivera, Founder and CEO of Consultiva International, about her illustrious career and her many achievements in the industry. Myrna was very candid about her challenges, her desire to have her own RIA, her advice to female advisors and answers to other important questions.

Myrna is a 30-year veteran in the field of investment management consulting. She is a recognized pioneer in the industry, having contributed to developing standard investment management practices employed today for middle market endowments and foundations, pension funds, insurance companies, credit unions, state and local public entities, Taft Hartley Benefit plans and individuals and families. Myrna has received numerous distinguished recognitions for her leadership. Please see her awards and other recognition at the end of this interview. We hope you enjoy it.

SAYRA

Can you tell us the top 3 “secrets” to your success? Is there anything you would point to as a turning point in your career that catapulted it to higher levels?

RIVERA

Yes, but they are my core commitments, not necessarily secrets. First, servant leadership: a genuine desire to serve; you must love this work and be devoted to it as a vehicle for making yourself present and accountable in the world. Second, envision the “end-game”, both yours and your client’s; what story do you want to tell 20 years from now? And third, align your interests with your client’s; avoid the perception of conflicted interests. Center your work around a fee-based model.

Let me say a bit more about “envisioning.” I’ve always envisioned the “end-game” first. You see, envisioning and dreaming is free, so we just need to be really relaxed about it. I dream it first, I build it in my mind first and then it’s easier to build the bridge to get there. I do this with my clients, too; I help them to “see” their hopes and dreams. I ask them, “Where do you want to be in the future? When you look back, what’s the story you want to tell?” I did this for years before I built the business. I envisioned the value proposition, and how we would deliver it. I envisioned who the clients would be. I also envisioned the meetings and the materials that I would want to have at the transition meetings, in minute detail and so when we built it, we knew exactly what we were building. It was then just a matter of execution with laser focus. We surprised even ourselves, and transitioned over in only 60 days.

There are a few turning points in my story, but I believe that writing the first formal statement of investment policy for a public fund in the '80s was a major one. The processes we put in place became public policy, something I'm particularly proud of, and it launched my career as an investment management consultant.

SAYRA

How did your experience at the Consulting Group at SBS influence your decision to start your own firm? What helped you make that leap?

RIVERA

I had discovered fiduciary responsibility, duty of care and duty of loyalty, earlier, as a broker at Merrill Lynch. It resonated with everything I believed in philosophically and how I envisioned my role in my community. When I was invited to join the team that would launch EF Hutton's offices in San Juan, I discovered their Consulting Services Division and realized that I could actually build a career around serving the needs of fiduciaries. I discovered that I had a talent for planning, teaching, facilitating, writing and presenting, which turned out to be priceless in working with volunteer fiduciary boards, as well as individuals. Over time, EF Hutton became Shearson, which became Smith Barney, and I developed my career there over a span of 16 years.

SAYRA

Why did you want to start your own firm?

RIVERA

I created my firm in search of a better alignment of interests with my clients' interests. The genesis was a powerful desire to divorce the advisory process, from the process of manufacture and distribution of product. I had started in the early '80s doing this. I wanted to be a co-fiduciary with the client so there's a sense of accountability. I spent two years thinking everything through. Is it possible? Is it viable? If so, how do I do it? What are the models? Who else is doing it? How much of this can we imitate? How much of this are we going to have to manufacture ourselves because it doesn't exist yet? Today, if you want to become an RIA, there are infrastructures and "platforms" available. But in 1999, there wasn't much, so we had to build it all out. I couldn't pick up the phone and call Schwab and say, "I want to become an RIA. I'll hook up to

your platform." That was not the case in 1999. There were loose pieces, so we stitched them together.

And many people who loved me asked, "Why do you want to do this? You are a top producer at Smith Barney, you are so successful. Why would you want to walk away from that?" My answer was, It's gnawing at me and I dream about it all the time. I don't want to die and not have tried. I figure if I fail, I can always get a job." I had the faith that I had left a reputation that I could go back to. I also believe that with individual clients, we are responsible not only to them but to their families and to everyone who is going to be a beneficiary of the process. We were the little guy with the smaller budget, testing another way of doing business and delivering value. We had our share of controversy in the market place, as the business models were shifting, we were viewed as a "provocateur," and now they've completely shifted in our direction.

SAYRA

Who was instrumental in helping you along the way? Did you have any female mentors? Are you a mentor?

RIVERA

I learned immensely from the colleagues at EF Hutton's Consulting Group: John Ellis, Len Reinhart, Jimmy Seuffert, Don Robinson, John Lohr, Bill Johnson, Dennis White, Judy Taibi. I learned immensely from the due diligence analysts. I also had powerful women in my corner; visionary women who helped me with marketing strategy, introductions, client referrals.

A lot was self-taught. No one in San Juan was doing what we were doing. And a lot of "how to present," and "how to explain" came from clients themselves. After many years, I realized that a younger generation was watching us, that I was mentor to both young men and women. Very cool.

But I also must say that my husband, who is a behavior modification professional, encouraged me to think it, to envision. He was the one who said, "Think about it in all of its glory, because your brain doesn't know the difference between a real event and one that you've imagined with all the power of our imagination. Do it with all of the detail that you can possibly muster up. If you do that, you neurologically are shaping yourself toward behaving as if it's a real thing." I can't tell you how much courage that gave me. Occasionally, when I felt lost, he would nudge, "...consider the options..."

SAYRA

If you would do anything differently, what would that be?

RIVERA

I would do three things differently.

1. I would be more cautious in deploying financial and human resources; I would be less quick to pursue "opportunities" that took me away from my core business in the name of expansion. This is a relationship business. The only way to grow effectively is through building solid value-added relationships with clients and their other advisors, one at a time, and surrounding yourself with colleagues who see what you see. Folks in our profession either see it or they don't. Product manufacturing and distribution, and investment advice are **two different businesses**, albeit both

"Don't proceed without an exit strategy. How will you sell your business? To whom? When? Why? How?"

necessary. But they invoke different mindsets, different skill sets and different endgames. And transferring from one mindset to the other is not as simple as one might think.

2. I would be far more progressive in remaining ahead of the curve deploying technology in every aspect of the business: back-office, reporting, compliance, etc.
3. And I would be far more compliance-centric far earlier in developing the business.

We made some choices about expansion in our third year that we didn't think through as adequately as we should have. It cost us time, dollars and "animus". You don't make that back. If I could do something differently, I would stick to my knitting and grow from my base. We're a Woman-owned Latino firm and the demographics in 2000 were emphasizing how the Latino communities were the fastest growing communities in the U.S. and we thought there was opportunity for us. We stepped out



and we explored and we were early. If you step into uncharted territory, make sure you've done your research or find collaborators who are already in there. You don't open an office in New York and then begin fishing in New York. No, instead find someone who is already in New York who thinks like you do and you collaborate. That's a way of sticking to your knitting and deploying your resources smartly.

SAYRA

As a businessperson and an entrepreneur, do you have your own process that you abide by year in and year out? How often do you review your business plan?

RIVERA

I learned GOSPA very early in my life at The Service Bureau Company: Goals, Objectives, Strategies, Plans and Activities. Goals are visions of value propositions and positioning in the marketplace. Objectives are measurable stepping stones on a timeline (AUM, revenues, verticals, etc.). Strategies achieve Objectives, Plans support Strategies and Activities are those day-to-day tasks which, without plans and strategies, have no direction or purpose and eat up your time (phone calls, e-mails, etc.). So I have a GOSPA for the firm, and for myself. And I encour-

age our advisors and team leaders to have one. They’ve been in place for over 15 years, with variations along the way, mostly at the Strategy and Plan levels.

We are clear about our vertical markets, our investment solutions and our financial goals. They are articulated in writing, reviewed continuously and not negotiable. What cannot be measured cannot be managed. So we make sure we have the management tools to help us measure our progress. Our working groups meet weekly and we view metrics on a monthly basis.

SAYRA

Do you advise motivated entrepreneurial female advisors to transition to independence or launch their own RIA?

"Regardless of what *next level* means for you...work on seeing *it* first. Build it first in your heart and mind."

RIVERA

No one has asked me, but I can tell you, unequivocally, this is a choice about quality of life. Don't go into this transition because you think you'll make more money, as this is not necessarily so. Fifteen years later, I still have a salary. Set a salary for yourself; an amount that will allow you to meet your personal financial commitments, so that you can invest 100% of your time for at least the first 2 years.

Don't proceed without an exit strategy. How will you sell your business? To whom? When? Why? How?

When you own the business, you realize that you now "do" the business, and now also "manage the enterprise". These are two different skill sets. You don't want to be the person who does both, so make sure you have a business management team in place before you launch.

SAYRA

How would you counsel other female advisors and RIAs who are trying to get to that next level in their business? What action should they take?

RIVERA

Regardless of what "next level" means for you, as I said earlier work on "seeing it" first. Build it first in your heart and mind. What is your value proposition? What is the problem you're trying to address for clients? What is your solution? Why is your solution better?

Envision it done. Write down your ideas, work out the spreadsheets with the dizzying details. Work out your worst-case scenario, and make sure you have the resources to live through it. Then sit with your life partner and have a serious conversation about this, and the implications for both of you over the next few years. This will be a 24/7 journey, so if your partner doesn't sign on, there will surely be friction along the way.

Envision that you are surrounded by people who see what you see. Look for them, carefully, patiently. Execution is all about the people!! Don't waste time convincing others to your side. They have to see it with their heart and soul, just like you. Then go for it.

SAYRA

What do you believe is one of the biggest challenges for women in the industry today?

RIVERA

We tend to doubt ourselves; I dread that we set lower expectations of ourselves, although I must say I am far more hopeful about the younger generations I've come in contact with. We're not aware of how much of this business requires skills that women master: listening, compassion, solidarity, motivation, problem solving, leadership, recording, follow-up. These are important, not only with clients, but with our employees and partners.

Notwithstanding, it must all be accompanied by very strong technical skills, understanding of the capital markets, keeping up with current events and trends.

We must have a viable business plan. If we have never done this before, or we don't have people around us who have done this, this knowledge gap can hurt us.

SAYRA

What should an advisor do if they feel discouraged and

PEACEFUL MOMENTS

Meditate for a minimum of 5 minutes daily. Close your eyes and focus at the root of your nose/between the eyebrows. We are visually stimulated all day; give your occipital lobe a break!

—Bella Patel
Certified Yoga Teacher

need professional or practice help? Or is thinking about leaving the business?

RIVERA

Go back to some fundamental questions: Does this practice make you happy? Why? How? What is the cause of your concern? I can understand that this can be a lonely place. Very few professionals truly hear this calling, and fewer understand what goes on in the minds of those of us who are involved in community activities. It will give you perspective on how money drives very important developments in your community. It can give you a new-found perspective on money and its purpose. And you will meet prospects you never dreamed of, and on common ground. It doesn't get any better.

Once you've addressed these questions, seek out other, more experienced RIAs.

SAYRA

What is the most important advice you would give a female advisor just starting out? And the female advisor who is on an AUM plateau? The advisor who is thinking about succession planning?

RIVERA

Starting out: Why do you want to do this? What drives you to take on such a daunting responsibility? What is your vi-

sion of your future accomplishments? What is your value proposition? Do you have the financial resources to meet your personal financial obligations for the next 2 years?

AUM plateau: who can you partner/collaborate with in your community? Another professional who brings another service to the same vertical market(s) that you serve? Another community to serve? Another vertical market?

Succession planning: Who will inherit your business? Your employees? Or your family? What is your exit strategy? What is the current value of your company? Begin to address these questions.

And always remember: It's much less about the money than it is about the vocation. You certainly don't do this because you think there's a lot of money in it. You do it because you've fallen in love with your country, with the people, with the culture, with the possibilities. We're stewards and co-fiduciaries and we're part of a process of building wealth, but it's not just making money to make money. It's making money to pursue noble deeds. You have to follow your heart, and the first thing you've got to do is sit down with your partner, your spouse, your family members and have a serious discussion with them.

SAYRA

Myrna, thank you so much for taking time from your busy schedule to speak to our readers. Your advice and insight is invaluable and inspirational. ✍

MYRNA M. RIVERA
AWARDS AND RECOGNITION

Myrna Rivera's awards include the John Ellis Excellence Award for her tenure in institutional investment consulting at Smith Barney and its predecessors, the Joyce Johnson Award of the National Association of Securities Professionals for her contribution to the advancement of women and minorities in financial services, and the Highest Leaf Award from the Women's Venture Fund of New York, for entrepreneurial excellence. She appears in the "Top 100 Influential Hispanics" of Hispanic Business Magazine and Wealth Management's 2014 roster of Top 10 Women-owned RIAs. She has twice been awarded Consultant of the Year by Opal Financial Group's Emerging Manager Summit.

In July 2014 she was named Business woman of the Year - Puerto Rico by Acquisition International's Business Excellence Awards. Ms. Rivera is Chair of the Lehman College Foundation of the City University of New York. She is a founding member of the Comisión de Ciudadanos al Rescate de Caimito, a community-based organization in San Juan, and a board member of Pro-Arte Musical, a not-for-profit organization based in San Juan that promotes classical and world music concerts. She is also a board member of BronxNet, an independent, not-for-profit organization established under the Cable Television Franchise Agreement between the City of New York and Cablevision

of New York City. She is a board member of Agenda Ciudadana, an open Citizens' Roundtable in Puerto Rico that convenes the citizenry around relevant topics, such as educations, job creation, mindsets, and others. She was recently appointed by the Governor of Puerto Rico to the Advisory Counsel for Special Communities, which works to provide for structural, economic and social change in Puerto Rico's poorest communities. Ms. Rivera is an undergraduate of the University of Puerto Rico and a Masters Graduate from Lehman College of the City University of New York, both honors majors in Mathematics. Please visit www.consultiva.com

LIFE NEEDS FROSTING

WHO HASN'T
WALKED THROUGH
AN AIRPORT AND
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WAFING FROM
A CINNABON STAND?
FELT ITS POWER
DRAWING YOU TO
SAVOR ITS
INDULGENCE?

AN INTERVIEW WITH

KAT COLE

President/COO of Cinnabon

By Alexandra Lebenthal

You can thank Kat Cole, the 36-year old President and COO of Cinnabon, for turning the sinfully delicious cinnamon bun into a shared national experience. I first became aware of Kat while watching one of my favorite shows, "Undercover Boss," where top executives wear disguises and work real jobs alongside their own company employees. I was struck by her sharp business acumen—she was named to her position at age 32—as well as the empathy she shared with her employees. Of course, when I met Kat at the Fortune Most Powerful Women Conference two years ago, I gushed over her like a rabid fan. This year I saw her again at the conference. She had just been named that morning to the CNBC Next 25—the people they expect to be among the greatest 25 years from now—a list that includes Sheryl Sandberg, Marissa Mayer and Marc Andreessen. I immediately asked her if I could interview her for SAYRA and she agreed. I couldn't be happier to share her thoughts with you.



ALEXANDRA

Your business life has been devoted to middle America's taste buds, first at Hooters, now at Cinnabon. What drew you to this business?

KAT

My first job was in retail at a mall when I was 15, so that set the stage for understanding service as a business, and restaurants felt like a logical progression. I started working in restaurants when I was 17, and loved the service and people elements of that business. At that time, although I enjoyed it, I had no plans of staying in the industry, as I was paying my way through school with the goal of getting my engineering degree, then going to law school. As luck would have it, that first restaurant job was at a company that had rapid global growth which afforded its employees accelerated development and career opportunities.... so I stayed. I turned the short tour in the restaurant business into a career in global food and franchise brands. I was drawn to stay because of the ability of food brands to impact people, the growth opportunities available in the industry, and the fact that so many people have humble beginnings in this industry and go on to be managers, chefs, executives, franchise owners or to start their own businesses – it truly is where Main Street meets Wall Street.

ALEXANDRA

Is it any easier or harder for a woman to rise to the top?

KAT

Neither. Moving up in this business is the same as many others – being a student of your industry and incredibly curious about business and people, getting clear on business advantages and strengths, being entrepreneurial and creative while

implementing systems to scale, developing people and building teams that rally around a strategy in an environment where they motivate themselves to do great things, and leading with vision, courage and humility. Specifically, in franchising and licensing, having a bias toward action and a focus on your partners' successes is also critical.

ALEXANDRA

What is the key to your success?

KAT

Great teams working in high energy, high integrity environments, constant learning, being open and accessible, loving the people I work with, having a passion for the brands I get to be a part of building, having a bias for action and sense of urgency, having grounding roots that connect to the past, but not letting that determine or define my future.

ALEXANDRA

What would you consider the most fortuitous turn of events—your big break—along the way?

KAT

Being asked to be a member of the team to open restaurants in Australia when I was 19. I said yes, and it set my life on a wonderful path.

ALEXANDRA

Did you have any professional mentors who played a pivotal role for you?

KAT

Many – although most provided mini-mentoring moments on the spot when I needed it, there have been a few who have been there along the way for years. I owe them so much.

ALEXANDRA

Tell us about your customers and what they want.

KAT

They are awesome – they are more than customers, they are fans of our brand, and we are their fans right back. They love treating themselves with something that's so delicious, it's just "so worth it." They don't take life too seriously, and they believe that once in a while, "life needs frosting."

ALEXANDRA

How do you stay in touch with them?

KAT

Of course, we do research, have brand ambassadors who give us great feedback on new ideas, and follow more traditional methods of connecting, but separate of that, I talk to them constantly. Check my Twitter feed and you'll see. But we connect on Facebook, Instagram, Twitter (@KatColeATL), email, LinkedIn letters, and I reply to almost every one (I'm sure I miss some now and again, but I do everything I can not to).

ALEXANDRA

You were named President of Cinnabon at 32, a time when most people are still coming into their own. How did you deal with older people who reported to you?

KAT

I've had people reporting to me who are older since I was 19. Being older as a leader only gives you some early assumed credibility, but you can lose it easily if you can't serve and lead to live up to the expectations. So being younger has been great—lower expectations that are easier to exceed. But it also contributes to me being very curious, not afraid to take risks, and being pretty resilient.

BEING OLDER AS A LEADER ONLY GIVES YOU ASSUMED CREDIBILITY

ALEXANDRA

How do you deal with younger people coming behind you, particularly women?

KAT

Keep reaching out to make sure they have candid feedback, advocates and sponsors. When appropriate and deserved, provide encouragement, tell stories, be sure they have visibility and focus on building meaningful relationships. And of course, not to ever forget they are always watching my (and others') examples of how to "stand up and show up" in the workplace. That's a big responsibility.

ALEXANDRA

You spend a great deal of time in Africa focusing on women in business. What drew you there?

KAT

A dear friend who is an author was interviewing the president of Rwanda and she asked me to return with her to help them with their efforts to educate and elevate women. I said yes, went – worked with her and key members of the government and some amazing young women, and was hooked. I now do work in several countries in Eastern Africa.

ALEXANDRA

Can you talk about the lessons you have learned from this aspect of your life?

KAT

I've learned more perspective and calm than my life could have previously provided me. I've learned to be comfortable with small wins—but to not settle—to use those to build to achieve big goals, and I've learned to be there when it counts for people. It's the only way to build trust and, ultimately, any relationship, including building a business.

ALEXANDRA

You have employees all over the world, some of whom are in remote locations with only one or two other Cinnabon employees. How do you lead a group that is so spread out and keep the corporate culture strong?

KAT

The secret of leading people is to have great people and build an awesome culture. We have a great team in our International group at FOCUS Brands and at Cinnabon – without them, my leadership means nothing. We embrace change, learn from failure, celebrate the small wins, and learn as much as we can. Oh, and we

move fast. Very fast. That means you don't get too comfortable with success for too long, and you don't dwell on the mistakes very long either. Learn and move on – momentum and inertia are very powerful dynamics in keeping culture strong and businesses growing.

ALEXANDRA

You were the youngest CEO on CBS's hit show Undercover Boss. What was the most important thing you learned about yourself as a leader while you were on the show?

KAT

I was reminded of how young our front line employees are and how important our franchisees and managers are to their experience. They are sometimes a coach, a teacher or parent-like figure for young employees, and that is both a gift and a responsibility that we must continue to set our franchisees up to honor.

ALEXANDRA

When we watched the show, we noted that your employee base is very diverse, with many of your employees hoping to improve their lot in life through hard work and climbing the ladder to success. How important is this to you?

I'VE LEARNED TO BE THERE WHEN IT COUNTS FOR PEOPLE

KAT

It's incredibly important, as it was what fueled my early ability to be independent and explore a creative career despite not having access to many resources. I'll never forget that.

ALEXANDRA

And on a related note, what is your position on the immigration debate in this country?

KAT

Well... That's a hot mess of a question! What I believe is we are capable of better than what we have going on right now. We are a nation of immigrants and a country of opportunities – we can't squelch that, but we also can't be foolish about the consequences (intended and unintended) from our policies (or lack thereof). I don't know the answer...I'd be in DC if I did, but I am adamant that more leaders get together to have a seat (and a voice) at the table, so whatever our solutions, they consider those most affected and have the most diverse thinking included.

ALEXANDRA

On the show, you made an incredibly generous offer to one employee, Miguel Di Costanzo, by giving him his own franchise. What made you decide to take that risk and how is he doing today?

KAT

If you met Miguel, you would understand. His energy is contagious, his employees love him, and his location outperformed most. That's a pretty solid bet if I've ever seen one. He has his own bakery, is doing very well, and continues to lead other bakeries with our incredible franchisee and Miguel's long time mentor, Scott Gillman. What you didn't see on television, was that deal to build Miguel a store and give him his own franchise was complicated, as he was a critical employee for Scott. That gift for Miguel was coordinated in a matter of hours real time with Scott, and would not have been possible without his support in working out the details of Miguel transitioning from district manager to becoming a franchisee himself.

ALEXANDRA

This interview is being conducted for SAYRA magazine, a publication devoted to female financial advisors....any advice, particularly for newer and perhaps younger advisors coming into the business?

KAT

Don't ignore the immediate opportunities to build trust and relationships with people in your immediate circle of influence. While they might not be the big client today, as you both grow through life, they will be one day.

ALEXANDRA

Last question: (We can't resist) How often do you eat Cinnabon?!

KAT

All the time – when I am in the mood to indulge, I do it like I mean it. If you're going to invest the calories, it had better be something so yummy that it's worth it. Then, when I'm not indulging— I eat as healthy as I can— so I can save up room for the next treat!

ALEXANDRA

Kat, on behalf of SAYRA Magazine, thanks so much. Your insights are terrific and it's clear why you have been successful at every age. I am sure you will continue to do great things with the company and inspire your employees. Now I'm off to go find a Cinnabon!!

Following this interview, in February, 2015 Kat Cole was named Group President of the Parent Company of Focus Brands, which in addition to Cinnabon includes Carvel, Schlotzsky's, Moe's Southwest Grill, Auntie Anne's Pretzels and McAlister's Deli. She will oversee the business and growth of all brands at FOCUS in consumer packaged goods, food service licensing, global licensed platforms and E-commerce channels.

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KEYNOTE PRESENTATION



ALEXANDRA LEBENTHAL
President & CEO, Lebenthal Holdings, LLC

Women in the Spotlight
*Why the time is NOW
for women and money.*

FEATURED SPEAKERS



KIM DELLAROCCA
Managing Director,
Pershing LLC



DEENA KATZ
Associate Professor,
Personal Financial
Planning, Texas Tech
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9 GREAT PLANTS For Your Work Place

1. Dragon Tree
2. Ivy
3. Ficus
4. Philodendrons
5. Spider Plants
6. Peace lilies
7. Ferns
8. Chrysanthemums
9. Palms

As mentioned above, people spend a lot of time indoors at work and at home, breathing the same air over and over. Air conditioning, improved insulation, and energy-saving measures all reduce air exchange, which can lead to health problems. In addition, modern synthetic furnishings, computers, electrical equipment, and everyday products such as cleaning materials emit various harmful gases in small quantities.

attitude. Negative ions are created by cosmic rays, ultraviolet rays, airflow friction, falling water and most notably plants. Once they reach our bloodstream, negative ions are believed to produce biochemical reactions that increase levels of the mood chemical serotonin, which helps alleviate depression, relieve stress and boost our daytime energy. Since plants are one of the main producers of negative ions, keeping

We can go without food for a week; we can go without water for a few days...but we can only go without air for a few minutes.

a number of plants around your office and home will give your mood a boost. In fact, Columbia University studies of people with winter and chronic depression show that high levels of negative ions can relieve depression as much as antidepressants.

Suprina Berenyi is the founder of Suprema Gourmet, a nutritional and productivity consulting service. Her specialties include Employee Productivity and Positivity, Employee Engagement, Wellness Behavior Change with a special emphasis on diabetic and pre-diabetic conditions, Wellness Product Development / Implementation, and Employee / Client Bonding Workshops.

As a Media Wellness Expert, Berenyi has co-lectured with Ann Albright, PhD, RD, Director, Division of Diabetes Translation for the Centers for Disease Control and Prevention (CDC), and Dr. Hylan D. Shoob, an epidemiologist at the CDC. Frequent guest lecturer at the Harvard Club, Harvardwood Club, and the Harvard Business School Club. For more information, please visit: www.supremagourmet.com.

Plants absorb many potentially harmful chemicals from the air. These chemicals include those found in plastics, paints and, more importantly, dry cleaning fluids, car exhaust fumes, and tobacco smoke. The plants themselves are not harmed in this absorption process, and providing they are looked after in the normal way, can continue to absorb chemicals as they continue to grow.

One six-inch office/houseplant per 100 square feet of living area will do a good job of filtering out pollutants. Also, the more vigorous the plant, the more air it can filter. The following plants are most effective in removing potentially harmful chemicals—including those in paints, varnishes, dry cleaning fluids, car exhaust fumes and tobacco smoke—from the air in your home or office: Dragon tree, Ivy, Ficus, Philodendrons, Spider Plants, Peace lilies, Ferns, Chrysanthemums, and Palms.

When plants transpire water vapor from their leaves, they pull air down to their roots. Any airborne contaminants are also pulled down into the plant root zone. Microbes, living on and around plant roots in an area called the rhizosphere, break down and destroy the chemicals. Microbes convert these chemicals into a source of food and energy for the plant and themselves. The more chemicals the plants are exposed to, the more efficiently they work. Plants use chemicals as a source of energy.

Our body has basic needs. We can go without food for a week; we can go without water for a few days...but we can only go without air for a few minutes. In addition to the health benefits, if you haven't noticed, plants can add beauty to your office/living space. They can add warmth and a touch of nature to any interior design style. If you really care about what goes into your body, get more plants. You'll breathe and think easier for it. ■

Office/houseplants have a positive effect on our mood, reducing stress and improving our

CREATING CORPORATE HEALTH EQUITY

HOW PLANTS CAN HELP US

By Suprina Berenyi,
Corporate Lifestyle Therapist and Nutritionist

More and more people are concerned with what they put in their bodies, adding more scrutiny to what they eat and drink.

How many of us have exercised caution in what we breathe, especially at our office where we spend a large percentage of our day breathing? Quality access to oxygen will offer many long-term and short-term health rewards. Oxygen is needed for cellular regeneration, cell metabolism and proper brain function. Many people know that plants give off oxygen. Their respiration is the opposite of ours making for a great symbiotic relationship. Not only do indoor plants boost oxygen levels they reduce air temperatures, increase humidity, and remove toxins, making it easier and healthier to breathe.

PEACEFUL MOMENTS

Do you know you take 21,600 breaths per day? Remember to breathe deeply!

—Bella Patel,
Certified Yoga Teacher

James “Jimmy” Lee is Vice Chairman of JPMorgan Chase, a legendary investment banker, and a good friend. His office, on the executive floor at the bank, is covered with as many pictures of his family as deal mementos. We chatted a few weeks after the Alibaba IPO, which JP Morgan led and in which Jimmy was intimately involved. No one is more passionate about deals and Jimmy clearly still had not come down from his high. Passion is something that clearly drives him and has led to his incredible success...Of equal importance, as you will see in this interview: he is genuine, down to earth, and has long recognized that women who possess those same qualities bring so much to our industry.

ALEXANDRA

I'd like to start with the work life balance because you did have an issue at one time in your life when you had to deal with it. Can you tell me about that?

JIMMY

I would say my views of work life balance really originated with the fact that my dad died when I was 12 and I vowed if I ever had children and a family that I would be as good a dad as I could possibly be, so I was constantly making trade-offs in my career where I would end up paying the price of working that much harder, but that enabled me to see a soccer game, see a hockey game, coach a baseball game. I'm a huge believer that now that the children are older they remember those moments, so I feel I really made good on the promise. But this sort of stuff is binary—it's a zero-sum game. If you're going to try and see the soccer game, that's three hours of work that you're not going to do then. That work has not gone away. You just have to do it at one in the morning or whenever.

ALEXANDRA

But you are proof that you can do it.

JIMMY

You can do it. For seven years on Wednesday in the winter I would get here around seven. I was running the investment bank at

the time, and we had the entire investment bank meet every morning at 7:20. Around 3 o'clock I would get on the train and go back home. It was an hour commute. I would coach my son's hockey team. I would get back on the train and come back to New York, finish my work, and then go home again. So, that was me just making good on that commitment, but like anything else there's no free lunch. You pay the price.

ALEXANDRA

Would you talk about the time when you did have to make a choice?

JIMMY

Some people know I did actually resign from the company once and went down to see Bill Harrison. I said, 'I've been offered a great job by Pete [Peterson] and Steve [Schwartzman] to go run Blackstone; to be the president and Vice Chairman—and be Steve's partner on the next leg of the journey. I've negotiated the contract with Steve already and we have written the press release to pull the trigger on it the next day. Bill asked me to hold off and talk to him and other executives and board members. I basically ended up staying.

One of the reasons I was comfortable staying was I felt if I made this commitment to Steve I would really be giving the next 10 years of my life to Steve. I would be hand-

ing it to him on a platter and saying, 'OK, you own me for 10 years.' There was a lot of work there to do. It was a terrific firm. Steve had gotten it to a place where it was a launching pad, which we now know was true and I knew that from my experience for work life that my kids were just at that age they were teenagers. I knew they needed me. I had this experience with my father and I knew that they would never see me for the next decade. It would be impossible. I would never see a play, a game. As it was I was working 25 hours a day. So that wasn't the turning reason but it was very important and I never looked back. It probably cost Williams College a lot of money, but they'll do okay.

ALEXANDRA

You have two daughters and one son, what advice have you given your daughters about their careers and is it different from what you have given your son?

JIMMY

No. Identical. Work hard. Care. Tell the truth. Find your passion. Crush it. Effort is more important than results...way more important than results. Just put in the effort, as [legendary San Francisco 49ers coach] Bill Walsh says, and the score will take care of itself.

INTERVIEW BY
ALEXANDRA LEBENTHAL

JIMMY



ALEXANDRA

Moving on to women, how you have seen women in business evolve over your career?

JIMMY

The women topic is always interesting to me because the lens through which I look at women is not the gender lens. The lens I use is the same lens I use for a man. Can they do the job? Do I like working with them? Are they effective? Do they put points on the scoreboard, win the right way, and know how to lose the right way—with class? Are they passionate? Do they care? Is their heart in the right place? Are they smart? Are they responsive? None of those qualities have anything to do with gender, and gender isn't going to save you if you don't return your emails quickly. If you can do all those things, I actually can't tell whether you're a man or a woman. You can either do those things or you can't.

I'll never forget in the mid-90s, I was running the Investment Bank and the Head of HR came to see me and said, 'I'd like to congratulate you on your commitment to diversity.' Now in the mid '90s that word was only known by like HR people as the word that we know it today, which was basically code for, in this case, women in the workplace so I said to him after he was showing me some charts 'What exactly talking about? What does that word really mean to you?' He said, 'You've got more high paid women working for you than anywhere else in the bank, and I just want to congratulate you.' I said, 'Look, I'm going to have to disappoint you. These women are not reporting to me and being paid like this because they're women. They are reporting to me, and being paid like this because they're the best people for the job.' I've said from time to time, I think women

probably in general make better investment bankers than men for a lot of reasons. I think women have come a long way obviously, but the journey continues.

I think a woman will run a big bank some day. It is absolutely inevitable.

“WORK HARD.
CARE. TELL THE
TRUTH. FIND
YOUR PASSION.
CRUSH IT.”

ALEXANDRA

During your career?

JIMMY

I hope so. General Motors is run by a woman. Yahoo is run by a woman. IBM is run by a woman. Why shouldn't a major Wall Street firm be run by a woman? I think it's absolutely inevitable.

ALEXANDRA

You mention a lot of the qualities in women, and today you work with some of the top women in finance. Are there specific qualities in them you see that have made them so successful?

JIMMY

I work with some extremely, as you said, successful women. You and I know, they are mutual friends to both you and me; Mary Erdoes [Chief Executive Officer of J.P. Morgan Asset Management] is one, Liz Myers [Head of Global Equity Capital Markets]



Alex Lebenthal, Jimmy Lee and Liz Meyers.

is another. Then there is Marianne Lake [Chief Financial Officer]. I think first of all it is certainly true that any woman who is at the top in any one of those positions I just mentioned, has worked very hard over the last twenty plus years to get there when the deck was every single morning stacked against them. They had a breeze in their face. You know, the same guy, same girl—the guy had an escalator and the girl had a rope climb, and dogs trying to bite her as she climbed up, and people trying keep her from climbing too far up the rope, so by the time both of them got to the top the girl was the better athlete. So they know how to play through adversity.

Find me a CEO who has had a lot of adversity, and that's the CEO that I want bank. I want to bank that guy or that gal. I'd say that is number one. Number two, with respect to their qualities, like any really, really effective business executives they are organized. They are smart. They know how to play on the team. They work super hard.

Their batting average is very high. I think in the case of women versus men, if you want to go down that path, my own observations of women is that they are often more detailed. This is a very detailed business. Banking is like a math test. It's not an English paper. Women are exceptionally detailed. I think they also deal with controversy and conflict oftentimes better than men. Men will burn the bridge. Woman will make sure that bridge is standing when she has to recross it down the road. It's a terrific trait to have, so there's a lot going for women in general.

The women I mentioned—Mary, Liz, and Marianne—are visionary, and they've had to get there with this wind in their face every day, so they're tough cookies.

ALEXANDRA

Last question, your career has been built on many things, but you are a master networker. Women have been hearing the term networking and how important networking is for decades. What does it take to be a great networker?

JIMMY

Well it takes a lot of work. It doesn't just mean that you know a lot of people. I mean, you do have to know a lot of people, but a network is like an organism. It is living and

breathing and every day you come in, water it and give it sunlight. So that CEO I see on CNBC that I haven't talked to in a year or so, I might just send him a one line email right after he or she is done with the interview. I make it a point when I'm at the right kind of gathering where there are a lot of CEOs who I've known but I haven't seen in a while to say hello to everyone. Every single day my assistants and I make just an enormous number of outgoing phone calls.

It's much easier to be a great networker today because of email, for example, so you don't need to create the imposition on the CEO. You can just send him a one-liner saying 'I saw you on CNBC and you are amazing,' or 'I saw this piece that was written about you in this magazine that was really bang on,' or 'I saw this deal you did I think it's a really smart deal.' You'd be surprised how meaningful that is for people. That's what I spend most of my time doing, unless I'm in the middle of a deal, in which case the network is just going to have to wait in order to get the deal done correctly.

I'd say the other thing about networking is you have to do it with honesty and authenticity. You can't be calling people asking for stuff all the time cause they'll quickly learn that you are a phony and just want stuff. So you've got call them when they haven't had a good quarter, they haven't

had a life event...you just call them.

I also, as you know, throw a party in my home, not a hotel or something, or a bar, or a restaurant, where I bring together the people I really care about in the company, JP Morgan. Many people who are no longer at JPM, some of whom were asked to leave under very difficult circumstances and feelings were hurt, but I bring them back into the fold. I invite clients that I've worked with over the years. I remember a bunch of bankers rode up on Metro-North to my house with Rupert Murdoch one year and were slightly surprised that he was on the train. That year there were probably 350 people of all walks of life, including some of the guards from the company, and people who help out in our aviation department.

You know the other thing about networking, and [JP Morgan Ceo] Jamie [Dimon] sees the world this way as well, is Jamie and I are just indifferent as to your place in life. We will treat guards at the front door exactly the same way we are going to treat the biggest most important CEO that walks in our offices or the President, and I think obviously it's the way to be a good human being, but also I think those people in your network would like to be associated with someone like that, as opposed to some arrogant Wall Street one percent person. No one wants to be part of that network. I think how you conduct yourself and what you give back is also another part of maintaining and nurturing and creating a really cool and valuable network.

ALEXANDRA

Jimmy, thank you for all your time. **ES**

“WOMEN
MAKE BETTER
INVESTMENT
BANKERS
THAN MEN.”

A high-angle, top-down photograph of a woman with long dark hair, wearing a vibrant red suit and red high-heeled shoes, walking across a light-colored, paved surface. The scene is characterized by long, dark, diagonal shadows cast across the pavement, suggesting a low sun position. The woman is positioned in the upper right quadrant of the frame, walking towards the left. The overall composition is dynamic due to the strong geometric lines of the shadows.

INVESTING

IN

WOMEN

by NANCY R. MANDELL

If any of your clients are looking for investments that reflect their values, you might tell them about a new asset class, or as some are calling it, “an emerging market” that hit the Street in July. With the launch of a mutual fund, a hedge fund and an issue of Exchange Traded Notes, the concept of investing in women-led companies may not exactly qualify as a new asset class or a Third-World country in the geographical sense, but it certainly meets the criteria for an idea whose time has come.

Backed by proprietary indices, the groundbreaking investment products are The Pax Ellevest Global Women’s Index Fund (PXWEX), Barclays Women in Leadership Exchange Traded Notes (“ETNs”) (ticker symbol WIL on the NYSE Arca Exchange), and Makeda Capital, a hedge fund invested in companies with women CEOs and revenues of at least \$500 million.

It’s no surprise to find Sallie Krawcheck, the high-profile former investment banker and women’s advocate, behind the Pax Ellevest Global Women’s Index fund. But it may be a surprise to find a male executive, Pax World President and CEO Joe Keefe, as its original supporter. Pax World had been offering its predecessor, the Global Women’s Equality Fund, since Keefe suggested purchasing it from founder Linda Pei in 2007.



Said Keefe, “Over time we came to the opinion that an index-based strategy might be better for this [fund]. In an actively managed fund, the portfolio manager was looking at a lot of other things besides the criteria on gender. Under those circumstances, it became difficult to determine what the gender [component] had to do with the fund. We built the Index of those companies that emphasize women’s leadership so that now we could make more of an apples-to-apples comparison.”

Nancy R. Mandell is former Managing Editor of OnWallStreet, Securities Week and Wealth Manager Magazine. She currently freelances as a writer and editor covering all areas of the financial services industry with a focus on women investors, women advisors and now—women as an investment.



WOMEN IN LEADERSHIP
TOTAL RETURN INDEX and
EXCHANGE TRADED NOTES
(ETNs)

London-based Barclays celebrated the launch of its new ETNs—senior unsecured unsubordinated debt of the issuer, Barclays Bank PLC—by ringing the bell at the New York Stock Exchange. The ETNs, which are linked to the performance of the Barclays Women in Leadership Total Return Index, provide investors with exposure to listed U.S. companies with gender-diverse executive leadership and governance which also meet market capitalization and trading volume thresholds. Using data compiled by Institutional Shareholder Services Inc. (“ISS”), the Index requires that a company must, among other things, have a female CEO and/or at least 25% female members on the board of directors.

According to Barbara Byrne, Barclays Bank Vice Chairman, Investment Banking, the product was proposed to her about 18 months ago by three young women working in business units as diverse as advertising, private capital and equity index. They brought the proposal to her in her capacity as chairman of Barclays’ Social Innovation Facility, a division she believes is unique to Barclays among investment banks and that “encourages us to think about innovation you can bring to the table that advances social causes, social responsibility.”

“We started thinking,” Byrne recalled, “... what if we had a dynamic vehicle, an index built to measure companies that had 25% women on the board and/or a woman CEO. We engaged with the index people and the ETN people and in just over a year, we had an SEC-registered product.” Funding came from the Social Innovation Facility, which has £25 million to invest in the bank’s potential to make social impact.

“It’s what we do,” said Byrne. “Why not use who we are and what we are creatively?”

SALLIE
KRAWCHECK

Sallie Krawcheck has been making her name on Wall Street since she rose from analyst to Director of Research and then chairman and CEO of sell-side research firm Sanford Bernstein. Krawcheck left Bernstein in 2004 to become CFO of Citigroup, going on in 2007 to head up the 13,000 retail brokers in Citigroup’s Smith Barney unit. Her profile re-emerged in 2009 when she became president of the Global Wealth & Investment Management division of Bank of America which included Merrill Lynch and U.S. Trust. She left Bank of America in 2011 under a restructuring.



Last year, Krawcheck set out in a new direction, purchasing “85 Broads,” a network for women in finance named for Goldman Sachs’ landmark building in the financial district. She has since renamed the network Ellevest and, in partnership with Pax World, launched the Pax Ellevest Global Women’s Index and the Index Fund based on it, a step she calls “a natural evolution” in her career. “After all,” Krawcheck says, “you don’t want to read the same chapter of a book over again and again.”

“NOT ENCOURAGING
WOMEN’S FULL
CONTRIBUTION TO AN
ORGANIZATION IS
DUMB ECONOMICS!”



MAKEDA CAPITAL

Although its name is Ethiopian for The Queen of Sheba, Makeda Capital’s hedge fund owes its origin to the career of Mary Barra, CEO of General Motors. It was her performance that fund partner Suvi Sharma, a statistician by training, back-tested when he decided to follow his hunch that women corporate leaders inspired excellence.



“We knew there was a lot of research about diversity on management teams and boards of directors, but no one had looked at public companies that met our criteria of a woman CEO and revenues of more than \$500 million, because there weren’t enough of them,” explained Sharma’s partner Rachel Sheinbein. Sharma’s research confirmed his thesis that these companies outperformed all major U.S. market indices. Since the research began in 2011, the pool of qualifying companies has expanded from 20 to more than 70.

“We’re set up as a hedge fund to work with accredited investors, but we’re more like a mutual fund in that we’re long only, no leverage, no shorting,” said Sheinbein. “We’re really backing these companies.” And Makeda plans to look beyond its original parameters to construct a data base of companies with more women on the board, and more non-CEO women executives.

Keefe noted that research going back as far as 10 years has shown that diverse management teams make better decisions. “We believe that over time, companies that advance women into leadership roles will perform better and have less risk,” he added.

In addition to the MSCI environmental, social and governance standards met by all Pax World funds, companies in the new Index are distinguished by spotlighting women, who hold 31% of board seats and 24% of senior management positions..

Keefe found a soulmate in Krawcheck, who had been looking for a new venture since leaving Bank of America. Most recently, she purchased the financial women’s network “85 Broads,” rebranding it as the Ellevest Network.

“A few years ago I would have said this gender-based investing sounds good but what was the rest of the sentence?” Krawcheck mused. “Then, when I stepped back from the industry and thought about the causes of the financial crisis, I started to think like the research analyst I was.” Her conclusions?

1. We need to break group-think.
2. We need to ask whether the management team is any good.

When she connected to Pax World and began the analysis of creating an index, the solution became clear. “Once we ranked the (roughly) 400 companies we were following, we saw that the research was correct.” It should not have been surprising that companies that had higher returns on equity, lower betas and higher dividends included Fortune 500 mainstays like General Motors and Procter & Gamble. But they were also led by women.

Continues on next page



VENTURE CATALYSTS

Investing in businesses led and often developed by women is definitely a new trend for Wall Street. The hard part comes before a woman entrepreneur becomes successful enough for her company to qualify for a place on the Pax World Global Women’s Index Fund or Barclays’ Women in Leadership Index.

Fortunately, that kind of financing is also getting a shot in the arm—and not surprisingly from capital raised by other women. “It’s about time,” said Amy Millman, co-founder and president of Washington, D.C.-based Springboard Enterprises. “People connect with people who either look like them, act like them or have the same experience, so if women aren’t investing in women,” Millman asks rhetorically, “who is?”

In business for 15 years, Millman remembers when Springboard was “the only game in town.”

“It’s been said, if there were women who were starting businesses that were venture backable, we’d know about it, and those were fighting words,” Millman recalled, adding, “We’re venture catalysts, not venture capitalists.” Spring-

board operates as a non-profit 501c3 organization and spotlights environmental and socially responsible businesses.

A newcomer to the field is Elizabeth Street Capital, a Tory Burch Foundation and Bank of America Initiative designed to provide women entrepreneurs access to affordable loans, mentoring support and networking opportunities. Named for the site of Tory Burch’s original retail enterprise, Elizabeth Street Capital launched in January with an investment of \$10 million in low-cost capital from Bank of America and additional funds for operating expenses shared by TBF and Bank of America. Like Springboard, ESC backs only operating businesses. Both programs also emphasize mentoring or “accelerator” programs to prepare applicants for attracting support.

The Tory Burch Foundation was established in 2009. According to a spokesperson, as of mid-November, ESC had given out about \$1 million earmarked for women entrepreneurs “all across the U.S., all industries, wide-ranging, no concentration, any size.”

“We serve women who have established businesses,” she

In fact, it was Mary Barra, CEO of General Motors, whose performance caught the interest of Makeda Capital partner Suvi Sharma, and prompted the back testing that led to Makeda’s limited following of 50 companies led by women. Rachel Sheinbein, Sharma’s partner, estimates that the number of companies that fit the hedge fund’s parameters roughly doubled over the past three years.

On the other hand, said Barclays Vice Chairman Barbara Byrne, an investment banker for 34 years, “The numbers of women in the industry don’t change, or rather, they’re changing at a glacial pace. In 1998 we had one to two women CEOs; now 12 of the 84 companies in our index have female CEOs and female board members; 38 of the 84 have female CEOs, a figure that’s closer to 30 in the Fortune 500. Women’s presence on board seats has held steady at around 17% for about 10 years,” she added, “but the numbers have started to move up.”

In fact, the Women in Leadership Index that drives the returns on the ETN should be following 100 companies 10 from each sector—Byrne pointed out. But the lack of female CEOs and board members in some sectors like energy, with only 4% representation, has made that goal impossible. Speaking of goals, she cited the U.K.’s “30% Club,” a group of prominent women and men in finance, which aspires to have 30% of board members be women. In the States, Barclays has settled for 25%.

continued, “and because Tory is herself a woman entrepreneur, she has become personally involved.”

Although businesswomen go to ESC to apply for financing, the Initiative partners with local Community Development Financial Institutions (CDFIs usually banks or credit unions) which actually distribute the funding locally. The CDFI program was established by the US Treasury through the Riegle Community Development and

Regulatory Improvement Act of 1994.

“Lean and mean” with only five employees—Springboard leverages its financial support from a vast “but selective” global network of innovators, investors and influencers, Millman explained.

The results? Millman said 562 women-led companies have participated in Springboard’s accelerator programs; raising \$6.6 billion, creating tens of

thousands of new jobs, and generating billions of dollars in annual revenues. Furthermore, 83% of Springboard companies are still in business as independent or merged entities, including 11 IPOs.

So, what exactly is the difference between Venture Capitalists and Venture Catalysts?

“Short answer:” Millman responded, “VCs invest financial capital, Springboard invests human capital.”

But statistics are hardly the whole story. And none of these new products would exist if there weren’t a market for them. Numbers talk, Byrne said, and if you have other people bringing similar products to market, this must be an idea whose time has come.

Pax World calls it values-based investing. “My research is telling me that the more traditional investors middle-aged Caucasian males are not interested,” said Krawcheck, “but women and millennials are.” A survey of Pax Ellevest investors turned up some unexpected findings. Choosing from options, their number-one concern was Meaning and Purpose—not money. Money was number four! “Products like the Pax Ellevest Index Fund show them they can invest in their values and still get a return,” Krawcheck said. “That explains why 77% of women globally are investing in diverse leadership.”

Sheinbein, who concentrated on women-led firms as a private banker and sometime “angel,” notes it’s taken more than five years for solid research on the advantages of gender diversity to bear investment fruit, but she, too, sees generational change as a major influence. “A lot of the wealth in this country has been moving from male partner to female partner, and more daughters are being put in charge. More and more of these people millennials in particular care about where their money is going.”

Byrne acknowledges that most investments in the Barclays ETNs will be institutional, selling into investment and pension funds. Still, she insisted, a big force is coming from millennials who focus on what matters most, who want to align their interests with their portfolios.

To Joe Keefe, gender diversity is an extension of the sustainable investment values Pax World has historically embraced. So would he describe the Pax Ellevest Women’s Global Index Fund as value-based or values-based?

“It’s values-based in that the fund states that gender inequality is wrong, and value-based because not encouraging women’s full contribution to an organization is dumb economics!” Keefe said, adding with unmistakable conviction: “Research suggests that no system destroys value more than patriarchy!”

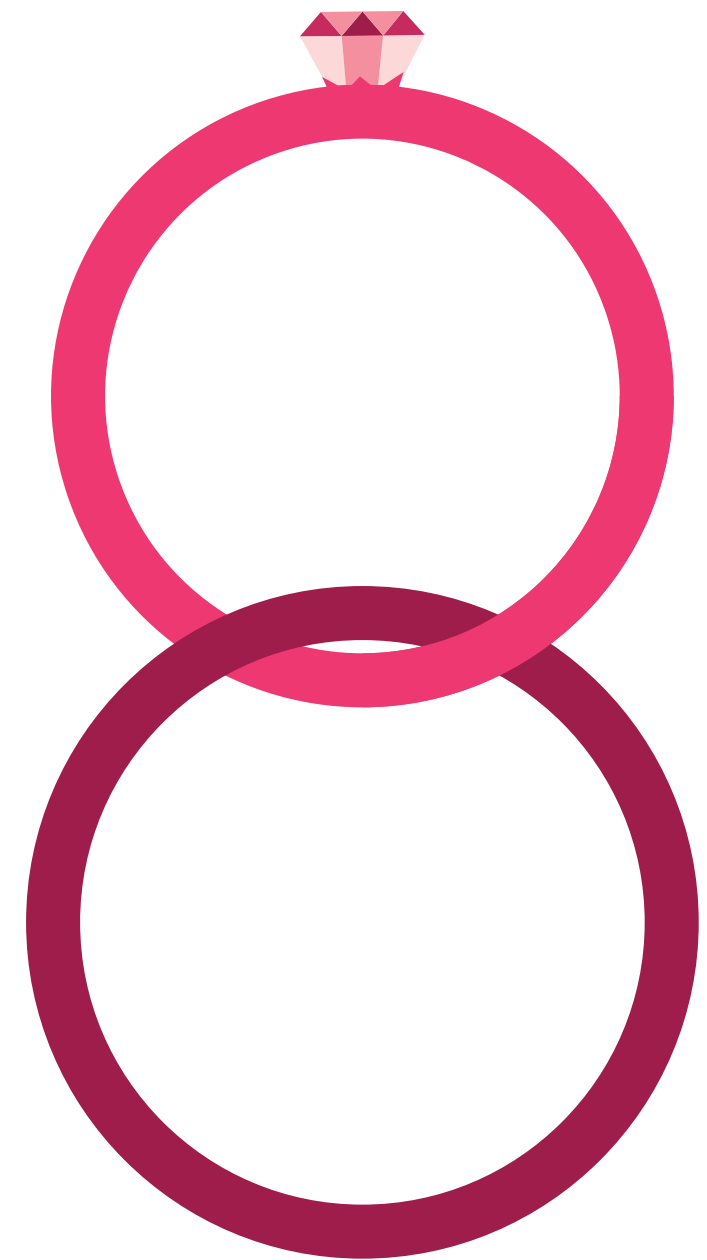
“RESEARCH SUGGESTS THAT NO SYSTEM DESTROYS VALUE MORE THAN PATRIARCHY”

HISTORY (and Hers)

None of the recent products investing in women developed overnight. The history of the Pax Ellevest Global Women’s Index Fund, for example, dates back to 1993 when the late Linda Pei founded The Women’s Equity Fund to invest in companies that promoted women to top executive and director positions, provided career development and training programs for women, promoted work/life balance and advertised positive images of women. Among Pei’s admirers was Joe Keefe, Pax World President and CEO, who encouraged Pax to buy the fund when he joined the firm in 2007 and renamed it the Pax World Global Women’s Equality Fund.

Seven years later, in partnership with veteran Wall Street investment banker and women’s advocate Sallie Krawcheck, Pax World has introduced the Pax Global Women’s Index Fund (PXWEX) which will follow the Pax Ellevest Global Women’s Index—like the Index Fund, a first of its kind—among whose gender diverse stipulations are that women hold 31% of board seats and 24% of senior management positions in companies held in the new Fund compared to global averages of only 11%.¹ In fact, 97% of companies in the Fund have two or more women on their board; close to 70% have three or more.

Research over the past seven years has shown that diverse management teams make better decisions, Keefe asserts. “We believe that, over time, companies that advance women into leadership roles will perform better and have less risk,” he adds.



TIPS

FOR WOMEN CONTEMPLATING REMARRIAGE

By Russell G. Thornton

We're all familiar with the high divorce rate among first marriages, and one of the fastest growing group of divorcees is those over the age of 50, often referred to as the "gray divorcee."

But even more startling is the much higher rate of divorce for second and third marriages. According to a February 2012 Psychology Today article, "Past statistics have shown that in the U.S. 50% of first marriages, 67% of second, and 73% of third marriages end in divorce."

Despite these statistics, I believe second and third marriages present an opportunity for the advisor who is willing to proactively help their clients make informed, rational decisions. I'm not suggesting that you give relationship or dating advice, but as money and financial issues are consistently cited as a primary cause of divorce, you can help your client and his or her potential spouse go into a new relationship with both eyes wide open and expectations that are reasonable.

For those of you willing to shoulder this important responsibility, below are eight areas where you can guide your client toward a happier, long-term relationship, whether it involves another walk down the aisle or not. This is a great article to pass on to them.

Eight Ways to Successfully Launch a Re-Marriage

Nearly one-third of weddings today are second or third marriages. Whether you are single due to divorce or the death of a spouse, marrying again creates an opportunity for a fresh start in life with a new partner. Amid the joy at officially launching your new marriage, there are many important considerations to think about that will give your new marriage the best chance of success, while protecting you in the event of an unhappy ending.

Because finances are one of the leading causes of divorce, it's critical to lay the foundation of a blended financial life honestly and openly. In addition, most second and third marriages occur when a couple is older and each partner brings more wealth into the relationship. Stepchildren and grandchildren can further complicate the picture, which can bring emotional and financial stress into the marriage. Without careful consideration and discussion of all the financial implications of remarriage prior to the wedding, problems could occur down the road that could wreak havoc on the financial stability you've worked a lifetime to build.

You and your future spouse should discuss and consider these issues prior to walking down the aisle, and following this discussion you should both take the legal steps necessary to protect yourselves. Here are eight issues to consider as you undertake this discussion and prepare for your life together.

1 DISCLOSE PAST FINANCIAL ISSUES

Schedule a time to sit down with each other and fully disclose your financial past. Even better, come prepared with a list that documents your financial past and the assets and debts that you are bringing into the marriage. Here are some discussion points to get the conversation going:

- Amount of credit card debt
- Amount of debt overall
- Prior bankruptcy filings, if any
- Amount of overall assets
- Amount of retirement assets

This exercise is essential. Not only will it give you peace of mind knowing that you won't be saddled with an unforeseen debt burden from your spouse-to-be, but it will also set the tone for the rest of your relationship. If you can talk about money now and address the areas that have the potential for the most conflict later, that augers well for your future relationship. Once you've had this conversation, everything financial is out in the open, and you've agreed to work together as a team.

2 CRAFT A PRE-NUPTIAL AGREEMENT

Now that you understand what the financial picture looks like for you and your future spouse, it's time to take steps to protect the assets you're bringing into the marriage as well as the rights of your children. The best way to accomplish this is to create a pre-nuptial agreement. Each of you should be represented by an experienced family law attorney to ensure that both of your interests are protected and that the agreement will hold up in the event of a divorce and future dispute.

Collaboratively designing this agreement allows each of you to decide what assets, if any, will be held jointly and what assets will be protected should the marriage end in divorce. For example, if you have a gold necklace that was handed down from your great-grandmother that you would prefer go to your daughter after your death, you can specifically set aside that item so that it would not be included in any divorce proceeding. The same is true on a much larger scale for any investments or real estate you may be bringing to the relationship; any asset can be protected by a pre-nup-

tial agreement.

Additionally, a pre-nup allows both of you to determine how the assets accumulated during the course of the marriage will be divided in the event the relationship doesn't work out. These are some questions to consider for this part of the pre-nup:

- Will either party receive alimony?
- If so, what percentage of income would be considered fair?
- How will joint assets acquired during the marriage, such as real estate, jewelry, businesses and investments, be divided?
- How will joint debts acquired during the marriage be repaid?

There are still a few states that won't enforce alimony clauses. Any clauses to do with future child support or visitation regarding children from the marriage are generally unenforceable. In addition, it is wise to create and sign the pre-nup as far in advance of the wedding as possible, as signing it too close to the wedding can lead to problems down the road.

3 CONSIDER RETIREMENT PLAN RIGHTS

Because of federal retirement plan law, which is known as the Employee Retirement Income Security Act (ERISA), special provisions must be made for you or your future spouse – or both – to waive rights to retirement plan assets. Such a waiver must be first stated as a clause within a pre-nup, and then must be followed up by the signing of the actual waiver following the marriage.

Without such a two-step process, any other clauses or waivers are invalid, and the surviving spouse will inherit retirement plan benefits regardless of the intention of either spouse prior or during the marriage. These provisions in ERISA are designed to fully protect both spouses' rights to retirement plan benefits.

4 ADD A WAIVER OF RIGHTS

While a pre-nup is an important component of protecting assets brought into the marriage, it isn't completely bulletproof. There are cases in which pre-nups are successfully challenged in court and set aside; litigation over pre-nups during divorce can be costly and time-consuming. In order to solidify the agreement, consider a waiver of rights for the assets you bring into the marriage. As the name implies, this document will completely waive each spouse's rights to the items discussed in the pre-nup.

Of course, for this to work in concert with the pre-nup to fully protect assets brought into the

marriage, both parties must sign a waiver. If one of you balks at the idea, that might throw up a red flag. Remember, the waiver might not prevent divorce at a future date, but it will effectively protect any asset(s) you had before the marriage occurred.

In many cases, the waiver of rights will be a clause included in the pre-nup; it could also be drafted as an addendum to the agreement. That is not always the case. If it is not included, ask that it be drafted as an addendum to the agreement. Without this specific clause, the assets you bring into the marriage may not be as fully protected as possible.

5 SET UP A TRUST

Another component to a remarriage asset protection strategy is the establishment of a trust naming your children as beneficiaries. Here's how it works: transfer your assets into a trust in your name with your children as beneficiaries. Ideally, in the event of your death, those assets would then pass to your children.

There are some states that grant the surviving spouse a portion of the marital estate, including trust assets. In that case, your new spouse could, if he/she so desired, file a suit for a portion of the trust proceeds if the marriage ends in divorce. This is where the waiver of rights we referenced earlier would prevent your spouse from further legal action against those assets.

6 KEEP ASSETS SEPARATE

As a general rule, assets acquired during the course of a marriage are considered marital property and subject to equitable division upon the termination of the relationship unless a validly executed pre-nup states otherwise. Of course, as we've noted, assets that either you or your future spouse own prior to the marriage can be protected by pre-nups, waivers and trusts.

By keeping protected assets separate, you can ensure that the protection granted by pre-nups, trusts and waivers will stand. That's because any co-mingling of protected assets with marital assets could have the impact of voiding a pre-nup. In order to prevent this from happening, you must maintain separate accounts for the different assets and vow that "ne'er the two shall meet."

Here's how it works in practice: suppose both you and your spouse are entering the marriage in roughly the same financial condition. You both have about \$250,000 in assets and two children. You are both working in successful professions earning about \$100,000 per year. You

each want to protect your children and ensure that they have a bright future after you're gone.

Your future spouse enjoys taking more investment risk than you do. You each open individual trusts naming your respective children as beneficiaries. Once you are married, you both decide to open a trust for estate planning purposes. This trust lists both your names on the trust agreement with all four children as beneficiaries. As long as the assets in the trusts remain separate and completely unconnected from one another, there is no co-mingling.

But suppose, your husband's risky investment strategy didn't pay off and he lost a significant amount of money. If you then take assets out of your individual trust and assign those assets to his individual trust, you are bound for murky territory. This could be considered a co-mingling of accounts and could void any protection you had under the law.

In order to avoid mixing assets, take these steps:

- Keep detailed records of your non-marital assets: Record the balance before your new marriage.

Maintain accurate records of the account through the course of your marriage including any fluctuations in value.

- Segregate marital assets separate from non-marital assets: Any money you earn during the course of the marriage should be kept with the marital assets and not added to the non-marital funds.

- Spend only marital assets: During the course of your marriage, only use the marital assets. In the event that you need to contribute money to maintain the non-marital assets, only contribute non-marital funds. If for some reason, this is not possible, keep detailed records of what marital assets were used, how much, when and the purpose for which they were used.

- Maintain all non-marital assets in your name: Do not add your spouse to any of the non-marital accounts. Don't retitle any property to include the spouse's name. Keep those items clear and separate from any marital property.

7 REVISIT YOUR DIVORCE AGREEMENT

Consult an attorney if you find yourself remarrying after a previous divorce. Depending on the conditions of the divorce settlement, and the law in your state a new marriage – or even cohabitation with your intended – could greatly affect alimony, child support and even the custody of the children. It's best to plan for these contingencies well ahead of time.

8 UPDATE YOUR WILL

The final step in preparing for a new marriage is to update your will. Many people wait to do this after the wedding, but you can start the process earlier if you like, signing the final copy after the marriage has taken place.

Update your beneficiaries to reflect your new marital status, include any property you wish to pass directly to your children. Consider what property, if any, you might like to pass onto your stepchildren. What will happen to property jointly acquired during the marriage?

Make sure that all the details surrounding medical and end of life decisions are spelled out in advance. Who will be making financial decisions if you're incapacitated? You must keep your will up-to-date to ensure that these issues are planned for well in advance. Otherwise, you will either not have a say in the matter or your current wishes will not be reflected.

A final word

Thinking about money and finances isn't very romantic; unfortunately, because a higher percentage of second and third marriages

end in divorce than do first marriages, it's very important to protect yourself and your children financially. By carefully considering your current financial situation, talking to your spouse-to-be and taking prudent financial and legal steps, you can position yourself financially to protect your assets, yourself and your children regardless of how your marriage fares in the future. **■**

Russell G. Thornton, CDFA™ is Vice President / Wealthcare Advisor at Wealthcare Capital Management. Prior to joining Wealthcare, Mr. Thornton was a Wealth Management Advisor with Merrill Lynch for over 12 years. In 2006 he founded Thornton Wealth Management in order to fulfill his vision of truly personalized financial and wealth management services. He earned his Certified Divorce Financial Analyst™ (CDFA™) designation from the Institute for Divorce Financial Analysts™ in 2012. Outside his wealth management practice, Mr. Thornton serves as a trustee for the non-profit Georgia Eye Bank. He and his wife, Elizabeth, volunteer for Angels Among Us Pet Rescue.

Click here to read more about why Russ Thornton feels helping women is so important on his [Wealthcare for Women](#) website.

“Past statistics have shown that in the U.S. 50% of first marriages, 67% of second, and 73% of third marriages end in divorce.”



A CONVERSATION WITH STACY FRANCIS
PRESIDENT AND CEO, FRANCIS FINANCIAL INC.
WITH SYDNEY LEBLANC

STACY FRANCIS IS AN INSPIRATIONAL ROLE MODEL FOR FEMALE ADVISORS EVERYWHERE.

With more than 18 years of experience in the industry and the president of her RIA, Francis Financial, Inc., she also founded Savvy Ladies™, a non-profit organization that provides personal finance education and empowers women to plan for their future. Savvy Ladies has helped over 10,000 women through free one-on-one financial counseling, workshops, seminars and webinars. As much as 10% of all Francis Financial proceeds are donated to Savvy Ladies.

In the following interview Stacy talks about her bittersweet reasons for joining the industry, the launch of her RIA, her nonprofit organization Savvy Ladies, her challenges, and also her solutions. See her complete bio at the end of the interview, which includes her many awards and accolades.

LEBLANC

What prompted you to join the industry, and what were the challenges as they appeared during that time?

FRANCIS

I actually came to financial services because I wanted to become a financial planner. I watched my grandmother stay in an abusive relationship with my grandfather for her entire life. She stayed with him from the age of 19 until she passed away in her 80s. The experience stayed with me. This drove me to the financial field because I knew that if I didn't understand money I could become her. I thought, "That could be me." I also had an innate instinct that my entire life needed to be about helping women and really making a

difference. Part of it was a need to honor my grandmother because it was such a painful experience for me to witness.

In the beginning, I worked at one firm for about six months and then I began interviewing at other firms. I soon realized that the difference I wanted to make required more freedom, and being with a large firm wasn't going to allow me that freedom. That's because in addition to having an RIA, I had the dream of creating this wonderful non-profit called Savvy Ladies. So, I went on my own because all the firms I talked to thought Savvy Ladies was a great marketing idea, and a great way to attract women to the firm. But, that's not what I envisioned and it's not something that my grandmother would have wanted. So

I created my own firm essentially to have the flexibility to make a difference, but also to protect the non-profit.

LEBLANC

Tell us about Francis Financial and Savvy Ladies. I understand they are both very different organizations.

FRANCIS

Savvy Ladies is a non-profit, and we work with women who are starting to accumulate assets. Some of them may not have enough money to work with an advisor yet, but they are looking for support, information, and they're looking to have financial peace of mind. All the services we provide through Savvy Ladies are free of charge. And with Francis Financial we work with higher net worth individuals and most of our clients have at least one million dollars that we manage for them. It's wonderful to have the balance between the two, because I'm able to help women who may not have as much in assets, but who desperately need this help, and at the same time I'm able to have a very successful RIA firm where we work with higher net worth individuals.

The organizations function separately. Savvy Ladies has three full-time staff that report to a Board of Directors of 18, and many are CFAs and CFPs that volunteer through the organization. At Francis Financial we are 10 individual investment professionals and client relationship experts who work with over 100 clients and provide comprehensive wealth management and financial planning. We also help women with other financial challenges like

buying a car, a vacation home, planning for retirement, and paying for their children's education. The firm puts all of that together into a road map and helps them step-by-step get from where they are today to where they want to be in the future.

LEBLANC

Stacy, who helped you along the way? Did you have a mentor?

FRANCIS

I think we as women are very good at acknowledging where we are and how we got here. We understand that it really does take a village and I will tell you that there's definitely no way I would be where I am today without the hundreds of people that volunteer for Savvy Ladies, helping us impact so many women. Also, through Francis Financial I have a fantastic team and they are second to none. It really allows me to do what I do best, to enjoy the firm and its growth while feeling like I can give back. I still have balance in my personal life as well, because I have two small children.

LEBLANC

What were some of your biggest challenges, and how did you overcome them?

FRANCIS

The biggest challenge I faced was when I started the firm. I was 27 years old. I had moved to New York from the Midwest. I grew up in a small town called Howell, Michigan. I came to New York not knowing anyone so I didn't have much of a network and launching a firm with not one client was pretty scary. It was definitely one of the most frightening things I've done.

I felt like I didn't really have an option, although I could have gotten a position at another firm with a nice salary, but then Savvy Ladies wouldn't have been created. Sometimes you face the fear and you do it anyway because that's the only option.

My next challenge was going into a field where it was predominantly men and most of those men were twice my age and often had daughters who were older than I was. When you're out there and starting to network with referral partners like estate attorneys, matrimonial attorneys and others, it's difficult because I was so young and some of those in my network had a hard time envisioning working with a young female. I knew I had to find the fastest and most effective way to establish credibility. I didn't have the luxury of saying I'd worked for a decade in this industry. I had just opened my doors.

So, I took the route of working with the media and getting quoted in all of the top publications. Whether that was the Wall Street Journal, Financial Times and others, it helped me gain that credibility and overcome my age which was an obstacle at that time. It's no longer an issue 12 years later. That was a big challenge—just being young, inexperienced and trying as best I could to establish my credibility and earning the respect of others.

LEBLANC

How did you establish trust with clients?

FRANCIS

For clients, I tried to help them, as much as I could. I would be that much more a part

WHAT'S SPECIAL ABOUT WORKING WITH WOMEN IS THAT
ONCE YOU ESTABLISH THE TRUST WHICH COMES ABOUT
FROM DEDICATION...YOUR CLIENT IS A CLIENT FOR LIFE.



of their life and I had more professional contacts than the other advisors I knew so that would help establish that trust. I truly believe in the “giver’s game.” One of the questions I always ask is, “What else can I do to help you?” There have been times when I held events and clients/prospects wanted to meet other financial advisors, and I would hold those events knowing that this in no way helped me. But, the fact that they were meeting more financial advisors (and most likely my competition) I found that again it came back to how I could help them. If I can help you I’m going to do it. Over the last 12 years I’ve been fortunate to build very solid relationships. My clients are almost like family. It’s helped me leapfrog the growth of our firm dramatically, particularly over the last couple of years.

If you can think of yourself as being on this planet to help other people, helping clients through your business, helping other professionals, even doing small things that you think they would like or would make them happy, it’s very rewarding. The giver’s game mentality is about helping people and eventually it comes back to you. It just brings such blessings into your life. Often you don’t even know from where those blessings are coming.

LEBLANC

Tell us about your clients and how you take care of them.

FRANCIS

Almost 70% of our clients are single women. They’ve gone through divorces, and they’ve lost their husbands, they’ve

often had a real tough road. Working with women who might not have had a lot of experience managing their money can take more time. You need to invest time in these relationships, helping women to understand where they are now and where they need to be. We take these important steps together. What’s special about working with women is that once you establish the trust which comes about from dedication and the investment in time, your client is a client for life.

It’s similar to growing a garden. I grew up in Michigan and my family would grow all our food. I assumed every child grew up that way. Moving to New York City I realized, that’s not the case. It was very apparent to me that caring for our family garden was a lot like caring for clients and growing my business. Every aspect of the garden needs attention, the soil, the seeds, the water. The most robust crops came from the area of the garden that received the most attention.

You may be even thinking, “Wow, I’m spending a lot of time with this client.” But in the end it always comes back to you, when those clients have the most wonderful things to say and you have helped them. They will stay with you for life and they will trust your word. They will trust you as a person and it’s so much easier to work with the client who values your input.

LEBLANC

How do you handle difficult clients?

FRANCIS

Our clients are not difficult, but they often are going through a challenging life transition. Many of our clients are going through divorce. Some advisors might put them in a category of difficult clients. But they’re actually not being difficult. They’re just really afraid, they’re angry and they’re going through an incredibly emotional time. They may have all of these pent-up emotions. Am I going to become a bag lady? Am I going to have enough to go on vacation next year? What is my life going to look like? For those clients we spend a great deal of time helping them through the process. Putting forth a plan to give them the financial security they need. The firm shows them the steps and the action plan to achieve success. Really helping them understand and feel comfortable.

While they might be considered a difficult client by another advisor, we consider the “difficult” clients to be the ones who don’t respect your time, who don’t value you, who don’t appreciate your input, and I would definitely tell the women who are reading this to think about two buckets. Are they going through such a traumatic situation in their life that the way they’re acting now is the best they can do, and afterwards they will become a more ideal client? Or are they someone who is never going to change? They just don’t value or trust you, they don’t appreciate your input. Which bucket is the client in? How you deal with clients in those two different buckets is very different.

The first bucket is like the garden I mentioned. You just continue to water it. You continue to give it the attention and over time it will blossom into a wonderful long-term relationship. The other bucket with those difficult clients who either don’t value, trust, or appreciate you, well those are the ones who are in the section of the garden that you may just decide to pull those crops. You’re going to try a new type of crop because that crop does not work very well in your garden.

LEBLANC

So, have you ever let a client go?

FRANCIS

Yes. I’ve had to let go of a few clients. It was probably one of the hardest things I’ve ever done because letting go of a relationship and revenue is not an easy decision to make. Plus, you need to make sure you are doing the right thing. It goes back to the garden analogy and making sure that all the clients are those with whom you can make a real impact, and that you really enjoy working with. Then you can go home and say to yourself, “Wow, I had an amazing meeting today with a client and I really feel like I made a big difference.”

LEBLANC

What piece of advice would you give to women who are considering going independent or launching their own RIA? Is there a step-by-step approach they should take?

FRANCIS

I would recommend that you give yourself a timeline. A timeline is important because you set goals so that you can see the light at the end of the tunnel. Many women who are looking to go out on their own feel dissatisfied with where they are currently. It’s important to have a realistic timeline and include the actual activities that you’re

going to accomplish. Put the dates on it so you can see, for example, that “one year from now I’m going to have my own RIA and I’m going to have my first client.” Then include the steps you will take.

The first step is to speak to other women who are independent, and have a similar focus that you’d like to have, or similar psychology about the type of work that you would do. Interview them and ask, “What were the three best things that you did for your business that you felt were the most worthwhile and powerful things you ever did? What were the three biggest mistakes you made and why?” Once you do that, you start to get an idea of things to watch out for and the things to make sure you do. It will help you move forward in your success. It will also help you avoid many potential mistakes. Reach out to other people who have their own RIA firm. Especially those individuals who broke away and worked at a wirehouse or other large firm and then went independent. Really pick their brain.

That will help you start down the next path which is to understand what you want your target market to be. What type of financial planning software do you want to use? What kind of client relationship management software do you want to use? Do you have time to set it up over a realistic period of time and can you investigate the solutions that are going to be right for you?

If you need support, you can put feelers out to hire an intern, or at least get to know the local colleges whose students would like to have job or career experience, whether it’s on the communications side or the financial planning/wealth management side. You need to get your ducks in a row with the required support and the people that you need to move forward.

The day you put up your sign that says you’re “open for business” is a day where everything is in order. The only thing new for you is that you are now going to your own firm that is the result of your hard work. Everything else will have been set up, ready to go, and you walk right into it with as few challenges as possible. Just be brave and follow your dream.

LEBLANC

Thank you, Stacy for your insight, advice and lovely stories. I’m sure your grandmother would be very proud of you. And thank you for your philanthropic work and for being an inspiration to women everywhere. We wish you much continued success.

Stacy is also a Certified Divorce Financial Analyst™ (CDFA™). She has specialized training in the financial issues of divorce and is the Co-Director of the Association of Divorce Financial Planners’ (ADFP) Greater New York Metro Chapter. As a member of the Women Presidents’ Organization (WPO), Stacy is also an honoree member of the Private Risk Management Association (PRMA).

Stacy received The Heart of Financial Planning Award from the Financial Planning Association (FPA) and was honored with Financial Planning Magazine’s Pro Bono Award. She was listed as a national Money Hero by CNN Money Magazine in 2013. In 2014, she received the Women’s Choice Award for Financial Advisor of the Year, the SMART CEO Brava Award and was recognized by Medical Economics Magazine as the Best Financial Advisor for Doctors. Stacy is a regular guest on CNBC, NBC, PBS, CNN, Good Morning America and many other TV outlets. She has also appeared in more than 100 publications such as Investment News, The New York Times, The Wall Street Journal and USA Today.

READER COMMENTS

A few kind words from our valued readers. Please stay in touch with us to help make Sayra as useful as possible.



I just read your inaugural issue of SAYRA - many congratulations! The first issue is fantastic and I'm thrilled to see that you're creating such compelling content for female advisors!

Moira Forbes
Publisher, Forbes Woman

My team forwarded your introductory edition of SAYRA magazine and I just wanted to write and say congratulations. Your magazine will be well received and I applaud you for your efforts in supporting women in the financial field. Congratulations.

Mike Groff,
President & CEO, Toyota Financial Services

What a beautiful publication! The look and feel of it is awesome. I have never seen a publication targeted to female advisors. I would think there would be lots of interest and that the stories would be very inspirational to female advisors. I did enjoy very much the stories that I read.

Scott A. MacKillop
President , Frontier Asset Management

USEFUL LINKS

For more information about the firms and people interviewed in this issue, please visit the websites below.

Insight for Female Advisors Myrna Rivera interview
www.consultiva.com

Life Needs Frosting, Kat Cole interview
www.cinnabon.com

Financial Advisor Invest in Women Conference <https://www.regonline.com/Register/Checkin.aspx?EventID=1678674>

Pax Ellevest Global Women's Index Fund
www.paxellevest.com

Barclays Women in Leadership Exchange Traded Notes
<http://www.etnplus.com/US/7/en/details.app?instrumentId=269035>

Makeda Capital
www.makedacapital.com

Ellevest Network
www.ellevestnetwork.com

Tory Burch Foundation/Elizabeth Street Capital
www.toryburchfoundation.org

Russell Thornton, Wealthcare for Women
www.wealthcareforwomen.com

Stacy Francis Interview
www.francisfinancial.com

Network for Women Advisors
http://www.raymondjames.com/advisorchoice/network_for_women/

SAYRA >NEXT ISSUE

SOME OF THE STORIES WE'RE WORKING ON FOR SPRING

- > NETWORKS FOR WOMEN ADVISORS
- > THE NEED FOR ETHICAL LEADERS
- > FEMALE ENTREPRENEURS WHO HAVE SOLD THEIR BUSINESSES
- > CREATIVE WAYS OF BUILDING A MULTI GENERATIONAL PRACTICE
- > DRESSING FOR SUCCESS ROUNDTABLE

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