The leaders of 4Thought Financial Group, Inc.—Brian Mackey, Jesse Mackey and Marty Levine—took one of the greatest economic  downturns in history and turned challenges and experiences into a thriving and growing business. While launching a practice at the height of the recession was risky, to put it mildly, the three principals came together, forming what has become an ideal partnership—a perfect blend of asset gatherers and asset managers. Now one of American Portfolios’ up-and-coming firms, 4Thought Financial is reaping the rewards of that risk and showing other advisors—literally—how it should be done.

More than the relationship with each other, though, is the relationship they strive to build with each and every client—both the advisors they serve and their end-clients who are usually of high net worth, drawn to 4Thought Financial because of the group’s technological background and natural ability to service complex estate planning cases. These relationships are the reason Marty is the face of the firm and only spends one day in the office each week: it’s the reason so much time is spent cultivating and building a bond with those they serve. In the case of 4Thought Financial, it’s the underlying reason why the practice and model was first put into action. While working with Jesse at Park Avenue Securities, Marty realized that he wouldn’t be able to go on practicing the way he was forever. With almost 30 years in the business, the time would quickly come in which he wouldn’t be able to keep up with new regulations or minds in investing, and he didn’t want to short-change the clients he had spent his entire career putting first: he needed help and, in the process, build himself a succession plan. The way he did this by partnering with Jesse, it’s simple for Marty. “If you’re a sole practitioner, you need to be around to service your clients. You have to be healthy, stay current; there’s a lot going on and it’s a very hard thing to do. Part of the attraction at 4Thought and why I want to build and advise other advisors is so we’ll have what I have now—a back-up plan, an exit strategy. I have the ability to make sure that if I want to slow down a little bit, I can still continue to receive an income stream. Other advisors that have been doing this a long time should wake up to that fact. They’re not going to be around forever; they’re not going to be able to keep the same heavy schedule they always have. They need to eventually think of their own future and getting the value of what they worked so hard to accumulate.”

This, in essence, is the model of 4Thought Financial. As a service and support provider, 4Thought Financial develops financial planning for an exit strategy, five, 10 years down the road—a retirement plan where money continues to come in. “We’ve been doing this a long time. Traditionally in this industry, when someone becomes disabled or dies, their business goes to the four winds,” Brian explains. “So what we’ve built is a model where that won’t happen: we’re looking to offer that model to other advisors and CFPs—which makes up a key part of our client base—since we understand their business. We can pay them an income stream long into retirement.”

One way they strive to do this, and establish continuity so that an advisor can seamlessly leave the business or even keep a hand in it indefinitely, is to also focus on bringing some younger advisors into the fold; those with education and experience, but maybe not the biggest book of business. According to Brian, those advisors have something that he and Marty no longer do—youth.
Says Brian, “That’s important to us as long term. We need to build that continuity. Again, Mary and I have been doing this for so long that I’ve got families where I’m in the third and fourth generation of doing business and planning for them. While that’s a pretty satisfying feeling—to know that they’ve entrusted their family wealth with us for multiple generations—I can also see by the time we get to the third generation that they don’t connect with me as well as their parents or grandparents did. It’s important that I can bring in John as one of the younger guys to make that connection.”

Mary further supports the model on which 4Thought Financial was created. “Our model is the same model we’re offering to other advisors. There’s no hot air since we’re practicing the same thing we’re selling. After all, that was the catalyst for how all this (4Thought Financial) started. We formed together because I realized I needed this succession model. Now I have the freedom to take a day off, I don’t feel like I’m running my business, and I know that my clients will be in great hands once I head into retirement. That’s important.”

Their desire to build a business based on this model is a huge part of the reason Brian, Jesse, and Mary made the recent transition to full independence with American Portfolio and transitioned over in March 2002. They just celebrated their first year with the broker-dealer. Despite this short time frame, they have quickly molded 4Thought Financial into a company that is being watched closely as it is the business of the future. The freedom to build that business as they see fit has, in fact, swayed them over to AP after a two-year search for a new home to build it. For them, they’re glad that they chose their separate business and have the support of AP as a huge draw.

“There are so many benefits that you have here but, for me, I’d say the culture was No. 1,” Jesse says of what led them to AP. “That’s what I find to be the biggest difference between AP and other broker-dealers. Culturally, the B.D.s we worked with before were in the land of ‘No’ here; it’s more like the land of ‘Why not? How can we do it?’ It’s dramatically different, and that encapsulates all that’s great about AP. American Portfolio is looking for ways to grow and build your business to help you to grow, as opposed to basically selling it as many other B.D.s are doing. Many other broker-dealers don’t allow the degree of innovation or adaptability that AP does.”

“Absolutely,” backs up Brian. “It’s the independent culture. If I go back to the first RIA I created in 1989, it was like the Wild West. Now, the pendulum has swung the other way and there’s a sheriff in town and a hanging judge. Everything you try to do is bad, as far as they’re concerned. Coming here, I think it was a nice balance, somewhere in the middle. It’s a hell of a lot better than the land of ‘No’.”

Another draw to American Portfolio—and one of the things the group is fairly adamant about—is the use of the firm’s Advisor Solutions platform for business. While 4Thought Financial does conduct some transactional business—they want to make sure that they can service their primary clients, the advisor, in totality—they do 90 percent of their business on the Advisor’s Solution platform: this being the platform of choice because of the ‘wrapped’ fee for $10,000 for John, the main money manager within the group, it is instrumental to have that arrangement in which all fees are included; neither the client nor the advisor will be hit up with additional charges.

Though Mary believes that advisory is the better option for advisors in terms of market perspective and stability, she feels that seriously that advisory business is about more than the end game—it’s about the here and now. And the foundation that 4Thought Financial builds by—take care of the client first and, the rest will follow.”

“About relationships,” Mary says. “Really, advisory is almost synonymous with advice, whereas transactions are focused on the relationship. It’s the difference between clients and just customers, and that difference is one that drives the success of an advisor. I think the key to success is when the advisor has a consistent platform because the interests align with clients. I get it, most of us start out in the transactional world and so milking that switch to advisory can be challenging. But the groups out there—the Reutlers and the Growths—really they’re not easy and so they provide a turn-key solution. Once you get up and running, it’s a very serviceable income stream.”

As the numbers guy, however, Jesse also sees advisory business as a simple matter of following their business model. “The way that I view it, especially as a younger advisor—thus it applies for an older advisor as well—is that an advisory book is worth much more from a standalone viewpoint at the end of the day. When you’re looking for your exit strategy, an advisory business is going to be worth more to a purchaser or someone looking to take over than a book that is really transactional. It makes more sense to build your business towards the end game; why would a younger advisor even bother to start building a transactional book of business at this stage when there are so many years ahead! It also makes sense for an older advisor since they are that much closer to wanting to settle down a bit and take more time for themselves and their family or even retire completely. With advisory, they would be building themselves a retirement plan, essentially.”

With so much focus put on advisors’ futures—well, just the futures of their clients and books of business—4Thought Financial has a bright, a clear, and ready future laid out. With two of the three partners nearing retirement age, the business model allows for them to continue doing what they love for as long as they choose.

Brian says of retirement, “When I came into this business it was because I couldn’t find anything that I liked better. Well, I still like the business but like anything else. I’ll keep doing it as long as I can. If I can push some of the stuff I don’t like doing into the younger generations, then I can focus on what I like best. Why would I stop?”

Indeed, why would anyone?