

Advisor
case study

Leo Arms
Thomas Leo Advisory

RIA model:
Frees advisor to give
personalized service

More advisors than ever are making the transition to the independent registered investment advisor (RIA) model.¹

As an RIA, you have more control over your future and the ability to build your practice and serve your clients the way you see fit, while potentially keeping more of what you earn. But becoming independent doesn't mean you have to go it alone.

“It’s very freeing to not have to answer to anybody other than your clients because you know that all you want to do is a good job for them.”

Leo Arms
Founder
Thomas Leo Advisory

More independent advisors are working with—and entrusting their assets to—Schwab. That’s because Schwab helps you take full advantage of the freedom and flexibility offered by the RIA model while providing the kind of experience and resources you need to help grow your business.

With Schwab as your custodian, you have an industry leader by your side every step of the way, providing individual guidance, support, products, and services tailored to your individual goals and the specific needs of your firm.

A legacy of client-focused advice

In many ways, Leo Arms was born into the business of strong financial advice. His father, Thomas, built a successful career in financial services by placing an emphasis on meaningful, consultative advice in a commission-based world. “A brokerage business can be commission-based or advice-based,” Leo recalls his father telling him once. “He said, ‘Stick with advice.’”

It’s a lesson that Leo Arms took to heart when he launched his own career in the industry, but he struggled to put it into practice. In November 2011, he decided to establish his own independent firm, Thomas Leo Advisory, built on the principles his father lived by—develop solid relationships, listen to your clients, and give the kind of advice you want others to give to you.

The freedom of independence

After years of working for a large firm that favored products over advice and sales over service, Arms became increasingly reticent to push offerings that he knew were not in his clients’ best interest. “I thought, ‘If that’s not what my clients need, why on Earth would I do it?’” Arms says.

He came to the realization that he could take more control over how he did business by establishing his own practice. “I ultimately realized that in order to provide the best possible advice and service to my clients, I had to be in control of the process from point A to point Z.”

A new business model

The opportunity to own his own firm and run it the way he saw fit was an intriguing prospect for Arms. But in order to realize his vision for serving clients and building his business, Arms knew he needed a custodian that could position him for success.

Attracted by a strong reputation, transparent approach, flexible technology, and extensive products, services, and resources, he chose to custody with Schwab. Through his conversations with dedicated Schwab professionals and access to top peer-to-peer networking opportunities, he discovered a whole ecosystem of outsourcing solutions optimized for Schwab advisors.

To his delight, Arms has found that Schwab is just as dedicated to supporting its advisory clients as he is to serving his own. They see you as a customer of theirs and they want to make sure you’re happy,” Arms says. “They want to make sure I have a good experience with them, and that follows through to help me provide my clients with a good experience.”

Custodying with an RIA industry leader

Arms’s decision to embrace the RIA model only came after an extensive amount of research and due diligence. He looked into a number of models and talked to numerous advisors and custodians before choosing Schwab.

“Schwab is one of the biggest in the business,” Arms says. “There’s a reason for that—it’s because they do a really good job.” He also felt that Schwab offered the



Firm: Thomas Leo Advisory

Location: Minneapolis, MN

AUM: \$75 MM

History: Founded in 2011

Staff: 1

“Once you get that first year under your belt, you think, ‘This is great. Why did I take so long to decide to do this?’”

— Leo Arms

“You want to be valued for your advice. That’s the really important thing with a client—the advice you give them.”

best fit for his business model. “Based on the service I would need from a custodian, I was able to eliminate different firms. One really rose to the top, and that was Schwab.”

At every stage of the transition, Schwab was there to help Arms keep moving forward. His dedicated Schwab Advisor Services™ Transition Team helped him build a strategic transition plan and made sure he had what he needed to make the move ready to succeed. That support proved crucial in giving Arms the confidence to establish Thomas Leo Advisory.

With Schwab, Arms gains access to experienced professionals, online resources, flexible technology, and practical tools to manage his business more effectively. In addition, Arms can take advantage of education and training resources to build for the future, including industry-leading benchmarking research, proprietary diagnostic tools, templates, and case studies that draw on years of Schwab experience.

Creating the future you want

Since becoming independent, Arms has put considerable energy into making his practice successful. But he’s also discovered that being an RIA gives him the freedom to choose how he wants to work. “It gives you a lot more time to make breakfast for your kids or go out on a date with your wife,” Arms says.

His move to independence and the support he receives from Schwab have allowed Arms to continue in his father’s tradition.

“I truly believe that if my father were around today, and if he were starting out or converting his business mid-career, he would be using this model,” Arms says, “because it’s an effective model for providing advice to clients.”

Why Thomas Leo Advisory chose Schwab and the RIA model

- A structure that makes it easier to serve clients
- Tools and resources to help ensure a smooth transition
- Training on best practices and help identifying the best technology solutions for the business
- Increased emphasis on delivering exceptional advice and service

Watch and learn more

The Schwab Advisors Services video library includes a feature on Leo Arms and other advisors. Go to advisorservices.schwab.com, select the Tools & Resources tab, then click through the video reel located at the top of the page.

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of your
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