

# *The* **AMM Succession Plan**

A partnership for the long-term benefit of you and your clients.

# Glide Path to Retirement / Semi-Retirement

Your choice...

The successful transition of your RIA typically involves 3 phases:

- 1** | **Transition (1-5+ years):**  
AMM handles everything except relationship management
- 2** | **Pre-Retirement (1-5+ years):**  
You begin to transition relationship management to AMM
- 3** | **Retirement or Semi-Retirement (2+ years):**  
You are free from all responsibilities and may choose to retire completely or semi-retire

PHASE 1

# Transition

## PHASE 1

# Transition

- **Merge with AMM and shift all daily operations to us**
  - AMM handles everything including moving your accounts to integrate properly into AMM's systems
  
- **Upon completion of Merger you remain the lead advisor and primary contact for all your clients, but now with a team and full support staff to help service your clients.**
  - AMM assumes all back office operations including billing, client paperwork, money movement requests, etc.
  - AMM assumes the majority of compliance responsibilities – except those explicitly required of a licensed IAR
  - AMM's Portfolio Management Team will handle the day to day management of your client accounts; you may be involved as much or as little as you want in the investment process
  - You and your clients will have access to AMM's financial planning team
  
- **You may remain in the Transition phase for as long as you want to remain the lead advisor on your client accounts**

PHASE 2

# Pre-Retirement

## PHASE 2

# Pre-Retirement

- ▶ **We begin the process of transitioning client relationships to an AMM lead advisor**
  - You will remain licenses during this phase; however AMM will be acting as primary servicing advisor on your accounts.
  - Over time, your clients will be accustomed to AMM's servicing/outreach model and will naturally transition to an internal AMM advisor.
  - The goal is to relieve you from responsibilities of the lead advisor — your clients call the AMM office first before calling you.
  
- ▶ **You may begin the Pre-Retirement Phase as soon as you are ready to begin transitioning the relationship management responsibility to AMM.**

PHASE 3

# Retirement

### PHASE 3

## Retirement (or Semi-Retirement)

- **Your clients have fully transitioned to a relationship with an internal AMM advisor.**
  - You are no longer the lead advisor.
- **You may choose to remove your license and completely retire, or you may remain licensed to “keep your foot in the door”**
  - If you choose to no longer be licensed, you may transition to a solicitor arrangement. This arrangement will allow you to continue to refer new clients to AMM and be compensated accordingly.
  - Either way you continue to get paid for life.
    - Plus, a generous death benefit for your heirs.

# **AMM Succession Plan vs Traditional Sale**

# Traditional Sale

- **Valuation is capped to agreed-upon price, pre-tax.**
- **Typical deals include some money up front, with the rest received on an earn-out basis.**
  - The total earn-out is generally tied to performance metrics i.e. client retention, firm profitability, and growth.
  - Up-front money may have claw back provisions if metrics are not met post-buy-out.
- **If you stay, you no longer work for yourself.**
  - After receiving any upfront and earn-out money, your business income ceases.

# AMM Succession Plan

- **A true long-term partnership**
  - Earn far more from your book than an outright sale over the life of the partnership.
- **AMM is responsible for daily operations to run your business profitably**
  - You don't have to worry about portfolio management, daily tasks, and operations to get your compensation.
- **Your upside is not capped**
  - As assets grow, your revenue grows.
- **No minimum work requirement.**
  - You can work, semi-retire, or retire whenever you want without sacrificing current income — Payout continues regardless
- **Death Benefit**
  - Payout to your estate over four additional years

# Case Study

## Case Study

### ➤ Advisor merged business with AMM in late 2006

#### ➤ Phase 1

- AMM took over all back office, compliance, and portfolio management.
- Advisor retained majority of client relationship management responsibilities
- Significant time freed up for advisor.

#### ➤ Phase 2

- Advisor began slowly transitioning relationships. A process lasted several years, by advisor's choice.
- This process was made smoother by the fact that the Advisor's clients had become used to dealing with AMM operations and portfolio management staff.
- Advisor chose to remain licensed in the event that a client ever reached out for advice — this rarely happened.

#### ➤ Phase 3

- Advisor fully retired and removed license. Advisor is happy, retired, and continues to be paid

➤ **Through year-end 2023, Advisor has earned a cumulative return of more than 9 times his trailing twelve month revenue ending December 2007.**

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