



RESOLUTE INVESTMENT ADVISORS

Powered by  HIGHTOWER



# Why Brochure

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## WHAT HAS CHANGED?

As you know, we have left our former firm and joined several other high-end advisors to form Resolute Investment Advisors, LLC (RIA). We are a boutique family wealth advisory practice dedicated to serving sophisticated, high-net-worth families in a fiduciary relationship.

We would like to highlight some of the more pressing questions you may have about this change.

## WHAT MOTIVATED YOU TO MAKE THIS CHANGE?

It became increasingly difficult to continue to follow the fiduciary standard for our clients while working for our prior firm due to conflicts of interest inherent in the traditional brokerage firm model. Because of this difficulty, we decided to create a client-centric firm so that we could continue to act as true fiduciaries.

## WHO IS RIA?

RIA was formed by Todd Baker and Brad Harvey to create a place for experienced advisors to conduct their businesses in an independent-minded, yet collaborative, environment. Bill Mercer, Jack York and Jim Young enthusiastically accepted an invitation to join this elite group. RIA aggregates the expenses of its advisory teams to share costs and create a strong brand that strives to be “the” place for both clients and advisors to work. With more than 130 years of collective industry experience, RIA guides and serves approximately 750 families nationwide in the areas of investment and financial management.

## WHY MOVE NOW?

It is important to us that we maintain a high degree of professionalism and decorum in how we refer to our prior firms. We were there for many years and had every intention of spending the rest of our careers there. We committed to our clients that we would leave only if a significant reason existed. Over the last six months it became abundantly clear that our firms were going in a different direction than we felt was in the long-term best interests of our clients. Once we made the decision to leave, it was incumbent upon us to conduct exhaustive due diligence in our search for client-centric strategic partners. This transition represents the results of that due diligence.

## WHY DIDN'T YOU TELL US ABOUT THIS MOVE SOONER?

While we would have loved to share this news with you, we were not permitted to do so. We are governed by a strict code that forbids advanced notification to, or solicitation of, our clients.

## WHAT IS IT ABOUT THIS MOVE YOU FIND MOST ATTRACTIVE?

We have always functioned with a great deal of intellectual freedom and independence has everything to do with the culture of our business. With the creation of RIA, we are no longer beholden to any large institution or “group-think” restrictions aimed at the lowest common



denominator. We feel that forming an independent business in partnership with HighTower is the ideal fit for our practice, and more importantly, for you, our clients.

### **WHAT DO YOU MEAN BY “FIDUCIARY”?**

The fiduciary standard of care means that advisors are legally obligated to act solely in their clients’ interests when offering personalized financial advice. Unfortunately, since the 2008 crisis, many wirehouses have placed a heavy emphasis on margin and revenue growth. What’s good for business is not necessarily what’s good for the client. Therefore, after much deliberation and research, we’ve created RIA so that we can continue to put your needs first.

### **HOW WILL THIS MOVE HELP YOUR CLIENTS?**

The three major benefits clients receive when working with any professional advisor are: (1) custody of your assets at renowned, third-party custodians; (2) technology; and (3) access to a range of products and services. We offer sophisticated solutions from multiple vendors in a single place, including: (1) the choice of multiple custodians for the safekeeping of assets; (2) significant upgrades in technology and research; and (3) institutional block trading capabilities. We will work with our selected partners to create an integrated client experience marked by excellence.

### **WHO IS HIGHTOWER?**

HighTower is an independent wealth management firm that offers a supportive platform to elite financial advisors who provide sophisticated services and financial guidance to their clients. HighTower is headquartered in Chicago and has offices throughout the country. RIA is proud to be a part of HighTower’s exclusive advisor community. As affiliates of HighTower, we are now legally bound by the fiduciary standard, meaning that we must act solely in our clients’ interests. In support of this structure, HighTower encourages truly independent investment advice, and their business model enables advisors to develop a custom mix of products and solutions per each individual client’s investment strategy.

### **WHY DID YOU CHOOSE TO AFFILIATE WITH HIGHTOWER?**

We researched many organizations and business models to determine an optimal way to service our clients while helping protect their assets and offering a broad selection of investment solutions. We chose to partner with HighTower because of their experience with and commitment to the fiduciary model. Unlike a wirehouse, HighTower does not: (1) create or sell any in-house financial products; (2) own a bank; or (3) restrict or recommend how assets are invested. This means that they have no influence on which investment solutions we bring to you.

### **HOW WILL YOU HELP SAFEGUARD OUR ASSETS?**

Previously, we were employees of the firm that was also the custodian of your investments. This meant that they often promoted and encouraged the use of proprietary products. After a



diligent search of third-party custodians, we elected to partner with Charles Schwab Institutional to help safeguard our clients' assets and provide trading execution services.

Schwab holds more than \$2.5 trillion in client assets, and is a publicly-held company with more than \$8.9 billion in stockholder's equity. The protection of your assets will not be diminished: SIPC insurance remains in effect along with the same levels of supplemental insurance.

### **HOW IS TECHNOLOGY IMPROVING FOR YOUR CLIENTS?**

We now have an "open source" philosophy for technology where we can select customized solutions on a case-by-case basis. You will continue to receive a comprehensive monthly statement and you can now send and receive documents to and from us in secure manner.

### **HOW HAS THE RESEARCH IMPROVED?**

We will continue to subscribe to a variety of third-party research resources. In addition, we now have a research portal that provides expanded research not only from our prior firm, but also the other Wall Street firms. We are excited about using this new, expanded resource to enable us to make more timely and educated decisions about the management of your investments.

### **ARE THE DAILY OPERATIONS CHANGING, SUCH AS WIRING OR TRANSFERRING MONEY?**

No; you will still be working directly with your investment management team. The only difference is that we are located in a new office. We are now supported by HighTower's back-office resources, which are exclusively committed to servicing the elite HighTower teams.

### **WERE YOU COMPENSATED BY HIGHTOWER TO MAKE THIS MOVE?**

No, we did not receive any compensation to move our practices. We have made significant personal investments to facilitate the opening of our new offices and to help ensure smooth transitions for our teams. We truly felt this move was necessary to align our client-focused philosophy with a strategic partner who also understands the importance of following the fiduciary standard.

### **IS YOUR INVESTMENT PROCESS CHANGING?**

While our investment process is not materially affected by this move, we now have access to enhanced research and technology capabilities to support us. This move enhances our determination to be a thought leader and to implement investment thinking into client outcomes.

### **WILL I LOSE ACCESS TO BANKING AND LENDING?**

No. In fact, we now have a significant lending platform through Charles Schwab's bank, one that we believe will be even more competitive than our past offerings.

### **WILL MY COSTS CHANGE?**

We do not anticipate any material change to our cost structure, although we may be able to



lower costs in the future.

### **WILL THERE BE A COST TO TRANSFER TO CHARLES SCHWAB?**

If our former firms charge to transfer your accounts, we have negotiated with Charles Schwab to credit that amount back to you in your new account.

### **WHERE ARE YOU LOCATED?**

Our offices are located at 102 South Tejon Street, Suite 500 in Colorado Springs in the Alamo Building, just two blocks from our former office. The space is devoted exclusively to RIA, and we have a large conference room to meet with you and your entire family. We plan on hosting an office-warming party soon, and would love to give you a tour.

### **DOES THIS MOVE IMPACT YOUR RELATIONSHIP WITH OTHER BUSINESS PARTNERS SUCH AS CPAS, INSURANCE CONSULTANTS, ESTATE ATTORNEYS, ETC.?**

There should be no impact as we continue to work with your trusted advisors.

### **IS THERE ANYTHING WE NEED TO DO OR BE AWARE OF FOR THIS TRANSITION?**

You will receive a packet of transfer documents and new account forms. You can transfer your accounts by: 1) signing and returning the paperwork in the envelope provided; 2) calling to schedule an appointment; or 3) stopping by our new office to sign your paperwork.

We will have a substantial transition team on-site for the next month to help handle and facilitate account transfers. We strive to make this process as seamless as possible, and it should be as simple as signing a few documents. Once signatures are obtained, we will open accounts at Schwab, and your assets will be transferred immediately. Our operations team will also be working to help make sure transfers and cash flow transactions are properly created.

We hope this document has answered some of the key questions you may have had about this move. Your team at RIA is excited about the future. We invite you to join us at RIA so that we may continue to work with you as your trusted advisors. We look forward to seeing or hearing from you soon.