

SPORTING SPIRIT

THE EVOLUTION FROM STARTUP TO MAJOR LEAGUE RIA



Entrepreneurship is in Paul Cohen's DNA. The thrill of building a firm from the ground up began in 1990, when he combined his background in accounting, tax law, and real estate banking with his love of sports to form TWC Sports Management. Fueled by the personal service ethic instilled in him by his father, Cohen believed he could distinguish himself from the competition by building a reputation for unparalleled, responsive service. And he was right.

By the mid-'90s TWC was attracting ultra-high-net-worth athletes. Cohen was managing their contract negotiations and endorsements while outsourcing tax services and investment planning. Many of his clients had become personal friends and were seeking his advice on complex estate planning, tax issues, and investment allocations. "Starting my own asset management firm seemed like a logical conclusion, and something we were very excited about," said Cohen. He wasted no time building his next venture, Tarzana-

California based registered investment advisor firm Marest Capital, which is focused on assisting high-net-worth and ultra-high-net worth individuals and families with their complex financial needs.

"It's so nice to be your own boss, especially in a situation like us with LPL where we're our own boss, but don't feel like we're on an island by ourselves."

Surpassing expectations with seamless transition

Initially, Cohen opted to affiliate with another RIA that had an established relationship with a major custodian. But he became dissatisfied with the delayed response time and quality of service he experienced.

"When you get a referral or you've generated a lead, the potential client will want to see some numbers. If you can't access what you need, you're done for the most part. You've lost that potential business. You can be a great investment manager, but if people feel that your timeliness is off, the other stuff just becomes a narrative—and not a good one," he said.

Cohen was also frustrated by the lack of control he had over his business. By the end of 2020, he decided to establish his own RIA and look for a custodian who could support his firm's goals in terms of personal service expansion, technology, and growth opportunities. "I spent many, many months looking at firms. Powerful firms. Good firms. The more I read, the more people I spoke to, they indicated I needed to give LPL a legitimate shot because they might be the perfect fit based on my clientele and needs."

As part of his due diligence, Cohen met with members of LPL's leadership team and spoke with independent RIAs who custody

at LPL. “Through these meetings and calls, it seemed like LPL offered the best combination of personal service and skill level. From a business perspective, a lot of what was offered was what we were looking for. Not just the basics, but advanced support for more strategic initiatives, including the possibility of acquisitions down the road.”

After months of careful planning and preparation, Marest Capital chose LPL as their custodian in March 2022. For the first time in his 30-year career, Cohen was transitioning a business and grappling with his new compliance and fiduciary responsibilities, while simultaneously helping anxious clients navigate one of the worst stock markets in recent history. Despite the challenges, Cohen was pleasantly surprised by his experience. “LPL’s transition team was nothing short of fantastic, literally fantastic. I mean, even beyond our wildest dreams. The transition was much more seamless than I thought it could be, and we’ve been more than happy.”

Independent but not alone

With the transition now behind them, Marest Capital is looking to grow, either organically or through acquisitions, and Cohen is leaning into the support offered by LPL. “To hear that LPL had a dedicated division within the company to assist in those matters was very exciting. We are also now involved in estate planning issues and have more fiduciary legal responsibility to our clients. There are some very bright people at LPL to assist with these issues.”

Maintaining relationships within the professional athlete community will remain a keystone of Marest Capital’s business model, but Cohen hopes to begin offering more estate planning services

for generational wealth families. And he’s found LPL’s support equal to the task. “I can call them with a lead and say, here’s what we’re thinking of doing, put us in touch with the right people as quickly as possible. And that’s been fantastic because there’s a sense that we’re digging in the trenches together. The better Marest Capital does, it’s just as good if not better for LPL. We’ve found that to be extremely productive so far,” Cohen said.

Of course, Cohen knows that forming an independent RIA may not be for everyone. “It comes with more responsibility—legally, financially—particularly legally. A person has to have the backbone to say ‘I’m prepared to take that on,’” said Cohen, adding that there’s a certain level of fiduciary responsibility that RIAs have to understand and maintain, and there are a variety of challenges for RIA owners, such as navigating mergers and acquisitions and the ever-changing intricacies of the regulatory environment.

But for entrepreneurs like Cohen, the freedom makes it all worthwhile. “It’s so nice to be your own boss, especially in a situation like us with LPL where we’re our own boss, but don’t feel like we’re on an island by ourselves.”

Ultimately, said Cohen, finding the right custodial partner is key for any entrepreneurial advisor who is either thinking about running an RIA or who has already taken that leap. “If you’re not comfortable with where you’re housing the funds, you might not be as happy as you think,” said Cohen. “You have to give LPL a look. From what I’ve seen, their combination of service and skill is second-to-none. Having a team behind you that’s equally committed to generating the business as you are, who can be that attentive and that good with the answers, is just a crucial aspect of success.”

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MAREST CAPITAL

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