LPL ADVISOR SERIES

THE VIEW FROM TOWER 68

HOW TOWER 68 FINANCIAL ADVISORS AND STRATEGIC WEALTH SERVICES HELP CLIENTS NAVIGATE FINANCIAL CURRENTS.

From left to right: Peter Jones, Rich Dougherty, Ken South, Spencer South, Steve Arcos

Ocean currents and financial markets are notoriously unpredictable. Sudden changes can occur without warning, causing turbulent conditions that are difficult to navigate without the diligence and expertise of a trained professional.

"Today we're in a market where the tide is out and the rip currents are pretty tumultuous. It doesn't really matter where you're swimming, you're getting sucked out to sea. That's a very difficult thing to deal with," notes Ken South, founder of Tower 68 Financial Advisors. During times like these, investors need steadfast guidance to help keep them on course, and Ken and his team help to navigate these financial currents.

Ken grew up in Newport Beach, California, across the road from lifeguard tower 68. Having spent countless hours on that particular stretch of beach, it seemed only logical to make it his primary post when he became an ocean lifeguard at the age of 16. He served for nearly a decade and became exceptionally skilled at recognizing when swimmers could be in a compromised safety situation and getting them to safety. For over 36 years, he applied that same sense of duty and vigilance to his career as a wirehouse advisor.

In 2021, Ken approached his colleague and friend, Steve Arcos, about starting an independent firm. "Steve was my lifeguard," recounted Ken. "I wouldn't have been able to make the leap without him. When I made the decision to go independent, I told Steve, 'I don't even want to think about doing this with anyone else. Let's make this work and build a firm together.'"

Steve had also been in the wirehouse space for over 30 years and served in senior leadership roles for the majority of his career. "Ken has always been on the sales side as a portfolio manager, and my background is more in operations, compliance, and branch management. We thought working together would be a good partnership," said Steve.

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>
> – **STEVE ARCOS**

Uniting the past with the present

With Steve onboard to be Ken's Chief Operating Officer, plans for their new firm began to take shape. But what would they call it? As they pondered potential names for their new enterprise, Ken and Steve kept coming back to Tower 68 Financial Advisors.

"Tower 68 is where it all started and what I see everyday when looking through the windows of my house," explained Ken. "It reminds me that instead of keeping beachgoers out of harm's way, now my mission is to help my clients stay out of harm's way and thrive financially."

Next, the two began searching for a wealth management firm that would allow them to create and own the practice of their dreams. They envisioned offering clients a roadmap that would combine education, financial planning, and portfolio construction and management to help them pursue their goals. To bring their vision to life, they sought a wealth management firm that combined independence with hands-on business services and support. That's when they discovered LPL Financial's Strategic Wealth Services. "I had to see it to believe it," said Steve. "When we met with the LPL team in La Jolla, it made it more real."

Once Ken and Steve found the ideal property for their new practice, Strategic Wealth Services took care of the lease negotiation, build-out, furniture, IT setup, and infrastructure. "We've got this beautiful office space with great views. It's one of these things where you can see it, touch it, and you know it's real," said Steve.

With everything now in place, Strategic Wealth Service's elite professionals provided hands-on transition support to get Tower 68 up and running as quickly and seamlessly as possible. "We opened more new accounts and brought in more assets faster than any other team that has come on at this level to LPL, which is a testament to our internal team as well as our Strategic Wealth Services onboarding group," noted Ken.

"It was very rewarding to see $400 million come over in five to six weeks! When you have any doubts in the back of your mind about how clients will respond to the transition, that result was pretty darn good," added Steve.

Continuing South

Ken's transition to LPL also allowed him to think about the growth of his business. And someone was waiting in the wings to jump in with her expertise: his daughter, Spencer South, who serves as Executive Director of Business Development.

"There was never any expectation that she would join the business, but, frankly, we're fortunate to have her. And as a father, to have the opportunity to work with my daughter every day, whether it's on marketing or assisting me in meetings

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when I deliver financial plans to our clients, it's just a really neat feeling." said Ken.

Added Spencer, "The collaboration with Strategic Wealth Services has been amazing. They've helped expedite my transition into this industry, helped me understand how to set up accounts, compliance, and how we can bring our ideas to life. Understanding the backend of how things work at LPL and how to bring that success over to Tower 68 Financial Advisors has been crucial."

Spencer is not the only one on the team who feels that the firm's ultimate success is tied to the Strategic Wealth Services offering. "If only we had known sooner how functional things could be away from the wirehouse," added Steve. "There was a lot of uncertainty around if we were going to be completely on our own, what happens if equipment breaks down or we run out of supplies, how is it going to get billed—all of that was uncertain. After a few months, we got a lot of things on auto-pilot and started moving into the business as usual part of things. It keeps getting better and easier to function. I can't really understand why everyone's not considering Strategic Wealth Services."

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A relationship business

Now a year into their independence journey, the Tower 68 Financial Advisors team is thriving—even in the midst of historic market volatility. What's the secret to their success? Relationships. "You develop relationships with the people you work with here," said Steve. "We have a payroll coordinator, an HR generalist, a benefits coordinator, a 401(k) person, marketing and compliance support, and I have relationships with all of them now. The fact that they make themselves available to us is always appreciated."

"The Strategic Wealth Services leadership has carefully selected people that are really good at what they do, that are there to support us, and have a wealth of knowledge that we really wouldn't have access to in a traditional W-2 channel," recounted Ken. "Right now is the most difficult time for me in managing portfolios that I've seen in 12-14 years. We're in a global financial storm, and without the support group we've got, we'd be in a rough spot. You can't manage the back end and the front end all at the same time, it's just not humanly possible. We couldn't do it without Strategic Wealth Services."

Added Spencer, "I really enjoy the team I work with, our clients, getting to work for my father—it's all very rewarding. Hearing the excitement in clients' voices and feeling like we're making a difference is what it's all about."

As for other wirehouse advisors looking to breakaway, Ken offered one piece of advice. "Every morning when I unlock the door—our door to our office—I think, 'We did this. We own this.' At LPL, particularly through Strategic Wealth Services, you're able to quantify a backbone of your practice that could take you to levels you didn't think existed before. If an advisor is willing to listen, they can see what they'll end up with in the future—in their family's future and in the longevity of the practice they've spent decades building."

Strategic Wealth is a new generation of supported independence by LPL Financial. To learn more, contact your business development consultant at joinlpl.com.

ABOUT LPL FINANCIAL

LPL Financial (Nasdaq: LPLA) was founded on the principle that the firm should work for the advisor, and not the other way around. Today, LPL is a leader* in the markets we serve, supporting more than 20,000 financial advisors, 800 institution-based investment programs and 450 independent RIA firms nationwide. We are steadfast in our commitment to the advisor-centered model and the belief that Americans deserve access to personalized guidance from a financial advisor. At LPL, independence means that advisors have the freedom they deserve to choose the business model, services, and technology resources that allow them to run their perfect practice. And they have the freedom to manage their client relationships, because they know their clients best. Simply put, we take care of our advisors, so they can take care of their clients.

* Top RIA custodian (Cerulli Associates, 2021 U.S. RIA Marketplace Report); No. 1 Independent Broker-Dealer in the U.S. (Based on total revenues, Financial Planning magazine June 1996–2022); No. 1 provider of third-party brokerage services to banks and credit unions (2021–2022 Kehrer Bielan Research & Consulting Annual TPM Report)