

## What I Learned at the TD AMERITRADE Partnership 2008 Conference

by Joel P. Bruckenstein

I recently attended the TD AMERITRADE Partnership 2008 conference and it was well worth the trip. My personal yardstick for a conference is that if I come away with one really good idea, my time was well spent. In this case, I came away with several, so I'll share some with you, even though most are not technology related.

The first thing that struck me at the TD AMERITRADE gathering was that sincerity and good intentions go a long way in a relationship. During the past year, TD AMERITRADE experienced some setbacks technologically as it sought to migrate advisors from the old TD platform to the new Ameritrade one. It also experienced a few other challenges. While a few advisors voiced concerns, that vast majority I spoke with took the setbacks in stride. Ray Mignone, CFP, the owner of Ray Mignone & Co. in Little Neck, N.Y., was representative of the majority.

"TD AMERITRADE has a great service team. What they may have lacked in technology this past year, they more and made up for with their great attitude and their outstanding customer service," he said. "Overall, we are very pleased with TD AMERITRADE as our custodian."

Benjamin Tobias, CFP, CPA/PFS, CIMA, president of Tobias Financial Advisors, agreed.

"I had a few service problems with TD AMERITRADE during the last year, but because of the sincerity of the employees I dealt with and the can-do attitude of TD AMERITRADE's management, I never doubted that my issues would be addressed promptly, and they were," Tobias said. "TD AMERITRADE treats me as a partner, and I feel the same way about them."

On a related note, when you identify a customer service problem apologize for any inconvenience and tell your clients what you are going to do to fix it. At the conference, TD AMERITRADE CEO Joseph Moglia, COO Fred Tomczyk, and TD AMERITRADE Institutional president J. Thomas Bradley Jr. all apologized for any inconvenience to advisors and their clients, but they also told the crowd what the firm was going to do to make things right. The highlight of that discussion was a commitment to spend \$150 million on technology and service upgrades.

Mignone also found it reassuring that Tomczyk was familiar with what advisors need. "He mentioned statements and mutual fund postings, two hot topics for advisors," Mignone said. "The fact that a guy at his level knows the issues I'm concerned about gives me confidence that they will be addressed. I'm optimistic about the future."

Almost every advisor would love to command the loyalty and respect that Mignone and Tobias have for TD AMERITRADE. Perhaps we can all learn something from the way TD AMERITRADE's management has handled adversity recently.

Running concurrently with the pre-conference session, Gobind Daryanani, the managing director of iRebal AMERITRADE Institutional hosted a panel discussion on future challenges for chief investment officers. I know Gobind plans to write an article about the session, so I will not steal his thunder, but he has some interesting thoughts on what differentiates better independent RIA firms from the investment crowd. One specific topic discussed at the session that I might explore in more detail in the future is the role of structured notes in advisory portfolios.

A surprising number of advisors at the conference were talking about the relative merits of two competing rebalance programs: iRebal, now owned by TD AMERITRADE, and Tamarac Advisor. Of the advisors I spoke with, about two out of three seemed to be leaning toward Tamarac, with virtually every Tamarac fan citing price as a factor in his decision. With the price gap between the two narrowing recently, it will be interesting to see how this small but hotly contested niche battle plays out.

TIAA-CREF Advisor Services was a Diamond Sponsor of the conference, at least in part because it expected to announce the launch of a real estate limited partnership targeted at advisors' clients during the conference. I'm told that this soon-to-be-launched vehicle will be \$350 million in size, that it will be fully invested in direct U.S. real estate investments, and that it will employ 50% leverage.

Finally, on a lighter note, I learned that politics makes strange bedfellows. In a general session titled All's Fair in Love, War, and Politics, James Carville and his wife Mary Matalin thoroughly entertained me with their sharp wit and opposing political views while providing insights into the current presidential campaign.

In short, the Partnership 2008 Conference was a winner, and I look forward to attending again in the future.

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