

PROSPERUS

THE MAGAZINE FOR WOMEN WHO ADVISE, PLAN, SPEND, SAVE AND GIVE



Owning It

The ESOP Group's Leslie Lauer and Rebecca Glasgow bring their transition talents to RBC

TAX SUNSET TIPS

SCAM ALERTS

WELLNESS FOR THE WIN

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**Wealth
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Transition Time

Welcome to the fall 2024 edition of *Prosper·US* magazine! As the weather turns cooler and the calendar shifts from summer to fall, I've been thinking a lot about transitions. I love seeing the leaves turn all shades of red, orange and yellow. It's a reminder that change can be beautiful, even if it feels intimidating at times.

I've been taking out the sweaters I packed away in April, my children have started a new school year, and, as I write this, we are in the middle of an unprecedented presidential election that will bring about yet another transition, regardless of which candidate wins.

We are constantly going through transitions—in our personal and professional lives. Some evolutions come naturally and seem easy. Others are more difficult, and we may need help.

As changes come, I remind myself it's OK to ask for help when I need it. A little extra support can make all the difference sometimes. I also remind myself that it's OK to be a little afraid of changing and then do it anyway. The beauty of change may not be apparent right away, but if you look for it, you will find it.

In this issue, we showcase some of the ways RBC Wealth Management financial advisors are helping clients through transitions. Our cover story featuring The ESOP Group highlights how the team supports its business owner clients looking to transition their companies.

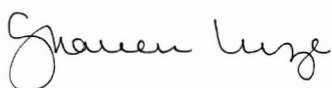
Financial advisors often need assistance when it comes time to transition out of their profession, as well. Advisors want to know their clients will be well taken care of, and they want to properly value the business they've spent a lifetime cultivating. Read how Natalie Ives, RBC Wealth Management transition consultant, helps match advisors looking to transition in and out of the business.

Change is afoot when it comes to pay equity for women, especially in sports. Read how RBC Wealth Management continues to support this overdue change.

Other stories in this issue include the important role financial advisors play in protecting clients from fraud and scams, Complex Director Lauri Droster sharing how her ski patrol experience helps bring balance to her busy life, and Branch Director Heather Reed detailing the evolution of her career.

This is the tenth edition of *Prosper·US*, and I love having this outlet to share the stories of the amazing women of RBC! We weren't sure how the magazine would be received when we started, but the feedback we hear with every issue is a testament to the power of women's storytelling. As representation of women in financial services—as professionals and as clients—continues to grow, so does the interest in their stories.

I look forward to continuing to share those stories with you in these pages. Enjoy this issue!



SHAREEN LUZE

Head of Culture and Field Experience
RBC Wealth Management-U.S.



“
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MEETUP

ALL CONFERENCE

The Women's Association of Financial Advisors (WAFA) board members share their fondest memories of conferences past.

Watching my friend and mentor, Lauri Droster, win the Gail Winslow Award for all of the time she invested in me and so many other women at RBC.

—Beth Norman, past president, Madison, WI

The 2022 conference, when I was onstage with other organizers, dancing and getting the crowd excited and ready for kickoff! I also loved the musical duo and ballet performance at the party that evening.

—Kimberly Shappee, communications co-chair, Missoula, MT

My cherished memories often emerge after the conference is over. It's in those moments, glass of wine in hand, that I sit down with fellow attendees, sharing stories of what's working in our businesses, discussing our personal and professional challenges, and discovering just how much we have in common.

—Kristie Svejda, 2024 conference co-chair, Leawood, KS

“**ATTENDING MY FIRST WAFA CONFERENCE IN 2016. I WAS BLOWN AWAY BY THE CAMARADERIE, SHARING OF IDEAS, NEW CONNECTIONS MADE AND THE FUN WE HAD! I IMMEDIATELY FELT A SENSE OF COMMUNITY, AND IT WAS THE START TO BUILDING A TRIBE OF BRILLIANT, TALENTED, DRIVEN AND CARING WOMEN HERE AT RBC.”**

—Sanya Mulhern, recruiting committee, San Diego, CA

Co-chairing the conference in 2023 with Tania Kvakic, when we arrived one day early to go to the studio and film videos we showcased at the conference.

—Susan M. Hovanec, mentoring committee, Washington, D.C.

Dancing in the conga line with East Divisional Director Pat Vaughan following the 2019 conference. Having just moved to RBC, this proved that the culture here really is different, and I knew I had made the right decision!

—Gabrielle Clemens, secretary, Boston, MA

I was lucky enough to have a coveted spot at one of the conferences back when I was an investment associate. Former WAFA president Jeri Larrinaga's interview was so inspirational and gave me the courage to believe in myself. As a board member now, I am hoping to light the path for someone else the same way these women have done so for me.

—Rachel Panasuk, 2024 conference co-chair, Brookfield, WI

When I first met Joy Sheets in 2007. Joy is a financial advisor from Rochester, Minnesota, and I knew right then and there that we were meant to be friends.

—Darla Kashian, mentoring committee, Minneapolis, MN

I love walking into the “first-time attendee reception” at the conference. The energy in that room is always electric and the volume high. Everyone is excited to be there and to meet new people.

—Jackie Larson, president, Minnetonka, MN



PICTURED LEFT TO RIGHT (TOP): Jesse Witt, Kristie Svejda, Tania Kvakic, Autumn Farrington, Rachel Panasuk, Gina Thompson, Susan Hovanec, Beth Rafferty, Laura Herrera. (MIDDLE): Janet Boie, Barbara Letvinchuk, Jackie Larson, Beth Norman. (FRONT): Tammy Buchert, AnnaMarie Martino, Shareen Luze, Sanya Mulhern, Kimberly Shappee

SUCCESSION

The Matchmaker

When financial advisors are ready for retirement, Natalie Ives helps them transition their practice with ease. **BY RIHAM FESHIR**



Just because financial advisors help clients plan for retirement doesn't mean they don't need support planning for their own. Having a dedicated resource to help them transition their books not only creates opportunities for the next generation of advisors to grow their practice but also provides continuity for clients.

Finding the right fit for a business transition can be challenging, but that's where Natalie Ives shines. As a senior practice transition consultant at RBC Wealth Management, Ives helps match financial advisors in various stages of their careers.

"Financial advisors at RBC have dedicated resources to help them navigate transitions without stress," Ives says. "Every advisor wants a smooth transition, and RBC has built a team of resources within Strategic Compensation and Practice Management & Teams to make sure they have the support needed to transfer their business successfully."

Ives supports the RBC Heritage Transition Program with Chris Batdorf, senior advisor and transition consultant with Strategic Compensation. The program offers a competitive valuation and flexible and negotiable payment options based on the advisor's goals. Ives' role is to match the seller with the buyer, making sure that their values are aligned, investment philosophies are consistent and client service isn't disrupted.

"Important aspects to consider when selecting a successor include how an advisor manages their book, their value system and how they connect with clients," Ives says. "I help retiring advisors deter-

mine the right successor for their practice."

As part of the Practice Management & Teams group, Ives coaches advisors on how to determine the best path forward for their practice. Skilled at uncovering core values and aligning visions, she works in the best interest of each advisor to help them achieve their goals.

"As the number of advisors looking to retire continues to grow, so does the number of people looking for help in selecting somebody to transition their business to," Ives says. "I love being able to help make connections for the benefit of advisors and clients."



Riham Feshir is communications and content manager at RBC Wealth Management-U.S.

OFFICE ENVY

RBC's D.C. Branch Gets a Spacelift

In today's evolving work landscape, the relevance of a physical office shouldn't be underestimated. That's why RBC Wealth Management took a thoughtful approach to redesigning the Washington, D.C., branch. With glass walls to let in natural light, high-tech conference rooms, local art and sit/stand desks for everyone, the space is a vibrant hub for collaboration.

"Clients love it, we love it, and it enables us to stay connected no matter where clients are located," says financial advisor Mary Mathias.

The fresh and modern space provides room for creativity and innovation to bloom and nurtures an already strong company culture.

For client associate Tracy McCrory, the best thing about the space will always be the people. "Being surrounded by other professionals with a passion for the industry, their work with clients and RBC values—that's what makes this space a fantastic place to be."





\$2.65 M

The estate tax on a \$13.61 million estate in 2026 (not including any potential state estate tax)—compared to \$0, if transferred to heirs this year.

PRO TIPS

Tax Changes May Be Coming. Are Your Clients Prepared?

Help them maximize tax benefits before the sun sets. **BY ANGIE O'LEARY**

Many provisions of the 2017 Tax Cuts and Jobs Act (TCJA)—which reduced taxes across the board and raised the income threshold for various tax brackets—are set to expire at the end of 2025. Here are some key considerations to make sure your clients know now, while there's still time to take advantage of the benefits before they sunset.

1

Their tax bracket may change.

Clients need to plan for the possibility of being in a higher tax bracket in the near future. Help them explore ways to make the most of the current lower brackets, including opportunities to accelerate income, such as with a Roth conversion.

2

Estate and gift tax exemptions will be cut in half.

The TCJA essentially doubled the estate tax exemption. In 2026, the limit will drop back down to around \$7 million per person. Shore up clients' estate plans and, where possible, help them take advantage of the current high exemption amount with estate and gifting strategies.

3

Filing taxes could get more complex.

Numerous deduction and exemption changes were included in the TCJA, which simplified taxes for most Americans. If these provisions expire, state and local tax deductions, mortgage interest deductions, personal exemptions, and standard deductions will all be affected. Clients may need to approach taxes differently, so encourage them to consult their tax advisors for specific guidance.

4

Charitable giving strategies may need revisiting.

The sunset will also impact philanthropic efforts. The annual deduction limit for cash contributions to public charities will revert from 60% to 50% of adjusted gross income. Clients may be able to deduct a larger amount from their taxable income if they donate before 2026. While new legislation could still be introduced, a “wait and see” approach puts clients at risk of running out of time to get a thoughtful plan in place. By preparing early, your clients can be ready for a smooth ride into the sunset.



Angie O'Leary is head of Wealth Planning and Insured Solutions for RBC Wealth Management-U.S.

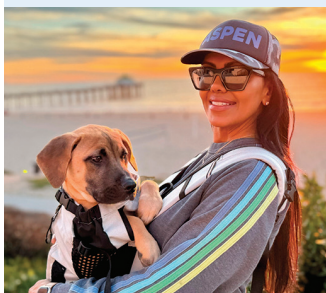
PET PERKS

BONE-A-FIDE BENEFITS FOR THE ENTIRE FAMILY

RBC Wealth Management has a special suite of resources just for our furry friends. In addition to fitness products, gym memberships and travel discounts, RBC employees can receive discounts on pet insurance, prescriptions, food and supplies for our animal companions. And for those who need pet sitters, a network is available for drop-in visits or extended stays.

"Women have busy lives juggling so many responsibilities in a day," says Reva Shakkottai, financial advisor and director of RBC's Manhattan Beach branch. "For many of us, that includes caring for pets. I appreciate that RBC offers a variety of benefits for my dog, Eris, which have saved me time and stress on my busiest days. These benefits have been a lifesaver for both routine questions and puppy emergencies."

Below: Reva Shakkottai with pup Eris



Former National Women's Soccer League player Joanna Lohman

GOOD SPORTS

RBC Goes to Bat for Female Athletes

The popularity of women's sports is at an all-time high, racking up big wins with fans and scoring points with mainstream viewers and sponsors.

Yet despite this roaring demand, women athletes still earn far less than their male counterparts. On average, professional male athletes earn 21 times more than professional female athletes, according to a 2023 RBC-commissioned report with Wasserman and The Collective.

That's why RBC Wealth Management is teaming up with Parity, the sports marketing and sponsorship platform dedicated to closing the gender income and opportunity gap in professional sports.

So far this year, the firm has sponsored two events with Parity and Women in Motorsports North America (WIMNA), bringing together women leaders, race car drivers and notable industry executives to discuss the current and future climate of the sport. RBC also had former National Women's Soccer League player Joanna Lohman appear at a client event during the 2024 MLS All-Star game and hosted a webinar for WIMNA athletes about wealth planning.

"Investing in women's sports matters. It's not only important for increasing opportunities and pay for the athletes but also making women's sports more accessible to their growing fan base," says Shareen Luze, head of Culture and Field Experience at RBC Wealth Management. "As a former college athlete and huge sports enthusiast, I'm thrilled RBC Wealth Management is celebrating women who are paving the way for others on and off the track."

“AS A FORMER COLLEGE ATHLETE AND HUGE SPORTS ENTHUSIAST, I'M THRILLED RBC WEALTH MANAGEMENT IS CELEBRATING WOMEN WHO ARE PAVING THE WAY FOR OTHERS ON AND OFF THE TRACK.”

— Shareen Luze, head of Culture and Field Experience at RBC Wealth Management-U.S.

Healthy Helpings

Don't let the chaos of the holidays stop you from *sleighting* your wellness goals. We've rounded up all the assets you need to keep moving and maintain your hard-earned healthy habits as the daylight wanes.

BY NATALIE LARSEN



1 Watered Down

As temps and humidity drop, a posh bottle is just the motivation we need to keep the water flowing. **Metal bottle** (\$44) in Sage Brushed, from Waterdrop, waterdrop.com

2 Brush Up

Because oral health sets the tone for your whole body, why not make your habits glamorous with gold and black for your basics? **Gold electric toothbrush** (\$79.99) from Moon Oral Beauty, moonoralbeauty.com

3 Sneak-y

Nothin' like a shiny new pair of gym shoes to make getting in the door a bit easier. "Rio Branco" **sneakers** (\$160) from Veja, veja-store.com

4 Crunch Time

Hit your goals (and look darn good doing it!) with aesthetic gear. Call it golden hour. **15-pound weights** (\$44.99 each) by Blogilates, from Target, target.com

Mind the App

Try a meditation app like **Headspace** or **Calm** so you can breathe easy this season. headspace.com; calm.com

5 Made for Walkin'

Put that standing desk to work and rack up steps while you work. **Under-desk treadmill** (\$299) in white, from DeerRun, deerruntreadmill.com

6 Watch It

For us competitive kids, keep your workouts, steps and goals handy with a fitness-tracking watch. **Apple Watch Series 9** (\$749) in gold case with Clay sport band, from Best Buy, bestbuy.com

7 Menu Moment

Reset your plate with recipes that walk the line of healthy and deliciously craveable from the veggie wizard behind the cookbook **Salad Freak. Health Nut cookbook** (\$19.93) by Jess Damuck, from Amazon, amazon.com

8 Goodie Bag

The gym-goer's version of Santa's sack of toys: a new (read: stink-free) satchel for their sweat supplies. **Winter-fun tote bag** (\$138) in Black/Ivory, from Alo, aloyoga.com

Uphill Battles Build Skills for Life

Crossover lessons from ski patrol to financial services.

BY KRIS HERBERG



As a 34-year veteran of the ski patrol, Lauri Droster knows a thing or two about helping others remain calm in a crisis. It's a valuable skill she learned on the slopes that has also served her well in her financial services career and in life.

Droster discovered her passion for downhill skiing at the age of 12 and has been skiing ever since. During graduate school, she learned about ski patrol from a fellow student and was intrigued by the idea of a volunteer opportunity that incorporated her love of skiing. Little did she suspect the ski patrol training program would set her on the path to a lifelong volunteer gig that would allow her to help her community, create lasting friendships—and even find love!

It was in her initial first aid course where Droster met her future husband, Bruce. Together, they completed the rigorous ski patrol certification process that requires learning first aid, how to execute rescues in challenging conditions and how to respond to crisis situations.

On countless winter Saturdays, Droster has donned her red ski patrol jacket, strapped on her skis and set out to monitor the slopes at Devil's Head Mountain in Merrimac, Wisconsin. She's seen it all as part of the ski patrol, having helped

stabilize patients before medevac flights, splint broken bones and comfort people in their darkest hours. Teamwork is essential in those moments, and she formed strong bonds working in intense situations.

The importance of working as a team and being a calming presence in times of crisis are crossover lessons she carried into her career as a financial

advisor. She remembers vividly helping clients stay calm during the 2008 financial crisis, consistently letting them know she would take care of them.

Another crossover lesson Droster took from ski patrol was to always remember to take care of herself so she was able to provide care for others. "Don't become the patient," she remembered from her training. Even if she came across someone suffering from the cold, she couldn't give them her jacket and risk hypothermia herself, becoming yet another person who needed rescue. She notes that for women, especially, it can be second nature to do anything to help others, but you have to make sure you take care of yourself, too.

Now, in her 34th consecutive year on the ski patrol, Droster serves as an instructor, running weekend refresher courses and educating the next generation of patrollers. This role has helped her understand better how to educate adults and make learning approachable, whether she's teaching financial capability lessons or lifesaving skills.

In some ways, ski patrol has been a lifesaver for Droster. In her role as complex director, she regularly deals with myriad issues and challenges. Her time on the mountain gives her a much-needed break to enjoy the outdoors and do something she loves. Balancing her passions and transferring skills has helped her maintain joy in her work on the slopes and in the office.

Bruce and Lauri Droster on patrol



Kris Herberg is director of communications at RBC Wealth Management-U.S.



TAKING CARE — of — BUSINESSES

When Leslie Lauer and Rebecca Glasgow moved The ESOP Group to RBC last year, they brought their expertise in employee stock ownership plans and paved the way for the firm to level up its commitment to business owner clients. BY TAYLOR HUGO

Over the course of their decades-long careers, Leslie Lauer and Rebecca Glasgow have advised thousands of business owners on succession planning. When hearing their stories, you start to see a pattern: From the guitar manufacturer in Southern California to the construction company in St. Louis to the third-generation food-processing company in Indiana, business owners need help when they are ready to exit their company—and many are unaware of their options, let alone what an employee stock ownership plan (ESOP) is and the benefits it can offer.

Lauer, Glasgow, partner Curt Rubinas and the rest of the team at RBC Wealth Management apply their expertise and experience to make the transition smoother for the business owner, the employees and the company.

HOW THEY GOT HERE

“I loved the idea that an employee could get stock in the company they work for by showing up every day and doing a good job,” says Lauer of why she was initially drawn to ESOPs after attending The ESOP Association’s national conference in 1994, when she was working in the benefits group of a CPA firm. Lauer went on to become the director of acquisitions for an ESOP-owned holding company before she and her husband bought into an ESOP-owned company that manufactured teak furniture.

She approached the founders of The ESOP Group about joining their team in 2006. “I said, ‘I’ve been in

banking, accounting, benefits, private equity, and I’ve bought a business with an ESOP. I want to take what I have learned and help advise business owners,’” Lauer recalls.

Glasgow has similarly spent her entire career in financial services, starting in retail and institutional bond sales before jumping into financial advising, insurance and estate planning services. She went on to work in institutional asset management and investments for a registered investment advisor until she joined The ESOP Group in 2008.

The third partner, Curt Rubinas, who joined the team in 2014, spent his entire career on the investment side. Starting on a trading floor in New York, he worked in derivatives, structured products, fixed income and alternatives, which he later used to build customized portfolios for the firm’s most complex client situations. After years of working closely with The ESOP Group and its clients, he made the move. “I loved everything about the team and the ESOP community,” he says. “I wanted to do more than investments, and I could not wait to spend the rest of my career working with business owners and their families.”

Lauer, Glasgow and Rubinas moved The ESOP Group over to RBC in August of 2023, bringing with them extensive experience: Lauer has served as a board member and chairman for The ESOP Association and the National Center for Employee Ownership, respectively. An active member of all ESOP national associations, Glasgow currently chairs the finance committee for The ESOP Association.

WHAT'S UP WITH ESOPS?

An ESOP is a liquidity and transition option for business owners that allows them to accomplish multiple goals with their succession planning. These include deferring taxes on the capital gains from the sale of the business, controlling their stake in the company with the ability to sell anywhere from 1% to 100% of their shares and rewarding employees' loyalty. At its core, an ESOP is a retirement plan where the ownership of the company is held in a trust for the benefit of its employees, according to The ESOP Association. The trust buys shares from the owner on behalf of the employees, using the profits of the company to pay off the loan taken out for the purchase. This means the employees don't pay out of their wages or income but gain ownership as a result of their work.

As of 2024, the National Center for Employee Ownership (NCEO) estimates there are roughly 6,500 ESOPs in the United States, covering 14.7 million participants at 6,322 companies and holding more than \$2.1 trillion in assets. While there has been a decline in the number of ESOPs since the early 2000s, the number of participants and their account balances have increased.

"Rebecca and I personally think the retirement savings gap in the country is concerning," says Lauer, who believes ESOPs will continue to grow in popularity. "I think there are a lot of really strong-minded, influential people out there promoting this idea of sharing the wealth with employees."

Additionally, a 2024 RBC Wealth Management survey of business owner clients found that a top concern is selling or transitioning businesses—with nearly 70% planning an exit in the next five years—many of which may be good candidates for an ESOP.

Setting up an ESOP can take anywhere from four months to two years depending on factors like how organized the company is and the quality of its financial reporting and management team, which are crucial to the success of an ESOP as the owner takes a step back.

The process starts with The ESOP Group connecting a business owner with one of its boutique investment banks, "which is really quarterbacking the whole transaction," says Lauer. The investment bank values the company, structures the transaction, secures financing and involves the other parties needed to execute the deal, like CPAs, lawyers and benefit administration firms.

When an owner sells to their employees, it must be an arm's length transaction—meaning a business deal in which buyers and sellers act independently without one party influencing the other—so employees are represented by a trustee, who engages a valuation firm and legal counsel. The business owner presents the terms and conditions under which they are willing to sell, such as how much cash they'll get at closing and their employment agreement. Then the negotiation begins. While the ESOP can only pay fair market value for the stock of the company, other aspects like financing,



“There are these generational businesses that people really have an attachment to. So the ESOP can resonate for that reason, being able to keep their name on the door and benefit an employee base that has gotten them to where they are.”

—REBECCA GLASGOW

management incentive plans, board composition and ESOP benefit levels can be negotiated.

When the deal closes, "that's where our job starts," says Lauer. "But this is only step one of the wealth management process. We're also doing planning, the trust and estate review, and insurance and philanthropic investing where appropriate."

The tax benefit that Lauer is referring to is the section 1042 deferral, part of the IRS Code that allows C corporation business owners to defer capital gains taxes on the sale of their business if they sell at least 30% of their company to an ESOP.

"The section 1042 deferral is a big driver for owners to consider an ESOP," says Glasgow, but there are



“ I loved everything about the team and the ESOP community. I wanted to do more than investments, and I could not wait to spend the rest of my career working with business owners and their families.”

—CURT RUBINAS

other benefits, too. Selling to employees means there's very little disruption to the business's day-to-day activities, there's less turnover with key management and employees, and there's more resiliency during economic downturn. In fact, ESOPs are 50% less likely to go out of business, according to NCEO research.

Plus, even if a business owner sells 100% of their business to an ESOP, they can still be as involved in the company as they want. “We're seeing this huge transfer of wealth, and there are these generational businesses that people really have an attachment to,” says Glasgow.

“So the ESOP can resonate for that reason, being able to keep their name on the door and benefit an employee base that has gotten them to where they are.”

Rewarding employees is another benefit of ESOPs. In exchange for staying at the company and working in alignment with the owner, employees get a retirement plan in the form of shares, which are allocated generally based on compensation. The more highly compensated an employee is, and the longer they work there, the more shares they get. When they retire or leave the company, their vested shares are exchanged for cash.

HOW RBC CAN HELP

The firm has an array of resources to help financial advisors support their business owner clients throughout the life cycle of their business.

Investment banking: Raising capital through equity and debt underwriting, initial public offerings, private placements, private investment in public equities and lending.

Contingency planning: Protecting business finances from unforeseen expenses, changes in leadership or the loss of a key employee through wealth plans and insurance solutions.

Retirement plans: Ongoing service of retirement plans, from solo to multibillion-dollar 401(k)s, SEP and SIMPLE IRAs, corporate retirement plans and defined benefit plans.

Business valuations: Determining how much a business is worth by analyzing elements like income statements, cash flow, assets, inventory, property and equipment.

Exit planning: Offering guidance on the best succession plan for a client's business, whether that's passing a company to the next generation of family members, liquidating, merging or setting up an ESOP.

Trust and estate planning services: Creating a plan that reflects a client's needs, wants and wishes, including keeping a business in the family, protecting assets, providing ongoing management and minimizing tax burdens.

Gifting and philanthropic solutions: Providing for organizations and causes close to a client's heart through strategies like donor-advised funds, charitable trusts, appreciated securities, private family foundations and life insurance.



“The strength of RBC is what originally attracted us to the firm, but it was the culture, partnership and problem-solving that was at the heart of our decision.”

—LESLIE LAUER

The company also reaps the rewards of an ESOP sale come tax time. C corporations get a dollar-for-dollar tax deduction, so if the ESOP buys \$10 million worth of stock, the company gets \$10 million worth of tax benefits. “It’s the only place in the tax code where you’re getting a tax deduction for making a principal payment on a loan like that,” says Lauer.

For S corporations, the percentage of the company that’s owned by the ESOP doesn’t have to pay state or federal income taxes. “If you think about what an ESOP is, it’s a tax-exempt trust. It’s a profit-sharing plan where the majority of the assets are employer securities,” Lauer explains. “Earnings flow through to a tax-exempt trust. The company operates federal- and state-tax-free, and it uses all of the tax savings to pay off the debt that was taken out to buy the shares.”

FINDING A NEW HOME

The ESOP Group was founded in 1989, and in 2023, the team started to explore joining a new firm. “The strength of RBC is what originally attracted us to the firm, but it was the culture, partnership and problem-solving that was at the heart of our decision,” says Lauer.

Lauer, Glasgow and Rubinas were excited by the resources they could access as part of the RBC team, such as the onboarding of 12 boutique investment banks that specialize in ESOPs and other M&A activities. Additionally, they were drawn to the firm because of the opportunity to work with other financial advisors who specialize in business owners—including some with the Certified Exit Planning Advisor designation. They appreciate that the firm regularly conducts surveys and gathers data to better understand all the business owner clients of the firm.

“RBC is making a significant commitment to the business-owner-in-transition segment,” says Lauer. “RBC is highly competitive in this space. We’re working with business owners and helping them create liquidity in a tax-efficient manner. We can execute, and we have the reputation and the tools to win. We feel really good about the move.”

In the past year since The ESOP Group came to RBC, the team has brought in \$1 billion in new assets not previously managed at their former firm.

“When we came over, we knew we were going to have to rebuild, since client relationships with dozens of advisors were off-limits,” says Lauer. “We have been able to utilize all of the tools and resources of RBC to continue to quickly grow the practice even further.”

A HOLISTIC APPROACH

Setting up ESOPs isn’t the only service RBC offers to its business owner clients. The firm has an arsenal of resources to help business owners succeed, no matter where they are in the business life cycle.

“You have people who are just starting out and need a 401(k) plan or financing. As they’ve grown their business and look to retire, then it’s about succession planning and selling the business,” says Tracy Hanson, director of Retirement Solutions at RBC Wealth Management. “When we’re engaging with the client, I think of it like an à la carte menu.”

Perhaps a business owner needs help raising capital or taking their company public, or maybe they want to develop a contingency plan to protect their business finances from unforeseen expenses, changes in leadership or the loss of a key employee. Other RBC services include retirement plan offerings, business valuations and ownership transition plans.

“Additionally, RBC’s wholly owned subsidiaries City National Bank and First American Equipment

leasing and financing offer even more resources we've been able to tap into for our clients" says Lauer.

Knowing which services will benefit a business owner comes down to being familiar with the resources RBC can offer and recognizing what that particular client needs.

"Understanding the business and the business structure is a holistic way of working with your client," says Bill Ringham, vice president and director of Private Wealth Strategies at RBC Wealth Management. "Eventually, your client will do something with their business—they're going to retire and transition their business to somebody or sell. If you've been working with that business owner and really understand their

business, you're better able to help them through that part of the transition."

"I would encourage advisors to use us as a sounding board or to help them develop a plan," adds Lauer. "We'd love to have a conversation with them." ■



Bill Ringham, Tracy Hanson and Nuri Benturk

5 TIPS FOR WORKING WITH BUSINESS OWNERS

1 Ask questions. The first step to better serving business owner clients is to figure out what they need. "The business owner doesn't know what they don't know," says Tracy Hanson. "Don't be afraid to ask the questions about the needs of the business to make sure they're covered."

2 Understand how to help business owners from a personal and business standpoint. Nuri Benturk, senior vice president of Corporate and Executive Services at RBC Wealth Management, says it's important to make sure business owner clients know how their financial advisor could help them with both personal assets and business assets. "Business owners have unique needs. Even if a client thinks they don't need certain services right now, you'll want them to know you have the capabilities and resources to help when the time comes."

3 Work with the client's other team members. This might include a CPA, business attorney or estate attorney, for example. "Make sure your client's goals and objectives are serviced on a holistic basis," says Ringham. "Work with the client's teams to implement things that are necessary. You don't want your

client to feel like they're doing work in a silo. They want it to feel like a team approach."

4 Involve the next generation. If financial advisors are working with a business owner who plans to pass the company down to their kids or other family members, involving the next generation in succession conversations is critical. "This is important because not every family member will want to do what their parent is doing," says Ringham.

5 Make connections for the client. Business owners often need specialized advice and guidance, and financial advisors can help bring in the appropriate resources when needed. At RBC, for example, advisors have access to specialists who can help with start-up financing, succession planning or anything in between. "Sometimes it can feel a little awkward approaching the client," says Benturk. "But it can be as simple as saying, 'Hey, I was talking to my investment banking contact. They help business owners just like you. They've done a number of transactions to get the maximum value for our clients and their business. I think you can benefit from a conversation with them.'"

FOILING FRAUD

RBC's Client Risk Prevention team helps financial advisors protect their clients from sophisticated new scams. **BY SUZY FRISCH**



Virginia-based financial advisor Becky Parker got an unusual call from her client of 36 years. She wanted \$40,000 from her account and refused to say what it was for—details she normally shared with Parker. She also needed to reschedule an upcoming meeting but couldn't say why. Concerned that something was amiss, Parker called Tara Ambrose, senior manager of RBC Wealth Management's Client Risk Prevention team. Between the secrecy and request for a large withdrawal immediately, the client was showing the hallmarks of someone being scammed.

During a conference call with Parker and the client, Ambrose built trust with the woman, who eventually shared her experience of getting a pop-up notice saying her computer was hacked and bank accounts compromised. She followed the instructions to call a "security group," and she received a case number (which was fake). Next, a caller claiming to be from the Federal Trade Commission said he would help her move \$14,000 to a new account.

Watch for warning signs

Thanks to the training she's received on spotting fraud and financial exploitation, Parker knew that this behavior signaled trouble. "RBC has done a great job teaching us to recognize if clients are doing something that isn't typical," says Parker. Enlisting Ambrose, with her expertise in talking with victims of fraud and exploitation, helped prevent more financial damage to the client.

"Tara was extremely patient and very calm and instilled confidence in my client to open up and understand that we were trying to help her," Parker says.

Parker's client isn't alone. Globally, there has been an explosion of sophisticated financial scams. In 2023, consumers lost more than \$10 billion to fraud, an increase of 14% over 2022, the FTC reports. The biggest losses stem from investment scams, costing people more than \$4.6 billion, followed by imposter scams at \$2.7 billion. Scammers target people of all ages, with those 20–29 reporting losing money more often than adults 70–79. But seniors tend to lose bigger sums, as scammers pursue their savings, pensions and life insurance policies.

"Seniors have a lot more money to lose, and they don't have time to make it back," Ambrose says.

More than 40 states have laws to protect seniors and vulnerable adults from financial fraud. Additionally, industry and state regulations allow firms to place a temporary hold on transactions when there is a reasonable suspicion of financial exploitation of a senior or vulnerable adult. At RBC Wealth Management, Ambrose and her team stay on top of changing legislation and emerging scams and proactively train advisors on financial fraud and abuse prevention. She partners with financial advisors when they suspect a client was affected and makes sure they follow regulations.

Parker also has experience with family exploitation. A client's relatives with power of attorney began withdrawing money from their aunt's accounts and made excuses for why she couldn't come to the phone. They switched the beneficiary to themselves on the aunt's IRA, prompting a lawsuit. Through these situations and RBC training, Parker has learned to engage Client Risk Prevention when something doesn't seem right.

Take preemptive measures

Ambrose recommends that financial advisors encourage clients to name a power of attorney and a trusted contact. That way, advisors can connect with this person if they suspect that a client is being scammed. She says

it's also important to talk to clients about developing contingency plans in case they experience cognitive decline or incapacity.

Ambrose's office serves as a centralized location for reporting potential scams or exploitation involving seniors, working with adult protective services and law enforcement when needed. She counsels financial advisors on best practices for intervening with clients and advises them to ask specific questions when clients request unusually large withdrawals. "It's so critical because often if they are being scammed, they are coached to lie to financial advisors. Then, like clockwork, they will come back in two weeks and ask for more, and often it's double. At that point alarm bells will be going off," Ambrose says. "If we identify it early, we have a better chance of intervening. The client loses less money, and it's less risk for financial advisors and RBC."

Client trust is worth gold

Boston-based financial advisor Maryanne Waldman used some of these tools when a longtime client family got caught up in a cryptocurrency scam. After significant sums were removed from a non-RBC family account, relatives asked Waldman for help with protecting their shared RBC accounts.

Waldman and Ambrose held an intervention with the family to explain the scam and told the man how to end it. He initially cooperated, including wiping the hacked computer clean, but the scammers returned.

It's not uncommon for people to disbelieve that they have been scammed, get defensive and/or be manipulated back into the scam. It can take many conversations and copious evidence of the fraud for it to stop, Ambrose says.

Waldman notes that Ambrose played a critical role in the intervention, providing evidence to the man he wasn't communicating with a real cryptocurrency platform. In addition, she believes that safeguards like compliance double-checks for wire transfers and her long-term, close relationships with clients have foiled other scammers and protected clients. "My clients are trusting of us," she adds. "If they have a question about something, they would ask."



Becky Parker, Maryanne Waldman and Tara Ambrose

TWO COMMON SCAMS TO WARN CLIENTS ABOUT

1

Imposter scams

Imposters pretend to be businesses, airlines, the fraud department from your bank, technical support experts or government agencies. They claim to be in a position of authority, using fake email addresses and spoofing caller ID numbers for texts, calls and emails. The goal: getting people to share personal information, compromise their online account, transfer money to them or send them gift cards, the FTC reports.

To avoid this scam, never send money to someone you don't know, or even to someone who says they know you or are related. Don't ever read a one-time passcode to someone over the phone if you didn't initiate the call or issue. Before acting, stop and check things out. And remember that government agencies and companies won't call you when there are problems and request money, and they will never ask for payment in cryptocurrency or gift cards.

2

Social media scams

Widespread and varied, social media scams include online romance swindles, phishing quizzes, and sweepstakes fraud. They originate on social media sites, where people often let their guards down. A friend might message you with a sob story about needing money, and it's not obvious that their account was hacked. Or you might get a friend request from a stranger who seeks to build a relationship with you, eventually leading to requests for money.

Ambrose recommends strong and frequent password maintenance and online safety as one of the best ways to protect yourself. Don't click on pop-up messages, posts that seem too good to be true or attachments in unsolicited emails and texts.

For more personal cybersecurity tips visit:
rbwealthmanagement.com/en-us/cybersecurity.

From Intern to Financial Advisor to Branch Director

I grew up in the firm that helped me forge my path and supported me every step of the way.

BY HEATHER REED

When I first walked into the RBC Wealth Management offices as a young college intern in 2010, I didn't know where I wanted to be in a year, let alone 15. Reflecting back on my career, I recognize how fortunate I was to work with leaders who appreciated my talents, saw my potential and gave me the chance to map out my career as I grew within the company.

Despite growing up with family members who were financial advisors, it wasn't until my exposure to this firm and all the potential paths it had within that I knew I was exactly where I was meant to be. I had many interests and graduated from Purdue University with a bachelor's degree in economics, marketing and military science. Having come from the ROTC program, I spent some time in the Army National Guard as a first lieutenant responsible for the communication and technology that supported combat units. My army drills took place at the same time as many of my RBC roles, and I was able to do both simultaneously thanks to my supportive managers.

That was my initial exposure to the welcoming culture of RBC. I didn't have to give up one passion to pursue another. I've held 10 different roles at the company, spanning a variety of specialties, including technology, coaching and eventually sales. I've always been

self-driven and motivated, but the mentorship I've had at RBC helped me to fully explore the opportunities available in the industry.

It didn't always come easy. I worked hard and used my Army experience to be agile and responsive, to find creative ways of solving problems. My experience taught me to work through different communication styles and navigate hierarchy.

I spent about a year in the technology training world, then became a practice development specialist and teams consultant. I was ready for another challenge when I took a position as a wealth management consultant covering the Pacific Northwest region—each role deepening my relationships with financial advisors and teams in the field, getting more exposure to how some of the best practices are run. I got to know fantastic people and began thinking about the possibility of becoming a financial advisor myself.

Pivoting to a commission-based role was a difficult decision to make. It came with different challenges that required transitioning and transforming a business by finding my own way of connecting and establishing meaningful relationships with clients. But I've had great mentors, a business partner I formed a great bond with, and the trust of my team, management and clients.

I found my niche! My team is called "Seva," which means the act of compassion and caring for others above ourselves. The more I give to these client relationships and my team, the more I'm fulfilled. Whether it's overcoming a financial challenge, fraught feelings about money, helping clients find peace or navigating the intricacies of estate planning by their side, I feel honored to get to help clients gain confidence and clarity every day.



“MY TEAM IS CALLED “SEVA,” WHICH MEANS THE ACT OF COMPASSION AND CARING FOR OTHERS ABOVE OURSELVES. THE MORE I GIVE TO THESE CLIENT RELATIONSHIPS AND MY TEAM, THE MORE I'M FULFILLED.”

Heather Reed is branch director of RBC Wealth Management's Eugene, OR, office.

Shining Stars

These award-winning female financial advisors are shining brightly in the field, with well-deserved recognition from top industry publications.

ADVISORHUB

ADVISORS TO WATCH

Patricia Baum, Annapolis, MD
Catherine Chen, San Francisco, CA
Gabrielle Clemens, Boston, MA
Marina Galli, Palm Beach Gardens, FL
Kelly Hale, Portland, OR
Brooke Hawley, Seattle, WA
Susan Hovanec, Washington, D.C.
Leksi Kovalerchik, Baltimore, MD
Barbara Letvinchuk, Nashua, NH
Eden Lopez-Robles, New York, NY
Brooke McGeehan, Princeton, NJ
Beth Norman, Madison, WI
Beth Rosenwald, Baltimore, MD
Reva Shakkottai, El Segundo, CA
Susan Singh, Vienna, VA
Jenn Wappaus, Vienna, VA
Nora Yousif, South Easton, MA

BARRON'S

TOP 100 WOMEN FINANCIAL ADVISORS

Ann Marie Etergino, Chevy Chase, MD
Catherine Chen, San Francisco, CA

FORBES

TOP NEXT-GEN WEALTH ADVISORS, BEST-IN-STATE

Katie Mueller, Billings, MT
Heather Reed, Eugene, OR
Tara Seegers, Midland, TX
Nora Yousif, South Easton, MA



Hall of Famer

Ann Marie Etergino was named in the exclusive *Barron's* Hall of Fame, which honors advisors who have appeared in *Barron's* annual Top 100 Advisors ranking for at least 10 years.

The 2024 AdvisorHub "Advisors to Watch" award was announced June 2024. Data as of 12/31/2022 and 12/31/2023 was provided and considered for this award. The ranking recognizes advisors across the country for their quality of practice, professionalism, character and community involvement. Criteria considered included: assets under management, production/revenue and team size. The financial advisor does not pay a fee to be considered for or to receive this award. This award does not evaluate the quality of services provided to clients. This award is not indicative of this financial advisor's future performance. **The 2024 Barron's "Top 100 Women Financial Advisors" award** was announced July 2024. Data as of 3/31/2024. Advisor rankings are based on qualitative criteria, including industry experience, degrees and industry designations, charitable work, and compliance records, and quantitative data including assets under management, types of assets they manage, revenue generated for their firms and client retention. Neither the firm nor the financial advisor pay a fee to be considered for or to receive this award. This award does not evaluate the quality of services provided to clients. This is not indicative of this financial advisor's future performance. **The 2024 Forbes "Top Next-Gen Wealth Advisors Best-in-State" award** was announced August 2024. Data as of 3/31/2024. Forbes/SHOOK considered advisors born in 1985 or later with a minimum 4 years' experience. Ranking is based on telephone and in-person interviews, professional credentials, advisor's compliance records, firm recognition, and assets under management. Investment performance was not considered; and this ranking is not indicative of future advisor performance or any one client's experience. The financial advisor does not pay a fee to be considered for or to receive this award. This award does not evaluate the quality of services provided to clients. For more information, visit www.SHOOKresearch.com.



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