

Advisory Council Meeting

November 6th, 2019

Present: Dan Hunt, Rick Keast, Dylan Wondra, Taylor Wall, Steve Roeth, Craig Roncaioli, Gina Blair, Jess Panichi, Terrilyn Brownfield, Navi Dowty, Katrina Savage

Not present:

About the advisors

- Craig Roncaioli: Joined Redhawk in April of this year. Started at B&G, then Johnson & Johnson, then went to grad school. Went strictly RIA in 2001. Initially w/ 4 partners in sizable practice. Joined former partner in 2007. In April left partner to do solo project. Business is basic in terms of who his clients are - about 60 families, many multi-generational. Fairly strict discipline in how he manages money. Clients early on in their investments Craig focuses on accumulating wealth. For retirees and older client's Craig's goal is to preserve. Craig has a two-bucket strategy: investment and liquidity. Currently Craig has about \$55-60mill in management. Self employed and 1 employee. Craig uses MoneyGuidePro and enjoys using Orion. Spent last few years with current clients trying to bridge the gap to next generation.
- Jess Panichi & Gina Blair: Joined Redhawk in August and still in the process of converting book. Jess was previously at Merrill for 24 years. Gina was at Wells Fargo for 10+ years then Jess recruited her at Merrill about a year ago before bringing her with him when he came to Redhawk. Still in midst of transitioning client base, probably take 3-6 more months. Panichi Blair WM uses discretionary, fee-based platform. Their long-term goal is actively recruiting other advisors to join practice, 1-2 new advisors may be joining the team sometime in March. Short-term goal is to retain book from Merrill. Jess works with investment and Gina does client services then they will hire people as needed.
- Navi Dowty: Has been doing work in financial industry since 1972. Meets with pre-retirement trying to keep it so people don't lose too much money. Thinks market is way overdone and it's hard to "get too excited about sending money all in right now" and is poised to go all in after next big decline.
- Steven Roeth: Steve has a background in life insurance & annuity then got into securities & private development. He sold his practice then started this one again w/ business partner who runs largest Medicare agency in Nevada. Much going on with that side (over 100+ agents). Roeth is a fee-based advisor and teaches a lot of classes in the area & charges fee for Financial Planning. He also gets referrals from agents on Medicare side of practice. Only using fixed contract for cases where it's warranted. Takes any client that values coaching and relationship, and even smaller accounts if they contribute frequently. National top producer in life insurance, honored by NSAA as advisor of the year. Steve does lots of pro bono social security reviews for clients who don't have financial resource because he feels it's his obligation to help those people out and "pay it forward" so to speak. 2 employees on advisor side, 5-6 on Medicare side. He has been with Redhawk since 2015.
- Terrilyn Brownfield: Came to Redhawk a little less than 2 years ago. Took 3-7 months to transition book. Started in insurance & runs business similar to Steve in that she believes in

doing pro bono work as a way to help the community with her services. Terrilyn does many workshops to educate and acquire new clients. Believes that if a person comes into office they should try to help, even if it's pro bono. Started in insurance & worked on security side in last 3-4 years and have been developing since then.

- Katrina Savage: Works with David (husband) in 1981 doing insurance & securities & morphed that into retirement & estate planning using wills & Trusts working with local attorney & local CPAs. Daughter Debi works with them & is equal partner at the practice. Most of Katrina's clients now are 55-85, but when they first started practice they were with clients in the 30-50 year old range. Started teaching classes at local colleges. Estate planning w/ legal documents & doing pro bono work with local churches, specifically for charitable trusts to leave money to church. Been responsible for almost \$30mill being left for churches in the last 25 years. Right now they teach at colleges w/ Power of Zero working w/ David McKnight's group & how to strategically protect against tax burdens. No fee-based planning but have considered some sort of fee for estate planning given how extensive their services are. Paid flat fee for funding trusts that clients set up through their company. The attorney their practice utilizes only charges 1/3 of what he charges most people because Katrina & David do most of the work work for attorney to help their clients. Getting ready to go to Keffer conference & excited about that. Katrina has been with Redhawk a little under a decade. She had been disappointed with money managers in the past because they didn't feel like they had earned their fee by protecting clients, going to cash, etc.

Advisory Council (Rules, etc)

- Meeting first Wednesday (unless there's a holiday).
- Attendance is highly encouraged but not mandatory (recording will be available).
- It is a 2-year term for all members because we feel it takes that long to see fruits of our labor. By the time we notice things should be changed & improved it may take that long to resolve.
- Don't anticipate conflicts of interest. Ex: if we're looking at new type of software & advisor has family member employed by that company. All we ask is advisor lets us know.
- Decisions may require vote & a majority vote may be needed to pass.
- Looking for our advisor's expertise and input. Redhawk sees what's going on with industry but at the end of the day we are putting things together that we think are important but we want to know what advisors think is important.
- Indemnify members in case anything ever comes out of it. There is indemnity language in the advisory council agreement.
- Sub-committees may be started based on the needs of advisory council. For example, if we are working on specific project we may form a sub-committee & try to come up with solution to this particular issue.
- Rick will send out email that will have updated charter & letter that we all need to sign & return to Rick. We may do an occasional or annual get together, we will figure out as we go.

Agenda

- Areas of focus: technology, marketing, operations, compliance, products & services.

- Technology: Though there's an evil side to tech, there is a positive side to it as well. Important to keep this topic on the forefront because it's not going away and we have to stay on top of it. We don't want to get replaced by technology.
- Marketing: Our advisors are master marketers & they control their destiny. Redhawk has always wanted to play a bigger role for them (not to control) but to enhance the advisors experience & client base. We understand it's difficult & risky to do what advisors do & we are looking not pitch in more.
- Operations: Quite simply, you have to operate. While we feel that the Redhawk Operations team is getting better we want to make sure that it gets even more efficient & advisors needs are met.
- Compliance: This can be worst nightmare or best friend. We have a good process & our SEC audit helped this. DOL Fiduciary Rule was a "scare" but in reality it helped 3 biggest custodians race to 0.
- Products and Services: We have been mostly neutral on products & services in the past but have contemplated getting more involved. We like being simple or "vanilla" but have also considered offering more products and services.
- Focusing on technology first. There's a lot of things that could make things better, both from efficient standpoint & customer service standpoint. First, we will introduce what we are doing in technology arena. In the meantime, if advisors have anything they want addressed from technology standpoint we can either talk about or incorporate it into next meeting. We are going to talk about technology, show demos, how it looks & feels, then get advisor feedback (maybe take 3-4 weeks) then implement it. This could be a 3 month process (introduce, feedback, implement).
 - Steve suggest paperless onboarding. Dylan said that will be part of onboarding for 2020 & we will demo that in next session.

Vision

- Big picture: Want to make sure our vision going forward is aligned with what our advisors wants.
- Priorities: Priorities in business are one of the most difficult things to do because there's so many variables and distractions that can drive what next action is minute by minute even. At the end of the day we can feel like we're on a wheel so learning to prioritize for a business.
- Same page: We used to do weekly the bi-weekly events & calls then did annual events. Dan appreciate all the advisors being on this call so that they are current with what we are doing with the business.
- Complacency: Killer of business. Obviously these advisors know that because they continue to grow their own practices. Complacency is killing massive companies (for example IBM being alive still is a shocker). That's why Amazons and Apples aren't irrelevant or dead because they are constantly changing. It doesn't matter if it's providers, custodians, platforms, change is good.
- Flexibility: Though Gumbi was a good character there is a downside to being too flexible. Can be too open & flexible because too much flexibility much can impact level of service & response. This council will help us be flexible but learn when to enforce rules as needed.
- Bigger Impact: make sure we're not operating in a vacuum to have bigger impact.

- Savage agrees w/ Dan that we've done a lot of learning new strategies & techniques. She is looking forward to having set format in place & learn to be efficient with that process. Happy to have someone weed out unnecessary processes' for them to save time on their end.

Major Concerns or Issues

- Steve Roeth wants to know if we have training videos to help new staff filling out paperwork. Next month when we show demo that will clarify issue. Rick said we are putting together videos and will get that done.

Closing

- Send 4 of us (Dan, Dylan, Rick, Taylor) if you have any questions about next meeting over technology
- This meeting & its minutes will be made available to advisors.