



A NEW GENERATION OF INDEPENDENT WEALTH MANAGEMENT DIGNITAS MEETS INCREASED DEMAND FOR INDEPENDENT ADVISORS

For Immediate Release

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Chicago, IL – As the dust settles on the economic wreckage of the last few years, investors are planning to rebuild their portfolios.

They are doing more than just starting from the ground up; they are shoring up the very foundation on which their portfolio is built – their financial advisors. As the economy recovers and markets return to growth, more and more people will continue to put their money with independent managers whose only affiliation is to the client's net worth.

"The problem is banks and brokerages are designed to sell products," said Nicholas Delgado, a Certified Financial Planner and founder of [Dignitas](#), a multi-family wealth management boutique that launched September 18, 2009. "They hope the client does well with those products, but they're not fiduciaries, and selling product is their primary goal."

Recent data from Cerulli Associates, a Boston research firm, showed \$100 billion in assets went from brokerage and bank advisors to independents from 2007 to 2008. The number of financial advisors who work for banks, wire houses and insurance firms fell to 67.2% of the industry from 68.4% in the same period – a trend expected not only to continue, but accelerate.

A wide range of investors are switching advisors, or at least considering a change. Whether or not particular brokers and other wealth managers performed as well as they could, clients have decided now is the time to reevaluate investment strategies and the people who design them.

Mr. Delgado left Merrill Lynch to form Dignitas for that reason and others. In an era following 2008's 37% drop in equity markets, the failure and consumption of major brokerages houses, Ponzi schemes, indictments and an overall collapse in housing and job markets, people want a closer relationship with their money and greater accountability from their advisors but a general need for more control and oversight of their funds:

- A recent PricewaterhouseCoopers survey of 238 private banks and wealth management firms surveyed, only 7% of advisers said they had received adequate training to do their job to the highest standard. A shocking 36% said they were not fully qualified. The reason: advisers are hired and promoted based on their ability to sell and accumulate assets, not for their investment skills.

- 54% of investors have sought more education on their investment portfolio since the market decline and only 31% speak with their investment adviser on a regular basis, according to a survey by [Schwab](#).
- According to Spectrem Group, a scant 36% of millionaires think their advisers performed well during the market turmoil of the past year or so. ([BusinessWeek](#))
- And a joint study by the Wharton School of Business and State Street Global Advisors, found 65% of planners think their clients are extremely satisfied, but only 31% of clients actually are. ([BusinessWeek](#))

Studies and financial stories supporting this trend continue to stack up in a post-Madoff investment landscape, and Dignitas intends to meet the higher standards being demanded.

As Mr. Delgado noted, Registered Independent Advisors are held to a higher "fiduciary" standard in their advice, meaning they are obligated to operate in a client's best interests. By contrast, brokers at the big Wall Street firms are guided only by "suitability rules" that merely prohibit them from recommending inappropriate investment products.

More than that, though, independent, multi-family office firms can take all of a client's assets into account. Using state-of-the-art software Dignitas will keep track of assets under its management, as well as the market value of your home, 401k plan, bank accounts, or even a Honus Wagner baseball card. The system allows for consideration of philanthropic efforts, generational transfers, as well as trust and estate issues. Dignitas is targeting investors in the \$3 million to \$30 million asset range – big enough and with sophisticated enough needs to require more than a traditional wire house but too small to qualify for traditional multi-family office managers which tend to serve clients with \$50 million or more.

Mr. Delgado realizes people want to grow their assets, but they often have a mix of life goals as well. Perhaps their dream is to retire early and sail around the world, leave enough money for an endowment, or simply ensure their children are cared for.

Dignitas has frequent conversations with clients to assess those goals, and also uses Myers Briggs assessments and behavioral finance techniques to customize an investment plan to life goals, risk tolerance and personality.

A core group of trusted advisors all can access the information and contribute updates or adjustments as needed – accountants, attorneys and business partners, for example. Dignitas also will provide clients with referred and vetted professionals in a wide variety of professional services, from wardrobe consultants to yacht brokers to career consultants.

"This really is a more comprehensive relationship than what most people have with a big brokerage house," Mr. Delgado said. "It's personal, it's detailed and it's long range."

Dignitas gives clients that comfort of being one of no more than 100 clients and having a personal relationship with a sophisticated network of advisors.

The name Dignitas is from a Latin term that referred to an ancient Roman concept assessing the sum of a person's non-material wealth, including personal reputation, moral standing, and ethical worth.

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