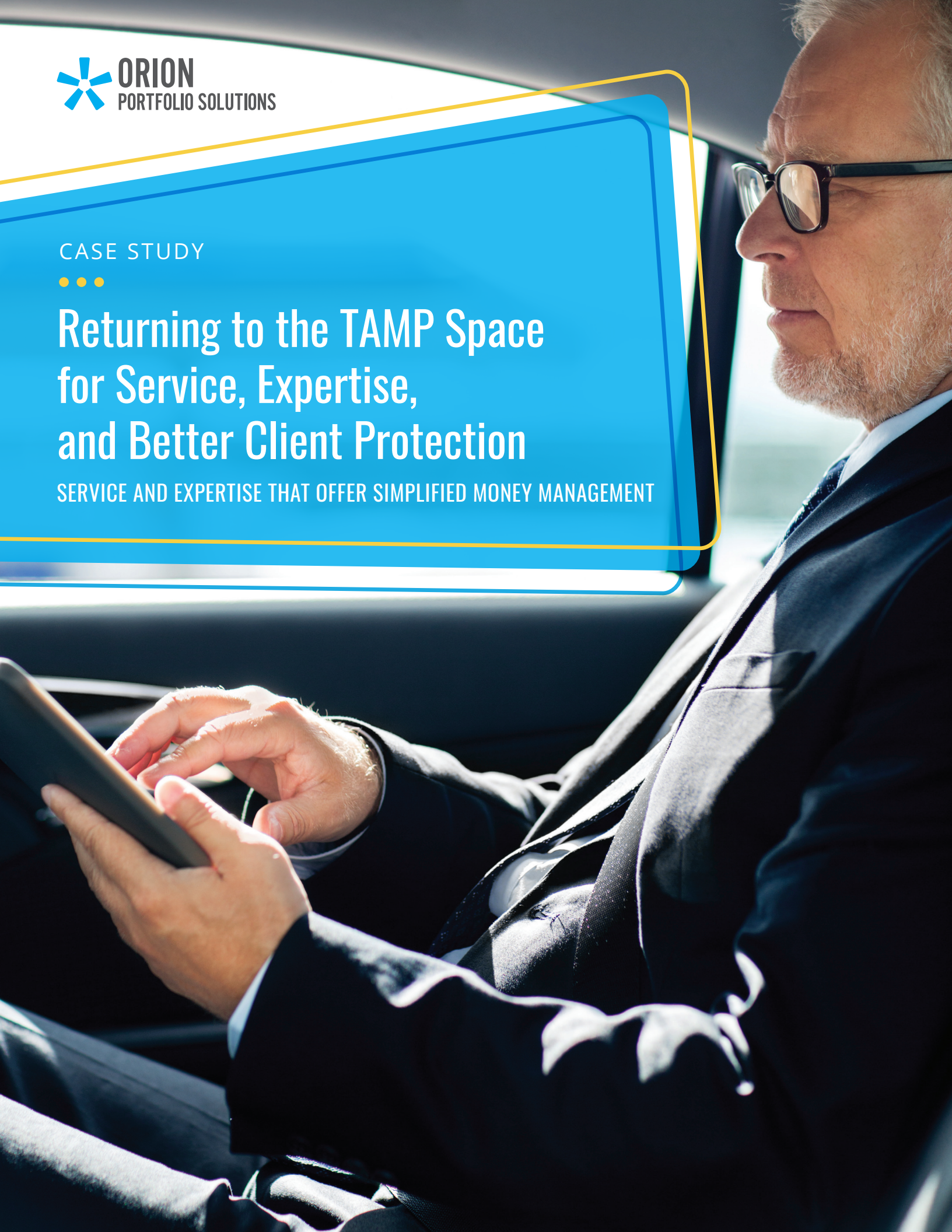


CASE STUDY



Returning to the TAMP Space for Service, Expertise, and Better Client Protection

SERVICE AND EXPERTISE THAT OFFER SIMPLIFIED MONEY MANAGEMENT



ARP Advisors, LLC

Founded:

2016

Office Locations:

Covington, GA; Denver, CO;
Houston, TX; Phoenix, AZ;
Sacramento, CA

Executive Team:

Jonathan Illig, Partner/Advisor
Sasha Byars, Partner

About ARPA:

ARP Advisors serves its clients with financial plans tailored to meet their specific needs. They provide assistance with legacy, income, investment, and asset protection planning; cost of healthcare; legal and tax strategies; and elder care issues.

ARPA: The Beginning

In 2016, a small group of financial advisors broke away from a 110-million dollar AUM firm in Northern California, and formed ARP Advisors, LLC, a firm committed to meeting each client's unique financial and personal needs in the most cost-efficient way possible.

When ARPA started, they decided to use Orion Portfolio Solutions as their Turnkey Asset Management Program, or TAMP. But ARPA advisor Jonathan Illig and his colleagues were concerned that as their clients, mostly retirees, spent down their assets over time, ARPA wouldn't be able to control the fee structure.

Experimenting Outside of the TAMP Space

To try to make sure they could control the fees their clients were incurring, the firm left Orion Portfolio Solutions. They chose to custody through an independent custodial firm, and added a number of other tools and services to create a system that would guide their investment strategies but ultimately allow them to make the specific investment decisions themselves.

But the results weren't what the firm had hoped for.

"Despite subscribing to these services, the day-to-day money management — the specific selection of securities — was more complex than I was prepared for," says Illig. "And in combination with that, the trading costs were too much for the clients."

Illig explains that while he had been securities licensed for most of his 25 years in the financial industry, and had plenty of securities knowledge, he hadn't actually picked individual securities on any scale. "I understood deeply all the theory, but doing it well for the client on a day-to-day basis was impractical and too costly."

And according to Illig, "2018 was a nightmare year." The business required a lot of tactical trading, which drove trading costs through the roof.



Even though I'm quite good at income planning and financial planning, it's different than making the day-to-day security decisions. I started talking to TAMP firms, then realized, why am I doing this? It's easy to go back to Orion Portfolio Solutions."

"The only way I could manage the risk exposure of my accounts was by going in and out of the market, or adjusting cash levels." Illig explains that he didn't have the resources to offset risk in a cost-effective way, since his accounts were relatively small.

"We're not whale hunters," Illig says of his business. Most of ARPA's clients are retirees who have saved some money; the average account is around \$250K.

Illig wanted to protect his clients from exorbitant trading costs, and he wanted to get back to what he did best. "What I'm really good at is financial planning. That's where my core competency is." He looked at the trading costs relative to his account balances, and thought, this is absurd.

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ARPA had been handling the day-to-day management of specific security offerings based on different indicators and services they subscribed to. With Orion Portfolio Solutions, they told their clients, "We're turning this over to the pros: the strategists who actually run the indicators, who have the resources to do it, and who do it cheaply and much more effectively for you."

What's more, with Orion Portfolio Solutions, Illig and his colleagues would have access to the Orion trading platform — previously, they were paying \$2500 a year to access their custodial firm's equivalent.



I have professional money managers, and I don't have to pay for technology like I was before. Makes my life a lot easier. I'm convinced that it's a much better way of doing business for the type of client we typically deal with. It's a better solution in the aggregate."

Ready to Talk About How Orion Can Help Your Firm?

Get more information about Orion by visiting orionportfoliosolutions.com or contact us at sales@orion.com or 1-800-379-2513 Option 5

Returning to Orion Portfolio Solutions

Now ARPA is once again fully established with Orion Portfolio Solutions, which has been beneficial to the firm.

For one thing, Illig can rely on strategists to make the day-to-day decisions. "They can do things I can't do," he says.

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Working with a TAMP allows Illig and his colleagues to focus on what they have to do as advisors to grow their business, without worrying about watching the market from open to close every day.

Finally, Illig points out that Orion Portfolio Solutions partnership with a widely known custodian is another benefit. "When you're a small RIA, one of the challenges is to get a custodial relationship that someone recognizes."

Overall, says Illig, "Working with a TAMP is better for us and better for the clients."

Illig's advice to firms in a similar situation as ARPA?

"Definitely go with the TAMP option:

- You get a bunch of resources that are difficult to put together yourself.
- You get the technology you need for day-to-day at no additional cost.
- You get people who are handling all the statements.
- You get a world-class custodian who otherwise won't even talk to you if you can't bring them an initial \$25 million.

I think it's a good deal, frankly."

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