



# THE COMPLETE BREAKAWAY CHECKLIST

A Guide to Starting  
Your Own RIA

According to a recent industry study, 100% of advisors who made the decision to go independent would do it again. So if you're considering transitioning from your broker-dealer or wirehouse to start your own RIA, chances are you'll be glad you did.

While independence comes with a host of benefits – increased net worth, stronger client relationships, more freedom and flexibility – getting off the ground is a lot of work, with plenty of boxes to check before you're ready to open your doors.

Follow our breakaway checklist, split into Phase One and Phase Two, to make your transition as smooth and headache-free as possible.



[VIEW CHECKLIST](#)

# 1 PHASE

Begin your transition process by working with a compliance consultant and lawyer to register your firm, purchase necessary insurance, and choose your custodian.

## COMPLIANCE & LEGAL

Good compliance and legal counsel is necessary for getting your new RIA established correctly from a regulatory standpoint.



## INSURANCE

Get the insurance coverage you need to protect yourself, your new firm and your clients.



## CUSTODIAN

Fees, transition support and the size and structure of your practice will contribute to your custodial decision.



# 1 PHASE

## COMPLIANCE & LEGAL

Pre-registration, your compliance consultant should create and submit all necessary documentation for the following:

- ☐ Register with the SEC (if assets under management are \$100M or greater)
- ☐ Register at the state level in your primary state (if assets under management are less than \$100M)
- ☐ Notice file with any other states in which you have more than five clients (be sure to look into the specifics for each state, there are exceptions)
- ☐ Create new ADV forms for your firm (Part 2A), yourself and any other advisors (Part 2B), Form CRS (Part 3) and Investment Management Agreements

Post-registration, your compliance consultant can work with you to:

- ☐ Secure the legal representation necessary to form the Limited Liability Corporation (LLC) or other business entity that will own the RIA

## INSURANCE

Your previous firm likely had insurance coverage for you, but you'll need to obtain at least the basics for your new RIA:

- ☐ Errors and Omissions
- ☐ Directors and Officers
- ☐ Cybersecurity

**NOTE:** While Independent Broker-Dealer (IBD) departures are not always contentious, advisors leaving traditional wirehouses will need legal representation to manage the process. Lawyers specializing in Broker Protocol can help advisors understand:

- The client information they can take with them, and when they can contact clients
- Resignation process and timing
- RIA registration timing (such law firms will also handle the registration itself)

## CUSTODIAN

Your custodial partner will play a big role in your new firm, and based on the size and structure of your practice, some custodians will be a better fit than others:

- ☐ Determine the level of transition support you'll need and if you can absorb or pass on custodial fees (some apply them, while many do not)
- ☐ Once your choice is made, sign custodial contract
- ☐ If moving to a new custodian: Complete account repapering, including new account applications and Automated Customer Account Transfer Services
- ☐ If staying with your existing custodian: Sign Limited Power of Attorney to move accounts to your new firm
- ☐ Find out whether soft dollar credits are available from your new custodian (these can be applied to your new firm's technology fees)

# 2 PHASE

Once your firm is registered, insurance is purchased and your custodian is chosen, you'll need to make important decisions about how your business will actually be run.

## BUSINESS STRUCTURE

While your previous firm took care of tasks like billing, trading and reporting, you'll have to decide whether to handle those tasks in house with staff, or outsource to a third party.



## TECH STACK

Depending on the business structure you choose, you'll need to evaluate the right tech solutions from a number of available options.



## INVESTMENT MANAGEMENT

Many advisors leave their BDs or wirehouses in search of more flexibility when it comes to the models they're able to offer their clients.



# 2 PHASE

## BUSINESS STRUCTURE

There are several trade-offs to consider when determining whether to hire a team in house or outsource operational tasks to a Turnkey Asset Management Platform (TAMP):

- ☐ Do you want to manage a team of people as well as your book of business?
- ☐ How quickly do you want to get up and running? Outsourcing accelerates the operational transition with a team of experts already in place to work with you.
- ☐ What's your budget? You'll want to evaluate either outsourcing to a TAMP or hiring in house.

If you decide to hire internal operations staff:

- ☐ Determine whether your employees will be W2 or 1099
- ☐ Evaluate and purchase health insurance and benefits packages
- ☐ Purchase necessary employee hardware (laptops, monitors, etc.)
- ☐ Draw up legal employment contracts
- ☐ Recruit, vet, onboard and train employees

If you decide to outsource operations to a TAMP:

- ☐ Evaluate TAMP providers
- ☐ Sign your contract
- ☐ Work with your onboarding team to get up and running

## TECH STACK

Your business structure decision – in-house vs. outsourced – will determine the technology stack you need for your firm:

If you're handling operations internally, vet and implement:

- ☐ A portfolio accounting system
- ☐ A rebalancer
- ☐ A Customer Relationship Management (CRM) system
- ☐ A client portal/mobile app
- ☐ Financial planning software
- ☐ Risk profiling software

**NOTE:** Some tech providers offer most or all of these functions in one, cutting down on evaluation and implementation time, but those tend to be costly, with one or two standout features rounded out by several middle-of-the-road solutions.

If you choose to work with a TAMP, the right partner will package all necessary technology into their service offering. Avoid TAMP solutions that require you to sign a licensing contract with another tech provider.

# 2 PHASE

## INVESTMENT MANAGEMENT

In addition to making decisions about business structure, you'll also need to determine how to handle investment management at your new firm.

- ☐ Do you plan to utilize third-party models?
- ☐ Do you want to build and manage your own model portfolios?
- ☐ Do you want to leverage some combination of the two?

If you plan to work with a TAMP, keep in mind that not every provider is built to handle an advisor-managed investment approach. Look for extensive experience and flexibility supporting both advisor-managed models and a combination of advisor-managed and third-party models

## ADDITIONAL ITEM: SMALL BUSINESS OPERATIONS

In addition to all of the above, it's important to keep in mind that your RIA firm is also a small business, meaning you'll need to consider things like:

- ☐ Choosing an office space or serving clients remotely
- ☐ Buying office equipment
- ☐ Setting up a business email address and a website
- ☐ Designing a logo
- ☐ Developing marketing and promotional materials



## WE CAN BE YOUR BREAKAWAY PARTNER

Choosing the right support system is critical to your success as a breakaway advisor. GeoWealth uses proprietary technology to power our TAMP, keeping costs low for advisors just starting out.

What's more, the team at GeoWealth has years of experience helping advisors build their own businesses, from our close partnerships with custodians, compliance consultants, lawyers and other tech providers to ongoing support from the very beginning of your transition.

Learn more about how we can help you navigate your journey to independence.

START TODAY



# SAY HELLO TO GEOWEALTH

GeoWealth is a leading tech-enabled, advisor-driven turnkey asset management platform (TAMP) and financial technology solution serving approximately 2,000 independent advisors with \$28 billion in platform assets. GeoWealth powers the delivery of investment advice, both advisor-managed or curated models managed by industry-leading strategists, to meet the needs of modern advisors and institutional investors. GeoWealth's user-friendly, cost-efficient, integrated technology enables advisors to access a diversified lineup of model portfolios and minimize mid- and back-office responsibilities, while the customizable, open-architecture platform accelerates advisor growth and maximizes the value they deliver to clients.

For more information about GeoWealth, visit us at [geowealth.com](https://geowealth.com) and follow us on [LinkedIn](#).



GeoWealth.com

[connect@geowealth.com](mailto:connect@geowealth.com)

312.219.9160

444 N. Michigan Ave., Suite 3150  
Chicago, Illinois 60611

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