

Getting It Right

Article by Rick Weinberg, California Business Journal

The financial advisor – and the overall experience – caught Sid Miramontes by total surprise. It was nothing like he expected.

He saved \$40,000 and wanted to invest it. It was his first experience with a financial advisor.

It couldn't have gone any worse.

“It felt very similar to going to a doctor and after waiting an hour to see him, he asks two questions, takes three minutes to give you a diagnosis, and writes you a prescription,” says Miramontes, an insurance specialist at the time for AAA. “You feel dismissed.

“With the advisor, I felt the same way,” he says. “The consultation was 15 minutes. He asked me one question and told me, ‘We’ll put your money in these two stocks.’ I didn’t feel educated. I didn’t feel like I was heard.”

When Miramontes left the advisor’s office at Dean Witter, he was mortified. He called the advisor’s manager soon thereafter and said, ‘If



Sid Miramontes

When Sid Miramontes couldn't get things done 'his way' at the big wirehouses, he launched his own capital investment firm.

you think that guy is doing a good job for you, then you ought to try me. I can do a much better job.”

The manager hired Miramontes on the spot and he wound up emerging as a Senior Vice President with Morgan Stanley and later a Managing

“Say, I want to put together something as simple as a breakfast for 30-50 clients to discuss a key development in investing – how the drop in oil prices will impact the market,” Miramontes says. “At UBS or Morgan Stanley, that would take months. In the position I am today, it’s simple. I love it. This is what’s best for the client.”

“Meeting with a client once a year is not the kind of communicate you want with your client. It’s almost like you’re getting reacquainted with them all over again. To have success, you need to be thoroughly engaged with your clients. That’s why we’re different. That’s why we’re successful.” — Sid Miramontes, President, Miramontes Capital

Director at UBS, managing hundreds of millions of dollars in assets.

Then two years ago, Miramontes decided he didn’t want to be “held back” any longer by the big Wall Street wirehouses. He decided to launch his own firm, Miramontes Capital, in Irvine, Calif. Today, he is flourishing more than he ever has in his 22-year career. He has molded the firm in his own image, with communication, education and diversification at the forefront of the business.

“The main reason I left the big wirehouses is because there’s just too much bureaucracy, too much red tape,” he says. “I wanted to create a service model that would be ideal for my clients – basically get things done quicker and more efficient.

“When clients have a need, they need something now and when you work for a wirehouse, you can’t get it done. I wanted to have full control to move faster for clients and meet their needs quicker – and exercise my forward-thinking abilities to the fullest. In this business, you need to be forward thinking.”

At the big wirehouses, a request or initiative can take up to two months for approval from compliance. Now Miramontes get approvals as quickly as in a few days or a week.

Another element that is best for clients under the Miramontes Model is communication. Many advisors follow up with clients annually. Not Miramontes. He keeps in constant contact with clients, scheduling calls every 30 to 45 days to review their portfolios, tax plans, and estate plans.

“This is the right way to do it,” he says. “To me, communication is key. Advisors with clients who have \$25 million or more usually review client accounts every 30-45 days. Frankly, my thinking is that it should be done with every client, whether they have \$150,000 with you or \$25 million.

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Miramontes likens a retirement investment and portfolio to buying a commercial building or apartment complex.

“Say you buy a \$2 million building with your retirement funds,” he says. “All your money is tied into it. As you drive away from your new building, and as it is shrinking in your rear view



mirror and all your capital is tied up in it, when is the next time you're going to check on that building?"

"Later on in the afternoon or the following day," Miramontes' interviewer fires back quickly.

"Exactly," Miramontes responds, just as quickly. "If you're going to check on that building every day or every other day, how are you going to invest \$2 million in an investment retirement portfolio and check on it once a year and expect you're going to have success? When you hire an advisor, you're hiring a project manager to manage your project for the next 10, 20, 30 or 40 years of your life and you won't have success with that project if you're checking on it once a year."

For Miramontes' aggressive clients, he and his team of advisors communicate with them every 30 days. For his moderately aggressive clients, it's every 35 days. For the moderately conservative, he and his team communicate with them every 40 days, and for conservative clients, it's every 45 days. Each client portfolio review is based on three elements: a review of their portfolio, estate planning, and tax planning.

"There are just too many things happening in the markets on a daily basis not to do things this way," Miramontes says. "With all the experience and knowledge I have, I feel this is the best approach to take in order to maximize an individual's retirement goals."

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