

2006 Financial Advisor Hall of Fame

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By ELLEN UZELAC

Welcome to *Research* magazine's Advisor Hall of Fame, now in its 16th year. This eagerly anticipated annual feature has become a benchmark of excellence in our industry and an example to all of the rewards that result from effort and integrity.

Candidates who pass our rigorous screens have served a minimum of 15 years in the industry, have acquired substantial assets under management, demonstrate superior client service and have earned recognition from their peers and the broader community for the honor they reflect on their profession.



Finding the nation's finest financial advisors is made possible by the wisdom and discernment of our panel of five distinguished judges (named on the last page of this article). Their discriminating judgment has enriched our Hall of Fame with six extraordinary new members. With no further ado, here are their stories.

Co-founder and Senior Advisor

Hanson McClain Inc., Securities America

Career Began: 1990

Home Base: *Sacramento, Calif.*

Civic Affiliations: *River Oak Center for Children, Child Abuse Prevention Council, Sacramento Regional Community Foundation*



■ HALL OF FAME

Scott Hanson

If Hanson McClain is “business in a box,” as founding principal Scott Hanson puts it, a lot of advisors would like to be playing in the same sandbox.

Early this year, the firm hit an impressive target: \$1 billion in assets under management. It’s even higher now. Not surprisingly, Hanson and partner, Pat McClain, are the top producers in the Securities America network.

Hanson McClain, with four locations in the Sacramento region, also began sketching out a national footprint this year with company-owned offices in Houston , Dallas , San Antonio , Chicago and Detroit . Still others are in the works. Another holding, Hanson McClain Retirement Network, has provided advisory services to independent financial advisors across the country since 1998.

To top it all off, Hanson, 40, just published his first book, *Money Matters: Essential Tips and Tools for Building Financial Peace of Mind*.

At the start of their careers, Hanson and McClain worked for an insurance company, but found it wasn’t the right fit. “We wanted to be able to set the agenda, to control the whole process,” says Hanson, a certified financial planner. The result? Hanson McClain, which launched in 1993.

“From the very beginning, Hanson McClain declared themselves independent advisors with the goal of operating a financial planning and investment firm focused on achieving each client’s unique financial goals, not on pushing a particular investment vehicle,” notes Steve McWhorter, CEO of Securities America. “The company philosophy speaks volumes: ‘We tell clients what they need to hear, not what they want to hear.’”

It’s a particularly apt credo when you consider Hanson McClain’s primary clients: people transitioning into retirement. From the start, the firm targeted utility and telephone company workers nearing retirement. Over the years, Hanson McClain advisors along with affiliates in the firm’s retirement network have counseled 4,000 such workers. [A third business, Liberty Reverse Mortgage, founded in 2003, is one of the industry’s leading reverse mortgage providers.]

Today, utility and telephone workers account for 40 percent of the firm’s assets. The majority of new business comes from referrals and extensive media and marketing outreach. Hanson wrote a finance column for *The Sacramento Bee* for nine years, and he and McClain host a long established weekly radio call-in show. The firm has three in-house marketers, responsible for bringing in new clients. Hanson himself spends 15 percent of his time on marketing, the same

amount he devotes to community causes.

“Some people are brilliant financial planners but they’re not great at marketing, prospecting, selling,” says Hanson. “Our thought has always been: Why make the individual responsible for marketing? Why not the organization? Our phone rings a lot. Marketing makes sure it continues to ring.”

On top of that, advisors at Hanson McClain are salaried. They receive no commissions and any bonus is tied to the firm’s performance, not to individual production. “Because there is no pressure to sell, I believe the relationship between advisor and client is better than it would be otherwise,” adds Hanson. “The advisor can be totally honest with that client [‘No way you can afford to retire’] without having to worry about picking up a piece of business because the BMW lease is due.”

Another key aspect of Hanson McClain’s business model: a 45-page book on the firm’s core values that’s distributed to employees, clients and potential clients. The book highlights the importance of professional integrity, client satisfaction and community involvement. Hanson himself is hugely active in local children’s causes and he has been involved in humanitarian projects in Russia , China and Mexico .

Hanson started developing the book shortly after the Enron scandal broke. “It got me thinking. Organizations don’t start out crooked. Something happens. Poor decisions are made along the way,” he says. “Honesty is a big thing. There are no little white lies in our organization. I could not imagine the latter part of my life, after building an organization, to have it go down in shame like that.”

As successful as Hanson McClain is today, it’s unlikely to look the same going forward. With a target of \$5 billion in assets in five years, Hanson notes: “The biggest challenge now is we know that in order to continue to grow, we’re going to have to reinvent ourselves. We’re still trying to figure out what that means.”

Meanwhile, Hanson says, “One of the things I enjoy about financial services is that you can be whoever you want to be in this field. If you want to be a one-person shop and make it real simple, you can do that. There are no widgets to produce; it’s just a people business. I figure if I’m going to going to get up in the morning and go to work, I’m going to have fun. I believe clients are well served by us, and when someone chooses Hanson McClain, I feel grateful to that individual. That is something that will never change.”