



Spotlight ON

Phil Hurst

CATHAY WEALTH MANAGEMENT

Located at CATHAY BANK

ONCE AND AGAIN:

A program manager forges a new path by reuniting with a former firm

For Phil Hurst of Cathay Wealth Management, located at Cathay Bank in Los Angeles, his success boils down to an essential defining skill set: an ability to identify and recruit talent. "It's been instrumental in helping me achieve my accomplishments," he says. As director of the bank's wealth management team and premier banking, it's this aptitude that continues to guide him in his career.

After starting as an advisor at a financial services firm in the mid-1980s, he decided to follow in the footsteps of a few of his fellow colleagues and switch to banking. "I'd had a lot of friends who'd gone on to work at banks, and I followed suit. It turned out to be a good transition for me and an experience I really enjoyed." He also proved to be successful at it, despite not having a big book of business or a lot of clients to draw on. "In 1995, I generated nearly \$690,000 in revenue—past the point where most people go to be managers." Yet management was exactly where he wanted to be. After leaving the bank, he pursued management opportunities at several firms before landing at Cathay in 2016.

"What was most appealing to me about Cathay was that it offered me my first opportunity to really lead a wealth management program. Throughout my career, I had been responsible for executing decisions that other people made—and not that I didn't do it wholeheartedly—but this gave me the chance to make leadership decisions and guide the program in the right direction."

This opportunity to guide the program towards a new path came following the aftermath of the bank's decision to switch to another broker-dealer, thus severing its 10-year relationship with Cetera® Financial Institutions. The decision was made prior to Phil joining Cathay. "It was already baked into the cake and, unfortunately, I wasn't able to influence it." He calls the move, which took place in 2017, "disastrous"; it was also short-lived. Six months later, Cathay was back with Cetera Financial Institutions.

"While the bank set record revenues before Phil joined, it used a product mix that was simply unsustainable," says John Van Ermen, Cetera Financial Institutions' regional manager. "Once he came back to Cetera, he set out to create a sustainable and growing program by focusing less on singular products, and more on emphasizing the Advice-Centric Experience® approach of delivering quality holistic advice."

But first, they had to build a whole new team due to some turnover as a result of the temporary move. This catalyst remarkably led to an even more invigorated group of highly energetic and top-producing advisors. According to Phil, "We've been able to generate big revenue growth and referral growth; virtually every metric of the company is going in the direction we want it to go. We're on a consistent growth arc and I'm pretty excited about it."

Calling All Recruits

The team has made a concentrated effort in recruitment. Their licensed banker program has grown from 16 to 46 licensed bank employees over the past 18 months. With this in-house referral team in place, they've already surpassed 1,500 referrals—the record number set in 2014. "One of the main reasons advisors are looking at our program and are attracted to Cathay Wealth Management is because we're generating so many referrals. A lot of banks are having a difficult time generating them and we really aren't," says Phil.

He credits the extraordinary support he's received from Cetera Financial Institution's Recruiting Services team in helping him to identify talent. "Cetera is a fully integrated collaborator with my business practice and what we're doing at Cathay. They've been able to supplement the talent that I've identified with additional people and as a result, I've been able to hire some exceptional advisors through Cetera referrals. We've had really good opportunities to hire top-level talent." This includes new recruits based in Chicago and for the first time in its history, Dallas and Houston. Recently, they onboarded a million-dollar producer.

"It's an example of a true alliance," says John. "The conversations that the recruits have with Cetera focus on the tools, training, service and technology and highlight the opportunities that are there. And when they're able to demonstrate their skills and passion for the business and receive the support they need in order to capitalize on this opportunity, it all comes together really well."

To help maintain the synergy between the bank and the wealth management team, each advisor and licensed bank employee is required to complete quarterly product training as well as referral training at each branch. Additionally, they hold quarterly mentoring training with their licensed bank employees.

Trainings are tracked and advisors are given a quarterly scorecard indicating their completion. Phil is pleased to say that the advisor completion rate is 100 percent. "It's a very disciplined program, and I think the bank appreciates it. They see the sincerity and integrity of the advisors taking part in these programs, and they realize how important it is for us to give back to our bank associates. And our advisors understand the value and are happy to do it," says Phil.

Banking on History

Cathay Bank is the first Chinese-American bank in Southern California, having opened its doors in 1962 with the express purpose of providing financial services to the growing but underserved Chinese-American community. This commitment to the community has remained, even as the demographics shift and the bank's clientele expands. "We work with a lot of first- and second-generation Chinese immigrants, and often our advisors are one of their first major connections to the financial markets. Consequently, our advisors feel an additional sense of responsibility when providing them with financial planning services and helping them build a good financial future," explains Phil. "We have good name recognition in the Chinese community, and having that niche does give us an advantage." What also helps is the institution's stellar reputation: it most recently ranked #12 on Forbes' 2018 Best Banks in America.* It's the third consecutive year the company has ranked within the top 20 banks on the list.

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Life Insurance Awareness Month Offers a Showcase for the Advice-Centric Experience

A big focus for Phil and his team is life insurance, which is a significant part of their investment program. To capitalize on this expanding area of the business, the team hosted a campaign this past September—during Life Insurance Awareness Month—where they provided complimentary reviews of clients' life insurance policies. Phil notes that many policies haven't earned enough money to keep them whole, so the event was an excellent opportunity for the team to engage with clients, provide them with personalized service and, in short, demonstrate the unique value that the Advice-Centric Experience provides.

Prior to the campaign, the team participated in a Life Insurance Boot Camp where Cetera staff, including John and Insurance Manager Terry Evavold, offered a refresher course on financial planning, prospecting and boosting

*Data is courtesy of S&P Global Market Intelligence, based on 10 metrics related to growth, profitability, capital adequacy and asset quality. Rankings are done solely by Forbes.

insurance sales. "My goal is to get life insurance sales to be 15%-20% of our overall production. We're already pretty close now at nearly 12%." Phil stresses that the importance of life insurance in clients' lives cannot be overstated. "It's the foundation and extension of our service philosophy. People don't just wake up one day and buy life insurance. We uncover the need for it, usually in the planning process or a life insurance review. It takes the leadership of a good advisor to hold the client accountable for moving forward," says Phil.

Ready, Set, GROW

For program managers who want to substantially grow their business, Phil suggests a multi-pronged, holistic approach, including securing the proper talent, skill development, recruiting strategy, training—and, of course, the right firm. "It takes a certain mindset to understand what it takes to work at a bank. This is the real area that separates financial institutions at Cetera from other broker-dealers. I think the firm intimately understands the bank brokerage business better than some of its competitors," he says.

For his part, John sees unlimited growth and untapped potential for the team. "I think there's a newfound appreciation inside the bank for the wealth management division, for what they're doing and how it leads to the overall bank's goals. Phil's team is absolutely poised for future growth. He couldn't be where he is without Cetera, and Cetera couldn't deliver on its Advice-Centric Experience approach if it didn't have programs like Cathay," says John.

For more information about:

CATHAY BANK, visit their [website](#).

CATHAY WEALTH MANAGEMENT, visit their [website](#).

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