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Meet Chris Casey of WealthTechs in Carlsbad



LOCAL STORIES



Today we'd like to introduce you to Chris Casey.

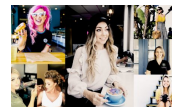
Thanks for sharing your story with us Chris. So, let's start at the beginning and we can move on from there.

I am 51 years old, grew up in Baltimore, and have lived in Encinitas since 2013. I have been in "FinTech" (Financial Technology) since I graduated from college in 1987. I lucked into FinTech via a

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college internship at a local broker dealer firm where I was the only guy in the office that knew how to assemble complex spreadsheets. After college I moved to New York City with the aspirations of being a trader on Wall Street, but soon learned that my pedigree from Old Dominion University was not the stuff of Wall Street legend like the competition

from Harvard, Yale and Princeton. Wall Street FinTech was just starting at this time.

I interviewed with small firm called Bloomberg and actually met with Michael twice. I did not get that job at Bloomberg, but I did get a job selling software for a FinTech startup based in San Francisco called Advent Software. I learned a lot at Advent from my New York manager Lisa Church and the CEO Stephanie Dimarco. They are two of the smartest people I have ever met and owe much of my success to what I learned from them. I left Advent in 1996 to satisfy my entrepreneurial spirit and tried several product ideas before having success with a product called “PackMan”, a short name for Package Manager. PackMan was software used by investment advisors to automate the assembly of their customer’s statements from a variety of document production systems. I sold PackMan in 2010 and immediately started up my current company WealthTechs. I

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had a few product ideas to test and again had some duds before having good

success with our “PAD” product, a short name for Portfolio Accounting Data. PAD was a complicated product to build and we are just now seeing the fruits of our labor. We grew PAD almost 50% in 2017 and we are looking forward to 100% growth next year.

Has it been a smooth road?

Smooth, lol, no way, it was like carving a new road through the Alps with a pick axe with two broken arms! In order to compete in our space, I knew we had to hit the ground running with coverage of the top 30 major custodian banks and broker dealers in the USA and software to integrate the custodian data with 2 key advisor IT tech stack systems: SS&C Advent APX and Axys, and have this entire process running in a state of the art data center with military grade security. This was a huge endeavor for a small team. Fortunately, we had the knowledge to do this from our previous lives in the

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industry; but we really needed a team to do it. We really struggled with this; hiring staff. We knew that to be cost efficient, we had to setup a development arm outside of the USA. We tested several teams of people before we fully staffed our Argentina based team and filtered out the bad apple middlemen who skimmed money without paying the actual people doing the technology development. Locally, I would say that finding people willing to work hard to build something that would pay future dividends was our biggest struggle. What I found in interviews and via actual hires is that some people who live here live well beyond their means and want the opportunities that startup companies provide, but are not willing to sacrifice their lifestyle of what they may have had in a previous life in a corporate job. I think people are hypnotized by TV shows glorifying the startup and desire a baller life on a janitor's salary. We ended up with the right team here in Carlsbad; amazing people that work hard every day,

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I am so proud of them, value them,
cherish them and will always promote

from within. Another thing that we found that we didn't expect was the willingness of our clients to work very hard. They saw the cost savings associated with using WealthTechs and our rapid and superior customer service was way better than what they were getting with their current system. Oh, and one more thing. I spent 5 years collecting the money from the firm that bought my old PAD product. Let's just say that the accounting method that I used to calculate my earn out and the acquiring company's calculations were polar opposite and I had to sue them to collect the money. I learned a valuable lesson from this; if you sell your company, take cash only, no IOU's or earn-outs or anything that has to do with future revenues unless all calculations and post-sale business conduct is detailed at a microscopic level. Remember, once you sell, you are out of control, it's not your baby anymore, its someone else's and they can nurture and grow the baby

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or beat it. Another lesson learned. My new firm WealthTechs I have no desire to sell and hope to grow it so that my current employees can take it over when I retire and I can assist them and help them take it to the next level.

So let's switch gears a bit and go into the WealthTechs Inc. story. Tell us more about the business.

WealthTechs is an 8-person financial technology company located in Carlsbad that provides custodian bank and broker dealer financial account data processing solutions to larger independent investment advisory firms that manage greater than \$5 billion. To put this in perspective; think about this. Let's assume you have 6 investment accounts: your IRA at TD Ameritrade, your spouse's IRA at Schwab, your 2 kids' trust accounts at Wells Fargo Trust, a trading account at Interactive Brokers and a 401K at Fidelity.; you know how time-consuming consolidating this data into one holistic view of your investment portfolio can be.

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Now, imagine the dizzying amount of effort to do this if you are an investment advisor managing thousands of accounts at dozens of different custodians.

Sounds like quite a chore to collect all of this data every single day of the year in an accurate and timely format; doesn't it? This is the problem that WealthTechs solves for advisors. WealthTechs' custodian data collection and standardization system coupled with intelligent software seamlessly integrates the advisors' customers financial account data from over 100 custodians with the most popular advisor-oriented systems used on Wall Street. Our customers' bottom line is where we shine. Using WealthTechs' innovative technology, advisors can increase their profits over the long term by lowering the total cost of custodian data and the associated work of integrating this data into their IT tech stack systems by 50% or more versus WealthTechs' competition. More info and

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news on WealthTechs can be found at
www.wealthtechs.com.

How do you think the industry will change over the next decade?

My industry is driven by the investment advisor industry. In the investment advisor industry, I see massive consolidation and shrinking margins on money management fees. Just like any other industry, the investment advisor business is facing automation and the rise of the robo-advisor; which is fortunately for WealthTechs a good thing because we save traditional advisors a ton of money and we can supply robo-advisor platforms with data they need to grow and be like their financial advisor human competitors.

I think in the end, the cyborg-advisor will be the norm and the winners will leverage technology. Another big shift is data security.

Every advisor and their vendors like WealthTechs must have intensive,

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organized information security processes and procedures in place. WealthTechs is currently going through a SOC 2 information security certification process and it is intense, but very very necessary to the success of our customers' wellbeing. I am shocked at the lack of security concerns across America; from the nonchalant attitude of the right toward the Russian meddling in our election to the lackadaisical systems and procedures of large firms like Equifax.

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