

# Why Your Independence Is Not for Sale and Why Cambridge Is Not for Sale

Cambridge's Plan for Independence and Private Control

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Eric Schwartz, Executive Chairman and  
Amy Webber, President and Chief Executive Officer

“Private control allows us to be on the same side of the table with advisors and together we are independent business owners managing our future success.”

Eric Schwartz  
Executive Chairman

At Cambridge, our primary focus is you, the independent advisor, and your clients. We believe preserving our commitment to you must start with the stability of management and private control within Cambridge. We've spent over 20 years establishing a flexible business model, a committed senior leadership team, a legal structure, and a formal succession plan; all in order to stay focused on you and remain true to our core values.

Maintaining the character and superior quality of Cambridge is the foundation that will sustain independence and private control for multiple generations. Years ago we realized that to inspire urgency for advisors to formalize business continuity and succession plans, we had to lead by example and embrace planning as a financial solutions firm with the same enthusiasm. At Cambridge, we are focused on the financial professional with an independent mindset and dedication to best serving the needs of their investing clients.

### **Cambridge's plan for independence and maintaining control of our destiny is primarily based on:**

#### **Leadership committed to culture and value**

Cambridge was founded by Eric more than 35 years ago.<sup>1</sup> Over the last 15 years, Eric and Amy have developed Cambridge's senior leadership team which reflects a culture and passion for independence. Together, we serve our advisors and their clients with an unwavering dedication to our firm's values of integrity, commitment, flexibility, and kindness. At Cambridge, culture counts, and values matter most.

#### **Financial strength through profitable growth and service excellence**

As Cambridge moves into its third decade of financial strength and profitable growth, our commitment to our advisors is clear with our achievement of an average of 9 out of 10 overall satisfaction rating from our advisors for 20 years. In addition to service excellence, Cambridge has been recognized 12 times as the Broker-Dealer of the Year.<sup>2</sup> Strategic, disciplined management of our financial stability and future translates into freedom of choice as well as quality of service and expertise for your business and ours.

#### **Stock ownership by senior leadership, and an employee stock ownership plan (ESOP)**

While it may be appealing for founders of some companies to cash out as they get older, this is not part of our succession plan or of interest to Eric, Amy, or the senior leadership team. We have spent over 20 years perfecting the succession plan now in place, which includes indirect ownership by associates through the ESOP, plus direct ownership by management.

 1981

Cambridge founded

## The Main Pillars of Cambridge's Succession Plan

Beginning in 2017, Cambridge offered a major expansion of our associate benefits with the Cambridge Employee Stock Ownership Plan (ESOP) to eligible associates. The Cambridge ESOP is intended to provide a means whereby eligible associates receive an account with equity interest in Cambridge with a focus on accumulating assets for retirement savings.

### The Cambridge ESOP and Management Ownership

The Cambridge ESOP is another step in controlling our own destiny by remaining privately controlled based on associate and management ownership – which includes hundreds of associates as indirect owners, along with management and advisors who are direct owners. A bonus program is in place that aligns with company, department, team, and individual performance on an annual basis, along with a 401(k) matching program for associates.

### The Cambridge Foundation

Eric has also formed and funded family foundations, as well as The Cambridge Foundation, which is focused on community giving at the local level. Various trusts are in place and controlled by Eric, along with Amy, and other senior executives to serve as a plan if he were to pass unexpectedly. This structure is designed to ensure that ownership of the company will remain with Cambridge associates and management. Eric continues as executive chairman with Amy as president and CEO, along with a deep, experienced senior executive bench.

2013

Eric's succession plan published in *Financial Planning* magazine

2015

The Cambridge Foundation formed

2016

Cambridge celebrates 35 years

## Cambridge Succession Solutions for Independent Financial Advisors

At its core, succession planning creates a foundation for relationship building, inspiring action, and creating solutions. Cambridge's continual drive for innovative solutions and preserving private control means our efforts are at the forefront of tackling the challenges of succession planning. We strive to proactively transform services and business processes with a visionary view on practical solutions to help independent financial advisors define and execute succession plans.

At Cambridge, we have our succession plan firmly in place, and we stand ready to assist you with your independent journey and succession plan. For expert guidance, contact Cambridge's Succession and Acquisition Solutions Team, at [successionsolutions@cir2.com](mailto:successionsolutions@cir2.com).

## State of the Industry: Two-thirds<sup>3</sup> of Advisors Currently have in Place, or Are Planning to Create, a Succession Plan

Currently, eighty percent of advisors across the industry believe their firm will be more valuable in five years, and approximately two-thirds of advisors currently have a succession plan in place or are planning to create a plan.

Despite a positive outlook on the future of succession planning, many advisors cite the most challenging aspects of future planning include:

- Transferability of clients and/or assets under advisement
- Lack of internal and external candidates
- Owner unwilling to exit from firm
- Lack of time and resources to develop a succession plan



## **Cambridge Executive Council**

Rick Boyles, Executive Vice President, Human Resources and Chief Financial Officer

Colleen Bell, Executive Vice President, Operations and Chief Fiduciary Service Officer

Jeff Vivacqua, Executive Vice President and Chief Marketing Officer

Eric Schwartz, Executive Chairman

Amy Webber, President and Chief Executive Officer

Dan Sullivan, Executive Vice President, Corporate Strategy

Kyle Selberg, Executive Vice President and Chief Business Development Officer

Seth Miller, Executive Vice President, General Counsel, and Chief Risk Officer

Nick Graham, Senior Vice President and Chief Technology Officer

“Reputation, culture, and private control are the top reasons advisors cite in choosing Cambridge, and we strive to show our appreciation of this choice through service excellence and sincere partnership.”

Amy Webber  
President and Chief Executive Officer

## About Cambridge

Cambridge Investment Group, Inc. is a privately controlled financial solutions firm focused on serving independent financial advisors and their investing clients. Cambridge offers a broad range of choices for independent financial professionals regarding solutions for advice, growth, technology, and independence. Cambridge's national reach includes: Cambridge Investment Research Advisors, Inc. – a large corporate RIA; and Cambridge Investment Research, Inc. – an independent broker-dealer, member FINRA/SIPC, that is among the largest privately controlled independent broker-dealers in the country.



**Selective advisors choose Cambridge.**  
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<sup>1</sup>Cambridge and its predecessor broker-dealer

<sup>2</sup>*Investment Advisor* magazine, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2010, 2008, 2007 Division IV; 2003 Division III

<sup>3</sup>Cambridge and *InvestmentNews Research*, "The Value of Advice"

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