

CASE STUDY

# President of RIA Burgess Wealth Advisory Passed a Surprise Audit In Record Time With Nitrogen

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How the sole owner and operator of an RIA passed a thorough State Corporate Commission audit in one hour—without breaking a sweat

## Introduction

If you ask Jeffrey Burgess, CRPC, president and founder of Richmond, Virginia-based RIA Burgess Wealth Advisory, running a successful company completely solo isn't as daunting as it seems—in fact, he likes it that way. But when the State Corporate Commission called about a routine audit in 2019, he expected the preparation and process would temporarily derail his workflow. What he didn't expect, however, was just how easy Nitrogen would make his (and the auditor's) job.

## Backstory

After two years as a taxpayer service representative for the Internal Revenue Service, Jeffrey made his entrance into the financial planning industry in 1997 when he joined a Virginia-based Ameriprise firm.

In addition to financial planning and portfolio construction, he quickly became a man of many other talents; learning new software and proving to have a keen ability for business development. With these coveted skillsets and a belief that he could make more money just doing it on his own, he took the leap as one of the first non-advisors to purchase an Ameriprise franchise in 2000.

"Even as far back as '99," said Jeffrey, "I knew that I should be able to run a business with just a laptop, from anywhere, with the right technology." Then in 2014, he launched his RIA Burgess Wealth Advisory and has since doubled the size of his business.

How has his firm achieved such impressive growth?

"By being incredibly competitive about what I offer my

clients, and doing so as efficiently as possible, with as little overhead as possible," Jeffrey said.

Jeffrey has relied on a carefully curated tech stack to help streamline the operational side of the business, make informed investment decisions, and ensure he always has his finger on the pulse of his clients' lives.

Nitrogen entered the equation towards the end of 2015, the same year Jeffrey started Burgess Wealth Advisory, when he received an email about the platform. He felt that it could be a huge asset to the way he works with clients.

Immediately, he found that Nitrogen played an important role in helping to mitigate client anxieties caused by what he calls "financial entertainment" in the media: sensationalized takes on market performance and global economies.

He uses the tools Nitrogen provides to diversify the risk away, starting at the security level. The in-depth level of risk correlation is "uniquely robust," he says.

"When I manage my own business, I manage it in terms of dollars and cents, and that's how I manage my clients' money. With Nitrogen, they see their risk allocation in real numbers, not just rate of return."

"Now, if we see on the news that there's an '800-point market drop,' I can proactively call my client and tell them that they should be okay [given their] 95% Historical Range."

## An Unexpected Phone Call

No advisory firm wants to get a call that they're being audited—it's a time-consuming process that can involve weeks of preparation and mountains of paperwork. In the summer of 2019, Jeffrey received a phone call from the Virginia State Corporate Commission that his EIN had popped up and he'd been selected for a routine audit. Unsure of the lengths they'd go, he set aside 4 hours for them to come to the office on the first day. One can only imagine how nerve-wracking it is to receive that call out of the blue, but Jeffrey was prepared.

The auditor asked for routine information such as client records, trading history, and invoices, which Jeffrey had readily available via his CRM, Schwab records, and financial planning software.

It's what came next that was most surprising—the SCC requested proof of the clients' investment objectives. Specifically, they wanted to know why and how Jeffrey had chosen to allocate his clients' investments.

“Fortunately, all of my clients had a Risk Number in alignment with their portfolio. I showed the auditors the data in Nitrogen and handed it to them with a flash drive. That's when they halted the audit immediately. They said ‘alright, we've seen enough.’”

In all, the auditors were in and out of Burgess Wealth Advisory in under an hour. The Nitrogen data gave them everything they needed to prove that Jeffrey was doing right by his clients' investments.

“Next time I'm audited, I'll know exactly what they're looking for. I can hand them my clients' Nitrogen data and call it a day.”

## Fiduciary Focus

Jeffrey says that although they're burdensome, he's grateful such audits exist. It's the client's right to have an advisor acting in their best interest. “I recently had a conversation with a client of mine and informed her that not every advisor out there is a fiduciary. She said, ‘well that's scary.’ My sentiments, exactly.”

After 2.5 years of using Nitrogen, Jeffrey made an upgrade to unlock Detailed Portfolio Stats. He's especially fond of using the chord diagrams to illustrate the strength and direction of correlations in a portfolio, within the context of allocation percentage. He also takes advantage of Nitrogen GPA, which demonstrates the efficiency of investments per unit of risk.

As a fee-based fiduciary, Jeffrey is meticulous about harnessing as much value as possible for his clients.

The visual elements of Nitrogen make client conversations incredibly productive, he says. The psychology behind the 95% Historical Range™ is easy for the client to understand and gives them peace of mind.

Another major benefit of Nitrogen for Burgess Wealth Advisory is its ability to elevate conversations with individuals who aren't currently clients. Part of Jeffrey's fiduciary duty, he says, is giving second opinions to investors who are weighing their options. “If you can demonstrate misalignment in a current portfolio, you can demonstrate your value.” On many occasions, those individuals resonate with the process and eventually become Burgess Wealth Advisory clients.

### Small and Mighty




As long as he continues to work smart and with little overhead, Jeffrey says, he sees revenue growth on the horizon for his firm.

“I like staying small. When a client calls, they talk to me. And by leveraging Nitrogen as part of my tech stack, my

“If I'm able to yield the same—or higher—returns for my clients, but with less risk and more efficiency, why wouldn't I rebalance their portfolios?”

clients know exactly the value they're getting for their money.”

Nitrogen has positively impacted these three areas for Burgess Wealth Advisory:

-  **Compliance**
-  **Client Service**
-  **New Business**


## READY TO JOIN THE FEARLESS INVESTING MOVEMENT?


Sign up for a product demo at [Nitrogenwealth.com/advisors](https://Nitrogenwealth.com/advisors) and get to know the power of the Risk Number.

Sign up

Special thanks to Jeffrey Burgess for his candor and commitment to empowering the world to invest fearlessly.

Nitrogen is the company that invented the Risk Number®, which powers the world's first Risk Alignment Platform and was built on top of a Nobel Prize-winning academic framework. Advisors, broker-dealers, RIAs and asset managers use the Nitrogen platform to create alignment between clients and portfolios, leverage sophisticated analytics to increase the quality of their advice, automate trading and client account management, and access world-class models and research in the Nitrogen Partner Store — all with the mission of empowering the world to invest fearlessly. To learn more, visit [Nitrogenwealth.com](https://Nitrogenwealth.com).

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