

Former Wall Street Exec. Finds “Sweet Spot” in Market Netting Lion Share of Investment Strategies



Earning his corporate bearing on Wall Street in the banking industry, Joseph Rinaldi, Senior Managing Director and CIO of Quantum Financial Advisors, prides himself on being a maverick among business executives, advising countless CEO's, pension & profit sharing plans, endowment/non profits, FDIC/RTC – and in the 1990s, even the President of Argentina's finance committee at his Banco Hipotecario.

Over the years, the former Wall Street advisor said he has discovered the “sweet spot” in investment strategies, particularly in the areas of portfolio and risk management, institutional sales and trading, and structured finance. “I had some experience on both the buy and sell sides of banking, while ultimately creating financial products for my clients.” Rinaldi said from his office in Washington D.C.

In the early 1990s, Rinaldi played a pivotal role during the bailout of the savings and loan industry. “We felt with our diverse background in managing risk, we (needed) to help our nation through the thrift bailout,” the finance guru insisted. Working vigorously for The Resolu- tion

Trust Corporation (RTC/FDIC) as one of three senior capital market specialists, Rinaldi was responsible for liquidating some of the industry's weakest, ailing banks.

His advice is not only valued in the U.S. In fact, after forming Quantum Financial Advisors back in 1996, this globe-trekking exec even traveled to Argentina to advise and assist former President Carlos Menem and his advisors with Argentina's mortgage banking policies. “We were there to help President Menem structure their mortgage industry,” Rinaldi explains in a modest tone.

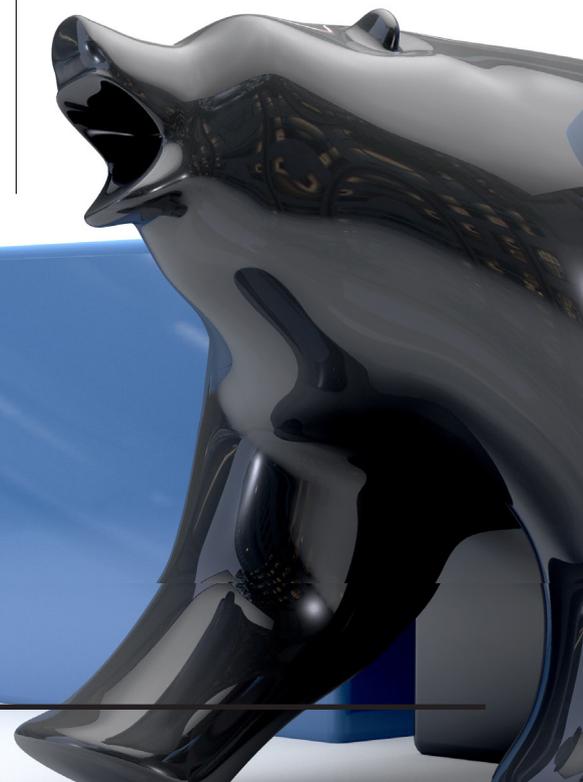
Today, Rinaldi's company is one of the premier boutique financial firms in the country. “After working for the RTC/FDIC, I formed the firm,” he says with a business-savvy demeanor. “I felt it was time.” Quantum Financial Advisors provides investment strategies, asset allocation, sector rotation, and utilizes portfolio insurance to protect principal, allowing it to grow and generate income.

Certainly, Rinaldi has seen his share of economic meltdowns in his time. Always in the trenches, he continues to weather countless fiscal storms. “The hardest thing is maintaining good clients,” he said. “High net worth individuals, endowment funds, non-prof-

its, retirement plans, small businesses that are eager to build wealth for the future, while maintaining full discretion on managing their assets.” There is a pause in his tone. “After the Bernie Madoff scandal, things changed. But for us, it is very important to give us the ability to invest and trade (a client's) accounts without approval for trades.” That is called ‘Discretionary Trading,’ ” Rinaldi chuckles. “That doesn't come easy – you have to earn that trust.”

Acknowledging that the industry is still suffering from increased regulation fueled by the ugly Madoff scandal, Rinaldi admits, “Now people will shy away from hedge funds, because client money is co-mingled. That is how Madoff pooled client assets and then stole client money. So, yes, the industry is still suffering.”

Rinaldi said that, being smaller, Quantum Financial Advisors functions much differently than the big boys – J.P. Morgan Asset Management, Goldman Sachs Asset Management, Merrill Lynch Asset Management – who are all heavily dependent on larger sums of capital investment. “The difference between us and them,” he argues. “And we stand neck-and-neck with



them," he pauses again. "In our firm we'll represent a client with no regulatory minimum (we charge more for smaller accounts) but with the big boys you need twenty to twenty-five million before you can be represented by their firm."

But, over the years the fiscal climate changed that paradigm. In fact, Rinaldi said that the economic debacle of 2008 caused major fallout for many – across the board. Many clients jumped ship. He said, "We've enjoyed a couple of larger customers. They recognized and appreciated our unique value proposition," he explains, "And it's been a great marriage, because they understand what's out there and they don't want to go back. These are people who are very astute in the investment world and they understand what the competition offers."

"One factor playing a big role is panic in the market," Rinaldi said. "There

is fear because of the Internet bubble and the real estate bubble in '08," he added, "So we keep our investors fully aware of what's happening in the market via emails through quarterly and inter-quarter broadcasts for our clients." We also enjoy our annual client reviews, performed during a lunch or dinner meeting.

In 2012, Rinaldi was recognized as one of "America's Top Financial Advisors for 2012" by Conquest Press. He and Quantum Financial have also been featured in Reuters, "The Washingtonian," "The Wall Street Journal" and countless other publications, including the Paris magazine, "Gestion de Fortune" in December 2012.

As a scholar with a business suit, Rinaldi teaches at the University of Maryland's Robert H. Smith School of Business. He and his stu-

dents made the national news in 2011 when about 60 students from two sections of his Futures, Options and Derivatives course – in answering Rinaldi's challenge to reduce the federal deficit – produced a white paper, even pitching it to political leaders and pundits. Rinaldi proudly noted at the time that ". . . This paper is detailed, plausible and significantly represents the next generation's idea for reducing the deficit." ■



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