

Ep #188: Joining and Integrating Into a Sole Proprietorship as a New College Graduate with Donald Capone and John Kvale

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# Ep #188: Joining and Integrating Into a Sole Proprietorship as a New College Graduate with Donald Capone and John Kvale

Welcome to the *New Planner Podcast*, where it's all about helping you successfully enter the financial planning profession and accelerate your financial planning career.

This podcast will help you understand the profession, become familiar with the various career paths available to you, and avoid the mistakes that limit your success.

Join your host, Caleb Brown, to explore the human side of creating a successful planning career through interviews, personal experience, and insights from the trenches.

Let's get started.

**Caleb Brown:** Welcome to the 188th episode of the New Planner Podcast. This is Caleb Brown, your host. My guests today are Donald Capone and John Kvale with J.K. Financial in Dallas, Texas. Donald and John stopped by the show today to share how they got started in the financial planning profession, became partners, and have worked together successfully for the last 22 years.

Listen as Donald talks about how financial planning wasn't on his radar and his affinity for math and numbers led him to start as an accounting major, how he got connected initially with John and then convinced John to hire him as an intern. Donald goes on to describe what he did for John in the early days while he stayed on full time with John after graduating from college, how he has gravitated towards the investment side of the business, and why he has stayed with the same firm since he graduated.

John shares how he got started the insurance channel, then pivoted to the broker-dealer channel, then ultimately the fee-only RIA channel and how he grew the business in the early years, why he hired Donald and how he integrated Donald in the client meetings and positioned him for success with clients.

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Listen to the end too where they share some thoughts on how they handle disagreements, whether to pursue the CFP or CFA, and some other tips for new planners. I hope you enjoy my conversation with Donald Capone and John Kvale.

Hey, Donald. Hey, John. Welcome to the New Planner Podcast.

**Donald Capone:** Thanks for having us.

**John Kvale:** Hey, good to see you.

Yeah, man. Hey, I have been looking forward to this for a long time. John, you and I just reconnected at the Napa conference and it just kind of spurred a thought on, "We need to get these guys on the show." So I'd love for maybe you just start us off with just how you got into financial planning and where the business is right now.

**John Kvale:** Okay. It was something that I wanted to do. I didn't really know what it looked like. Golly, I'm going back. I mean, this is, I'm showing my age a little bit. Kind of a funny story, I started at what I thought was a financial planning firm. This was a division of Donaldson, Lufkin, and Jenrette way, way back in the day, and it was equitable and equitable securities.

The emphasis was much more on insurance at the time. But I remember how I was going to build my book and it was like something out of a movie. Went through all the licensing, which back in the day was quite challenging. You didn't have all the electronics then that you did.

And so I went through all the tests and everything, and I was finally ready to go and open my shingle and start building a neat business. And I remember my manager at the time, he walks over and I'm sitting a little like just a four by four little square, like you would see almost like a boiler room, and he drops a white phone book. A lot of your listeners may not even know, but they were like, in the day, they were like four inches, maybe six inches deep. And he drops it on my desk and he says, "All right, start calling." And I was

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like, “Really?” And so I did have a vision. I made it through that. That was pretty grueling.

I don't even think you can start a business that way anymore, but that was pretty grueling. And so I had a vision and why are this all feathers into the story? We used to send out these mailers way back in the day, and there was a mortgage acceleration plan, mortgage rates, everybody crows about mortgage rates being at six or seven.

Now you shoot, they were 10 or 12 back in the day. We have this program and it was a little bit, anyway, you got leads from sending out all these mailers. Well, who answers a lead but Donald's mom? His folks answered a lead. So I was in Dallas, grew up in Waxahachie. They had moved to Waxahachie. I shuttled myself down there.

His mom and dad were one of my first-ever clients while I was at the firm, still kind of had the vision and the vision was what I would call financial planning today and what we do today. But it looks so much different than, I mean, there were very few fee-only, fee-based type of programs. Everything was commissioned, but I still kind of had the vision.

And so I spent about five or six years with a very large firm, actually six years with a very large firm, same firm and then ultimately had a client base and that was where the journey started. Hey, there's a good story. I won't ruin it. I'll let Donald kind of tell the story on how that occurred.

**Caleb Brown:** Yeah. Donald, go ahead. Why, how did you get started in financial planning?

**Donald Capone:** So mine's a little, maybe less of a vision than John. And, but true to form, I mean, I remember John coming into my parents' dining room to talk financial planning, big picture. My parents were really good about trying to instill in me and my two younger brothers what good financial literacy was even at 10, when my parents first met John, they still kind of talked about who he was, what he was. He was a financial planner and he was there to help our family be on track and have goals and set financial

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goals, and so they talked a lot to me about that. And so that was early on and I was aware of what that was and kind of the need for it.

But honestly, being a kid, I wasn't really like thinking that far into the future. I was probably thinking about the next day at school or what I was going to do with my buddies that afternoon or something.

**Caleb Brown:** You mean at 10 years old you weren't thinking, "Hey, I want to be a financial planner."

**Donald Capone:** No, that I feel like maybe some of them do, but no, I was not that visionary where, maybe Elon Musk or something like that where you have this whole life plan by the time you're like nine. I was supplied by the seat of my pants. So anyways, fast forward. I'm in high school. We had to start picking electives, again, my parents were both big on having a plan, trying to know what you're going to do and have a goal of not just showing up to college or something like that, have an idea of what you're trying to obtain while you're there. So I was always interested in numbers and math and my dad's a mathematician.

He was kind of a science guy. So I didn't want to do that. I didn't want to be like just a math guy. So I started taking an accounting class in high school. And I was like, "This is kind of cool." I like the symmetry of kind of balancing everything out and talking about how that can kind of go into business valuation and stuff like that. So that was my senior year. I applied and got into UT's business school, which is where I ended up going for college.

**Caleb Brown:** UT Austin, right?

**Donald Capone:** UT Austin. Yep. It had just become the Holmes School of Business I think the year before I went there. So I went there in '98. And so my folks were like, "Why don't you go talk to John?"

And we're like, he does all this. By that point, John had just left equitable. I think he came over maybe a year before and kind of broke away to LDL as the virgin fee only, I guess, back in those days, but kind of became an RA

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and broke away from a true commission-based kind of platform. And so they were like, “Why don't you go talk to John? He knows—he's doing this. He can give you some insight.” And so I started, I went up, interned with John, kind of showed up at his office one day and said, “Hey, what do you do? Tell me about it. And let me see if this is what I like to do and want to pursue while I'm in college.” And fortunately, John had just switched over so he was busy.

It was a new book of business and so there was plenty of stuff to do and so I was just kind of that probably annoying high school kid that was there asking questions all the time but was eager to get my feet wet and just try to see what financial planning, investing, that kind of stuff was all about and see if it was something I really wanted to tackle.

**John Kvale:** And to add a couple things interesting, Caleb, the first meetings were in suit and tie at his parents' house. My, my, how we've changed now. And those intern jobs that he had, he had multiple jobs that he was doing during the summer so he had whiz in and it was 30, 40-mile drive each way.

**Donald Capone:** It was Waxahachie to North Dallas. So, I mean, it was a good, yeah, probably 45-minute drive, an hour depending on how bad traffic was but yeah, it was definitely a drive

**John Kvale:** To come in and file paper trade blotters and confirms and stuff back in the day, it's stuff that nobody even has to do anymore. But I think it was interesting and from my perspective not to jump in and steal your thunder but Donald's always enjoyed the investment side of it and that's been his forte. And I'll step back and let you finish the story because it gets even better, in my opinion, on how, what happened as Donald went through college. By the way, the business, I spent five or six years with equitable, Equico, Donaldson—that all got kind of blown up, not blown up, but went to Linsco Private Ledger when it was actually had just, it was first Linsco and then it was Private Ledger.

So we were really at the early, early ages of that and stayed at Linsco for about 10 years, just to give your listeners some kind of vision, and then moved from there to TD Ameritrade and have been at TD Ameritrade until

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the recent merger to Schwab. So we were at Schwab. When we were at Linsco Private Ledger, 98% of our business was a fee-only business.

So it was a natural progression. We jumped to TD Ameritrade when it was TD Waterhouse. And then it literally in the move, it went from TD Waterhouse to TD Ameritrade. So lots of moves there, but that kind of gives you a timeline of what we've been and I'll hand it back over to you, Donald.

**Donald Capone:** Yeah. So I got a taste of it leading up to starting college the summer before I moved to Austin and felt comfortable enough. I'm in business school, you're taking plenty of intro classes, so I was just learning stuff, but again, probably hindsight, my parents didn't want a bored teenager, new college student, twiddling his thumbs or getting into trouble while I'm home for winter and summer break. So they were like, "If you're coming back from Austin, you got to do something. You're not sitting on the couch." I had to work through college. Of course, I did get some financial aid and that stuff as well, but I needed something to help pay for college.

So they were like, "You're either getting a regular job or something else." And so I didn't kept in touch with John while I was at school. And I was like, "Look, what do you think? Do you need help? Can I intern? Can I come up for winter breaks?" That was quicker, but at least it's coming to see how things are going.

And then more, "What about summers? Can I come, I'll work all summer, eight to five. I'll be there, do whatever you need me to do. Is that something that one, you're interested in? Is it something that you'd like me to do? Is it something I can do?" And so fast forward, I was there every summer, every winter break while I was in college, making phone calls to clients, learning how to make trades. I got my licensing while I was there so John was able to sponsor me. I mean, I went back, I think that was my sophomore year. I went back to UT my junior year and all my buddies were like, "What'd you do this summer?"

And I was like, "Well, I learned how to make trades. I got my series 7." So I was one of the few kids that I knew that in the business school was able to

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make and be licensed to make trades and kind of learn that part of the business.

**Caleb Brown:** Well, you got to do what you guys were learning about.

**Donald Capone:** Yeah, exactly. I mean, we would have a textbook and we would talk about it. And then I was like able to go, yeah, all summer go practice that. And I had friends that interned at some of the larger firms and they were basically kind of the grunt work and didn't get to really experience what life would be like when you graduate with a degree in business and are trying to either be an advisor or be a planner or do something investments. It was kind of this mythical dream. You don't really, no one knew what it was because you couldn't actually do it while you were in school. And fortunately, like John said, kind of luck had it where I was able to kind of do it in the summers and actually get some hands-on learning while I was also seeing in the textbook. So it kind of got my brain a little bit faster.

**John Kvale:** Yeah. Our business was growing about perfectly at the same time. And back in the day, I don't even remember how we did it, Donald. There were some hurdles that we had to jump through to get him to be able to take the seven and he whizzed right through that, and then I was like, "Wow, this is really good. It would help him no matter what happened." And from our side, it went from, "Hey, Donald's coming in," to, "Hey, when is Donald coming in for the summer?"

**Caleb Brown:** Nice.

**Donald Capone:** Which is, as a college student, that's not bad to be able to get that much experience that quick. And it could have gone either way.

It could have been like, it's just not for me. It's not what I want. But like John said, fortunately, the way John was growing his business at the time and the direction the firm was going at the time, I was on a good path, the firm was on a good path, our kind of similarities are aligned, this seems to be a good fit.



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I was a junior when the tech bubble burst, in 2000. So, leading up, and John and I still, we share this story with clients and friends and all sorts. Leading up to 2000, everyone that was graduating was like, "I'm getting 15 job offers." Everybody is like, "We're getting six figures right out the bat. Like this is the easiest job to ever get coming out of college." I was like, "Yeah, this is going to be great. I'll see where I go," you can go up to New York, do, you know, kind of go wherever, and then the market crashes, tech bubble pops. And it went from, you couldn't worry about saying no to interviews.

They were just like throwing them in your face. You were saying no because you had too many. And it went from crickets and there were grad students at UT that were getting the interviews, but the undergrads, there was, I think there were insurance brokers coming into, just trying to get interns and do some, direct dialing stuff.

And so it was like, all right, coming back to John, let's keep interning. Let's keep the business growing, whatever you need me to do, learn, and I think my senior year, John's like already, John was in the CFA program at the time. And he's like, "Look, this is kind of the next phase of where I think the firm should go."

"We want to be investment managers as well. We just don't want to go on other people's recommendations." He's like, "I want to," and he said, "I think the way we've talked, you want to as well, be in control of what the firm's value look like. What does a good investment look like? And shift the research end of things to kind of in-house and our control."

And so my senior year, he was like, "Why don't you look into taking CFA classes or try and see about taking CFA exam." He's like, "If you can do it while you're in school and know how to study, you haven't forgotten what it's like to study for a CFP or a CFA or some licensing. If you can do that while it's still, habits are still good." He said, "Try and get that and start that." So that was kind of piled on my senior year of some education and experience and—

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**Caleb Brown:** Wait, Donald, I want to go back to some of that. You said you started the CFA program while you were still a senior at UT Austin.

**Donald Capone:** My last semester of UT, the grad school, McCombs grad school had a CFA exam prep class.

And so I went to my professor, I knew the professor that ran the study program. And I said, "Look, can I audit the class? Can I just sit in? I'm thinking about taking it. I want to kind of get some exposure." And he said, "Buy the materials, come to class and you can learn and study." And my last semester of my senior year, I was prepping for level one of the CFA exam and did that in graduation. And then the professor was like, "Well, if you're taking the class, you might as well try and take the exam. What's the point of not—you're studying it." So level one was that summer after I graduated. So it was like late July, I think maybe early August of 2002.

So it was just kind of, again, I was interested. I had a passion for it so it was why stop? Like in my early years, the more knowledge I could get, the more experience I could get, that was what I felt was important. And thankfully I had, you know, John is a good mentor. It was pushing the way for me to keep going.

**Caleb Brown:** There's a lot there. And I want to come back to just the integration and sort of how the business grew and John, your thoughts, but while we're on that, let's—'cause John, you're a CFA and a CFP. So maybe I want to start with you because I get this question a lot in the recruiting business. And I also want to hear from Donald, what designation should people go for first?

**John Kvale:** It's changed. I would say it's very interesting. I just looked at, I had the diplomas on, you saw me kind of cut out a camera there. So I got my charter in 2003 and the financial planning in March of '94. So I'm aging, all your listeners will know.

The answer is it depends. Our firm, not to drag this out too long, but we have some clients that we roll up our sleeves and we do all financial planning,

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which the hangover from tax season, Donald will know, it's not about trading stocks and just tax season. But some clients come to us and they're like, "I want an index fund."

We're like, "Okay." And some clients come to us and say, "Unless you will build a portfolio of something..." we have a lot of clients that like some sort of protected strategy, well, that requires some expertise. And whichever direction you may gravitate to, it was really clear at the time the certified financial planner designation broadened my scope.

I had a finance major, an accounting minor and a communication minor. And so that gave me the splash to hit all the tentacles, but I could see the direction of the firm and quite frankly Donald's love for it, so the CFA was the direction to go for him. I was trudging through the program and knew that it was going to be time-consuming and the longer you're out the harder it is. So I can make a case that it's not a right or wrong answer, it depends on the person. At the time, and I know both of these have changed a lot, there is a lot more overlap in both of them from my understanding. For me, being frontward facing, which Donald is as well, but kind of usually I'm the early frontward facing, having both, I still run into people that say, "Unless you have a CFA, we don't want to talk to you. Unless you have CFP, we don't want to talk to you." So it's nice to have both of them.

**Caleb Brown:** Prospective clients.

**John Kvale:** Yes. I still run into that, did just a few weeks ago. So I would say if you want a broad, wider girth with a lot of depth, then you would go with the CFP.

If you want just specific to the investments then you would go with a CFA. There's more overlap and quite frankly, being away from these, both of these programs for a long time, I think most of your listeners will find that the CFP is where they would want to go. Our firm is a little bit different I mean some we have some study groups and some of them would say, "You're a dinosaur to pick out stocks." Well, we still have some clients that that's what they want

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to do and we're glad to do that and Donald leads that and I enjoy that aspect of it as well.

We do a lot of research economically, just whether it's stocks or just allocation decisions from the economic side that we feel are important. We are certainly allocators, but we do rebalancing and we're not just robots on the way we investment manage. Now, technology's helped us a lot keep our headcount down from a firm, but we do keep track of everything So we roll up our sleeve and I wouldn't challenge Donald to sit for the CFP because I don't know it right now, but a lot of the work that he does, reviewing almost hundreds of tax returns every year, you've learned a lot of the personal tax returns.

You've learned a lot of that. And quite frankly, the CFA has helped with that. So for me as a business owner, I wouldn't have changed it the way I've done it. And, but for Donald, I don't think I'm speaking out of turn. It was the perfect way for him to do it. And it was exactly perfect.

**Donald Capone:** For me, I always joke with John, more after the fact, but while I was going through it, I was like, "I don't necessarily like financial planning."

That wasn't like where I was excited about being, you know, with John and kind of seeing the business grow. I mean, I really did have a passion and a joy for the investing side of things and managing our clients' money, and so I never wanted to do the CFP. Now, being at the same firm for 22 years now and it's become enjoyable to me. I mean, now I'm brought into the planning and we, John and I talk about it all the time from a client standpoint, but early on, it was not where my passion was. So for me, it was like, okay, CFA makes sense. I want to learn about investing. That's where my heart is.

And so that kind of led me into making, you know, it's a no-brainer. Like I'll take it. I'll grind through it. We'll figure it out. But again, I've run across colleagues and friends, and this point we're starting to get clients' kids talking about graduating high school. And so talking to some of them, I think a lot of it is you have to follow where your heart is. That can't be your only leading

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factor, but you're going to do a lot better if you want to be a planner like Johnson and really kind of encompass a person's entire life cycle from early retirement to through retirement and accomplish all those goals for them.

I think a CFP is going to be where you should start 99% of the time. And that's going to give you the foundation to really, truly be a well-rounded planner and advisor. For me early on, it was just investments where I wanted to be. That's where my kind of passion was. And so I jumped straight to the CFA and you do get some of the planning, but it's not nearly as detailed and robust as what I remember the CFP being back then.

**John Kvale:** Well, and Caleb, here's an interesting story that just happened in the last two weeks as well where we're literally prepping for a client call, needed some distributions, where the client is, not to reveal too much information, but client needed some money. There were capital gains versus taking a distribution from a bloated asset in an IRA. Donald quickly runs down the classes and said, "Wait a minute. We're in this tax bracket. Well, I have a tax bracket." I said, "Okay, they're in this tax bracket. I'll stay in this tax bracket, but look, I got to do capital gains." So it's all, if we sell from after tax, the capital gains are going to be about the same as the tax bracket. It all blended. It all kind of blends.

And through, I guess, doing this for 20-plus years, shoot, he's a lot better a lot of the planning stuff in certain areas than I am, quite frankly,

**Caleb Brown:** Donald, you did gloss over that earlier. I'm coming back to it. You said, "I've been with the same firm 22 years."

**Donald Capone:** We haven't quite finished the story. So no, and I feel like I'm trying to make this story as quick and to the point as possible, but when it scopes the better part of, you know, when John met me when I was first 10.

So it's a very long, I'm not ancient or anything like that, but you know, John's known me for 33 years at this point. So there's a lot in there, but yeah, so tech bubble burst. Drops kind of dried up, I had kept interning with John. So

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I was still coming in the summers and we were still, I mean, I was getting the fortunate or unfortunate seat at the table to have conversations with clients about dot com shares that they own overnight becoming zero. I mean, I was a junior in college and having to sit at a conference table with John and listen to him have to say, "Look, this is, this is kind of changing our plan for a little bit." And so I was exposed to all that and back in school, there weren't jobs coming to the undergrads.

So I remember maybe, I think it was maybe spring break of my senior year of UT. I came up to Dallas, John and I met and had lunch and I said, "John, look, there aren't offers, there aren't really good jobs out there. There isn't anything in the market. What about me come to work for you? Like full-time, I'll start the day after I graduate."

I was like, "I'll move out of Austin, I'll figure out a place to live, however it works. What about me coming to the firm?" And this was so early in John's, our firm's life cycle. I mean, we were growing, but it wasn't like, I don't think John had a plan of, "Okay, we're at the point now we can bring on another employee."

And so he's like, "Let me think about it." And fortunately, I don't know how it works, but we figured it out. I was able to come on full-time. So that was June of 2002 and I get the ground running. I'm sure John probably, we didn't have as much work probably for me to do as we probably wanted. But like John said, we did share office space still with some other planners.

And so I was really when any, what anybody needed, whenever I could do, I was trying to help. And again, just getting exposure to the business. And that was a lot of years ago, but it's been kind of growing ever since then. And just—

**John Kvale:** Yeah, it's that old scenario. You say, "Don't not have kids because you can't afford them."

I mean, it's a silly thing, but we agreed on this and we kind of looked at each other and went, "We're going to make it right at this." I don't know how we're

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going to do it, but there were, it was frightening for both of us because you're still in the middle of this dot com bubble too.

**Caleb Brown:** Your revenue was probably not where you wanted it to be.

**John Kvale:** Well, it wasn't where it—there was a reason all those jobs dried up and here we are. We're like, “Hey, we can make this.” But, you know, I think some of the reason that we're here together, and by the way, Donald's the heir apparent. If something happens to me I always tell clients, “You get a step up, you get a smarter...” I mean, he takes over the firm but at the time it was pretty tough.

We were joined at the hip and I honestly, maybe the truth to the story, part of the reason of the longevity is we've been through a lot of stuff together, both good and bad times. And you learn what you're both made about and you learn there's compromises.

**Caleb Brown:** Yeah, I was gonna say, Donald, don't you know, Gen Y, Millennial, I mean, you're supposed to have at least seven jobs by now. So I'm really disappointed.

**Donald Capone:** Everybody looks at me, even all my close friends here in Houston that I'm with all the time. They're like, “How are you still at the same place?”

it's just, it's worked, it's been a great partnership. Part of it is the partnership with John, but also a lot of it is the partnership I've created with these clients. I mean, a lot of our clients, I would probably say we're very fortunate that I'd say probably 90% of the clients that we had when I started day one in 2002 still exist as clients today with our files.

**Caleb Brown:** That's really cool.

**Donald Capone:** Some of it is like I don't know how I could ever leave them because seeing them grow, we're getting through. They were just starting working and now we're, John and I, are helping them get into retirement. And

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so it's just, it makes sense to stay. It doesn't, there's nothing else out there that appeals.

**John Kvale:** And on that note too, it's interesting, the generation of clients, when they, you know, their kids are now a little bit chapter behind Donald and it's a natural progression. They're like honored to have Donald talk to this next generation because we keep our eye on the—and I'm a member of a golf club and they, about 10 years ago, they're like, “Hey, our club is dying because we've got too many older people in our client.”

And that was not, not that that's something that you want to make sure that you have longevity. And it's very interesting to see clients immediately enjoy and Donald—a lot of times they don't want to talk to me because I'm kind of out of the, I don't do the TikTok or I might be exaggerating to make that, but there are a lot of clients that only want to talk to Donald and that's exactly the way we want it.

**Caleb Brown:** Well, and talk to us about that a little bit more, John, when he first started out and I know he'd interned and he'd been there and his parents were clients, but what did you do to position him, 22-year-old kid who did pass the level one of CFA. So he's done some stuff, but really no experience. How did you position him and get him involved and integrated in the client meetings early on?

**John Kvale:** That's a good question. I think it was time, newer clients, a lot of our clients have been with us for 30 years, and so they saw the progression. And those would be the ones that their kids are coming on board and it's just a no-brainer. Their kids don't even want to talk to me. They want to talk to Donald, which is fine.

Donald, I would say a lot of our longer-term clients have just, I don't know, they understand that I have a super high respect for his expertise and when you respect somebody, it shows through and then been on, you've seen them in meetings and I guess something that's important to interject here for your listeners, Donald, when did you go remote? There's a story about this.



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**Donald Capone:** Well, yeah, I mean, heck, that could be a whole nother sentiment, but no, I met my wife in college while I was there. She was a little bit younger than me, so she was still at school, and I had moved to Dallas at 2002, and 2005, we decided to get engaged and she graduated college.

And she said, "I kind of want to stay in Austin." I'm like, "Well, I'm in Dallas, what's that mean?" And so, again, John and I are really good, and I think that's a lot of it too is if you're at a place that there's a good mutual respect between the two people, John never treated me like an intern. He was always very good about incorporating me into one, the business conversations, but two, clients conversations. And we were kind of on equal footing. He was as encompassing, kind of bringing me in as much as he could.

**Caleb Brown:** He treated you like a colleague, not a subordinate.

**Donald Capone:** Exactly. And so in '05, John already knew that Randy and I were getting engaged. He was there. I talked to him about the ring, like all that stuff. So he knew the conversations. And so I said, "Look, we talked. Randy would really love to stay in Austin. What do you think about me working in Austin, but staying for the firm?" And that was in 2005. I mean, remote work was not a thing that, I mean, that had just really started being some weird, "Oh, in a few years you'd be able to do everything from the house."

And so again, just like we kind of always did, how we did the internship, how we did coming on, we were like, "Let's give it a shot. We're going to try. If it works, it's going to be amazing. If it doesn't, well, we'll figure that out too." But the willingness to kind of go head first into the pool, whatever you want to say, like really has been a kind of cornerstone to the firm and our partnership.

And so from 2005 on, I have not been back at our Dallas office. I've been remote ever since. And it's allowed me to have a family. It's allowed me to create a life with my wife and my kids. We're at Houston now because my wife wanted to go to law school. So we came here and it's allowed the

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flexibility, but to still have all my working focus on the firm and the clients and what that means. So it's been, again, it's an amazing transition.

**John Kvale:** Back to the heart-to-heart where you have your back against the wall, our biggest challenge, Caleb, was technology. We were, I mean, it was speed. Honestly, internet speed. And we were just banging our head against the wall and we were like, "I don't know what we're going to do."

And just about, I mean, just about when we're like, you know, all of a sudden technology came along. Would you agree, Donald? I mean it was—

**Donald Capone:** Yeah, I mean that's it. Broadband started showing up. I mean, in '05 I was having to use PC anywhere with a dialed-up connection and it worked just enough and I think, you know, again, luck. Meeting John, how did my parents become clients, some of it is luck.

It's just getting yourself in the right situation or having the situation turn out in your favor and some of it technology just turned the corner at the right time for me and we were able to take advantage.

**John Kvale:** But back to your original question, Donald was a part of those, they were phone calls, there'd be client meetings and he would be standing by, he was a part of that. Well, fast forward to post COVID, I mean, nobody even wants to, clients don't want to drive. New clients want to come into the office and when we have new clients in, he's on a nice TV and we'll make the introduction. It's good to see, it's not even an issue. It's actually, I think it's kind of like a cell phone. If you don't have one, if you don't have a way to do virtual, then people would look at you funny.

And to answer your question, over that period of time, I included Donald as much as possible, and we do not throw anybody under the bus as a firm. You don't make anybody look good if you say, "Oh, well, the mail did this." You just got to get it done. There's certainly problems. I've always had that and I say we've always had a kind of an agreement just get the work done. That's all we need to do and as life has gotten busier and it's more virtual, the hardest thing that we have is trying to keep up when everybody, you

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know, “I’m on meeting. I’m running up to a meeting after this.” And then Donald’s got, you know, it’s just making sure our schedules sync in today’s environment. But back in the day, it’s not a nine-to-five thing. It’s just getting the work done.

**Caleb Brown:** You guys were early adopters. You didn’t realize it on all this stuff. I mean, I remember in 2009, when I first started the recruiting firm, like calling people in college, like college students, and explaining to them how we were going to get on this Skype video call.

**John Kvale:** Oh, no. Are you serious?

**Caleb Brown:** They had no, they were like, “What?” I mean, and look at we are now, I mean, to both of your points. I mean, Donald, you said something wrong, but I don’t, I mean, I didn’t want you to sort of diminish, I mean, the attitude that you have, the, “Hey, I’ll do anything, John, I’ll drive up there, I will file. I’m a UT business school student. Like nothing is beneath me. I’m happy to do that.” I think John saw that. Yeah, did you guys get lucky on some stuff, but you delivered, I mean, he throws the CFA thing out there. You go pass it. You go do it. I mean, that’s what the candidates and the people that have success and the, I mean, that’s what they do.

I mean, it’s just a different mindset. And like some candidates that call me, it’s like, “Wait a minute. That sounds like a lot of work. I’m not going to do that unless John agrees that he’s gonna hire me.” I mean, that’s a totally different mindset.

**Donald Capone:** Right. And I think that’s what, at least for me, I think that mindset has to be, especially if you’re trying to make this your career, especially for anyone, if you’re coming out of college and you’re trying to start your book of business, which that’s a whole challenge in itself, I feel like. You have to be willing to do anything. I mean, especially if someone as you know, prospect from a client standpoint, it’s coming to you and saying, “Why am I going to give you my hard-earned asset?”

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You have to be willing to put in as much work as possible. There isn't a, "I'm here at 8, I'm here at 5, leaving at 5." Ah, put it on behind you. I mean, we fortunately try and not think about it at home, try not to bring work home, but you're in these people's lives for so many years.

And if you really want to be good at this job, you have to have that mentality of you're going to be around for the long haul. You're going to be watching these clients have families, have grandchildren, retire. I mean, if you want to be a planner, that should be your goal. Like you want to be in the entire life cycle of this person and that you have to have that work ethic.

You have to want to do the grunt work if it needs to be done because that's going to show the respect I feel like that you have for these people's lives, that it needs that grunt, it needs that kind of dedication to these people. They're the whole reason you're in the business. I feel like that's where your brain space kind of has to be if you want to be a good planner or good advisor.

**John Kvale:** And this probably maybe speaks to your audience. I was thinking about this when Donald was going through that. I mean, to come out of school and expect to just have people trust you with their life, it is not going to happen. You have to earn that. And there's so many different facets of this industry that you may not be frontward speaking.

Donald's really good at frontward speaking. That person may not be, but I will say by having the ability to do something like this, and Donald has done this, it's very helpful too wherever your career path may go, but there is no, you're affecting people's lives greatly.

And in our opinion, if you're doing something right, you're a resource. Sometimes at nine o'clock at night on Sunday, when they're having a problem, that you could take a lot of stress off of them and you take that stress but you've got to earn that right and it's, I mean, Donald's clearly earned it. I've earned it through years and years but new people coming out of the industry, you're just not going to learn all of that right out of school. You may know the taxes better than both of us or some obscure thing. We're

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going to know the land of hard knocks, and I think that's earned. And I would try and set people up to expect that you've got to spend some time earning that. I may have got off topic, but hopefully, that'll be important to some of the people that may listen to this.

**Caleb Brown:** And maybe as we're just kind of winding down, and this has been great guys, I really appreciate y'all coming on and sharing this. I mean, you two guys, I think you had a couple other people at the firm. I mean, how many families do you serve? And then where are you trying to go from here?

**John Kvale:** So we have about a hundred, we have 116 families. We're not trying to be the biggest firm in the world. That's not our goal. This tax season with the merger of TD Ameritrade and Schwab, we actually turned away a lot of people because we couldn't service our current clients and those people went, they went to other places. And I think our most important thing is this came up in the throes of January, February, and March. We don't want to compromise taking care of what we've promised our current clients at the expense of bringing in new clients.

So we certainly want new clients, but we're not out there. Our goal is not to be, we frequently said, "What if we had 15,000 accounts?" It'd be trouble. So we're certainly looking forward to having the next-generation technology. Donald's reviewing, this is a perfect example, Donald's reviewing some potential new software and technology that is going to add a headcount for—it'll be one less person that we would have to hire. I heard somebody say this a few years ago and it seems like, I know that's maybe not what your candidates want to hear but they need to have the reality, technology is moving, and I'm not talking about AI, I'm talking about the all-encompassing, it's allowing us to all do more. I expect over time we'll have higher head counts.

That way we have some loose relationships with some other firms that when they retire, we're going to stay private. We want to stay multi-generational. We always say we have five bullets. I have two kids and Donald has three to pass the firm down and hopefully out of those five, we'll continue to be more

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of a high touch office, but grow but not massive growth and Donald, I'll have to let you put in your two cents.

**Donald Capone:** Selective growth I feel like is probably the key word for us. We've done a really good job Making sure we were the right fit together and managing that. And I think we pass along that same respect to clients and knowing there's a right fit. You may not be our ideal candidate. We may not be your ideal financial planning firm and we may not be the right fit for you.

And I think honesty is huge in this business and especially starting out, you have to trust the relationship and know, you know, if you're, whether you're trying to get an internship, whether you're trying to go out and right from day one, start your own firm, you have to trust yourself. You have to trust the clients you're bringing on and do it for the right reasons and realize that not everybody is right for everybody.

I mean, fortunately, again, our relationship, our business side of things was a good fit and has turned out to be a tremendous partnership. Now that doesn't mean every client we've had has done that. And I think as we've been together as a firm, we've realized, "Okay, this firm can help this client better than we can help this client."

And we've been willing to pass that on to colleagues and refer colleagues' business that look, "Y'all's firm is, I think, amazingly set up to manage this person's life and what they're looking for." And I think as much as the business is a relationship business between advisors and clients, the business is a relationship business between advisors and advisors. I think getting yourself out there to, you know, networking and exposing yourself to other advisors is a huge networking thing that may be, you know, probably coming out of college, you may not be aware that's something as necessary as it is in this business, doctors, that kind of stuff. Like you just go to school, you plow through, you have to do the extra work in school and things just kind of happen. There's a process. I feel in planning, you have to be your own best advisor to put yourself in the right networking groups, the right client base, the right firm base, you kind of have to plan it out yourself a little bit

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too. You have to be as hardworking as you want your clients to see. You have to kind of do that to get your own foot in the door too, I think

**Caleb Brown:** We've documented the success and the relationship and the partnership that's obviously worked very well and kudos for that.

John said earlier, you guys have been through a lot. I mean, what's been something that hasn't worked or maybe better, how do you guys handle disagreements?

**Donald Capone:** I think it's conversation. We talk so much. We spend more time behind the scenes, probably more time than clients even actually realize, talking about the goals, the strategies, the plans, and as great as our partnership is, and we probably wouldn't say we disagreed more than we agreed, but it's not like we're a hundred percent aligned on every single decision.

There are a lot of conversations where John makes his argument, and it's better than my argument, and I was like, "You know what, that really, that makes sense, I feel like that is the right decision, or the right path." And then there's other times where my conversations and my reasoning and logic makes sense and John agrees.

So you gotta be willing to talk it out, whether it's to a client and not, and I think our clients would agree too. Just 'cause we say it doesn't mean it's right, like we have a conversation, it's a two-way street. I don't think you can come into this business as a dictator and say, "It's my way or the highway. This is how you have to come to my firm as a client. This is what we're going to do." Because it isn't cookie-cutter. Not every situation is going to be the same plan regardless. And so you have to be willing to have your mind changed because the other points are more valid and more fittings of the situation and I think that's all based on conversation.

**John Kvale:** I would add to that, we rarely have arguments and I think we both have a mutual respect for each other. He'll override my decision on things that he knows and I may overwrite decisions that I know, but it's never

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just my way or the highway. And it's interesting now, we've matured and with clients, sometimes we'll have an open dialogue live with the clients in this menu, talking it out. And we find that just, "Hey, what about this? What about this?" Because we're really getting into the nitty gritty and clients, we find, that really appreciate that. But it's, I mean, we are not in an argument ever.

I think it's a mutual respect for—it's back to never, we never throw anybody under the bus, no one under the bus. And that's because whatever the client, their perspective is, it's us as a firm and a team, and certainly seek out each other's opinion.

**Caleb Brown:** This has been again, great. I really appreciate the time and you guys coming on here. Donald, I want to kind of hit in with you, then we'll come to you, John. Just any final tips, any suggestions or ideas? I mean, we've covered a lot of good ground. and I hope our audience will get something out of this. I know I sure have, but any tips you want to leave our audience with?

**Donald Capone:** I mean, I really think we haven't gotten to share this really outside of our bubble. And I know we spoke a decade ago and did some FDA stuff together about this, but really you gotta be willing to do the work and that's kind of a life lesson.

I feel like we've talked to clients' kids about like there is a little bit of a generational gap now where there is some expectation of things being handed to you or just situations being handed to you and you just run with it, but my success has been due to the hard work and willing to roll up your sleeves and do whatever needs to be done to one, get the job done, but to kind of prove to your clients that you're there for them, you can do this, like you're going to be calm, you're going to be collected, you're going to think analytically about things and really take, like John said, take their stress off their shoulders, put it on yours, but be reasoned and be kind of calm about what you're getting into and how to get through the plan.

But hard work always pays off. No matter, it may not be in the first job, it may not be the first person you meet, but if you're willing to work hard, that attitude



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is going to come through. And, like I said, networking is huge. So just because the fit wasn't right with that internship or that advisor that you get paired with that doesn't mean he may not know someone that you're going to be a better fit for, or 10, five years down the road, they're like, "Oh, what about so and so. You really did a good job, but it just wasn't the right fit, "But let's see where they are now. And maybe they can help you guys out or something." Don't burn a bridge.

Networking is amazing in this industry. And I think the willingness to put in the work is going to really come through and I think that this industry is about hard work and you can't be someone's go to from a financial life standpoint or really a life standpoint if you're not willing to do that hard work I mean that's what's necessary I feel like from really an advisor standpoint anyways.

**Caleb Brown:** John, what about you? Any final tips you want to leave us with?

**John Kvale:** Yeah, for your audience, I would say this is a wide—what we talked about is a bit more narrow because we're a smaller firm. This is a wide, wide industry.

Be very, very honest with yourself and find what you really like. There's something in this industry that will make you happy and have fun. And the faster that you can find that, you'll find you wake up, yeah, not every day is a happy day. We all have good and bad days. But if you can find out what you really like, you're going to be successful because it won't be work.

Yes, it's work, but it's fun work. I think I can speak for Donald. We enjoy, I enjoy every day. Sometimes it's too long. Sometimes it's a hassle, but that's because we found what we like to do. And I think we found our posts within a firm. It's out there, fun, be really honest with yourself as quick as you can, and that'll get you longevity, whether it's behind the scenes, in front of the scenes, quicker you can do that, I think, that's your key to success.

**Caleb Brown:** Thanks so much for coming on the show guys.

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**Donald Capone:** Appreciate it. Thank you for having us.

**John Kvale:** Thanks for having us, Caleb. Appreciate it.

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