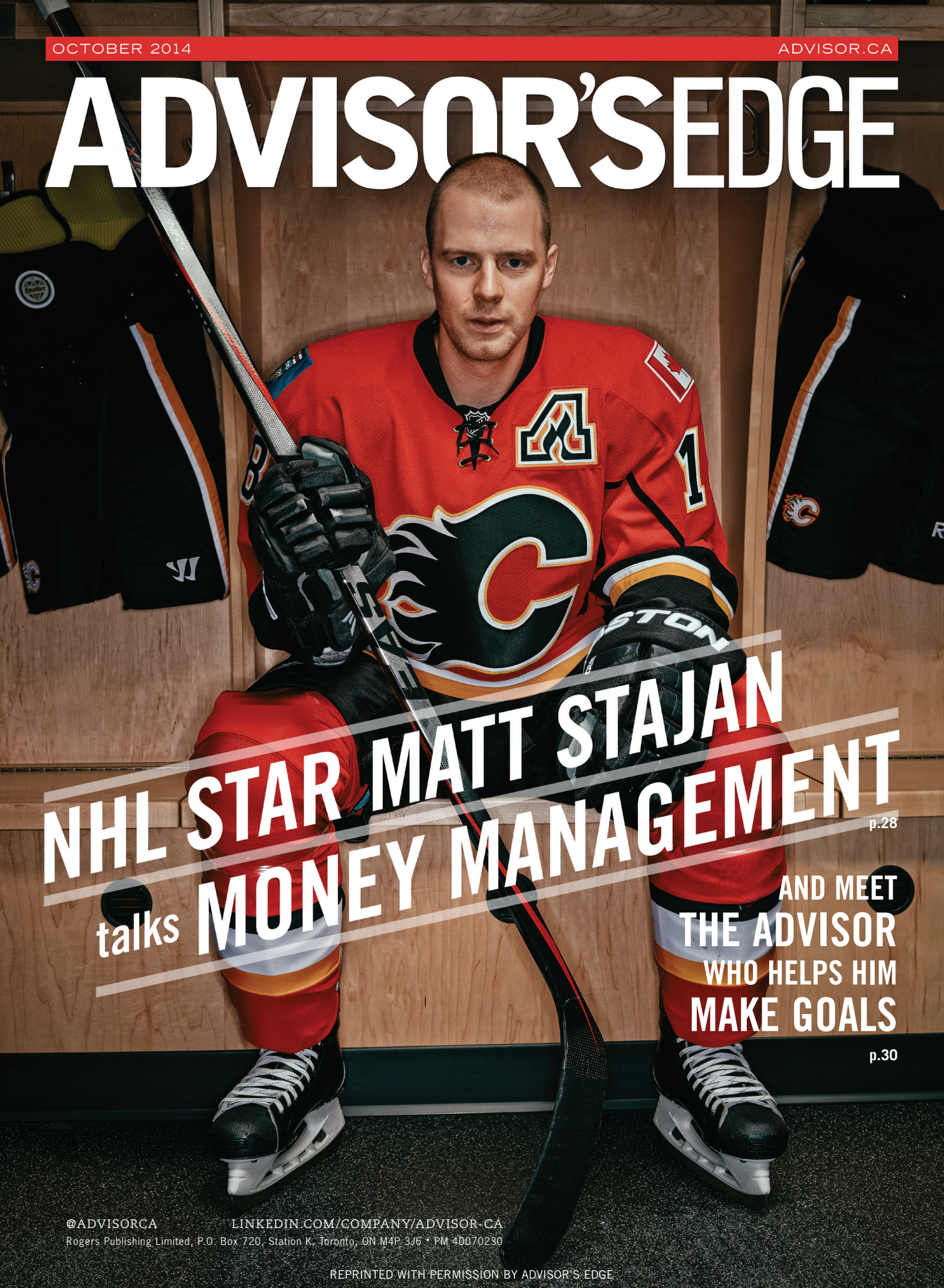


# ADVISOR'S EDGE



## NHL STAR MATT STAJAN talks MONEY MANAGEMENT

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AND MEET  
THE ADVISOR  
WHO HELPS HIM  
MAKE GOALS

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# STICK ON THE ICE, EYE ON THE MONEY

*Calgary Flames  
centre Matt Stajan  
on finding an advisor*

By **JESSICA BRUNO**,  
content editor of Advisor Group

**“WHEN YOU GET YOUR FIRST  
SIGNING BONUS, YOU TAKE THE  
ADVICE OF PEOPLE YOU’RE  
CLOSEST WITH.”**



Check out more photos from the shoot.

**WHEN NHLER MATT STAJAN** made his first million at age 20, his financial advisors were the same people who taught him how to count—his parents.

During his rookie years, Mike and Nada Stajan helped their son manage money, even though several outsiders had offered to help with his finances. They were his natural choice, he says.

“When you get your first signing bonus, you take the advice of people you’re closest with,” says Stajan. “My parents taught me how to make the right decisions, and [not to] rush into anything.” Mike runs a fire-door business; Nada is a homemaker.

Eventually, the three of them started looking for someone who could take Matt from day-to-day transactions to a sophisticated financial plan.

Together, they started vetting advisors. The elder Stajans were in the room when Matt met advisor Chris Moynes in 2005 (see “Coaching clients,” page 30), who still advises him today.

Now 30, Stajan has been in the NHL for 11 years (the Mississauga, Ont. native started with the Toronto Maple Leafs in 2003 and moved to the Calgary Flames in 2010).

This January, he and the Flames signed a four-year deal worth US\$12.5 million. When his contract is up in 2018, he’ll have earned a total of about \$32.7 million. The NHL players’ collective agreement provides life, accidental death and disability insurance policies. In Stajan’s case, those policies are potentially worth more than \$6 million. When he turns 62, he should get a pension of at least \$210,000 a year.

Despite these assurances, Stajan says he learned to value money from his parents. As a teenager, he spent summers on the factory floor of his father’s company and winters at the rink.

“They always taught me that you have to work for everything,” he says. “I had to work my whole life to get to the NHL, and as a teenager, if I wanted

to make money, I had to work for that too.” Now, he wants to make sure he and his wife, Katie, can live well—no matter what happens on, or off, the ice.

**Do you take a hands-on approach to managing your finances or do you leave that to others?**

**MS:** I definitely take a hands-on approach. You always want to learn about what’s going on with your finances, even though the easy thing would be to just give your money to a financial advisor and let them do everything.

**As someone with a public profile and lucrative contract, was it difficult to find an advisor you felt comfortable with?**

**MS:** My first few years in the league, my parents helped me with the basics. When I first started out, I received a lot of interest from people trying to help out with my finances. You get so much advice from people and you don’t know who to trust.

Having friends on the team, we talk about who’s managing our money. You hear about advisors whom the other guys have good relationships with. I met Chris through one of my teammates, and word of mouth was the best way to find an advisor.

With Chris and me, right off the bat I felt a connection and we’ve become really good friends. We can talk about life and it’s not just about finances. It makes everything much easier. I hear stories all the time about other players and their families making bad decisions and being convinced to make investments by the wrong people. It’s unfortunate, but it happens.

**What problems should an advisor who works with hockey players prepare for?**

**MS:** It’s a unique situation, because you’re making a lot of money at a young age. It’s overwhelming, and you want to make sure you’re making the right decisions. If you’re lucky, you play in the

NHL for many years, but the average is three to five years.

You’re making the majority of your income in such a short time. You have to make that money last, because you don’t know what’s going to happen in life, or after you’re done your professional career.

My wife and I meet with Chris a couple times a year. We have a plan in place to make sure that when I’m done playing we can live the lifestyle we choose for the rest of our lives. We have to budget, and we have a long-term income plan.

We have an idea of what we can spend every year. We have to plan for family and future kids, so things can change, but we’ve estimated what we’ll need for the rest of our lives. Saying that, I’m not just going to retire from hockey and do nothing. I’d like to stay in the game, whether it’s coaching minor hockey, being management or getting into media. Those are all ideas I’ve thought about, but I’m not too worried about it right now.

**Your past two contracts have been negotiated every four years. Does that influence your financial plans?**

**MS:** For me and my family, it was important to have stability, so I was lucky enough to be in a position to negotiate a long-term commitment with the team. Sometimes players take shorter-term deals to try and make more. I’m happy with the fact that I’ve got four years, and we’ve worked that into our financial plans.

**What’s the biggest item you’ve ever splurged on?**

**MS:** When you work so hard to get into the NHL, your initial instinct is to spend your first paycheque and reward yourself. I didn’t do it right away, but pretty quickly I bought a nice car, and I bought my parents a gift. I didn’t overdo it—it was an SUV I really wanted, [so I got] a BMW X5. <sup>AE</sup>

by **SUZANNE SHARMA**,  
*associate managing editor of Advisor Group*

# COACHING CLIENTS



LEFT: ROGER YIP; TOP RIGHT: THINKSTOCK

**CHRIS MOYNES**

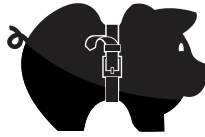
is managing director, ONE Sports & Entertainment Group at One Capital Management, LLLP in Toronto. About 95% of his clients are NHL players, agents and coaches. The remaining 5% are in the entertainment industry, including actors and directors.

**A CLIENT WANTED TO BUILD A LUXURIOUS** new home for him and his wife. He approached his advisor, Chris Moynes, to ask if he could afford it.

But it was July 2012, this client was an NHL player, and there was a collective bargaining agreement between the NHL and NHL Players' Association. When the contract comes due, explains Moynes, if both parties don't agree

on the terms there can be a lockout or strike. If there's a lockout, his client doesn't get paid.

Moynes, managing director, ONE Sports & Entertainment Group at One Capital Management, LLLP in Toronto, suggested the couple wait a year. They agreed. That turned out to be a good idea: there was a half-season lockout from Oct. 2012 to Jan. 2013.



**\$69 MILLION** The NHL's 2014-2015 salary cap, up just \$4.7 million from the previous season. Source: Canadian Press

Because they'd taken his advice, they were able to better manage their finances. Moynes notes he "hoarded a lot more of their money in money markets, so they'd have access to capital." As a result, they didn't have to make any sacrifices.

"Also, they were able to finish the house the way they wanted to a year later, without any financial stress," he says. "And they didn't have to deal with a shoestring budget."

### Portfolio breakdown

For Moynes, these types of discussions are typical—95% of his book is NHL players, coaches and agents. He often has clients who want to purchase an expensive car or boat on a whim. His goal is to help clients understand if they can afford it, and shed light on the right financial decision.

Still, he'll leave money for fun purchases. "We'll always have an amount that's liquid, and that number depends on the individual," he says. "For some, it's \$50,000. For others, it's \$500,000." The amount depends on what important life events the client expects in the next year, such as an engagement proposal or wedding.

There have been instances where clients haven't listened and bought items they couldn't afford. "Sometimes, [advising them against] it is not what they want to hear and, ultimately, it's their dollar," says Moynes, adding he's never fired a client as a result of a splurge. Instead, he'll rework the plan and continue to remind him that big paycheques won't always come in.

In fact, players' careers are short—the average is 5.5 years, he says, and they'll earn an annual salary of about \$2.4 million, for a total of \$13.2 million

(see "Advising ultra-high earners with short careers," page 20).

"If you don't plan properly then, unfortunately, five years after their career is over, about 70% of players are bankrupt or in financial distress," he notes.

Moynes breaks down their plans into seven categories, which he outlines in his book, *The Pro's Process*. This includes: banking (e.g., credit card debt and mortgages); money market high-yield funds (which are liquid investments); pension; other investments; insurance; real estate; and estate issues. The amount that's in any given category depends on each player's goals. For instance, only about 20% of his clients invest in real estate outside of their homes. Again, it comes down to affordability, explains Moynes.

"Some of the property they're buying, taxes are \$20,000 to \$50,000," he says. "Even if they pay off the property by the time they're finished playing, they'll still need income to continue to pay taxes. If there's no income, the option is selling and adding that chunk of money to the portfolio."

There are many variables. If the player hasn't signed a contract with the team, or his deal is short-term, he could be traded. In these cases, Moynes suggests renting.

"I've seen it too many times where a guy is sitting on a property that's in a different city than where he's playing, and he can't get rid of the property because there's no market for it," he says. "If you're signed to a one-year deal, don't buy a house."

These clients are also at high risk of injury. Though any injuries sustained

**"I'VE SEEN IT TOO MANY TIMES WHERE A GUY IS SITTING ON A PROPERTY THAT'S IN A DIFFERENT CITY THAN WHERE HE'S PLAYING, AND HE CAN'T GET RID OF [IT]."**

while practicing are covered within their contracts, Moynes still includes disability insurance as part of their plans. Premiums can be anywhere from \$1,000 to \$100,000, depending on the coverage. For instance, off-ice insurance is usually cheaper, and covers the player for any injuries they sustain while off the ice. Meanwhile, 24-hour coverage is more expensive, but covers the player for every second of every day.

Also, whole life (WL) insurance is equally important to mitigate risk. "There are two components," says Moynes. "We can have large sum deposits that earn money while they're young and spin off income down the road, and also the insurance part to protect their families."

His research has shown this is a better option compared to universal life (UL) policies, which "got beat up in 2008." He adds, "I prefer WL because, behind the scenes, the investments are being chosen for us. It's not market-driven and has more certainty compared to UL."

Once clients are done playing, some go into other lines of work, including coaching, sales or broadcasting. But the goal, he says, is they shouldn't have to work unless they want to.

For instance, retired NHL player Aki Berg is one of his clients. A few years ago, a reporter in Berg's

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native Finland tweeted that, after playing for a local team, TPS, he'd taken a job as an assistant trainer. Moynes called Berg to confirm he was only working because he wanted to. Berg said his goal post-NHL was always to be part of TPS.

"It's something that's augmenting his income," says Moynes. "But, more importantly, he's doing it because he wants to be a part of hockey and a team."

### Getting clients

Moynes entered the business 20 years ago, joining his dad's practice at what is now Assante Wealth Management. By the early 2000s, the firm had acquired several clients in the sports industry. Moynes, who played hockey and tennis in his teens, wanted to combine his two passions, sports and finance, so he took on a few of those clients.

In 2004, he faced a decision—take over his dad's book, which included

families and retirees, or branch out on his own. He picked the latter because he wanted to focus on building a sports entertainment practice. He made the move to RBC and took three hockey player clients with him: Berg, Cory Cross and Shaun Van Allen. And, after spending a decade at RBC, he joined the new sports and entertainment division at One Capital Management, LLLP, in Sept. 2014.

Moynes has grown his practice to \$100 million in AUM. He serves 125 families, half of whom prefer a fee-based platform.

One of the best ways to find clients, he says, is by attending the annual NHL draft each summer. He's able to meet young players who likely don't have an advisor yet.

Typically, Moynes introduces himself to the prospect's parents. "It's about talking to their families and congratulating them on the success they've had

to date." He'll also briefly mention the financial challenges the player could face moving forward, including running out of money, and then tell them he's available to talk about planning when they're ready.

He adds, "You're not signing guys at these events."

Moynes also talks to agents. "They carry a lot of power from the standpoint of what some hockey players do."

Since agents can manage anywhere from as few as two players to more than 15, it's hard to gauge how many prospects he speaks to, or clients he gets, as a result.

And when meeting players, he doesn't act like a fan.

"You can't ask for autographs or be star-struck. I've seen advisors act in that fan-crazed manner, and these clients aren't interested because they want to have their accounts looked after in a professional manner." <sup>AE</sup>