

Special Report

Top
50
Fee-Only Advisers

Investment Adviser Top Dogs

By Matthew Schifrin, Electronically reprinted from October 6, 2008

September 2008 was a black month for Wall Street and most anyone involved in investing. It was a month when 152-year-old Lehman Brothers filed for bankruptcy and once-mighty **Merrill Lynch** was forced into a fire-sale to **Bank of America**. Credit markets seized to the point where panicky investors bid up Treasury bonds to negative yields. A slew of financial institutions failed and stocks plummeted nearly 12% for the month.

You would think that it would be a difficult month to hold an investment conference. Not so if you're Schwab Institutional, which hosted a financial adviser gathering from Sept. 23 to Sept. 26 at Atlanta's Georgia World Congress Center. Despite the gas shortages in neighboring counties, more than 3,500 investment advisers and hundreds of mutual fund companies, insurance providers and asset managers showed up to learn about trends and best practices—and to network.

In an otherwise dismal financial environment, the financial advice business is readying itself for a boom. Consider that in the first half of 2008, Schwab Institutional, the portion of the discount brokerage that services financial advisers, brought in \$34 billion in net new assets.

What's going on is nothing short of a perfect storm for the business of giving financial advice. More than 77 million baby boomers are staring down retirement at the same time that the S&P 500 Index has given back a decade's worth of returns, housing prices have declined more than 20% nationwide since July 2006, and most

of us are facing the scary new reality of defined contribution or "do-it-yourself" retirement planning. It's no wonder that already more than half of people in the U.S. are turning to some form of professional financial advice.

Forbes.com is launching a new Financial Advisers Network, in the hope that we can help the growing armies of advisers better serve themselves and their clients.

Capping off our new financial adviser coverage is a ranking of the biggest, fastest-growing and most promising investment advisers in the business today. Thanks to a partnership with Web-based financial advisory and registered rep tracker, RIA Database, we have compiled a ranking of the top 50 registered investment advisory firms.

Unlike many other rankings, we put in place a few hurdles that set our list apart from most others. First, our rankings use discretionary assets under management as a benchmark rather than the bigger asset figures that firms bandy about in their marketing literature. Our view is that discretionary assets, which don't include certain trusts and real estate assets for example, are the real money that financial advisers have an impact on when it comes to returns. A greater amount of discretionary assets under management is vote of confidence by a firm's clients.

Another important limitation of our ranking is that we excluded from our listing all firms that employ representatives earning commission revenues and those that mostly sell proprietary products. This isn't a small number. Tens of thousands of

financial advisers have licenses that allow them to earn commissions and many work for big brokerages or banks selling proprietary products.

Using data derived from Securities and Exchange Commission Form ADV filings, RIA Database provided Forbes.com with a listing of firms that offer "fee-only" advice. For the most part these fees are a percentage of assets under management, say 1.5%. This differs significantly from old-line commission brokers like those employed by firms like Merrill Lynch (nyse: MER), who earn more if they "churn" your assets or sell certain products, like annuities, that vendors pay high commissions on.

Our listing of the 25 fastest-growing investment advisories singles out those whose assets have swelled the most since January 2008.

Our top 25 up-and-comers list takes a look at registered investment advisories with between \$100 million and \$500 million in discretionary assets under management that grew by at least 30% since the beginning of 2007. These are the firms that have not yet reached "mega" status but are worth keeping an eye on.

Please note that while we approve of fee-based compensation because it holds advisers to a higher fiduciary standard and aligns their interests with those of their clients, we in no way are endorsing or recommending any specific firm from our various adviser rankings. As always, you need to perform your own due diligence on any financial adviser that you entrust with your money.

Top Advisers

The Up-And-Comers

By Forbes.com staff, Electronically reprinted from October 6, 2008

In the asset management biz, below the radar is \$500 million or less. Here are 25 RIA firms to watch.

When it comes to the investment advisory business, critical mass begins when you surpass \$500 million in assets under management. With the help of Charlotte, N.C.-based RIA Database, Forbes.com compiled a listing of the top 25 emerging investment-advisory firms using the following criteria.

Rank**	Firm	City	State	Website	Assets (\$mil)*	Executive	Executive Title
11	Willow Creek Financial Services	Sebastopol	CA	www.wcfsinc.com	\$443.4	Bruce Dzieza	President
12	Woodard & Company	Advance	NC	www.wcamg.com	\$443.1	John Woodard	President
13	Pillar Pacific Capital Management	Daly City	CA	www.pillarpacific.com	\$442.1	Mindy Ying	President
14	The Financial Advisory Group	Houston	TX	www.finadvisors.com	\$436.5	Richard Alphonso	President
15	Corrigan Financial	Middletown	RI	www.corriganfinancialinc.com	\$461.2	Daniel Corrigan	President
16	Hufford Financial Advisors	Indianapolis	IN	www.huffordfinancial.com	\$425.3	Brian Hufford	President
17	Howard Financial Services	Dallas	TX	www.howardfinancialservices.com	\$421.8	Theresa Stuteville	President
18	Durbin Bennett Peterson	Austin	TX	www.dbpaustin.com	\$418.6	Harold Peterson	Chief Investment Officer & Partner
19	Dixon Hughes Wealth Advisors	Asheville	NC	wealthadvisorgroup.com	\$418.4	Frank Hoyle	President
20	FBB Capital Partners	Bethesda	MD	www.fbbcapitalpartners.com	\$410.1	Susan Fulton	Owner
21	Sharkey Howes & Javer	Denver	CO	www.shwj.com	\$402.3	Joel Javer	President

Source: RIA Database

*Discretionary assets under management as of Sept. 30, 2008

** This is only a portion of the Top 25 emerging investment-advisory firms. Not the full rankings.

Highlighting added for emphasis.

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