



JONATHAN CASTNER

Out-of-the-box thinking is what drove Steven Pastore, left, and Duke O'Neil to open Paragon Capital Wealth Management LLC in Boulder, an independent advisory firm, after many years of working for a large investment firm.

Wealth-management firms find Boulder Valley fertile ground

BY REBECCA COLE
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Even with the economy trending downward, there are enough high net worth people in Boulder to attract several wealth-management companies to recently open up shop.

Wealth management advisers incorporate investment advice along with

financial services such as estate, trust, tax and cash-flow planning. In contrast to an investment broker who sells stocks and bonds to clients, a wealth-management company collaborates with clients — typically, those worth at least \$1 million — to manage their entire asset portfolio.

“We act as a quarterback or personal CFO,” said Dan Figliola, a wealth adviser

with Coldstream Capital Management, Inc. “Clients come to us not only for investment management but for a holistic view.”

Based in Bellevue, Wash., Coldstream opened its Boulder office in April after surmising that the entrepreneurial community here was similar to that of the Pacific Northwest. With \$1.1 billion in assets under management and 450

clients firmwide, the company is experienced in helping clients diversify their concentrated stock positions, having worked with several former Microsoft employees, Figliola said.

"Many Microsoft people have become multimillionaires just by working in a regular capacity and owning a significant amount of shares," he said. "But from a diversification standpoint, especially when moving into early retirement or another entrepreneurial area, it's not the best thing."

Figliola said wealth management has changed over the years, from the "silent broker" of 20 years ago, to a do-it-yourself mentality in the '90s. But, he says, since the tech bubble burst investors are looking for a partnership with their financial adviser. "It's more focused on the long term rather than the short term ups and downs we see in the market

Nancy Stevens, managing director for First Western Trust Bank, said even though Boulder is relatively sheltered from those ups and downs, all investors — regardless of personal circumstances — have a certain amount of anxiety when the stock market plummets 20 percent.

"If you can talk to someone face to face about what's happening with their portfolio, that drives a lot of comfort and direction to investors," Stevens said. "It's another advantage of being local."

Headquartered in Denver, First Western merged with longtime Boulder wealth-management company Reber/Russell and opened its new office earlier this year at the corner of Broadway and Canyon in Boulder. With approximately \$2.8 billion in assets under management, the bank's revenues grew from \$5 million to \$14.3 million from 2005 to 2007.

"If you can deliver a high level of expertise and do it locally, it's very attractive to people here," Stevens said. "People don't want to drive to Denver or talk to New York or Boston if they don't have to — but the products have

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Out-of-the-box thinking is what drove Duke O'Neil and Steven Pastore to open Paragon Capital Wealth Management LLC, an independent advisory firm, after many years of working for a large investment firm. The partners said they pride themselves on being "students of the game" — verging on geekdom, according to Pastore — to drill down into the logic behind shifting markets.

"I think a lot of this industry has a "French vanilla" approach to what diversification means," O'Neil said.

Although the company would not disclose its assets under management, Pastore said the duo has about 260 clients between them and that although their number of clients has shrunk, their assets and their income has risen.

"It's a win-win situation," Pastore said. "Before, it was like running with blinders on."

O'Neil said their emphasis on technical analysis and contrarian strategies helped clients weather the current storm.

"I'm proud to say every single one of our clients was aware of what was coming before it happened, so we didn't have panicking," he said. "We're not in the fetal position hiding under the desk."

AMG National Trust Bank, a wealth-management company with \$2.7 billion in assets under management and a heavyweight in the Denver financial services industry since the late 1970s, opened its Boulder office in February. Chief Executive Earl Wright said the Boulder market offers an opportunity for AMG to help clients use their wealth wisely to improve their surroundings.

"There's a broad interest in philanthropy here," he said. "For us it's professionally rewarding to help get clients as much out of it for themselves but also for the community where they live."

Wright said one of the most difficult discussions to have with clients is whether or not they can afford their standard of living, especially if retired and facing asset depreciation. Since wealth-management advisers know the totality of their clients' investments, Wright said, they can shift assets away from areas of exposure and toward opportunities. But clients have to look at the risks they are willing to take in order to maintain a certain lifestyle.

"If they can't sleep well at night, then guess what, they may need to make some tough lifestyle decisions if they can't pursue the type of portfolio and returns they need to have," he said.