

GRAND RAPIDS BUSINESS JOURNAL

WWW.GRBJ.COM VOL. 26, NO. 14 THE BUSINESS NEWSPAPER OF METRO GRAND RAPIDS – HOLLAND – MUSKEGON & WEST MICHIGAN APRIL 7, 2008 \$1.50 a copy; \$52 a year

FOCUS

FINANCE: WEALTH MANAGEMENT

Staffers at Norris, Perné & French include, standing, from left, Robert C. Boylen, Stephen B. Wert, John D. Darling and Charles L. Dutcher. Seated are E. Greer Candler, Kurt M. Arvidson and Julie Ridenour.



Quiet And Conservative

Norris, Perné & French Celebrates 75 Years

BY ELIZABETH SLOWIK

BUSINESS JOURNAL PHOTO/MICHAEL BUCK

THE PRINCIPALS AND CUSTOMERS at Grand Rapids investment firm Norris, Perné & French have slept soundly through the recent subprime mortgage nightmare.

“We didn’t have a penny in any of it,” said partner Robert C. Boylen, despite pressure from brokers to jump into that high-stakes game.

“We’ve had institutional bond brokers calling us for two and three years, saying, ‘This is triple-A, triple-A rated. You should buy it. It has a higher return than a Treasury and it’s just as safe.’

“(Today) all those investments are trading anywhere from 50 cents on the dollar to 80 cents on the

dollar, and who knows if they’re going to continue to pay their interest.”

That typically cautious posture has allowed the firm, founded during the Great Depression as the financial conservator for the lumber-enriched Blodgett family, to survive to celebrate its 75th anniversary this year.

“It was a rather inauspicious time to start an investment firm,” said Boylen. The Blodgett family no longer is connected to the organization that evolved into Norris, Perné & French, he said, but he and four other equity partners count more than 435 customers in 25 states.

As a quiet presence in the West Michigan financial community, Boylen said the firm touts confidential services and a conservative strategy. With \$680 million under management, about 50 percent is in equities, with the rest a mix of fixed income vehicles, mutual funds, exchange-traded funds, cash and cash equivalents, Boylen said. Of its top 10 holdings, the company has held six for more than 10 years, and has kept positions in Berkshire Hathaway and General Electric for at least 20 years.

"We do manage money for a number of high-net-worth individuals, and confidentiality is of utmost importance to them and to us," Boylen said. "In order to honor that, it's somewhat difficult to have a real high profile. Northwestern Mutual is called 'the quiet company'; we would probably be called 'the quieter company.'"

Yet Norris, Perné & French is known well enough among those looking for a steady growth pattern, and has kept families as clients through several generations, he said.

John Bertsch, who in 1999 sold the industrial piping company founded by his great-grandfather in 1875, said his family has worked with Norris, Perné & French over three generations. "They're just the epitome of excellent service," said Bertsch, who divides his time between Grand Rapids and southern California.

"They are primarily a large-cap, growth equity firm, and also major fixed income bonds," he said. That approach might miss out on the big highs, but also misses the big losses. "They're not so much a broker as they are wealth management," Bertsch added.

As a small Independent Registered Investment Advisor, the firm is fee-only, based on assets invested, and works to pinpoint asset allocation and maintain transparency and strong communication with clients, he said.

"You have direct access to your portfolio manager. You don't have to go through a client service representative; you don't have to call a call center. You have direct access to the person that's overseeing your money," Boylen said.

While the firm focuses on high-net-worth individuals and families,

it doesn't require a minimum asset amount, and also provides 401(k) consulting to companies. That evolved when clients who owned businesses were so pleased with how Norris, Perné & French handled their personal accounts, they requested services for their companies or for nonprofits they supported, Boylen said.

In 2001, Grand Rapids Civic Theatre moved its endowment, then about \$1 million, to the firm, Executive Director Bruce Tinker said. The fund has doubled since, through both donations and growth, he said.

"One element that attracted us was their legacy of being conservative, as someone representing an endowment fund, money given essentially to the public trust for a very specific purpose to continue operation of a nonprofit," Tinker said. "At the same time, it does not constrain them."

Back in the 1960s and 1970s, "we were very boutique-ish," Boylen said. In the 1980s, Norris, Perné & French sought business advice from a Chicago consultant, Boylen said. That consultant suggested a business development program to Ford C. Perné and Charles R. French, who then were in charge, to enhance the profile of the company. They brought in Robert P. Fairman to seek out business, he said.

The three men still keep desks at the firm, and Perné and French continue to watch over their special portfolios, Boylen said. Today, in addition to Boylen, equity partners include Kurt M. Arvidson, E. Greer Candler, John D. Darling and James R. Koop, while Julie M. Ridenour is director of business development. Also on hand are Stephen B. Wert, investment consultant, and Charles L. Dutcher, research analyst.

The roster's distinction is that it is between degrees from Michigan State University and the University of Michigan. While a few other colleges have snuck in, most of the staff bleeds either Spartan Green or Wolverine Blue, especially during times of intense rivalry on athletic fields.

Just as they stick with their alma maters, Norris, Perné & French portfolio managers stick with their tried-and-true investment strategies. During

the rise of the dot-coms in the 1990s, Boylen recalled, some clients wanted to know why the firm was sitting on the sidelines of huge run-ups in stocks. Boylen said the answer was simple: The dot-coms had no earnings, and that disqualified them for attention from Norris, Perné & French.

"We've had very nice performance, but we're a very conservative firm," Boylen said. "So if it's a choice between being too aggressive and being too conservative, we're always going to take the conservative route. That has come through over the years through client retention." **BJ**