

Old hand with elite clients finds new energy in bank alliance

Corporate Planning Associates has been tailoring financial plans for the wealthy for decades, and now wants more exposure

■ BY LARA HERTEL

IT HAS BEEN 34 YEARS SINCE **Corporate Planning Associates** first hung its shingle. Now it is taking its “family office” concept of financial services across Canada.

The creation of a family office — a term that describes a full range of wealth-management services tailored to the ultra-wealthy — was more of a natural progression than an initial plan for the Toronto-based company.

“We’ve been doing this for so long that we no longer put a label on it,” says Lee Fisher, CPA’s president and CEO.

Today, CPA, the self-appointed “CFO for the family,” has a staff of 31, a modest 250 high net-worth clients and \$450 million in assets under management, with offices in Vancouver, Calgary and Toronto. Its next move is to take its brand to more Canadian cities.

“There are so many places that don’t have access to services we provide, and we’d like to expand into these areas,” says Fisher.

In 1973, CPA co-founders John

Ross and Brigitte Murphy were approached by a major Canadian company that wanted its top executives to have sound financial plans. The idea was simple: the company wanted a team of professionals to take care of the finances of its top brass so the executives could remain focused on their jobs, not their portfolios.

CPA got these clients’ tax matters in order, drew up their wills and powers of attorney, created net-worth statements and built 10-year financial plans. It then extended its services to the executives’ spouses, and the family office was born.

The fee-based operations have since branched out to accommodate not only corporate executives but also legal and medical professionals and entrepreneurs. A typical client has a net worth of about \$7.5 million, but the company doesn’t close its doors on those whose assets aren’t quite up to snuff. In fact, serving the soon-to-be-wealthy is part of CPA’s business philosophy.

“We call it ‘patience,’” Fisher says with a laugh. “This is a life-long relationship, and our obligation to them is exactly the same as it would be to someone who had \$10 million. We have long-term plans in mind, and we help them with what eventually will come to them.”

But, with a minimum \$10,000 annual fee, that’s not exactly charity work. And many established clients pay much more.

In a market in which target clients are being courted by slick wealth-management firms and boutique brokerages, CPA prefers to let its actions speak for themselves. “Sometimes, we just have to show people what we can do,” says Fisher.

Aside from an 18-month advertising campaign in select magazines, CPA does virtually no self-promotion. Most of its new business is generated from referrals, although the firm occasionally asks corporate clients for referrals.

Still, Fisher says, the firm is

careful about the clients it takes on. Wealthy investors looking to play the market need not apply.

“First and foremost, we do planning,” she says. “We believe that’s the first and most important step. So, a client wouldn’t ask us to buy the hottest company, because we wouldn’t do it. We’re not in the business of following stocks.”

CPA doesn’t have portfolio managers on staff. The firm has what it calls a “due diligence manager,” Toronto-based **Perimeter Capital Management Inc.**, which finds and hires individual managers. The client, however, deals only with one of CPA’s senior vice presidents, who leads a team of support staff and ultimately is responsible for all planning and investments.

The business model works so well that **Bank of Nova Scotia** bought a 51% interest in the firm last May. It’s a relationship that Fisher calls an “alliance” that allows CPA to do what it has always done, albeit with the added perks of bank-owned products and ser-

vices — particularly in the area of strategic philanthropy, CPA’s fastest growing line of business.

“Family office’ is a popular term these days, but firms that truly provide those services are few and far between,” says James McPhedran, head of Scotiabank’s private client group. “From our perspective, focusing on this segment of the market made a lot of sense.”

CPA had previously turned down acquisition offers, but, Fisher says, Scotiabank proved a comfortable fit. With CPA’s track record of bringing in high net-worth clients and Scotiabank’s private-client offerings, it was a match.

McPhedran and Fisher have come up with one- and three-year growth plans. They won’t give details, but say they will keep CPA relatively small.

“We did the deal with CPA for the quality and expertise it brings,” McPhedran says, “so we won’t allow that to be diminished.” **IE**