

JOHN GALVIN HIRED TO LEAD CLEARBROOK ADVISORS

Originally Published By Thomas Coyle, Family Wealth Report

Clearbrook Financial has hired wealth-industry veteran John Galvin to lead Clearbrook Advisors, a research, platform-design and distribution-consulting business aimed at investment-platform sponsors, asset managers and advisories of all sizes and types.

"I've always been excited about building solutions around the needs of advisors and their clients," says Galvin, who spent more than 20 years with Merrill Lynch, ultimately as head of its Consults separately managed account (SMA) distribution program. "I was attracted to Clearbrook because of its entrepreneurial nature, and because the team it has assembled really understands where this business is heading."

Inverted commas

The "understanding" Galvin mentions boils down to a belief that investment advisors are better off -- in terms of meeting their fiduciary obligations and from a marketing perspective -- providing access to unaffiliated managers whom they recommend to clients solely on the basis of their merits and suitability.

This stance extends to Clearbrook's relationships with other vendors, from clearing firms to technology providers. The firm's CEO John Morris stresses the point. "With us there are no embedded trading 'relationships,' we don't have 'relationships' with any managers, and we receive no payments other than transparent fees from our clients," he says.

Since leaving Merrill in 2004, Galvin has worked at Lincoln Financial, where he was in charge of securities and insurance distribution through independent advisors, and at UBS, where he was responsible for fee-based account distribution through the bank's captive-broker network.

"Up till now, [Galvin] has been accessible to one firm at a time," says Morris. "Now he's accessible to the whole industry."

Connections

Galvin's latest move is a coup for two-year-old Clearbrook, according to Dan Seivert, CEO of Echelon Partners, a Los Angeles-based investment bank and consulting firm that works primarily with wealth- and investment-management firms.

"[Galvin] is one of the most respected and experienced professionals in the wealth-management space," says Seivert. "The fact that he'd leave UBS says a lot about Clearbrook's business model and its entrepreneurial opportunity."

And, adds Seivert, Galvin's "network of contacts and marketing experience have the potential to be a valuable resource" to Clearbrook.

This may be an understatement. In terms of marketing, Galvin gets credit -- with Alan Sislen, Michael Feigeles and Robert Dineen (now CEO of Lincoln Financial Advisors) -- for helping transform Merrill's hard-charging, commission-based retail culture into a predominantly fee-based "advisory" program. And, as an ex-head of two of the world's five biggest fee-based account platforms, Galvin probably knows more wealth-industry players and practitioners than all but a handful others.

Three prongs

This experience could come in handy, given the complex and multi-faceted job he's just taken on.

As president of Clearbrook Advisors, Galvin will leading a team that provides consulting services to large financial institutions that are trying to figure out how to provide investment-advisory services to increasingly finicky private clients in a fragmented market and against a backdrop of mounting regulatory pressures. In other words, Clearbrook is going to help firms design investment platforms from the bottom up and provide consulting on technology and sales-staff training.

Another aspect of the Galvin's new role will be advising asset managers on ways to position themselves to win wallet share in the private-client realm, including strategies for penetrating the potentially lucrative but notoriously disparate RIA space.

Galvin offers one insight for managers who hope to make headway with RIAs. "They're not interested in product silos around managed accounts or mutual-fund wraps," he says. "RIAs are interested in delivering unbiased advice to their clients."

Clearbrook Advisors also offers a broad complement of Clearbrook services to investment advisors of all stripes, U.S. and foreign. This includes access to third-party managers and investment-product development through Clearbrook Investment Management Solutions (CIMS), manager research and due diligence provided by Clearbrook subsidiary Shields Associates and macro-market research from Clearbrook Research. (Separate from this menu, Clearbrook also provides family-office services through Shields Private Client.)

Clearbrook's CEO Morris explains: "It's packaging what we've already built. [Galvin's] team will work with advisors and an additional client base we've already identified, and they'll say 'Do you want a particular solution? -- due diligence? macro research?' That's whether they're using the whole CIMS platform or not."

Altogether, Morris says the idea behind Clearbrook Advisors is to "reflect changes in the industry within our company and our offerings."

Nods in the hall

Although Galvin and Morris were at Merrill at the same time for more than two decades, Galvin says that until recently their relationship was more personal than professional. "We've always found ourselves to have very similar views on where the industry was going, and ever since [Morris] started Clearbrook he's kept me informed about its progress."

Morris, who ran Merrill's international Selects consulting program when Galvin was head of U.S.-targeted Consults, agrees: though he and Galvin worked together only occasionally in the past, they had opportunities to exchange ideas from time to time. Earlier on in his tenure at Merrill, Morris knew Galvin mainly by reputation. "He was always known as an innovator," says Morris.

And Galvin is still pushing the envelope, Morris adds. "He may be an old veteran like me, but he's still very creative and open to new ideas."

Clearbrook administers about \$10 billion in assets. Based in Princeton, N.J., it has offices in Boston, Stamford, Conn., and Wayne, Pa.

And just to be clear: Galvin is president of Clearbrook advisors; Elliot Wislar remains president of the parent entity Clearbrook Financial. -FWR

ABOUT ECHELON PARTNERS

ECHELON Partners (ECHELON) was formed in 2001 to offer investment banking and consulting to a subset of the financial services industry known as "investment product developers and distributors" (IPDADs). Since that time, ECHELON's professionals have helped hundreds of senior executives envision, initiate, and execute a multitude of complex business strategies and transactions. ECHELON's business is making companies more valuable through delivering advice and orchestrating transactions. Accordingly, ECHELON measures its success in the enterprise value it creates for its clients. Companies that strive to outperform their peers choose to work with ECHELON because we are as passionate about their results as they are.

Daniel Seivert

Managing Director

dseivert@echelon-group.com