

ORANGE COUNTY BUSINESS JOURNAL

Flint Breaks from Canterbury to Start Investment Consultancy

■ By RAJIV VYAS

Garth Flint, former managing director at Newport Beach-based Canterbury Capital Services Inc., has left the investment firm with seven others to start his own consultancy—Beacon Pointe Advisors LLC.

Flint, along with executives Felix Lin, Doug Allison and Eve-Marie Whalen, left Canterbury in March.

Four Canterbury analysts also joined Flint to form a 12-member staff at Beacon's headquarters in Newport Beach.

"After 30 years of consulting, I felt there was an opportunity to better analyze investment managers," said Flint, Beacon's chairman.

Canterbury is the largest money management consultancy of its type in Orange County with more than \$8 billion under management and a staff of about 30.

Consultancies such as Beacon and Canterbury are different from money management firms. For a fee of about five to 20 basis points, consultants such as Beacon monitor the performance of money managers—they don't manage the investments directly.

They instead advise institutional investors, pension funds, endowments and trusts and wealthy individuals, on choosing money managers that suit their needs and match their risk profile.

If money managers fall short of expectations, the consultants will replace them.

Beacon won't just focus on large investment managers, Flint said. It plans to identify, track and keep a database of low-profile and undiscovered



Flint: starting with 12 employees

money managers who have great track records but have not been on the radar screen of large institutions or consultants.

"What we found is many good money managers are interested in growing

their assets through stock selection and not marketing, and hence you don't find them in databases of most consultants," Flint said.

Beacon plans to seek institutional clients as well as wealthy investors as clients.

Flint decided in the fall to start his own firm. That's when he approached Jim Moore, a former partner at Santa Monica-based money management firm Roxbury Capital Management LLC. Moore had sold his stake in Roxbury to Delaware's Wilmington Trust Corp. in 1998 and since has been investing his own money in the private equity market.

Flint's daughter, Shannon Eusey, a managing director and portfolio manager at Roxbury, also has joined Beacon. Flint, Moore and Eusey together raised the initial capital to fund the company.

Eusey said that the trio spent about six months coming up with their business plan, strategy and capital structure for the new company. Eusey is Beacon's president; Moore is vice chairman.

Eusey said the firm currently is advising on \$1.5 billion in assets.

"By year-end our goal is to advise on assets of around \$3 billion—my guess is that we'll get there considering the rate at which we are growing," she said. "Depending on our asset growth we would also add people."

Canterbury was founded in 1988 by Flint, Al Beimfohr, D. Robinson Cluck and Ken Krueger.

It grew from advising on \$1 billion in its initial years to become one of the largest regional consultants in Southern California.

Since Flint and the others left, Cluck, the new managing director, said Canterbury has hired two analysts and is in the process of hiring an institutional consultant.

"Business has been great—we haven't missed a beat," Cluck said.

Flint started the institutional consulting services unit of what was then Kidder Peabody in Newport Beach before leaving to help startup Canterbury. He also is a former vice president with Merrill Lynch & Co. in its institutional investment business where he worked for eight years.

Flint is the second founding partner to have left Canterbury. In mid-1999, Al Beimfohr, who was president and chief executive, left to start his own money management firm called Knightsbridge Asset Management LLC in Newport Beach. Knightsbridge has more than \$100 million under management.

At Canterbury, Flint and his team of seven analysts and consultants oversaw about \$2.5 billion in assets, Lim said. ■