



Bringing “Boutique” Wealth Management into the Family

The recent merger of Compass Bank and CIC brings an array of wealth management and banking services together

In July 2007, the Denver wealth management firm Capital Investment Counsel (CIC) merged with Compass Bank. For Compass and its Wealth Management Group, the acquisition represents an opportunity to offer a comprehensive range of wealth management services to its high-net-worth banking customers. In turn, the merger gives CIC the ability to provide its clients with banking services. Says Chris Johnson, CEO of CIC, “We’re finally able to provide a complete offering of every single wealth management service that a client could ever need—under one roof and at no additional cost.”

It was an alphabetical accident that led Chris Johnson into a career-long partnership. In college, he found himself sitting in classes next to another economics and finance student named Clark Johnson. In 1990, the two decided to start a company that would offer independent, objective advice to high-net-worth clients. Taking many of their stock brokerage clients with them, they founded CIC.

During the past decade and a half, the two friends grew the company to become one of the leading wealth management firms in Denver, and later, in Scottsdale, Arizona as well. Compass’ Wealth Management Group, seeking to meet more of the needs of its affluent banking customers, took note of CIC’s success and of its intimate relationships with its clients. In 2005, Compass Wealth Management Group Executive Vice President Bill Helms introduced himself to the co-founders

and suggested a merger. Politely but firmly, Chris Johnson rebuffed him.

“We’re passionate about this industry and we plan on working for another 20 years,” Johnson explained. “We had no intention of selling this business.” In the meantime, the firm—now with 28 employees in two cities—continued offering a wide array of services, ranging from investment management to financial, retirement, tax and estate planning.

HOLDING ONTO THE “INTIMATE” SENSIBILITY

Compass’ Bill Helms loved the boutique, intimate feel of CIC and he continued to call on the Johnsons. As the Denver metro area has grown and real estate values have appreciated, the number of high-net-worth individuals in the area has increased—and so has the demand for wealth management services. Compass had decided it could best provide a full suite of these services by acquiring successful wealth management firms and keeping them intact, rather than absorbing their assets into the bank, as many competitors were doing.

As Chris Johnson and Clark Johnson got to know Helms—and Compass Bank—better, they began to change their perspectives about selling the firm. “Every time we met with them, we were more impressed with their style and their strategies,” Chris Johnson says, “We realized how

similar our organizations were.” Moreover, Johnson says, the strategic fit couldn’t be ignored. “As our clients get older, we find we’re getting far more requests for things we haven’t been able to provide in the past, like trust services and lending. Compass already offers both. About a year ago, we realized we’d be doing a disservice to our clients by not doing a merger. It had become obvious to both sides that this was a perfect marriage.”

Today, Johnson says, some of his clients have already moved their banking to Compass and he expects all of his trust clients will do so as well. Moreover, CIC is now able to also offer trust services through Compass’ Wealth Management Group at much lower rates than other banks have charged his clients before.

Shortly before the acquisition closed, Compass hired veteran banker Shelly Schell to run its Wealth Management Group in Denver. Schell, who ran a private bank in Naples, Florida before taking the job, is helping to integrate the Compass private banking and trust services with CIC’s wealth management offerings. Part of Schell’s new job is also to ensure that members of Denver’s sizable entrepreneurial community know that they can now turn to Compass’ Wealth Management Group for help with succession planning as well as its range of personal financial planning assistance.

Offering a vast range of services to a single client isn’t easy. That’s why Compass and CIC continue to use a team approach, getting financial advisors, CPAs, estate attorneys and other specialists around the table and letting them each do what they do best. “The team environment is the way I think you can be successful,” says Schell. “And that’s Compass’ philosophy.” ■