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## Outsiders, and proud of it

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The three words Allodium Investment Consultants centers itself around are often used to describe businesses: independent, comprehensive, disciplined.

But in the advisory business, independence can be hard to come by, said Jeremy Graff, director of financial planning.

### Launchings

We profile startups headed by notable entrepreneurs

"It's very hard to get totally objective advice in the country or even the Twin Cities," he said.

The Minneapolis firm sets itself apart by remaining independent of banks and brokerage firms, and by only receiving compensation from clients.

By avoiding restriction from a big company, Allodium is able to focus on what's best for the individual or institutional client, said Dave Gutzke, president. The eight-person firm avoids the appearance of any ulterior motives in advising that some companies risk by taking compensation from product vendors. "They're limiting what they're showing and they're allowing products to buy shelf space," Graff said. "We've eliminated all conflicts of interest."

The firm doesn't manage any of the money itself, but rather analyzes, diversifies, formalizes, implements and monitors the client's investment plan and portfolio. The company also provides comprehensive financial planning advice and focuses on its 70 clients, striving to grow by assets, not by a vast number of clients. "We ask what's important to the client. We look at the big picture and help them with their long-term planning," Gutzke said.

Coming from their jobs with larger firms, the owners felt the need for more objective investment advice. "Every investor we talk to says they want objective investment advice; pretty much everyone understands the more independent you are the more objective you can be," Dave Bromelkamp, CEO, said.

Two of the owners, Graff and Bromelkamp, were able to take the clients they built up during their time at RBC Dain Rauscher's



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**(From left) David Bromelkamp, Jeremy Graff and David Gutzke's company Allodium is independent of banks and brokerage firms.**

### Allodium's founders left old firms to focus on independent advice

Senior Consulting Group to help Allodium get its start.

Originally established as Touchstone Investment Consultants in the summer of 2005, the owners of the firm this fall changed its name to Allodium Investment Consultants. (Allodium is a concept in property law that was used primarily in Northern Europe during the Middle Ages to represent land that is the absolute property of the owner).

In less than a year, Allodium was able to surpass \$1 million in annualized revenues, and has a goal of half of \$1 billion in assets under management in five years.

There has been a recent surge of interest in smaller consulting firms in the wealthy home marketplace, said Cathy McBreen, managing director of Chicago-based Spectrem Group, which provides strategic consulting to financial-service firms.

McBreen said in the late '90s, smaller

firms hardly touched the screen as primary advisers.

The number of wealthy homes has grown steadily. Spectrem Group measures "wealthy homes" as those that have over \$500,000 in assets that can be invested, and 14.5 million U.S. households fit into that category.

McBreen said there has been a trend with these households looking for independent firms that aren't part of an existing bank or brokerage firm.

When Sue Johnson came to Allodium after being a sales assistant at Dain with Graff, she was offered a consulting position at the firm, but stayed in the client service area because she enjoyed the client contact so much.

"Our clients are very loyal; they like what we have to offer," she said.

She said Allodium consultants have a realm of experience that makes them able to manage clients comprehensively.

"They know when they're with us that we care about them and that we will take good care of them."

For questions or comments about this story, please contact Managing Editor Mark Reilly: mreilly@bizjournals.com or (612) 288-2110.