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## Willis: Richter Family Office works to help the rich stay that way

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*The Montreal firm, which doesn't manage money in-house, is expanding to serve wealthy Ontarians and Albertans*

To steal a phrase from F. Scott Fitzgerald, let me tell you about the very rich. They are different from you and me. They use fewer financial advisers.

The majority of Canada's wealthy, folks with \$1-million or more to invest, take a do-it-yourself approach to their savings, according to the most recent annual survey from consulting firm Capgemini. There are 331,000 millionaires in Canada, measured by their liquid assets, and Capgemini found only a third of this crowd make use of wealth managers.

This statistic isn't surprising when you think about how a great many successful people got that way. They are business owners and professionals who work very hard at building their fortunes, but devote very little attention to managing their money. Capgemini's research showed high-net-worth individuals have a third of their assets simply sitting in their bank accounts. Which brings us to the expansion strategy at Montreal-based Richter, an accounting firm that's rolling out services meant to ensure the rich stay that way.

Richter has been filling out tax returns for wealthy Quebecers since 1926. Early on, the partners realized their clients, most of whom are business owners and entrepreneurs, wanted help on more than just taxes, and moved into estate planning and other advisory roles. In 1999, the firm slapped a brand on these services by launching a Montreal-based unit called Richter Family Office, a team that combines a dose of therapy with deep experience in wealth management.

There are legions of advisers catering to wealthy Canadians. Richter is different because it doesn't manage money in-house, or take fees from asset managers.

Instead, Richter's team sit down with well-heeled clients – it takes \$25-million of assets to get a meeting – to discuss their values, their fears and their goals. Out of these sessions, Richter builds a strategy for ensuring wealth can be enjoyed by the current generation and passed on the next. Then the firm takes responsibility for executing that plan, in part by hiring the best fund managers, and in part by providing ongoing guidance to families.

"There is no pitch in a meeting with us, and that helps families let their guard down, because there are no worries that we are out to sell products," said Danny Ritter, who has run Richter Family Office since 2001. The firm is paid to be discreet and Mr. Ritter declined to detail its assets under management, but did say the team is responsible for several billion dollars, held by dozens of families.

Richter Family Office recently began to expand its reach, opening an office in Toronto in March by landing vice-president Greg Moore from Barometer Capital Management, a firm that also caters to

the high-net-worth crowd. At Barometer, part of Mr. Moore's job was winning clients from European family office and private banking networks, a world with deep experience in preserving family wealth. Richter Family Office also recently received regulatory approval to serve clients in Alberta.

Most of us look to wealth managers to simply preserve and grow our savings. Going back to Fitzgerald's observation that the rich are different, Mr. Ritter explained his role is as much about managing a family's dynamics as it is about investing their money. Typical client issues include building a financial plan that allows families to get inheritance and succession right, to raise children who don't have a sense of entitlement and do understand the costs of their lifestyle.

If the experts have it right, advising wealthy Canadians is a growth business. Capgemini predicts that Canada will continue to churn out millionaires: only China, the United States, India and the United Kingdom are expected to create more high-net-worth individuals in the next decade.

The consulting firm projects entrepreneurs will make money in emerging fields such as high tech, hedge funds and health care, and in old-school sectors such as real estate and manufacturing. Richter wants to be the adviser that helps preserve these fortunes.

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