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Locust Capital bloomed even though it was cautioned about timing

The wealth advisory firm has grown from 16 to 50-plus clients

Philadelphia Business Journal - by [Jeff Blumenthal](#) Staff Writer



Curt Hudson

From left: Casey, Repetto and Purcell.

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Andrew Purcell was told that summer 2008 was a perfectly horrible time for young entrepreneurs to start a business venture. The economy had already begun spiraling and was only a few months away from the **Lehman Brothers** collapse that sent the stock market crashing down.

But 18 months later, **Locust Capital Management** finished a successful first year and has eyes on further organic growth coupled with some merger and acquisition-fed expansion. Launched in July 2008 in Center City, co-founders Purcell and Gus Repetto built an investment advisory firm from scratch that specializes in providing customized investment advice to individuals, families, and small corporations.

In its first year, Locust Capital has more than doubled in size by increasing from 16 to more than 50 clients and accumulating \$35 million in assets under management all through organic means. Repetto and Purcell have recently been joined by partner William Casey — an investor and adviser to Locust Capital since inception — and director McBee Butcher Jr.

Purcell, 35 and Repetto, 36, met in New York City where both obtained jobs with large investment firms after graduating from college in the 1990s. Both men migrated back toward the Philadelphia region.

Purcell was first, taking a position with law firm **Chimicles & Tikellis** before becoming a commercial lender with **Citizens Bank**. Repetto worked for an investment firm in North

Jersey for several years when he and Purcell began to discuss the idea of starting their own firm in 2007.

“I wanted to be an owner after working for larger financial institutions,” Repetto said.

As the economy worsened, he saw an opportunity.

“We wanted to take advantage of the dislocation in the industry,” he said.

Casey, 46, is a family friend of Repetto from their childhood in Margate, N.J., and also knew Purcell during their mutual time in New York working in the investment field. In 2004, Casey returned to Philadelphia to become treasurer for mortgage lender ResCap.

Locust Capital focuses on retail clients that are either accumulating wealth or have made their fortune — adding more sizzle for the latter. Casey said Locust Capital does not want to compete with large firms in the city like **Goldman Sachs** so clientele tops out at the \$5 million or below range with the sweet spot being between \$1 million and \$3 million. Competition comes from other independent firms and 95 percent of clients emanate from referrals.

Most clients are regional though Locust Capital said it does have some from around the country and overseas. The firm’s compensation derives from fees only and it uses **Charles Schwab Corp.** as a custodian.

The firm has developed a specific platform for young physicians between the ages of 35 and 45. In addition to direct marketing to physicians, Locust Capital has been marketing itself to accounting firms in hopes of securing cross selling or referral opportunities.

Locust Capital said its investment strategy is to create a comprehensive and personalized plan using strategic asset allocation models that are both diversified and tax efficient.

“We try and hit singles and doubles,” Repetto said. “A home run would be great, but we don’t want to strike out.”

The firm’s name comes from its office space at a Horace Trumbauer designed mansion on 1629 Locust St. that Repetto said the partners chose because they wanted a folksy feel rather than the more sterile environment of Market Street.

Unlike other businesses that seem to be scaling back with office space expenses, Locust Capital sought out impressive space and selected its current locale partly because of a close relationship with the landlord. It rents roughly 1,000 square feet and shares meeting space with other tenants.

Moving forward, Locust Capital’s goal is to have \$100 million assets under management by the end of 2010

“We want to grow through merger and acquisition but that could be a book of business rather than an entire firm,” Casey said.

Despite the apparent success, Purcell said people still tell him he picked a horrible time to start a business.

“But we think it is one of the best times because the big shakeup allowed us to bring some clients and money in the door,” Purcell said. “We saw it as an opportunity and that we were young enough to take a shot at it.”

Up Close

COMPANY: Locust Capital Management LLC

Address: 1629 Locust St., Philadelphia, Pa. 19103

Type of business: Wealth management and advisory services.

Best business decision: Not being complacent and taking a risk while we are young.

Key challenge you overcame: Having little to no brand recognition.

Advice to other young entrepreneurs: Network, refine your business plan and find the right partners.