



CASE STUDY: ALLODIUM INVESTMENT CONSULTANTS

The Challenge

When David Bromelkamp, AIF, an RIA from Minneapolis, first encountered the Prudent Practices and fi360, he knew he had found the best practices he was looking for as a financial advisor. He was energized by the forward-thinking fiduciary processes and procedures codified by fi360.

As the practices are substantiated by legislation, regulation and case law, they provided Bromelkamp with a roadmap for how he wanted to run his practice, which places the interests of his client first. According to David, "We were excited that the original Prudent Investment Practices handbook and the standards of care it contained, had been substantiated by the law firm of Reish Luftman Reicher & Cohen, and reviewed and edited by the American Institute of Certified Public Accountants, whom we deem to be a very strong and credible advocate for the investing public."

Bromelkamp trained to be an Accredited Investment Fiduciary (AIF®) – a designation earned through fi360 – and he proactively shared all that he learned with the many CPAs and attorneys with whom he worked, as well as with his clients, colleagues, prospects and his long-time employer, a highly regarded national broker-dealer. However, since broker-dealers do not have a fiduciary duty to always act in their clients' best interests, his firm would not allow him to share the information, because the firm was not practicing all the fiduciary best practices outlined. "We believed it was wrong to withhold these best practices from our clients," said Bromelkamp.

The Solution

Bromelkamp and his team felt limited in their ability to fully embrace the Practices within the broker-dealer environment, so in 2005, the time had come for them to make a major leap. With nearly all of his clients and his 5-member team from the broker-deal firm in tow, Bromelkamp launched an independent RIA practice called Allodium Investment Consultants

He started the firm with a clear vision—to use the talents of his team to simplify and improve the financial lives of their clients, with an approach founded on integrity, service, professionalism, personal responsibility, transparency, adherence to strict ethical and compliance policies, attention to detail and building strong relationships. The Prudent Practices were a perfect fit with the vision Bromelkamp had for Allodium as they reinforced their core tenets of providing exemplary customer care and independent advice. In fact, so much so, that the firm's well-regarded "Allodium Way" of delivering objective investment advice is based on the Prudent Practices. Even the word "allodium" comes from a term used in Northern Europe during the Middle Ages meaning "freedom and autonomy."

"The Prudent Practices developed and taught by Fiduciary360 helped me crystallize the kind of practice I wanted to have and how I wanted to work with my clients," said Bromelkamp. "And I knew that meant having to be independent, so we could provide the best, most objective advice to our clients."

The Bottom Line

Three years after its inception, Allodium continues to enjoy healthy annual revenue growth and succeeds by promoting a fiduciary message that resonates well with clients, many of whom are foundations and other non-profits, knowing their interests come first at Allodium. That message of integrity and transparency also generated a nomination for the prestigious Minnesota Business Ethics Award, sponsored by the Twin Cities Chapter of Financial Service Professionals, the Center for Ethical Business Cultures and the Rotary Club of Edina.

The awards are given annually to honor companies that demonstrate a strong commitment to the Minnesota tradition of corporate citizenship and ethical business conduct. Christopher Morris, partner with Bassford, Remele in Minneapolis and chairman of the non-profit Ralph K. Morris Foundation that works with Allodium, nominated the firm for the award.

"David and his team at Allodium live and breathe the Prudent Practices, and make sure their clients also follow the procedures to the letter when stewarding money for others," said Morris. "It's not just lip service. Clients trust Allodium's advice because they know it's based on what's best for them, not what's best for Allodium." Even by adhering to these strict practices, the firm has managed to be very successful. "It's refreshing to see that a practice built on trust, transparency and putting the client's interests first can be so successful. They're proving that nice guys can and do finish first."