

Former Morgan Stanley adviser has sky-high hopes for Celestial Wealth Management

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By Kelly Durkin

Celestial Wealth Management, a recently established wealth management firm, is another example of a former Wall Street financial adviser stepping out to launch a new boutique advisory outfit.

Colin Exelby, founder and president of the Baltimore-based firm, told SNL that he had been with Morgan Stanley for nine years. After the financial crisis during the fall of 2008, he began to look for alternatives to working at a large firm. At the same time, he felt the industry was moving away from larger companies toward boutique firms able to offer more customized wealth management advice without conflicts of interest.

Exelby said he chose to affiliate with LPL Financial Corp. for its clearing and custodian services reason since the company has no other services or products that could pose such a conflict.

"Just being at Morgan Stanley ... you've got the trading division and the mergers and acquisitions division and the cash management division and the institutional division and the personal client division, and every employee is subject to all those different divisions, and all I really cared about was the personal investment division," he said.

So far, it appears his clients have been supportive of the move. Exelby said he has brought about 80% of his previous clients from Morgan Stanley over to Celestial Wealth Management.

"That obviously gives me a good starting point for a new venture when you're not starting from zero," he said.

Exelby's focus is on business owners and families nearing retirement or recently in retirement, in addition to "emerging professionals" in the 30- to 40-year-old range.

He said the firm has been fully operational since mid-September, and he is the sole adviser, but he would like to add a few additional advisers in the next six to nine months.

In the aftermath of the financial crisis, Exelby said he has not seen an increase in the demand for wealth management services, but rather a change in the types of services demanded by clients during the past year. Clients who once needed solely investment management are now looking for other services, such as cash flow management, credit card debt management and real estate advice.

"After the tech bubble, people somewhat learned a lesson, and as the market began coming back, and then you had the housing boom going on, I think people really became complacent and just expected things to continue that way for eternity, and that's the way they managed portfolios, and they didn't really respect the word 'risk,'" he said.

As investors begin to analyze their portfolios for such risks after the lows of the past few quarters, Exelby said clients are looking for individualized investment services more than ever before.

"I don't think there's a rapid increase in demand for service," he said. "I think it's just modifying what people were doing in the past, and I think the next few years are going to separate the true advisers from the sales people." *i*