

Bean Counter Looks to Grow Beyond Show Biz

ACCOUNTING: Nigro Karlin hopes to add sectors with its extra personal services.

By **JAMES RUFUS KOREN** Staff Reporter

Nigro Karlin Segal Feldstein & Bolno is a big name in Hollywood and New York, managing the business interests of entertainers such as **Bruno Mars** and **Joan Rivers**.

But the Westwood accounting and business management firm wants to be a big name elsewhere – Wall Street, San Francisco, Boston – as it tries to bring in more clients from outside the entertainment industry. Think hedge fund managers, chief executives and wealthy families.

Nigro Karlin is expanding as it tries to lure these wealthy clients with the same kind of concierge-style services that business management firms have long offered to Hollywood stars: everything from financial planning and accounting to hiring a nanny or calling a contractor to fix a leaky roof.

Mickey Segal, managing partner at Nigro Karlin, said the market for those services outside of the entertainment industry is huge.

"The individual with a net worth of \$10 million or more would certainly substantially benefit from this service," he said. "How big is that marketplace? It's massive. And it's basically untapped."

Business management is well known in Southern California, even among executives and wealthy families outside of the entertainment industry, Segal said. But that's less the case in other parts of the country.

In marketing materials geared toward nonentertainment clients, Nigro Karlin has taken to using the term "personal CFO" instead. Even that's not perfect, as it implies the firm's services are only financial.



Extra Mile: Mickey Segal at Nigro Karlin Segal Feldstein & Bolno in Westwood.

"The tricky part for us in expanding this business, outside of Los Angeles, is the terminology," he said. "The services we provide above and beyond paying bills and tax planning is what differentiates us from the bookkeeper or accountant you can hire."

So what, exactly, are the other services NKSFB is peddling?

"Anything you or your wife pick up the phone and call someone to do, we do," Segal said.

The firm has helped hire nannies and maids, called plumbers for emergency home repairs and found consultants to advise clients' children on college admissions. They've had movers get a client's belongings from Colorado to California, and brought in property managers to take care of clients' second or third homes.

Segal said a client called one morning saying he needed a last-minute birthday gift – a new Mercedes-Benz – delivered to his wife by that afternoon.

"When high-net-worth clients hear this, they say, 'I didn't even know this existed,'" Segal said. "When you explain this to someone, their mind wanders to whatever's been a pain in their butt lately."

New deal

Most of Nigro Karlin's 500 clients are entertainers and athletes. But it's been more actively expanding the nonentertainment side of its business since September, when San Francisco's **First Republic Bank** bought a 24 percent stake in the firm. Nigro Karlin has since opened an office in San Francisco's financial district, and it plans to open offices in Boston and Long Island in the coming months.

Segal said the relationship with the bank could eventually bring in hundreds of new clients, though so far the relationship has netted just a handful.

The firm had about 260 employees at the beginning of this year, and Segal said that

should swell to 300 over the next few months.

First Republic's interest in Nigro Karlin is unusual in that while banks sometimes refer their clients to concierge service providers, it's rare for a bank to invest directly in such a firm. But the deal's appeal is clear for both sides: First Republic, which declined to comment for this article, adds a service it can offer to its wealthy customers, while Nigro Karlin gets a direct line to potential new clients, said **Michael Kaplan**, a partner at a similar company, North Hollywood business management firm **Miller Kaplan Arase**.

"It's somewhat of a natural partnership," he said.

For most clients, whether entertainers or executives, Nigro Karlin charges by the hour. Rates vary, depending on the service, from \$100 to \$550.

Other business management firms in town have clients outside of the entertainment industry, though such clients generally represent a smaller percentage of those firms' business.

Kaplan said about 30 percent of his clients are from outside show business. At Nigro Karlin, such clients are about 40 percent of its business.

Now that Nigro Karlin is partly owned by First Republic, Kaplan said, the firm will have to avoid any potential conflict of interest when it comes to managing clients' money. Segal and company will need to make sure clients – especially ones not referred by First Republic – don't feel pressured to move their money to that bank.

"You don't want them to think, 'Are they pointing me in that direction because they're getting a kickback or a commission?'" Kaplan said.

Segal said First Republic will refer clients to Nigro Karlin, not necessarily the other way around.

"We're happy to put First Republic at the table," Segal said. "But they're just like **Goldman Sachs** at the table or **JPMorgan** at the table."



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