

Business: top stories

Investment firm gets top marks

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Back in the mid-1980s, Dr. Ronald Jaffe had an automobile license plate that read "DOW 2000," reflecting his belief the stock market would hit that mark.

A few years ago, he got a replacement plate that read "DOW 5000," again on the belief the market would reach that high. It was the same story with a more recent replacement plate that read "DOW 9999."

All three plates now adorn a wall in the Vero Beach office of Professional Advisory Services Inc., the 23-year-old investment service headed by Jaffe, a former anesthesiologist.

With the market hovering around the 11,200 mark, they have been replaced by a plate that reads "DOW 20K," the 20,000-point level Jaffe expects the market to reach in the next 10 years.

Jaffe's prowess at predicting the eventual highs of the stock market notwithstanding, New Jersey-based Medical Economics magazine thinks Professional Advisory Services is a winner when it comes to choosing the right investments for physicians.

In its Aug. 7 issue, the 76-year-old, 300,000 circulation publication, which bills itself as "the business magazine of the medical profession," selected Professional Advisory Services as one of the nation's 150 best financial advisers for doctors.

"It's a nice form of recognition," said Jaffe, who co-founded the company in 1977 with his partner, Kenneth Ligon. "We're a plain vanilla company that does a pretty good job picking investments."

Leslie Kane, senior editor at Medical Economics, said all companies on the list were first recommended by one of their clients.

The magazine then checked to make sure the companies were properly credentialed with government agencies, she said. Finally, the companies were asked to fill out an extensive questionnaire regarding qualifications and the type of advice they give.

None of the companies listed were ranked in any sort of order, but they were selected out of a group of about 700 recommended companies, Kane said.

Jaffe sort of fell into the investment business. He started out advising fellow physicians in his Vero Beach practice and the company grew out of that beginning.

It began with four clients and about \$600,000 in managed. Now the company has 624 accounts nationwide (with most accounts including more than one person) and about \$475 million under management. By the end of the year the company expects to have \$500 million under management.

Although about half his clients are physicians, Jaffe emphasized his clients include private individuals and companies as well.

Part of what makes his company so well-regarded, Jaffe said, is that it deals only in stocks and bonds and sells no financial products.

"So we have no incentive to buy or sell, our only incentive is to make the assets grow," Jaffe said. "By not selling products, we're totally independent."

As a partial result, it's rare, Jaffe said, that a client ever leaves the company. In response to a question posed on the Medical Economics' questionnaire, the company stated it has had 98 percent of its clients for more than three years.

