

Waterford Group continues its growth; its assets rise 72 percent

The investment company was founded in 2011 by a three-member team

By **THOMAS ADAMS**

The Waterford Group LLC, an investment advisory and fiduciary firm in Perinton, has increased its assets under management by 72 percent in the last 12 months and expects to reach \$180 million by year's end.

The 2½-year-old 401(k) provider manages \$165 million, up from \$96 million in August 2012.

The Waterford Group has benefited from the implementation of two new fee disclosure requirements, CEO Brian Costello said.

"The main reason the business has grown is we're now really being identified by accountants and attorneys as a specialist," he said.

"This is getting more and more complex. These regulations have been going on for three years. Finally, it's coming to fruition, so people are confused. So if you're a specialist, you seem to get more business."

The U.S. Department of Labor issued final regulations in February 2012 under sections 408(b)(2) and 404(a)(5) of the Employee Retirement Income Security Act of 1974. Section 408(b)(2) addresses plan-related fees charged by covered service providers. Section 404(a)(5) addresses participant-level fees.

Under the new regulations, investment advisers providing fiduciary services and advisers registered under the Advisors Act

or state law to ERISA-governed pension plans must make certain disclosures regarding services and compensation prior to an advisory arrangement with a plan.

"That's one reason," Costello said of the ERISA updates. "Secondly, the regulation has kind of opened people's eyes. They look at their 401(k) and say, 'I've got other stuff to do. I've got health insurance; I've got payroll.' Now they're getting this stuff in front of them that requires them to take action, and they're saying, 'I should really look into this.'"

The Waterford Group was founded in January 2011 by Costello, Managing Director Michael Merriman and President Mary O'Brian after they left Genesee Valley Trust Co. The group's offices are on Route 96, near the Ontario County line.

The three partners pick the funds to be included in a company's 401(k) plan and set up a process for it to be managed by the business. They provide guidance to clients in managing their plans. They also meet regularly with businesses to review investments, explain 401(k) features and apprise them of regulatory changes.

The company is not a 401(k) record-keeper or third-party administrator.

The Waterford Group ranked 21st on the Rochester Business Journal's most recent list of money managers in the Rochester market with \$125 million in discretionary assets under local management.

"We have commitments for new business," Costello said. "We have commitments that roll all the way through October. If somebody said yes to us today, we would be taking them on in November or December."

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