



A New Era Begins at LNWM: Q&A with Filament Founders

As we head into the 2020s, Laird Norton Wealth Management (LNWM) is better prepared than ever to provide for our clients all the tools, resources and strategies they will need to thrive in all aspects of their lives – both financial and personal. A big reason for that is LNWM's December 2020 merger with Filament LLC, whose three founders – Conrad Gehrman, John Goodwin and Scott Butterfield – built a company with the same values and goals as LNWM. That was not by accident. We sat down with this dynamic trio to find out what they're about, their vision for the combined company and where wealth management is headed in the coming decade.



CONRAD GEHRMANN, CPA
Chief Financial Officer
Laird Norton Wealth Management

For clients, what excites you most about what the merger of LNWM and Filament?

JOHN: I'm truly excited by the level of our collective intellectual capital, which is the heart and soul of this business. Bringing together teams of in-house CPAs, attorneys, investment professionals and other experts to find solutions for clients – holistic integration – has taken off in the past 20 years. Both LNWM and Filament have been doing this for decades, and our merger creates what we think is a powerhouse of investment and planning capabilities.



JOHN GOODWIN, J.D.
Chief Business Development Officer
Laird Norton Wealth Management

SCOTT: Specific to trusts, anyone who has ever looked for a highly capable and attentive trustee will understand what big a deal this is. Laird Norton Trust Co., a core part of Laird Norton Wealth Management, is the oldest independent trust company in the Northwest and has a stellar reputation as caretaker of multi-generational wealth.

In terms of investments, the two firms combined will be devoting even more resources to investment research and analysis, especially in the private markets, and because of our larger asset size can negotiate for lower fees with asset managers to be passed on to clients.



SCOTT BUTTERFIELD, CPA
Chief Client Services Officer
Laird Norton Wealth Management

CONRAD: I'd say the longevity. The Laird Norton enterprise has been around for 165 years. Clients can know there will always be a skilled team here at LNWM — long after all of us as individuals are gone — to help preserve and grow their family's wealth over many generations.

LNWM CEO Kristen Bauer has called our two firms sister companies in terms of culture and philosophy. What does that mean for our clients?

JOHN: I think the main thing is there is absolutely no incentive for us to steer clients into something that's not good for them. And our combined group of clients know that. We (Laird Norton Wealth Management and



Filament) didn't start out as a brokerage or investment firm to sell things. We've always sat on the same side of the table as our clients, as managers, strategists, and advisors.

Our client engagements are predicated on mutual satisfaction, which means we have to be laser focused on the quality of everything we do — from the big picture to the small details. And that is just as true for LNWM as it was for Filament.

CONRAD: Operationally, both firms have put a tremendous emphasis on getting all the details right for clients in a systematic way. The day-to-day management of assets and cash flow can be in investment portfolios but also in varied ownership structures such as LLCs, in trusts, in foundations. Fundamentally, our combined group of clients have chosen us as the team of people they trust to manage the complexity of their finances so they can free up time to do what they love.

You are now all part of the LNWM leadership team and continue to advise clients. Of the many different things you advise on, what in particular lights up your day?

SCOTT: For me, it's long-term wealth transfer planning, especially if it involves a complex set of assets and interests. During the past 30 years I've used just about every estate planning technique you can think of. What I can tell you is that it's one thing to know what those tools are and another to know how to use them. It's possible – and we've seen this happen – where someone has a bunch of trusts set up correctly, but they're the wrong type of trusts for what the person wants to do.

Conrad and I did a ton of consulting at Microsoft in the mid-1990s, seminars on stock options that were actually better attended than a talk by Dr. Ruth! And since then I've really enjoyed working with clients who have achieved a great deal of success early in their careers. This can range from how to negotiate the next round of equity in a startup, to buying a new house or private jet, to raising children without spoiling them. My advice comes from having worked through many different markets and client situations, and clients appreciate that, even though they may not agree with me 100% of the time.

CONRAD: I love working on what I call complicated integration, advising business owners and corporate executives through major transactions like their company going public or being taken private. These are usually once-in-a-lifetime deals that require a good understanding of what is happening with the company and how to use sophisticated estate planning entities in a very tax-effective manner to get the best results for our client and their family.

I do consult on new business ventures, mainly to protect a client's interests. How to get the right attorney and documents, negotiating for equity comp and analyzing salary vs. equity trade-offs. In any type of situation that our clients face, I am an advisor and facilitator for whatever is necessary to get the desired outcome, including for clients who now live outside the U.S. and face new challenges and opportunities. I have enough experience to know how to find cost-effective solutions.

RECENT READS

Scott: *Change Anything: The New Science of Personal Success*

John: *Sapiens: A Brief History of Humankind; Mink River*

Conrad: Lots of science fiction

JOHN: My personal passion is philanthropic planning, a discipline I've worked at over many decades as an estate-planning attorney, principal gifts fundraiser and philanthropic advisor. I enjoy the process of discovering client passions, assisting with due diligence, making the appropriate personal connections, and finally, figuring out which assets and structures will be used to make a truly impactful gift.

In the past 30 years, I've been fortunate to work with Northwest philanthropists on some unique gift structures that have an investment or investment-like component, which strengthens the nonprofit financially while expanding its visibility and operations. These types of blended gifts often bring together a variety of stakeholders who may not initially see eye-to-eye. I love working on these types of opportunities precisely because they are complicated and unique – beyond setting up a DAF [Donor-Advised Fund], a trust, or a private foundation even.

Ultimately, change for the better is the goal. And that can be done in a variety of ways, including a combination of investing and traditional philanthropy. Being open to different possibilities is what allows for transformational change for the charity, the donor/investor, and the community.

How have you seen wealth management change over the past 20 years and how will it evolve?

SCOTT: Wealth planning used to be mostly tax-driven, but these days it's less about taxes and more about personal lifetime goals, which is where I think the focus should always be. We also have a lot more investment choices today, so we're spending more time researching investments, especially in the private markets and alternatives. Looking forward, I think people will want even more information, but that needs to be balanced with keeping the focus on long-term outcomes.

JOHN: I think there's an evolution toward managing significant family wealth in ways that are similar to how foundations and endowments are managed. The investment and planning horizon is getting longer and more strategic — often more than a lifetime. And there's an emphasis on creating broadly diversified portfolios, including hard-to-access, illiquid asset classes like timber, specialty real estate or private equity, and partnering with institutional-quality asset managers to achieve long-term risk and return targets.

CONRAD: These days, everyone is trying to say they do the same thing as everyone else. So it's hard to differentiate between firms. Despite that, very few firms are independent and 100% fee-only as LNWM is. Also, it's certainly easier to be a do-it-yourself investor these days: online banking and bill pay, all sorts of robo-investing, accounting and money management apps. What tech is not replacing is the insights, resources, and strategies required to protect, grow and transfer current and future wealth. That takes expertise, experience and knowledge. It requires integration, not just segmentation of tasks. And Laird Norton Wealth Management will continue to stand out for that reason.

WEEKEND HANGOUTS

Scott: Motorcycle ride on Cascade Highway; Yakima River fishing; flying kites

John: Husky Stadium in the fall; Chop Suey, Neumos, Sunset Tavern and other live music venues; fly fishing anywhere!

Conrad: Practicing Qi Gong; kayaking, traveling (more than a few times to Africa)



ABOUT THE INTERVIEWEES

Conrad Gehrmann — Conrad Gehrmann is an owner, board member and chief financial officer at Laird Norton Wealth Management and serves as an advisor on client relationships. A CPA with more than 30 years of experience in financial services, Conrad is committed to finding solutions that work for the high-net-worth families and individuals. His work comprises experience in tax and wealth management, investments, and trusts and estate planning.

John Goodwin — John Goodwin is an owner, board member and chief business development officer at Laird Norton Wealth Management and serves as a key strategy advisor to clients focused on philanthropy. An estate planning attorney, his work spans over three decades and has touched on nearly every aspect of private wealth management, including the preservation, structuring and transfer of family wealth, philanthropic advising, and investment management.

Scott Butterfield — Scott Butterfield is an owner, board member and chief client services officer at Laird Norton Wealth Management and serves as a lead advisor on client relationships. A CPA with more than 25 years of experience in financial services, he brings a wide array of expertise to his work helping high-net-worth families and individuals attain their life goals. Along with investment, tax, and wealth transfer strategies, Scott advises on complex ownership and estate planning structures, including multi-generational trusts and family partnerships.

ABOUT LAIRD NORTON WEALTH MANAGEMENT

With \$6 billion in assets under management, Laird Norton Wealth Management is the Northwest's premier wealth management company. Founded in 1967 to serve the financial management needs of the Laird and Norton families, the firm now provides integrated wealth management solutions to more than 700 individuals, families, business leaders, private foundations and nonprofit organizations.

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