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John Dykes for *Barron's*

Across the country, great financial advisors are finding new ways to help investors.

2010 Top 1000 Advisors

By Suzanne McGee

The following has been excerpted

Extraordinary times call for extraordinary people. Like Dan Pinkerton. A financial advisor in Coeur d'Alene, Idaho—and one of Barron's top 1,000 in America—Pinkerton likes to end client workshops with a violin solo. And not just any violin solo: He makes his fiddle sound like Scottish bagpipes and plays Amazing Grace. It's partly to ease investors' stress, partly to keep his own creative juices flowing. That is "essential to running a financial-advisory firm."

In today's topsy-turvy markets—a historic crash one year, a monster rally the next—the leading financial advisors across the country are pulling out all the stops, and then some, to get an edge for their clients and themselves. And by at least one important measure, they are succeeding: Their client-retention rate clocked in at 97% last year. Doctors and

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contractors should be so lucky.

The high retention level is one of the most striking findings from *Barron's* annual state-by-state roundup of the top 1,000 financial advisers. This is the largest of four advisor rankings we publish each year.

To make this list, advisors need to be leaders in their states in assets under advisement–and some have billions. They also must generate ample revenue for their firms, and run provably high-quality practices. And of course, they can't have bad marks on their regulatory records. Investment performance isn't an explicit criterion, because most financial advisors don't have audited performance records; but advisors who meet our requirements tend to get strong investment results.

The 1,000 advisors have a number of other things in common, too. Most hail from big brokerage houses and banks.

The advisors are thoroughly seasoned: On average, they are 51 years old, and have been in the business for some 25 years. The advisors are remarkably loyal to their employers, putting in an average of 19 years at their current firms.

This data–and more–came from an extensive survey filled out by more than 4,000 nominees, 25% more than last year. After reviewing the information and talking with advisors and their firms, we had the final list.

What the group absolutely does not have is a unified outlook for the markets. Yes, they tend to like emerging markets and dividend-paying blue chips. But overall, we found more diversity of opinion than at any other time since we began tracking financial advisors six years ago. The advisors are quite literally all over the map.

The divergence isn't entirely surprising, given the tumult of the past two years. People everywhere are still trying to get their bearings.

But that doesn't mean the advisors can afford to get it wrong.

"They really caught a break last year," says Simon Johnson, an economist at the MIT Sloan School of Management. "Everyone was so relieved by the recovery that they weren't going to worry as much if their broker didn't do as well as he or she might have done. Going forward, clients will be more demanding; the job gets harder."

Still, the top advisors will have the benefit of that bedrock, investors' trust.

It's enough to make someone break out his violin. ■

Dan Pinkerton
Pinkerton Retirement

Ranked the #1 Advisor in Idaho

When Dan Pinkerton presents at one of his firm's workshops, clients often get more than they bargained for–in the form of a solo violin performance. "Music helps communicate our philosophy that there is more to life than just money and wealth management, and that money allows them to do whatever is most important to them," he says.

"Having that right-brained creative side connecting with all the analytics of the left brain, I have found, has been essential to running a financial-advisory firm," he says.

In 2006, Pinkerton recalls, his firm believed the U.S. was in a long-term bear market, and started moving clients' portfolios from a "buy, hold and hope" approach to one using "advance and protect strategies," with exits built in across the board. That's still the plan: "We are clearly still in a secular bear market," says Pinkerton, 45. "We certainly expect that we've got at least five years before the next secular bull market begins." –L.F.

RANK 2010	'09	Name	Firm	City	CUSTOMERS Individuals (Up to $1mil)	High Net Worth ($1-10 mil)	Ultra-High Net Worth ($10 mil+)	Foundations	Endowments	Institutional	Total Assets ($mil)	Typical Account ($mil)	Typical Net Worth ($mil)
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