

INVESTING IN JACKSONVILLE

In purchasing the Cascade Christian High School campus to house their corporate headquarters, Brooke and Mel Ashland are making a major investment in Jacksonville.

But after all, they are in the investment industry. Brooke is co-founder and Chief Executive Officer of the Cutler Investment Group, LLC. Mel is founder and partner in Ashland Partners, LLP, a firm that audits investment managers.

The couple met when Mel was a trustee for the Kern County Public Employee Retirement System in California, and Cutler Investment Group was one of their money managers. “We started arguing with each other and fell in love,” Brooke acknowledges. They have now been married for sixteen years.

Begun in Los Angeles in 1977, Cutler Investment Group relocated to Medford in 1984. Brooke had discovered the area when she visited Southern Oregon University with a group of friends from UCLA, her alma mater, during spring break in 1974. “Our family had been looking for a summer place, and the area was great for kids. Then I thought, ‘well, if it’s good for kids during the summer, what’s wrong with year round?’” They packed up the firm and all the employees and moved to Medford.

The Cutler Investment Group offers high quality, conservative stock investment strategies for both individuals and pension plans. They are also the only Mutual Fund Advisor based in Southern Oregon. Anticipating the purchase of the Old School property, Cutler moved to Jacksonville last fall as a way of introducing the organization to the community. “I guess the move brought us good



luck!” Brooke states. When Mel moved to the area in 1991, he was tired of public accounting. He had worked in Arthur Anderson’s audit division from 1969 to 1975, and then founded Ashland and Richardson, CPAs in 1975.

That same year (1991), the money management industry took a step towards self-regulation, establishing the Association for Investment Management Research (AIMR) - Performance Presentation Standards. These ethical standards were to be used for creating performance presentations that ensured fair representation and full disclosure of investment performance results. Prior to their establishment, money managers could pick and choose their performance yardsticks, often leaving investors comparing apples and oranges.

Mel understood the need for presentation standards because he had been a pension fund trustee. Brooke, as an investment manager, knew the operations end and how to implement the Standards. In

1992 Mel and Brooke started Ashland Partners out of a desk in their basement. Ashland Partners became the first CPA firm in the country to offer investment performance verification.

“She made me make eight to ten cold calls a day,” Mel recalls. “This was before Outlook and all the computer tracking programs. So someone would call me back and say ‘this is George,’ and I would scramble to find the piece of paper that says George who!”

“We went and created the industry if you will,” Brooke adds. “We went to the large pension funds and said ‘before you fund an investment manager, see if they are compliant with the AIMR Standards.’ It was a marriage waiting to happen.”

Now Ashland Partners has offices in Medford, Jersey City, Boston, and Shanghai, and audits over 475 money managers worldwide.

“Ashland Partners is in Shanghai because I helped Brooke with Cutler’s Asian Fund and realized we needed a presence there,” Mel explains. “Investment management—and thus auditing investment firms—are now global industries. Our presence in Shanghai makes us 24/7.”

Cutler Investment Group created its Asian division over ten years ago to provide investment opportunities in China. “Ten or 11 years ago, the general population didn’t understand how fast American jobs were going overseas,” Brooke points out. “If American manufacturers are going to maintain global competitiveness, they have to find new markets to sell their products and services.”

She continues, “General Motors, for example, is not a manufacturer; they are an assembler. The manufacturing is done by smaller companies supplying products to them. Rather than have GM source from China, the premise was to take their U.S. manufacturers and teach them how to do business in China, so it wasn’t simply a labor arbitrage.”

Mel observes, “There’s an emergency situation in the U.S.—every industry is short of talented workers. We have an older generation that has business skills but lacks computer skills. The younger generation is competent in computer skills but lacking in business skills.”

One of Mel’s partners, Toby Cochran, sits on a busi-

ness advisory council at SOU. “The Business Department there asked the council ‘what should our students look like?’ Toby’s response to the Council was ‘we can hire all the skills your kids have for 1/6 the price in China. What we need here in the States are students that can walk and talk and don’t have tattoos or holes in their bodies.’”

The Ashlands’ solution is to take young professionals and train them. “Every year Ashland Partners holds an August training session. We conducted a Mr. and Ms. Manners course at the Jacksonville Inn. Their general manager, Platon Mantheakis, was delighted to demonstrate proper etiquette to our group. Part of our training is such personal skills—good manners, business manners, appropriate dressing, talking, health and fitness, a balanced lifestyle,” Mel explains. “That’s the direction the workforce is going. That’s why we want the Old School campus.”

Brooke points out, “The school is a positive environment for the personality of today’s workforce. Most of the employees we’re going to hire are not going to take the traditional path of sitting in a cubical and waiting 20 years for a corner office. Good workforce skills are very portable. Today’s employees who are in demand want a flexible environment. Many have young families, and they want time to go to a kid’s ball game or attend their play.”

“We’re trying to make enough opportunities for them to stay with us,” Mel continues. “In fact, the turnover in both our companies is phenomenally low.”

Brooke and Mel plan to move both Cutler Investment Group and Ashland Partners to the Old School. “We’re looking at 21st Century adaptive reuse,” Brooke says, “but we would like the school to look as much as possible like it did in 1906. That’s possible because our businesses are really learning environments—study and work are intertwined. So the fact that it’s a school is a plus—it’s the learning environment our employees need.”
