

Johnson buys Dayton company, adds \$350M in assets, five advisers

Business Courier of Cincinnati - by [Steve Watkins](#) Staff Reporter

One of Cincinnati's largest money management firms, **Johnson Investment Counsel Inc.**, has made its first acquisition in 20 years.

Johnson bought the assets of Dayton-based **Mead, Adam and Co.** last month and announced the deal April 15. Johnson, which says it is Ohio's largest independent employee-owned money management firm, added \$350 million in assets and five portfolio managers to its nearly \$4 billion in assets and 23 managers.

Mead Adam has offices in Dayton and Columbus. Johnson will keep both of those, said Johnson Investment Counsel President Tim Johnson.

"We have a lot of clients in Dayton and Columbus," Johnson said. "This is a very natural extension of having other offices to serve our clients and add more local representation in those communities."

West Side-based Johnson will retain eight of Mead Adam's employees, including five in Dayton and three in Columbus. That gives Johnson 90 employees. The firm will add one employee in Dayton. One Dayton employee didn't stay with the firm.

Johnson is able to consolidate back-office functions with the deal. Those functions include compliance, data processing, trading and computer systems.

The acquisition should be seamless for clients, Johnson said. Mead Adam already has changed its name to Johnson Investment Counsel. But all portfolio managers and portfolio support people remain.

All but 2 percent of the clients are staying with the firm, said Mead Adam President Jack Adam.

That bumps Johnson from \$3.9 billion in assets as of March 31 to \$4.3 billion, according to regulatory filings made by each firm. It is the ninth-largest Greater Cincinnati money manager. But it ranks first among those not owned by banks, insurers or other large investment advisory firms. Mead Adam is the eighth-largest Dayton advisory firm, according to a **Dayton Business Journal** list. It ranks fourth in Dayton among independently owned firms.

Johnson hasn't done an acquisition since it bought a three-person downtown firm in 1989. It wasn't looking to buy now, even though the deal made sense.

"They contacted us initially," Johnson said. "Nobody else is doing acquisitions."

But the deal worked for Johnson. The firm was able to borrow money privately from partnerships to finance the deal, Johnson said. He wouldn't disclose the acquisition price.

Jack Adam first met with Tim Johnson almost two years ago. That came about after some Johnson clients made contributions to charitable accounts Mead Adam managed.

"I realized we both share common cultures," Adam said.

He said he wasn't thinking initially about selling the firm. But he recently turned 70 and thought it was time to create a succession plan by selling the firm. He hired an investment banker and got several offers. Johnson's wasn't the highest bid.

"But if I was going to transition my clients somewhere, I realized there wasn't anybody better to do that than Johnson Investment Counsel," Adam said.

Adam, a Cincinnati native and **Elder High School** graduate, said he plans to work another five years.

He touted the access to a broader range of services that Johnson offers for Mead Adam clients. Johnson has a family of 10 publicly available mutual funds and four institutional funds. It also has a trust company, a rarity for an independent firm.

Adam and his family were majority owners of the company he started in 1970.

Johnson, who is 66, has no plans to leave the firm anytime soon. But when he does, he has diversified the ownership base. The firm has 23 shareholders.

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