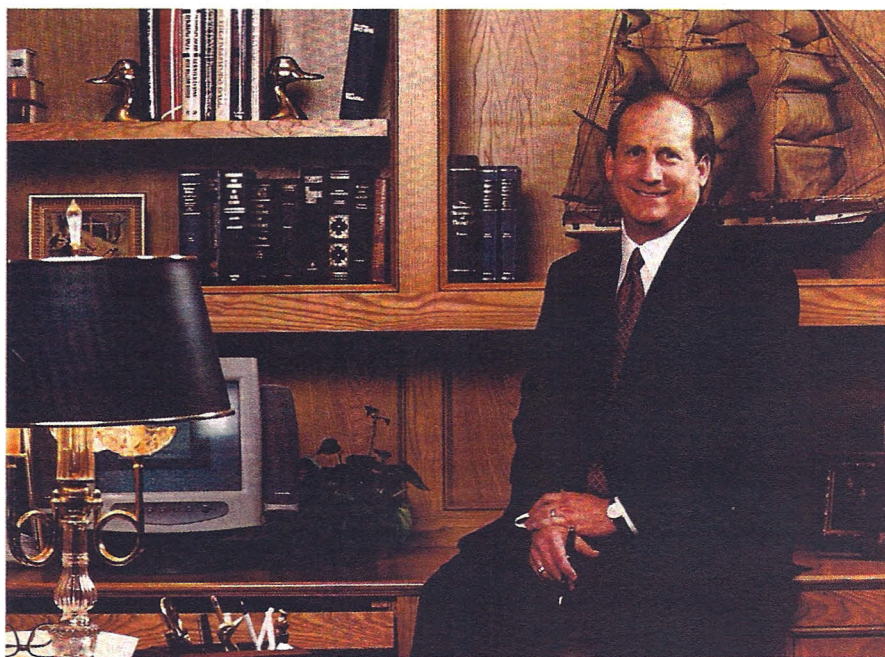


Lewis Metzger has a good eye for stocks. And he saw his first winner at the age of 12, sitting in his living room, watching television.

"It was the new color television set," recalls Metzger, now one of Houston, Texas' leading financial advisers with Salomon Smith Barney. "And as I sat there looking at it, I thought to myself, who is the leading manufacturer of color TVs? Radio Corporation of America (RCA). This concept of color television is going to be big." So, with a little help from his father, he purchased 100 shares of RCA stock. Two



C&BA alum Lewis Metzger is a leading financial advisor with Salomon Smith Barney in Houston, Texas.

C&BA GRAD LEWIS METZGER HAS BEEN INVESTING SINCE AGE 12

years later, he sold it, almost doubling his money.

Interestingly, though, Metzger didn't take his newfound gains and put them immediately back in the market. And there's a lesson in that, he believes: just because you have the means to invest doesn't mean you have to invest.

"A big mistake people make is believing that the time to invest is when you have money," explains Metzger, who earned both his bachelor's degree in Commerce & Business Administration in 1974 and his Masters of Business Administration (MBA) in 1976 from The University of Alabama. "The fact is, the best time to buy is

when you see the right opportunities. It is not short-term market timing; it is about staying vigilant to the markets and sensing the economic opportunity."

Now that might sound a little strange coming from someone who makes his living by investing other people's money. But there's a lot about Lewis Metzger that doesn't exactly fit the mold of Gordon Gekko, the prototypical "greed-is-good" character Michael Douglas played in the film *Wall Street*.

It starts with philosophy. For example, in a market where technology stocks – the so-called dot-coms – are creating paper millionaires, Metzger is not leaping on the internet bandwagon. "We've seen these fads before," he says.

"Remember the heydays of the small oil companies in the early 1980s, gold going to \$1,000 an ounce, oil to \$100 per barrel."

"While building quality portfolios for each individual client is very important, there's much more to it than that. The simple fact is that different clients have different needs. Their specific investment objectives, risk tolerances, time horizons and many other factors are going to impact the recommendation that I make for them."

"It is essential to look at the whole picture. What are the long-term tax consequences? How will the next generation be affected? Selecting the right asset classes and choosing the right stocks is

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important, but the bigger picture includes tax and estate planning too.”

All of this argues for patience, something else that appears out of the ordinary in the high-intensity world of investing. “Patience and persistence are critical in this business,” he says. “The investing public likes to buy the hot ideas of the day, the stocks they read about in the newspaper or hear about on the financial television networks; that’s just not what we do. They often try to make a short-term profit, but that kind of emotion-buying often does not pay off in the long-term. When you are advising deca-millionaires you’ve got to stay focused on the big picture.”

Patience is just one of the “p-words” that Metzger uses to describe the keys to his success at Salomon, where he and partner David Harris oversee more than \$1 billion in client assets. “There’s perseverance,” he adds. “Then there are products, pricing and partners. They’re all essential to what makes this work, so they have to be right. But by far the most important characteristic for success is integrity, being honest with everyone. You’ve got to have the discipline to stay focused, an abundance of common sense, work harder than the other guy and set realistically high goals.”

There is one p-word that Metzger rejects categorically: Panic. “The market is a marathon,” he says. “You have to stay objective and rational, and never panic. It is important to take a common sense approach, to have the courage of your convictions and to be able to stand back and ask yourself, is this in the best interests of my client?”

Metzger’s refusal to echo the standard Wall Street line – “I try to think differently from the crowd, looking for opportunities that others may be ignoring,” he says – is less surprising given his background. His early success with the

RCA stock aside, Metzger wasn’t possessed by visions of Wall Street. Even at Alabama, where he served as vice president of the Student Government Association and president of his fraternity, the stock market didn’t much register on his radar screen.

“I liked reading *The Wall Street Journal* in college,” he shrugs. “But I never thought about getting into the financial services business until much later.”

“Much later” came in 1979 when he starting seeking out personal growth opportunities. Already in Houston, he first considered the real estate market, deciding – correctly as it turned out – that the local real estate market had peaked in this cycle. “Then I looked at the stock market and saw that the Dow Jones Industrial Averages was trading just over 800,” he continues. “I knew that was the place to be for the next 10 years.”

More than two decades later, he’s still there. And during that period, his atypical approach has more than proved its value – both to his career and to his clients.

At age 30, he was named Vice President of Drexel Burnham Lambert, a major Wall Street firm, earning membership on the firm’s prestigious Executive/President’s Council for six straight years. The string continued when he moved to Salomon Smith Barney in 1989 as Senior Vice President. Since his arrival, Metzger has been a member of the firm’s prestigious Chairman/Director’s Club for 11 straight years.

Metzger, who is cerebral and reserved, typically plays down those achievements. “It’s just their way of recognizing people,” he says simply.

His reservation should not be mistaken for detachment, however. Metzger

is a fierce advocate for his clients’ best interests, and despite his laid-back demeanor, he is conscientious and realistic about the risks in investing other people’s money. So how does he maintain his equilibrium in a business that is forever conspiring against an even keel?

Metzger laughs. Then, as might be expected, the explanation circles back to his basic philosophy of investing:

“I stay focused on the long-term, the big picture, and try to ignore the daily ups and downs, the fads and the emotions that are all part of the game. You have to look beyond all that.”

Still, it’s tough work, he concedes, and it demands an occasional outlet. For Metzger, it’s coin collecting, fishing and his special passion, hunting. Once a year, he and a few clients take off to some exotic locale – most recently, it was Argentina for a week of dove hunting – and there are more frequent jaunts into South Texas or back to South Alabama where his family maintains a beach house on Dauphin Island.

And when his batteries are recharged, Metzger is back in the city, not hunting game – but looking for the right time and the right opportunity to invest in the right company. “It’s not science,” he says of that process. “If it were, we’d all turn on a computer, get the same information and buy the same stock at the same time. It’s an art.”

Rather, he adds, it is a question of looking at something, assessing its value and making a determination based on the potential of longer-term profitability.

Like he did that afternoon with RCA? “You have to admit,” Metzger smiles, “there are a lot of color televisions in homes today, aren’t there?”

Indeed there are. Enough said.

*Contributed by Doug Williams,
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