

By Carolyn Corman
special writer

Helping the rich retain their wealth is the aim of the Enterprise Group which serves a select clientele those with a minimum income of \$200,000 and at least \$1 million net worth to invest.

"Basically we help the wealthy structure their investment strategies," explained Norm Pappas, co-founder of the Enterprise Group. "We act as financial consultants."

Pappas of Bloomfield Hills and Lionel Margolick of Farmington Hills founded the Enterprise Group in 1983. The company has grown from 11 to 21 employees and occupies 6,000 square feet of office space in the Travers Towers II in Southfield.

Its 90-100 clients fall into one of three categories: the business owner, the professional investor and top echelon executives of public companies, Pappas said.

Business owners make up much of the list; attorneys and real estate developers are also among the clientele.

"The clients are wealthy to begin with," Pappas said. "Our strategy is not to try to make them wealthy but to keep them wealthy. The goal is preservation of wealth."

THE ENTERPRISE GROUP'S client list has a cumulative net worth of about \$1 billion to \$1.5 billion.

Pappas said he and Margolick are involved in four specific areas of planning — investment strategy, estate planning, business disposition planning and fringe benefit analysis and planning for corporations.

Pappas says he encourages clients to look at themselves as a business. As part of the Enterprise Group's evaluation, a computer analysis of the client's assets is prepared along with a 10-year balance sheet forecast and a 10-year cash flow forecast.

"Most people are too busy and don't have the interest or ability," Pappas said. "So we do the forecasting for them. We also work in conjunction with their accountant or attorney."

Pappas said that once the client's financial situation is analyzed, an investment strategy is implemented.

"We advise them as to what percentage to invest in stocks or bonds and help them by offering different investments," he said. "There are common problems and common strategies when dealing with wealth."

Helping the rich stay wealthy



JERRY ZOLYNSKY/staff photographer

Lionel Margolick (left) and Norm Pappas of the Enterprise Group see preservation of their clients' wealth as their company's goal.

HOW TO DISPOSE of wealth upon the death of a client is another specialty.

"There is a 50 percent death tax in effect now," Pappas said. "We help people plan proper disposal of their estates. There are strategies appropriate for larger estates and not smaller ones."

Disposing of a business is a companion service.

"What happens to a business if something happens to the father?" Margolick asked. "Is it liquidated, kept or sold? Most businesses fail because of the death of the owner. We try to present some solutions."

Pappas said they are also involved with fringe benefit analysis planning for corporations, assembling benefit packages to help corporations attract new people and keep key people.

"Corporations are concerned with attracting, rewarding and retaining executives," Pappas said.

"It is very interesting and challenging work," Pappas said. "People will go through changes and we try to help them get to the next plateau."

Margolick added that as a result of the new tax law, there is more emphasis on profit and less on tax savings now.

MARGOLICK HAS bachelor's and law degrees from McGill University, Montreal, and a master's degree from Wharton Graduate School of Finance and Commerce.

He worked for 10 years in corporate finance for Ford Motor Co. and was responsible for supervising, planning and implementing an \$11 billion debt portfolio. He was also head of the Ford Credit affiliate in Venezuela and treasurer of Ford Venezuela.

He has spoken on an international level on various financial and management topics.

Pappas received a business degree from the University of Michigan and a master's degree in marketing from Michigan State. He formerly was employed by Connecticut General Insurance Co.

He is past president of the International Forum and presently serves on the Board of Association for Advanced Life Underwriting and a member of the President's Club at U-M. He also sits on many charitable boards.

Prepaid legal coverage imitates medical HMOs

By Carolyn DeMarco
staff writer

What happens when a usually healthy person displays symptoms of a minor illness which nonetheless require professional care? If he or she is like many of us, the problem is taken care of with a visit to a physician through a prepaid health maintenance plan. The patient pays little or nothing extra for the visit.

And if that same person finds himself in need of professional help for a minor legal problem? Chances are he'd take his chances with an attorney recommended by his brother-in-law or attempt to handle the problem without legal advice.

There's a better way, says Chris Nolan, regional executive director of sales and marketing for American Legal Access Systems — prepaid legal protective services, much like those used in the health field.

"Our market is 80 percent of the population," Nolan said. "We're not concerned with the upper 5 percent that can afford attorney fees or the lower 15 percent that can usually get free legal aid." Annual cost of a family legal protection plan is less than \$300.

American Legal Access Systems is the company owned by the marketer, Nationwide Legal Services. Offices were recently opened on Haggerty Road in Livonia, but the company has been digging its toes into the Michigan market since last December. Nolan is also building a sales force in New York, Illinois, Colorado and Vermont.

Douglas Sweet, director of research and development for the Michigan Bar Association, says another estimated 20-25 prepaid legal protective firms have also begun operations in Michigan, with 20 of them somewhat functional.

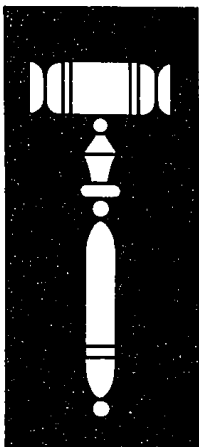
THE IDEA OF prepaid legal systems is simple — to practice preventive law. The American Legal Access System sells the individual or small business a contract which provides for unlimited telephone consultation with an attorney on a toll-free hot line. Unlimited letters and calls made on behalf of the client are included at no additional charge as well as review of contracts and written documents, preparation of two wills, and a 30-minute in-office consultation with an attorney for each new legal problem.

If a legal situation is too complicated to advise on by telephone or mail, members will be referred to a specialist at a rate of \$50 per hour in office or in court.

Contingency cases arising from negligence, breach of warranty, product liability or malpractice are exempted from the hourly rates. But participating attorneys will handle cases for 25 percent less than their usual fee rates. Probate of untested estates are also handled at discounted fees.

Sweet said specific programs are not endorsed by the bar association,

Coverage provides for unlimited telephone consultation with an attorney on a toll-free hot line. Review of contracts and written documents, preparation of two wills, and a 30-minute in-office consultation with an attorney for each new legal problem are included.



but neither is their general use discouraged. A committee is at work reviewing the idea, he said. "We're working on getting information so we can give advice. There's no indication that anything is wrong with them."

Sweet said there is no way to determine which prepaid plans are best for the consumer. "The individual should try them out. There should be a way to cancel and a way to complain and solve any problems."

AMERICAN ACCESS does provide such a cancellation, Nolan said. "If you don't like the speed or quality, you can ask for your money back within 30 days. Less than half of 1 percent do." An initial registration fee is non-refundable.

In addition to individual and family plans and those for small businesses, many corporations have adopted prepaid legal services as a benefit to dangle in front of prospective employees. Unions, too, are looking to prepaid legal services as a bargaining item for its members.

Most prepaid legal services have contracted with existing law firms to hire attorneys. Nolan said 60 firms are listed with American Access, but he gave no names. "It's a two-edged sword. We don't reveal the names because we don't want clients calling them directly and wasting their time. We want them to go through channels."

Each law firm gets a percentage of the contract and in turn provides free services. If referral firms are needed, the client is billed at \$50 per hour. The initial firm gets no kick-back.

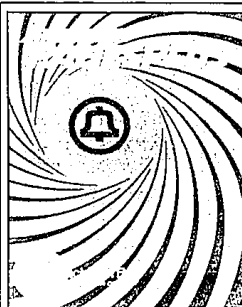
All attorneys used must have a minimum of five years experience, Nolan said, and are checked for qualifications by the New York office. "We work with the American Bar Association and ask if the complaints and lawsuits against them are excessive. County court records are checked to verify the area of expertise, and we insist on a \$2 million malpractice insurance. If they're sued, we want them to be collectively."

OWNERS OF family plans most often use the service for divorce, traffic citations and real estate, Nolan said. "If you hired an attorney to handle a real estate closing you could pay 1 percent." On a \$100,000 home, that could be as much as \$1,000. With a legal plan it would be no more than \$300 if it were a complicated closing.

Other services provided by attorneys may include adoption, name change, trust preparation, tax planning, title search, counsel regarding evictions or foreclosures, premarital contracts, garnishment or cases involving consumer or civil rights.

Prospective salesmen can find out more about the marketing aspect in regular training sessions, Nolan said. Ongoing training is also provided.

For more information on the prepaid legal services provided by American Legal Access Systems, call Nolan at 337-8886. For information on marketing, call Ken Head at 963-5712. American Prepaid Legal Services Institute in Chicago (312-888-5751) serves as a non-profit association for promotion of the legal prepaid services field.



'AT&T felt it only enhanced its position in the market to have other companies using the 'fingers walking' logo. Today we know differently.'

— Karen Fontanive

Ameritech answers competition

By Brian Lyeaght
staff writer

Same book, different cover.

Officials of Ameritech Publishing, the people who bring you the yellow and white pages, say their new telephone directory looks different but works the same old way.

Ameritech's PagesPlus directory, with its bright yellow cover and prominently displayed company logo, has been hitting doorsteps all month. Delivery to homes and businesses will be completed by month's end.

All Michigan Bell customers will get the books. Ameritech will deliver 190,000 North Oakland, 290,000 North Woodward and 232,000 West-Northwest directories. As in past years, the directories contain both yellow and white pages.

"It's still the same: same company, same book, different cover," said Ameritech Publishing spokeswoman Karen Fontanive.

With the breakup of the Bell Telephone system, other companies have begun to publish telephone directories. None are publishing in metropolitan Detroit though. Still, Troy-based Ameritech Publishing is preparing for competition in the lucrative field.

"THE TREND across the country is expanded yellow pages, and we assume that Detroit will be part of that," Fontanive said. PagesPlus, with its new look and expanded format, is Ameritech's answer to the competition.

Please turn to Page 2

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