

# Wine from NEXT PAGE

ways carried a lot of fine wines and had knowledgeable customers, and I felt I was doing them a disservice because they knew more about the business than I did."

So Lutfy immersed himself in the wine culture, reading the masters and tasting as many different wines as possible.

"I never took any formal training," he said. "I just taught myself by studying the masters."

Lutfy now makes it a point of traveling to both France and California twice a year to keep up on his business. He also conducts about 25 wine tastings a year for various restaurants and provides wines for a number of charitable events.

So passionate has he become about his business that it has

crept into his family life.

"Those are my two daughters," he says, pointing to a picture placed among a scattering of wine orders and his signature cork-screws. "The oldest is Remy (now 4), who is named after my favorite cognac, Remy Martin, and the youngest is Margaux (now 2) who's named after the French wine."

**No room for stuffiness**

Despite his high-profile status in the industry, Jim Lutfy bristles at the formality and stuffiness that many associate with drinking fine wines.

"Wine should be fun and considered a beverage, not something to be intimidated by in a restaurant," he said. "We try to provide

tomers and make them feel comfortable about their purchases."

As for his personal taste, Lutfy said he loves all kinds of wine, but finds particular pleasure in very old vintages.

"When you drink a very old bottle, it's like reliving a part of history," he said. "A fine wine has a life of its own, and it's exciting to watch that life change in the bottle over the years."

Asked if he envisioned the day when his business would become separate from the rest of the Cloverleaf operation, Lutfy hesitated for just a moment before saying: "Things have worked out pretty well for me and my family over the years. I think we'll keep things just the way they are."

There's no arguing with success.

# SUBURBAN BUSINESS LEADERS

To submit materials to this column, please send a brief biographical summary along with a black-and-white photo, if possible, to: Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150.

**Michigan National Corporation** in Farmington Hills has named Thomas J. Kimbro Director of Human Resources.

As director of corporate human resources, Kimbro will oversee the development and implementation of corporate-wide policies and programs.

Kimbro has held the position of director, compensation and benefits, at Michigan National since 1986. He joined Michigan National in 1985 as corporate benefits manager.

**Shawn M. MacDonell** has been promoted to assistant director manager within The Equitable's Hobbey Agency in Troy.

His responsibilities include recruiting and building an Equitable financial services field office in the downriver communities. MacDonell has been in the financial services industry since 1987, successfully marketing a wide array of products to area individuals and business clientele.

**Linda Krebhiel** has been promoted to group media supervisor and Rebecca Robertson has been promoted to media supervisor in the media department of the Detroit office of CME/KHBB Advertising (formerly Campbell-Mithun-Easy) in Southfield.

As group media supervisor, Krebhiel will oversee the day to day activities of the local market planning and buying group for all CME/KHBB clients.

Also at CME/KHBB Advertising, Bruce Clayton of Farmington Hills and Steve Larson and Rebecca Robertson have been appointed to senior account executives in the national account group.

Longtime Ford dealer **George Gorno**, president of Gorno Ford, Inc., in Woodhaven, Mich., has been elected President of the Metro Detroit Ford Dealers, Inc., for 1993. The group represents 31 Ford dealerships throughout the

Detroit area. A resident of Grosse Ile, Gorno is also on the board of the Detroit Auto Dealers Association, Ford Dealer Advertising, Charter National Bank and the Southern Wayne County Chamber of Commerce.

Also elected to the 1993 Metro Detroit Ford Dealers, Inc., board are: John Huntington of Huntington Ford in Rochester, vice president; and James Seavitt of Village Ford in Dearborn, secretary/treasurer.

Groves High School graduate **Eric Clarke Haviland** has been named director of product and concept development for Pizza Hut. The firm, which has its headquarters in Wichita, Kansas, is a subsidiary of PepsiCo.

In his new position, Haviland has responsibility for the development, testing and implementation of all new product and new concept development initiatives involving the company's dine-in, delivery and carry-out segments.

The son of Mr. and Mrs. George A. Haviland of Beverly Hills, he, his wife, the former Diane Oros of Dearborn, and their son Shane, will continue to make their home in Wichita.

**Patricia Wedhorn** of Wayne, a self employed video producer, has been voted in as president elect of the Detroit Producers Association. She begins her one year term in June 1993.

The Detroit Producers Association is made up of artist, animators, audio-video directors, producers, educators, equipment and material suppliers and all other elements of the professional media production community.

**Kathy Moulton** of Dow Corning Corp. was the winner of two round trip airline tickets to any Northwest Airline destination at the Mayflower Hotel Secretary party in Plymouth last month.

The party is held each year to reward and honor secretaries from local corporations that make hotel and banquet arrangements at the Mayflower Hotel.

**Tony Camilleri** has been named to the position of manager at the Westland office of Real Estate One.

**William J. Pekar** has been appointed director of sales and marketing, North America division for the Romulus-based Batten Corporation.

**Thomas A. Diefenbaker** has been named director, Data Hub Sales for Detroit Diesel Corporation in Redford.

Diefenbaker will assume responsibility for sales efforts in Detroit Diesel Corporation's new venture in the data hub market.

**Roy Seelbinder**, president of R.A. Seelbinder Construction Company in Troy, has been reelected as chairman of the Livonia-based Masonry Institute of Michigan, Inc., a non-profit organization that educates the construction industry on improved masonry practices, design and proper use of materials.

Also elected are: **Mariano 'Slip' DiGiovanni**, president, Central Masonry Cement in Southfield, vice chairman; and **John Robovitsky**, president, Robovitsky Construction Inc. in Southfield, secretary; and **Charles Wilson**, vice president, Monte Costella Co. in Novi, as treasurer.

**Hallden L. Booth** has been promoted to vice president of worldwide sales, John C. Thom has been appointed general sales manager and Gary A. Ciappetta has been named director of field operations at Rockwell International in Troy.

**Julle Patterson** of Farmington Hills has been appointed general manager of operations for Matt Brady's Tavern in Birmingham and Farmington Hills. She will be responsible for overseeing operations, cost control and purchasing as well as hiring and training of new employees.

Also at Matt Brady's Tavern, **Diane Ritke** has been appointed catering director. She will be responsible for sales and coordinating banquet facilities.

**Dr. John E. Kazanowski** of Southfield has been recognized by the American Society of Otolaryngology with the title of Diplomate for the advancement of oral/dental implantology.

# Money from NEXT PAGE

two years. Usually speculators are not well diversified and they make frequent changes in their portfolio in any given year.

An investment approach implies both diversification and a long-term time horizon. The expectation is to achieve returns that meet or slightly exceed the broad market averages. For example, over the last 65 years, the stock market has produced about a 10 percent compound rate of return. This return has occurred despite recessions, depressions, wars, presidential assassinations and many other difficulties and uncertainties.

In our experience, the average investor is far better off with the investment approach. This approach gives a smoother ride than the all-or-nothing approach of the speculator.

Consider two investors, each of whom has \$10,000 to invest. The first investor achieves a 7-percent rate of return for each of four years; the second achieves a 15-percent rate of return the first three years, but then loses 15 percent in the fourth year. Most investors would feel pretty good about being right three out of four years. But the first investor would have outperformed the second, with an ending balance of \$13,107 vs. \$12,927. (See chart.)

Thus, dampening portfolio volatility is a primary goal of good investment management. This can be accomplished through proper asset allocation.

**Liquidity factor**

When designing a portfolio, liquidity (accessibility of your

money) is always a factor to consider. Generally, a price is paid for liquidity. Liquid assets are typically fully taxable or they may produce lower rates of return. The amount of liquidity in a portfolio should be closely matched to the goals for which the money is allocated. For example, emergency funds should be highly liquid. We categorize assets into four segments or tiers:

**Tier I:** Immediate liquidity and stability for emergency reserves and short-term savings goals. This category includes secondary reserves that may have a minor cost to liquidate. Examples: savings, money markets, short-term CDs.

**Tier II:** Growth and liquidity for longer-term goals, in which there is variability of yearly returns but no penalty for withdrawals. Examples: stocks, bonds, mutual funds.

**Tier III:** Semi-liquid, tax-favored investment vehicles, primarily oriented toward future retirement income. Examples: IRAs, 401(k) plans, tax-sheltered annuities.

**Tier IV:** Illiquid investments for diversification, asset growth, and often favorable tax treatment. Examples: private business, limited partnerships, real estate.

The objective is to keep adequate liquidity for future needs, but no more. Tier II assets such as stocks and bonds generally provide higher long-term returns than Tier I assets. But enough assets should be kept in Tier I to meet monthly expenses and mi-

nor emergencies. There should be a cushion so that stocks or bonds are not forcibly sold at an inopportune time.

Similarly, Tier II assets generally should be oriented toward retirement and not used earlier unless an emergency occurs. Tier IV assets are always optional in a portfolio; illiquid investments should only be made where the asset can be held indefinitely and if there is an unusual opportunity.

**Time horizon**

The goal for which any money is saved may have a significant impact on choosing an appropriate asset allocation model. A short-term goal may limit the investment choices. For example, funds needed for a child's college costs in two years should be invested differently than money invested for retirement in 20 years. Assets that have greater volatility can be used for longer-term goals since temporary setbacks will likely be offset by the more frequent times when the asset is growing in value.

**Next week: Structuring an asset allocation model.**

To receive a free financial planning brochure or to obtain a questionnaire to participate in this column, contact the Center of Financial Planning, Dept. 100, 26211 Central Park Blvd., Suite 604, Southfield 48076 or call 948-7900. Names of participants are withheld upon request, and submitted financial data is confidential.

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