

Atlanta grows reputation as city of millionaires

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ATLANTA BUSINESS CHRONICLE

Atlanta continues to be one of the nation's fastest-growing homes for the nation's millionaires, according to the 2007 World Wealth Report. Roughly 64,000 Atlanta households are occupied by millionaires, the ninth largest figure in the nation. The city has the nation's second-fastest projected growth rate- for millionaires, the study said. Millionaires with Atlanta ZIP codes are estimated to increase 62.2 percent through 2011. This year's fastest growing city - Dallas at 62.6 percent - barely eclipsed Atlanta. The U.S. portion of the World Wealth Report reviewed millionaire household growth in 25 of the nation's largest metro markets during 2006. Research firm Claritas, Inc. and investment conglomerate Merrill Lynch & Co. Inc. conducted the survey. Atlanta was the fastest-growing U.S. millionaire city in the 2006 World Wealth Report, which reviewed 2005 metro populations. "We're included in the mix now," said Mary Ellen Garrett, an Atlanta-based Merrill Lynch vice president of investment, referring to the city's recent expansion of affluence. Other cities with the largest projected millionaire growth figures included Dallas, Phoenix, Orlando, Fla., Sacramento, Calif., and Houston. Each market will increase its millionaires by more than 50 percent during the next five years. The millionaire boom coincides with the increased migration of U.S. residents to Southern cities. The World Wealth Report found each of the cities with the highest millionaire growth rates also had swelling populations. Other, larger cities, like Los Angeles and Chicago, have projected growth rates below 50 percent, but both cities have more than doubled Atlanta's number of millionaire households. Locally, real estate, along with the recent sales of some of the city's technology companies like Scientific-Atlanta Inc. and BellSouth Corp., are the biggest drivers' of millionaire growth. But Garrett also noted the stock market's growth during the last year. "Can't discount what's happened in the market the last 12 to 18 months," Garrett said. There's not a lot of additional dollars out there, but those being saved and invested have grown."

MYTHIC FUND. A Suwanee-based investment management firm is creating a \$100 million hedge fund. Arjun L.P, the new fund, was created by Statim Holdings Inc. and will be managed by the parent company, said Statim Holdings President Joe Meyer. Statim Holdings was founded in 2000 as an investment adviser managing individual client accounts. Arjun is the central part of a new strategy for it. "It's our primary driver for long-term growth," said Meyer. Rather than manage individual client accounts, the fund will pool money from existing Statim Holdings clients, and new investors, for collective investment. Meyer said he expects to complete the fundraising within three years, and projects to have 60 investors in the hedge fund. According to a May 29 Securities and Exchange Commission filing, Arjun requires a \$225,000 minimum investment and has received \$1.6 million from three investors. Unlike some limited life-span hedge funds, Arjun has no closing date. The fund's overall strategy is to create income for its investors, regardless of stock market cycles. Meyer declined to discuss projected returns for Arjun. The new fund's name is derived from the Sanskrit word for "strength with resiliency," Meyer said. Arjun is also the name for the main hero of the Indian epic poem "Mahabharata."

NEW BUYOUT FUND. A new Atlanta-based private equity fund is raising \$25 million to buy privately held businesses, according to a June 1 SEC filing. IIT Capital Partners L.P's offering has not received any payments from investors, the filing states. The fund requires a minimum investment of \$200,000 and did not disclose how many investors the firm expects to attract. Parties involved in the deal include KT Capital Management LLC, Peter Kacer, James Tapp and Robert Konrad. Kacer is the general partner of IIT Capital Partners.

CHEROKEE'S NEW MONEY. Woodstock-based First Cherokee Ancshares, Inc. is raising \$9 million in a secondary capital offering. The six-branch bank subsidiary of First Cherokee Bancshares has \$316 million in total assets in four Woodstock, Canton and Marietta offices. The bank organized in 1989. Thirty-four investors have contributed to the offering, which only has \$100,000 more to raise, according to a June 13 SEC filing. The money raised will repay \$2.2 million in holding company debt, and \$6.8 million will be used for working capital. Individuals involved in First Cherokee's offering include Alan and Elwin Bobo, Michael Edwards, Stanley Fitts, Russell Flynn, CEO Carl Hames, Garry Haygood, Thomas Hopkins, Bobby Hubbard, R.O. Kononen, Dennis Lord, Larry Lusk and Stuart Tasman.