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## Investment firm merger joins veterans with new generation

**BY GREG BARR**  
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Two well-known Houston investment advisory firms are set to merge in a deal that will create a new entity with more than \$750 million in assets under management.

Chilton Capital Management LP and Dyer Robertson & Lamme Inc. will join forces in a marriage set to close in January, pending approval by the Texas Department of Banking. Terms were not disclosed.

The new entity will be known as Chilton Capital Management LLC, with Chilton managers Christopher Knapp and David Underwood Jr. taking top level positions as CEO and chief operating officer, respectively. DRL's three founders — Pat Dyer, John Robertson and Charles "Lin" Lamme — will become managing directors of Chilton Capital.

*"The combination of the two (firms) seems like a good match age-wise and skill-wise."*

**Charles "Lin" Lamme**  
Chilton Capital Management

Tom Motter, Chilton Capital's chief investment officer, will direct equity selection at the expanded firm, while Underwood — whose father was chairman and CEO of Underwood, Neuhaus & Co., once one of the most powerful securities firms in the Southwest — will direct fixed income strategies. Motter co-founded Chilton Capital with Knapp in 1996. Adding



**Knapp**



DRL's staff of nine brings the new firm's head count to 18.

While Chilton Capital has extended its client base beyond Texas in recent years — adding Geneva, Switzerland-based Heritage Bank & Trust and the Allen County (Indiana) Police Department pension plan — Underwood says the deal with DRL is not a precursor to a major expansion strategy.

"It really started out with informal discussions," Underwood says. "It wasn't a decision on our part to go looking to find someone to acquire or merge with. Among our discussions (with DRL principals) it became evident that this could be something that would work. We don't have any other (expansion) plans right now, and are content to get this transition done and be successful as a larger firm and do a good job of serving our clients."

For his part, Lamme says, considering that the three DRL principals are in their 60s — with an eye cast toward their own eventual retirement — and that Chilton Capital's senior managers are in their 40s and 50s, it gives the new entity the ability to render service to high-net-worth clients from a multigenerational point of view.

### HIGH ROLLERS

DRL, founded in 1985, brings about 165 clients and managed assets of about \$400 million to the table, while Chilton Capital has about 120 clients with managed assets of \$350 million, only about \$50 million of which is fixed income. The merged firm will have a minimum account size of \$1 million and an average client relationship of \$3 million.

"The combination of the two (firms) seems like a good match age-wise and skill-wise," Lamme says. "We expect to work many more years, and with our skills more in the client service area, we'll let the man-

agement of the firm rest with the younger people. Most of our clients are interested in us staying on because we've developed good relationships over the years."

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**David Underwood Jr.**  
Chilton Capital Management

While the two firms are preparing to merge their collective investment philosophies and client base, they will also make a geographic shift.

Chilton Capital, which occupies 3,500 square feet of office space at Four Oaks Place at 1300 Post Oak Blvd., will double its footprint when the firm moves in February to about 7,000 square feet of space at 1177 West Loop South. DRL's staff, now at San Felipe Plaza at 5847 San Felipe, will move over after Chilton relocates.

Meanwhile, local financial industry observers say the deal falls in line with current trends among privately held investment companies.

"We're seeing (these deals) almost every day, with most merger activity coming at the top of the market," says Richard Leader, president of First Houston Capital Inc. "People are pretty confident right now. There's a lot of activity and deals like this with smaller money managers looking to make a transaction."

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