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## This leader aims to have Howe and Rusling president Craig Cairns flew an Apache helicopter in Operation Desert Storm his firm soaring

By TOM ADAMS

**C**raig Cairns will not, cannot, forget, though he wonders whether others feel the same.

Not that he could forget, even if he wanted to, seeing the first Boeing 767 jetliner pierce the World Trade Center building in lower Manhattan on Sept. 11, 2001, as he and close friend Brian Costello crossed the 59th Street Bridge.

"The cab driver was listening to Howard Stern," says Cairns, president of Rochester money management firm Howe and Rusling Inc. and an Apache helicopter pilot for the U.S. Army in Iraq 15 years ago.

"I had just made the comment that it's amazing they let planes fly this close to the city. Brian and I saw the first plane go in. We had no good sense of what was happening. We thought it was a mistake or a disgruntled single pilot."

Costello, senior vice president and head of sales and marketing at Genesee Valley Trust Co. in Perinton, worked at Howe and Rusling at the time. He and Cairns had joined the firm at the same time from Manning & Napier Advisors Inc.

"He saw a plane go over and said the plane was going in kind of a weird direction," Costello says. "It was flying kind of low. That actually wasn't the plane that flew in, but about two minutes later the cabbie's going 'Plane! Plane! Plane!'"

"We basically followed the plane all the way across the New York skyline and right into (the tower). I thought it was a commuter jet because we were so

far away."

The two continued on to their breakfast meeting, where they learned that a second plane had crashed into the trade center.

"We walked down to where we could see the towers burning, and then had a

sense of how awful it was," Cairns says.

Cairns and Costello watched news coverage of the attacks, including the collapse of the twin towers and the jetliner crash into the Pentagon, on outdoor televisions at Rockefeller Center.

### CLOSE-UP

#### Craig Cairns

**Title:** President, Howe and Rusling Inc.

**Age:** 42

**Home:** Pittsford

**Education:** B.S., economics and history, St. Bonaventure University, 1986; MBA, finance, University of Rochester William E. Simon School of Business Administration, 1995

**Family:** Wife, Pamela; sons Matthew, 18; John, 10; Daniel, 8; Michael, 6; Joseph, 3; daughter, Megan, 16

**Hobbies:** Spending time with family, playing basketball, reading, travel

**Quote:** "Living in Peru for two years when I was a teenager and being in Saudi Arabia and Iraq made me appreciate how we live and the freedom we live under."



"We tried to get a hotel room but couldn't," Cairns says. "Oddly enough, we went into a rental-car place and they had cars. We rented a car and drove out of the city, on that day."

"He flew copters, and I have no sense of direction," Costello says. "I couldn't tell you north from south. But basically we navigated our way out of that city with people walking in the streets and smoke and stuff. We really didn't know what truly happened until we got home and saw it on TV."

That memory was refreshed last month as America commemorated the five-year anniversary of the terror attacks.

"It was a horribly dramatic event for the country, and it's faded from memory a little bit," Cairns says. "I am a supporter of the need to go to Afghanistan. I support the administration going to Iraq."

"The fact that we were attacked, and the fact that these folks committed to killing us, I don't think we can ever forget that."

### **At Howe and Rusling**

Cairns oversees 12 employees at Howe and Rusling, compared to 25 in 2000. The downsizing is the result of people leaving the firm and not being replaced, he says.

"We're doing more with less," Cairns says.

He expects to add employees long term at a rate of roughly one per year.

Howe and Rusling serves 350 clients and had \$620 million in assets under management at the end of 2005, he says.

Assets under management have grown 38 percent, from \$450 million in 2003, since Cairns became president.

"We are committed to growth, which we will do through smart hiring of marketing and service-oriented people," he says. "I can't say enough about the folks that work here, in terms of being committed to their clients. And the best place to look for new business is often from referrals from existing clients."

Cairns anticipates 10 percent annual growth over the next three years to \$900 million by the end of 2009.

"Craig has been able to take the history of Howe and Rusling and blend it with what's necessary to move the firm forward," says Client Services Manager Mary Lisa Sisson, a 21-year employee. "He's been able to get the research in great shape and retool from the marketing sense and, most importantly, client service."

The East Avenue firm manages large-cap stocks and fixed income accounts for clients with minimum assets of \$500,000 for an asset-based fee. It invests in U.S. government and agency bonds, high-quality corporate bonds, and insured taxable and tax-exempt municipal bonds.

It also offers financial planning and estate planning, and consults with accounting and insurance firms.

"In addition to managing assets, we help clients with, for instance, decisions on whether to buy a vacation place," Cairns says. "We just helped a client in retirement trying to make a decision on whether to sell their house and move into a retirement community, and how that looks financially."

Howe and Rusling was founded in 1930 by Wint Howe, a blind man who was graduated from Harvard University by having his lessons read to him, Cairns says.

Howe was joined a decade later by Lee Rusling, a former client. The two ran the firm until the 1970s.

Rusling's son, Thomas, was hired in 1965 and became president in 1974. He gave way to Cairns in 2003 but remains with the firm as its co-chairman while concentrating on client work.

Cairns as president has been a "significant and positive change for Howe and Rusling," Sisson says.

"He's brought the servicing level to a very high level, because that's the thing that retains clients and encourages clients

**"The Army was a great experience because, as a very young kid, you walk into a situation where you're responsible and in charge of very experienced people. It teaches you a lot about leadership and listening to wiser folks than yourself."**

to refer in new clients," she says.

Cairns, 42, flew Apache helicopters during the first war in Iraq. Given his family's military history, he is more attuned than most to the war on terror and the current U.S. involvement in Iraq.

"I was there for four months," he says. "It was nothing like what they're going through now. I was very proud of how my unit and the Army performed."

"My roommate in college is in Iraq right now. One of my best friends from the Army invaded Afghanistan, invaded Iraq and then shuttled between Iraq and Afghanistan after the ground part of the Iraq War was over. I just have a deep-rooted, long-term good feeling about soldiers that serve."

### **Military family**

That feeling comes from his years of service, as well as from his family's history.

Cairns' father, Robert Bogardus Cairns, was graduated from the U.S. Military Academy and served with the 1st Calvary dur-

ing the conflict in Vietnam. He retired as a lieutenant colonel.

His father's uncle, Bogardus Snowden Cairns, was an army general who died in a 1957 helicopter crash. The Cairns Army Airfield at Fort Rucker, Ala., is named in his honor.

His grandfather, a career soldier, was a B-17 and B-24 pilot in World War II. His great grandfather was a career army doctor who served in World War I.

The Bogardus name can be traced back to the War of 1812, when Gen. Robert Bogardus was commander of the defenses of New York City.

Gen. Robert Bogardus Snowden was an original member of the 25th Infantry of the Tennessee Volunteers in the Civil War. He was among 25, out of the original 683, to survive the infantry's surrender at Appomattox, Cairns says.

Based on his experience in Iraq, Cairns has a personal perspective on the situation as well as an appreciation of U.S. troops there. He was a member of the American forces that went to Iraq in 1990 following Saddam Hussein's invasion of Kuwait.

When the seven-month Operation Desert Storm ended in February 1991, Cairns was part of a military unit that guarded a Shiite refugee camp in southern Iraq.

"We were in Saudi Arabia at an airfield where there was a small town," he recalls. "We went into the small town, and you could feel the hatred of the Saudis. I was a young naive American thinking we had just saved Saudi Arabia because Saddam Hussein might've kept driving south. Yet they absolutely were not grateful. If anything, they could not wait for us to leave."

Looking back, Cairns says, the U.N. coalition of 20 nations should have tried to root out Saddam. But he backs the decision of then-President George H.W. Bush to leave Iraq once Kuwait was secure, leaving Saddam still in power.

"I'm a Bush Sr. apologist in that it was an amazing coalition of Arab and non-Arab nations," Cairns says. "I think we felt like we had the opportunity for some real peace."

"The U.N. charter was never to remove Saddam from power and go to Baghdad. And we were fighting alongside other Arabs over the support of that. In hindsight, we had an opportunity to destroy his army even further, and further weaken him."

Cairns was reminded of that when the U.S. returned to Iraq in 2003 to overthrow Saddam. A road from Kuwait City to the Iraqi city of Basra—known as the Highway of Death because of attacks on the retreating Iraqi army by American aircraft near the end of Desert Storm—was among the routes used as entry points.

Cairns traveled the Highway of Death by truck during his time in Iraq.

"I think what we've gotten into now is,

once you take Baghdad and remove Saddam, what happens next?" Cairns says. "We probably should've thought about that a lot harder this time.

"It's bigger than a political issue. Regardless of what you think about invading Iraq, we need to clean that up. I believe the president when he says he was trying to have a beacon of democracy in the middle of all that dictatorship and hatred. I'm supportive of the need to have gone in, and the need, to the best of our ability, to clean that up."

Cairns calls himself an Army brat. He was born in Hawaii, spent two years in Peru as a teenager, then finished high school at West Point, where his father taught.

He was graduated from St. Bonaventure University in 1986 with a bachelor of science degree in economics and history, then went to flight school for one year and married his wife, Pamela.

"My dad made sure I had an appointment (to the U.S. Military Academy), but I didn't want to be close to home when I went to college," Cairns says. "But I ended up in the Army anyway."

He spent five years in the Army.

"I'd always been interested in aviation, helicopters in particular," he says.

"The Army was a great experience because, as a very young kid, you walk into a situation where you're responsible and in charge of very experienced people. It teaches you a lot about leadership and listening to wiser folks than yourself. It forces you to be the decision maker and to make timely decisions."

Cairns learned from the accomplishments—as well as from the mistakes—of others.

"I had a battalion commander who shot two friendly vehicles," he said. "A leader needs to be removed enough from the situation to not make a horrendous mistake like that."

Cairns was the first member of his family in generations to join the military and not retire from it, he says.

"I appreciated my Army experience very much, but the five-year mark was time to get out," he says. "I was married. I had two kids at that point."

Cairns looked all over for a job but settled in Rochester because it was Pamela's hometown. He began selling pharmaceuticals for SmithKline Beecham PLC.

"It was a great experience, but I didn't want to do that forever," he says, so he enrolled at the University of Rochester's William E. Simon Graduate School of Business Administration and received his MBA in finance in 1995.

"I didn't really target investments as a career until I went to the University of Rochester and got my MBA," he says. "I have enjoyed the industry very much, especially in good times."

Cairns' first job after getting his MBA was in the executive associate program at First Empire State Corp.—now M&T Bank Corp.—and developed its middle-market leasing program. From there he went to Manning & Napier as a vice president for five years.

He joined Howe and Rusling in 2000 as senior vice president and director of client service.

"He's genuinely liked here," Sisson says. "He's not threatening, but he's driven to make this company succeed, and make it succeed for everybody's benefit."

Most Howe and Rusling clients are individuals. The firm also manages pension accounts and has some endowments, Cairns says.

"We have a niche specialty in self-insurance trusts, where like entities—nursing homes, for example—will group together and self-insure for workers' compensation," he says. "Fifteen percent of our assets are

self-insurance assets, and growing."

Some 60 percent of Howe and Rusling clients are in Upstate New York, Cairns says.

## Family focus

Away from work, Cairns' six children keep him busy. He has coached some of their youth athletic teams, primarily basketball.

"My family is a big part of my life, and a big part of what I do in my spare time," he says. "I like to play basketball occasionally. I like to read. Family is priority No. 1."

Cairns is chairman of the Veterans Outreach Center in Rochester.

"That has become one of my passions as well, especially with this war," he says. "As the wars in Iraq and Afghanistan have dragged on, it's easy to forget that we have people fighting, and dying, and that they need help when they re-assimilate back into civilian life. A number of them have issues.

"The Veterans Outreach Center does its best to supplement really what little the government does for these folks, through helping folks with transitional housing, deal with a history of abuse, job training and job placement."

At Howe and Rusling, Cairns is committed to growing the company.

"We will do that through smart hiring of marketing and service-oriented people," he says. "I can't say enough about the folks that work here, in terms of being committed to their clients. And that is often the best place to look for new business, from referrals from existing clients."

Those who know Cairns say the same about him.

"He is as solid a guy as you'll ever meet," Costello says. "He's just a bright, solid guy. He's a guy you'd want in your fox-hole with you."

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