

## **NYLife Carves out Taft-Hartley Sales, Service**

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By Scott Johnson

**New York Life Investments** has consolidated Taft-Hartley sales and client service activities across its investment boutiques under the aegis of one affiliate, San Francisco-based **McMorgan & Co.**, which will become the firm's main point of contact for union plans and consultants. The reorganization elevates **Denise Spillane**, a national sales director at **MacKay Shields**, to a new role at McMorgan overseeing Taft-Hartley distribution across six New York Life affiliates.

Observers say the move allows New York Life to make the most of its existing Taft-Hartley relationships, centered mostly at McMorgan, while potentially boosting sales for boutiques whose products have seen less attention from union clients. The other affiliates that will funnel products through Spillane's clearinghouse are New York-based firms MacKay, **Madison Square Investors**, **New York Life Capital Partners** and **New York Life Retirement Plan Services**, as well as Chicago-based **Institutional Capital**.

No professionals will change offices in the reorganization, and existing clients will hold on to their current relationship managers, says New York Life. But all future business will be routed through people within McMorgan's Taft-Hartley group, composed of 15 professionals pulled from the multiple affiliates. Spillane will report to McMorgan CEO **John Santaguida** but will continue to be based out of New York.

Santaguida explains the clustering as the natural extension of McMorgan's specialization with union clients. "We have some of the deepest Taft-Hartley knowledge and experience in the marketplace," says Santaguida. "That's kind of a scarce commodity, to find people who know Taft-Hartley really well... We felt we could bring the value and expertise of those people to our partners and affiliates."

And **Jack Marco**, chairman of **Marco Consulting Group**, one of the industry's largest consultants to Taft-Hartley plans, agrees with that rationale. "I think this is a pretty unique market, and there aren't a lot of people who are good at it, to tell you the truth," he says. "If you have somebody that's good at it, it behooves you to have them out there working for you, and with multiple products."

Across its affiliates, New York Life manages about \$16 billion for Taft-Hartley clients, which are union pension plans regulated under the 1947 Taft-Hartley Act. McMorgan manages the

lion's share, but Spillane has "built a really good book at MacKay," with more than 30 clients and \$3 billion in assets, says Santaguida. And **Ronald "Buck" Bucci**, director of the Retirement Plan Services affiliate's Taft-Hartley business since 2006, has helped build his unit out to more than 30 clients and \$5 billion in assets.

The combined affiliate assets make New York Life one of the top three managers of union assets, after **State Street Global Advisors** and **BNY Mellon Asset Management**, according to the **eVestment Alliance** database. **Nuveen Investments** also has a sizeable union business, managing \$6 billion across 275 Taft-Hartley accounts. That firm's distribution efforts – which are centralized at the parent company for seven different affiliates, according to a spokeswoman – resemble the new approach at New York Life.

Consultant Marco says McMorgan has had "a good name in the industry for as long as I've been in the business."

That reputation may go a long way toward ramping up distribution for New York Life's products that may not have traction yet in the Taft-Hartley space. "This is a trust business, of course, and if people are confident with you, you want to talk about all of your products," says Marco. "The more you can coordinate it, the more it makes sense."

Prior to the reorganization, McMorgan had already been coordinating business for some New York Life units. McMorgan manages its own in-house real estate strategy, but it employs equity specialist Madison Square and fixed income specialist MacKay as subadvisors, and it works closely with the Retirement Plan Services unit. The primary sources of new products for McMorgan's clients will be Institutional Capital, which manages a range of U.S., international and global equity strategies, and New York Life Capital, which manages private equity strategies.

Spillane, who has spent the last 14 years at MacKay, was most recently its national sales director for the Taft-Hartley market. At McMorgan, she'll manage a team of five service professionals, four salespeople and about five marketing professionals; most will be based in San Francisco. None of those professionals are new to the New York Life organization, but the team has one open position on the service side. On the sales side, Spillane highlights two key people: Bucci, who heads up marketing for Retirement Plan Services, and McMorgan client service officer **Brian Jackson**, an 11-year firm veteran who focuses on the West Coast.

Spillane is "a smart woman with extensive experience and business knowledge," says **Jennifer Mink**, a principal with investment consulting firm **Investment Performance Services**. "I look forward to [seeing] her 'stamp' on the new business model."

Overall, Mink says New York Life's consolidation will give Spillane and her team a chance to "focus their attention, streamline their business and promote cross-selling."

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