



Celebrating 2 Sears

This year marks the 25th anniversary of Heffernan Insurance Brokers. When I was 29 I purchased a struggling insurance brokerage that had financial problems and 9 employees. That company, now Heffernan Insurance Brokers, has since grown to over 400 employees with 6 branches in California, and 3 additional offices in Portland, St. Louis and Manhattan.

From the beginning we wanted to create a different type of insurance agency: one that served the client, the employees, and the community. We made our name by focusing on and expanding insurance coverage to a variety of niche businesses, and that model still guides our company's growth.

Our company was also built on relationships. Since we have so many long-term clients and long-term employees, we've focused on a few of each in this issue of HG Magazine. Fantastic, loyal clients who have been with us for over twenty years, like Calco Fencing, Young Electric and RFJ Meiswinkel, among others. You'll also hear from some employees who have been working here for over two decades, who share what it was like back in the early days.

Our corporate culture has always emphasized working hard, having fun, and giving back. Last year we were again named a Top Corporate Philanthropist in the Bay Area, a distinction we have held since 2003. We are very proud to highlight that in 2012, our company donated over 16% of profit to charity. A special thanks to those of you who joined us in May for "Journey to the '80s: A Benefit for the Heffernan Foundation." With your help, over \$850,000 was raised, and all proceeds will go directly to nonprofits providing support in our community.

From the beginning we have also worked hard to help our employees succeed, both personally and professionally. We have continued to gather a strong group of motivated self-starters who use their skills and abilities to do a great job. As a way of rewarding their hard work and commitment, in 2012 we instituted an Employee Stock Ownership Plan. Our company is now proudly "employee owned."

A lot has happened since 1988. Sincere thanks for your business and for the opportunity to serve you. We look forward to what's ahead, and commit to doing even better, and working even harder for you—in the next twenty-five years.

NINE TEEN

1989 Employees 22

The Giants made it to the World Series, but the earthquake interfered with the game. Opening Day festivities became a HIB tradition. 1990 Employees 24

Portland, OR, office established.

1995

Employees 56

1996

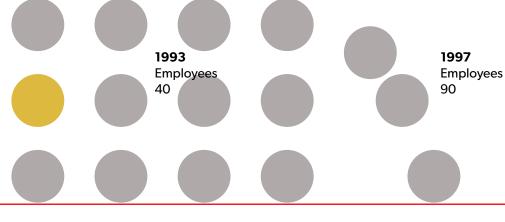
60

Employees

1991 Employees 29

North Bay (Sonoma, now Petaluma) and San Francisco offices established.

1989 Employees 22



1992 Employees 36



1999 Employees 107



2000 **Employees**

130

Heffernan Petersen changes name to Heffernan Insurance Brokers.

2001

Employees 200

South Bay (Palo Alto, now Menlo Park)

office established.

2004

Employees 233

2003 **Employees** 225

2005

Employees 287

Los Angeles office established.

2006 **Employees** 327

Orange County office established.

2002

Employees 225

1998

Employees 100

2011

Employees 420

New York

office established.

St. Louis Cardinals win the World Series.

2012

Employees 420

San Francisco Giants win another **World Series** Championship.

2007

2009

Employees 416

Employees 389

2008

Employees 416

St. Louis, MO, office established. 2010

Employees 415

San Francisco Giants win the World Series.



Triangle Distributing

Young Gun 30

The Stinking Rose

Evolution of a Company

The Way We Were



Journey to the '80s

Branch Managers

effernan Group Financials

Corporate Philanthropy

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Preservina nistory, creating landmarks, 1 Duil dinc atatime

By Linda Wagar



The master craftsmen of Heffernan client RFJ Meiswinkel have helped install or restore the plaster in many of San Francisco's most iconic buildings—from the California Palace of the Legion of Honor to the historic Emporium dome of the Westfield Centre. But that legacy was in peril during the Great Recession of 2008 and 2009, when the bottom dropped out of the private construction market and revenues fell 75 percent seemingly overnight. Amid the carnage of layoffs and management turmoil, the task of rescuing the 77-year-old company fell to an unlikely hero.



Kristen Meiswinkel had spent much of her young adult life ignoring the company that her grandfather founded. She always thought it would be one of her brothers who would run the company. "Because I had brothers, nobody ever expected me to get involved in the family business," Meiswinkel said. "I agreed with them."

Yet at the peak of the financial crisis, Kristen stepped into the breach, leading a team of managers unwilling to let the family business disappear. She admits now that she had her doubts on whether they could save it. "I don't even know how to build a building," Kristen said. "How was I going to run a company that builds buildings?"

With little more than determination and innate business savvy, Kristen managed to steer the company through the storm and back to profitability. At her side was her brother Robert, a company vice president, who landed a contract with a national retail chain that helped turn the company's fortunes. "He's a plastering guru," Kristen said of her brother. "Some of our biggest accounts are because of Robert's skill."

Taking the long way around

Now 44, Kristen followed a long and winding path to her current position as managing director of RFJ Meiswinkel. Immediately after graduating from high school. Kristen fled San Francisco and dabbled in finance for several years. One day in 1995, she found herself looking for a job. Her father, Joe, wooed her home with the offer of steady work. The job was in the business office of the family construction company.

Besides preserving the nearly lost art of restoring plaster, RFJ Meiswinkel also had a solid reputation for metal framing and drywall installation. It was the late 1990s and business was good. The company helped restore the dazzling Fairmont Hotel and the Westin St. Francis Hotel. It did the plaster work in the American Conservatory Theater and in the city's Neiman Marcus store. And it helped rebuild the state Capitol portico in Sacramento and the Oakland Rotunda, with its 120-foot-high, 5,000-square-foot elliptical dome.

In the business office, Kristen worked under the tutelage of company controller Evelyn Towle, who soon became her mentor. "I never truly understood what it was to have a work ethic until I met her," said Kristen. The experience also gave her a new appreciation for her family's business and for the role RFJ Meiswinkel had played in preserving many of San Francisco's most revered sites.

Kristen had worked in the business office for 13 years, and knew the office procedures. But she wasn't prepared for the tsunami that washed over the company in 2008.

Kristen recalled watching as her usually lighthearted father fought to control his emotions as he was forced to lay off 171 employees, many of whom had been with the company for decades. She never expected what happened next. "He walked out the door that day and never came back," said Kristen. "When I asked him what we were supposed to do, he replied, 'Figure it out.'"

Shocked, Kristen, her brother Robert, chief estimator Larry Hart, and estimator Mark Bovone had to decide whether to try and rebuild or to shut the company down. They chose to rebuild. They slashed their salaries and called together the firm's remaining employees and managers. "Are you willing to stay and try and figure this out together?" she remembers asking them.

Decisive actions

As managing director, Kristen oversaw dramatic changes at RFJ Meiswinkel to make it leaner, more efficient and more able to adapt to a changing economy. She oversaw a project to computerize the company's estimating process, which made the company more competitive when bidding on larger projects.

She acted quickly on the advice of Larry Hart, who recognized that private construction jobs were disappearing and the company needed to aggressively go after business in the public sector.

The retooled company began to show new life. It landed a major job working on the San Francisco Public Utilities Commission headquarters, perhaps the greenest office building in urban America with its combination solar array and wind turbine that produces seven percent of the building's own power. And in 2010, Robert landed a contract to put the exterior finish on Restoration Hardware's stores throughout the United States and Canada. The company was back.

It wasn't the first time RFJ Meiswinkel had been rescued by the determination of a few good men and a strong woman. Kristen's grandmother, Barbara, took over the company in 1956 after her husband and company president Frederick Meiswinkel died of a stroke. Just days after her husband's death, she famously told her employees that if they wanted to keep working for the Meiswinkel Company they would now have to work for her. A week later, Barbara proved her mettle by negotiating a \$75,000 job with a major contractor.



Barbara Meiswinkel (Joe Meiswinkel' mother; Robert and Kristen's

"It wasn't until I was researching the company's history that I realized that she had almost an identical meeting with the company's employees," said Kristen.

Kristen, like her grandmother, had to undergo a crash course in the specialty construction business. She found that you can never ask too many questions.

"For the longest time I never asked questions because I didn't want to sound stupid," Kristen said. "The more confidence I gain, the more questions I ask."

Jeff John with San Francisco Gravel, one of RFJ Meiswinkel's biggest suppliers, said he was impressed by Kristen's performance in a world traditionally dominated by men. "She is taking the company to a new level," John said. "She holds regular seminars for the foremen and the workers. She has a lot of new ideas and that can scare the rank and file. But her employees really respect her." He noted that Kristen is comfortable on a job site, even without picking up a trowel and plastering a wall. "She's not afraid to get dirty and do the job walks," John said. "She will listen to everybody from the apprentice up to the superintendent."

The best indicator of how far all the changes have taken the company came this summer: As this article was being written, RFJ Meiswinkel landed its largest project ever, with a contract to work on the expansion of the internationally acclaimed San Francisco Museum of Modern Art.

Lessons in life, lessons in business

Kristen said one of the lessons she learned from her father, who is still listed as company president and is Kristen's most trusted advisor, was the importance of good employees.

"My father has always treated his employees with a great deal of respect," Kristen said. She credits that philosophy for the company's low turnover rate. "I think employees feel that we are all family."

As she recounted the company's revival from the depths of the recession, she was making an hour-long drive to Sebastopol for the graduation party of an employee's daughter. She had watched the girl grow up, and missing her party was out of the question.

Despite the dramatic upheaval at the company, one relationship that hasn't changed is RFJ Meiswinkel's business with Heffernan Insurance Brokers. When Heffernan President Mike Heffernan started the brokerage 25 years ago, RFJ Meiswinkel became one of his first clients. "My dad and Mike really hit it off," Kristen said. "They both loved boats and being on the ocean. I think that was the immediate bond." Kristen said it's a bond that has continued to grow.

Heffernan, she said, has proven its worth to her company, especially during rough times. Heffernan's expertise was most evident during a state audit of RFJ Meiswinkel's workers' compensation program. "We didn't know about a new rule," said Kristen. "We were going to be fined \$100,000. But Heffernan went to bat for us and got the fine waived."

Mike Heffernan said RFJ Meiswinkel has not only rebounded, but flourished under Kristen's leadership, and her father has noticed. Kristen agreed, saying that earning her father's respect has been a huge personal accomplishment. But her greatest triumph, she says, is knowing that RFJ Meiswinkel is once again building and restoring the next generation of San Francisco landmarks.



A Quarter Century of Business Begins with a Conversation about Boats...

Mike Heffernan, CEO

Do you recall first meeting Kristen and Robert's father, Joe Meiswinkel, in the late 1980s? I do recall; we talked about boats and fishing. I also kind of

I do recall; we talked about boats and fishing. I also kind of knew the history of their family—their father passed away, and their mother took over the business with her three sons when they were really young.

At that time, the Meiswinkel company had a new finance person who I knew from another client I had. They had some issues, I think it was initially a surety problem, and we helped them clean up their stuff. They were one of my first clients — probably within the first year. So they were important for that. They were good sized, they were active and had a lot of work and they were an interesting and fun client.

Dan Mahoney (of our Petaluma branch) handles everything for Meiswinkel now. But I know Joe's daughter, Kristen, and she has done a great job and I've seen her grow from being an individual in the office doing admin work, to taking over the company. She's bright and has a great personality. It's interesting because of the parallels between her story and her grandmother's story.



avinga party? riangle Distributing Willbring By Kit Wagar



"The beer industry is fun."

"Beer is about relationships and good times," said Bill Struett, Triangle Distributing's vice president of finance. "Think about it: A cold beer, getting together and talking to people. That's what life is about."

Triangle Distributing has supplied the liquid refreshments for countless good times throughout east Los Angeles County since Rudy Heimark founded the company in 1957. Today, the third generation of the Heimark family oversees two distributorships, including a separate operation in Palm Springs, 120 miles to the east.

The company distributes the full range of Anheuser-Busch products, including household names like Budweiser, Michelob and Bud Light. But the company's portfolio has expanded over the years to include Heineken beer, Monster Energy Drinks and Crown Imports, which include Corona, Modelo and other Mexican beers.

The company supplies its products to bars, taverns, grocery stores, liquor stores and hundreds of other retailers throughout its two territories. With 47.6 percent of the retail market, Anheuser-Busch products dominate beer sales in the United States.

Picking a winner

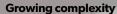
But it wasn't always that way. In the late 1950s in Los Angeles, Coors was the "hot" beer brand to sell. Rudy Heimark had a decision to make. Buy the Coors distributorship or take the up-and-coming Budweiser Distributorship. He selected the Budweiser Distributorship and it turned out to be a good decision: Budweiser outsells Coors on a 4-to-1 basis.

Triangle Distributing now employs about 270 people. It delivers some 10 million cases of beverages and generates \$180 to \$190 million in sales each year. About 70 percent of the sales and workforce are still in east Los Angeles County, where Triangle has its headquarters in the city of Santa Fe Springs.

A key to longevity in the beverage distribution business, Struett said, is a company's relationships with its customers and suppliers. "We're in a partnership with both our customers and suppliers," Struett said. "They love us and we love them."

Fulfilling customers' expectations, however, has become more complex in recent years. The number of products has multiplied. Brewers have merged, changed ownership and sometimes changed products. And consumers have come to expect a wide range of choices.





Struett said Triangle handled about 30 products in the 1970s. The number grew to about 100 in the 1980s and tripled again to about 300 in the early 2000s. Today, the company handles nearly 800 products, as brewers try various craft beers in a relentless search for the next big thing.

"Customers want choice," Struett said. "And everyone is trying to find the niche that hits it big. They are all trying to figure out which craft product could be the next Sam Adams and go national." The ultimate niche-product success story, Struett said, is Bud Light. August Busch III, then the chairman of Anheuser-Busch, started Bud Light in 1982 as a way to compete with other low-calorie light beers offered by Coors and Miller Brewing Co.

"Now Bud Light is the Number 1 beer in the country," Struett said. The multiplicity of products has dramatically changed the way distributors do business. To get all those products to each customer, when the customer wants them, and in the amounts that each customer wants, Triangle has become far more technology-oriented. The company utilizes advanced technology in support of its sales, delivery and warehouse systems.

Art Adams of Heffernan Insurance Brokers has handled Triangle's workers' compensation and business insurance since 1987.

He said Triangle has become one of the biggest beer distributors in California by embracing new methods and new approaches to the business.

"Bill is always looking for new ideas," Adams said of Struett. They are continually changing business processes to meet the demands and changes of both their suppliers and retail customers.

Insurance to match the client

As the complexity of the distribution business has grown, so have Triangle's insurance needs. Struett said beverage distribution contains a tremendous amount of business risk centered on vehicles, people and the product.

Adams said Heffernan brings a depth of expertise that has helped Triangle manage its insurance costs. He often has to go to insurers and explain the nuances of beverage distribution that make the company's risks lower than some similar industries. For example, Adams said, insurers whose rates are set partly based on a company's revenue have to realize that part of Triangle's revenue represents pass-through taxes that shouldn't be counted against the company.

He said he also has won price concessions from insurers after explaining that Triangle's trucks make numerous short stops and are rarely driven at speeds high enough to create the danger of a serious wreck. On the workers' compensation side, Adams said, Triangle's management helps keep costs down by aggressively addressing issues that could lead to worker injuries.

Struett said Adams's business sense is one reason Triangle has remained a Heffernan client. He said Adams follows more than just insurance. He tracks issues in the brewing industry, trends in distribution and general business concerns.

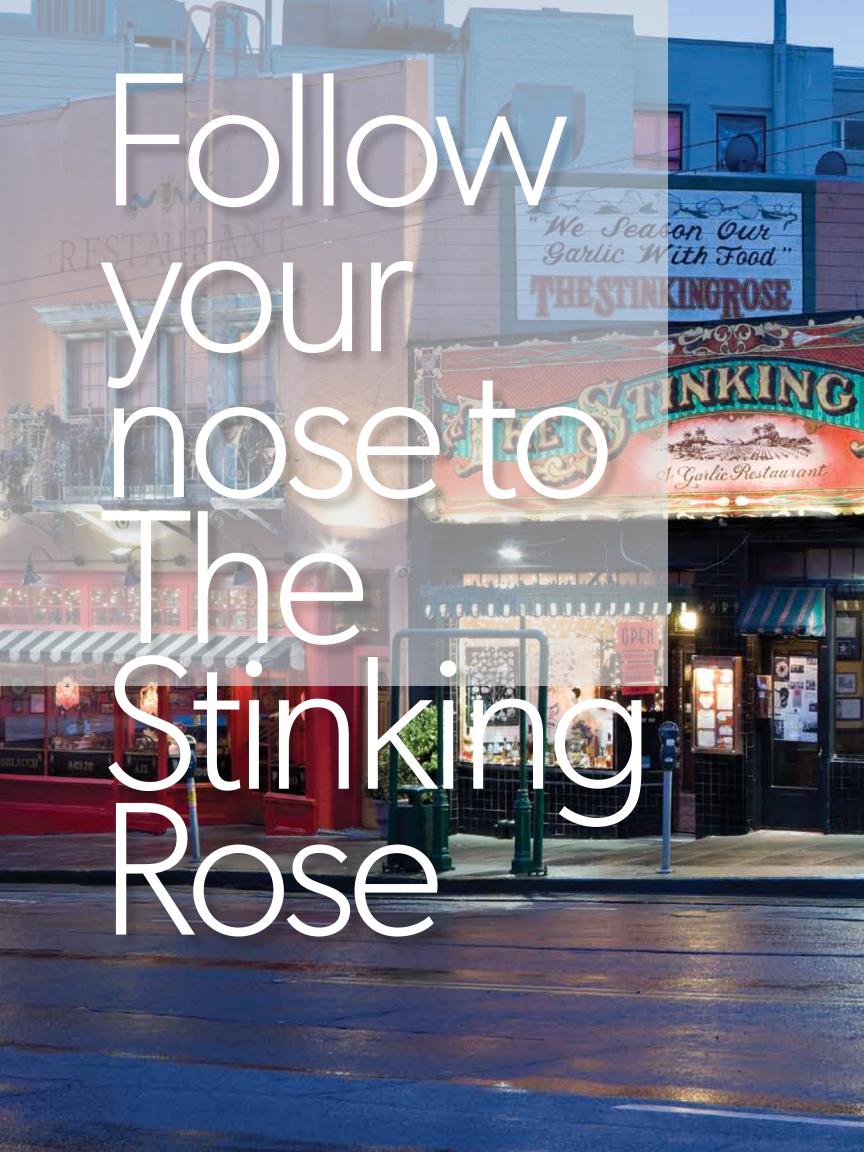
"Art is well read and keeps up on what's going on in the industry," Struett said. "He'll call me up with an article about something A-B is doing before I know it. Or he'll send me a Wall Street Journal article about something going on in the industry."

Struett said, "What I'd like to emphasize is the business partnership between Heffernan Insurance Brokers, Art Adams and our company. One of the things that we enjoy is that we have a very low loss ratio—that is, we don't have a lot of actions. One of the reasons for that is we work closely with Heffernan and their program and try to do the right things in terms of safety. Art reviews our operations and looks for risk. He works with our carrier, and refines our program.

"And on the workers' comp side, through Heffernan's expertise we were able to put together a loss-sensitive program in 2003 whereby we control those costs, not our insurance carrier, and we pay for all claims, up to \$250,000. It was a great program, and it highlights that Art was very innovative. Before, in our fixed-cost program, it was costing us about \$1.5 million in workers' comp claims annually, but in the first year with the new program, our costs ended up being about \$800,000. So we saved over \$800,000."

Struett said he gets at least 20 calls a year from other insurance brokers trying to solicit his business. His decision to stay with Heffernan is simple. "Why would I change a good thing?"

Triangle Distributing is a long-term client of Heffernan's Menlo Park office.





As a boy standing on a crate to reach the kitchen sink, Dante Serafini would peel his way through a 35-pound bag of potatoes at his parents' San Francisco restaurant, Guido's North Beach. He got a penny for each spud and saved most of what he earned, splurging only on the occasional soft drink.

"And then I'd return the bottle," said Serafini, whose early business acumen has served him well.

Now 64, Serafini owns nine restaurants with business partner and boyhood friend Jerry Dal Bozzo. Last year, their restaurants sautéed, grilled, baked and roasted their way to \$42 million in revenue.

It's a success story that Steve Williams, the president of Heffernan Financial Services and Heffernan Employee Benefits, has witnessed firsthand. Serafini and Dal Bozzo have been clients for more than 20 years.

"They are a phenomenal team," Williams said. "Jerry is good at understanding the mix and the ambiance of a restaurant and Dante is good at making it all work."

As their restaurant empire has grown, so have their insurance needs. Serafini credited Williams with helping them manage their risks and liabilities and keeping down ever-rising workers' compensation costs.

"We trust Steve Williams to do our bidding for us," said Serafini. "He's an expert. I know restaurants. He knows insurance."

The Truth about Garlic

There are few better places to talk insurance or any other business than in a comfortable booth at Serafini's most popular restaurant, the Stinking Rose. The name comes from the Italian word for garlic and if you are a lover of that odoriferous plant, you won't be disappointed. Every month, the restaurant plows through 1.5 tons of the stuff and (thankfully) hands out 12,000 mints.

At the Stinking Rose, garlic hangs from the rafters. Signs proclaim, "We season our garlic with food." One of the restaurant's most popular dishes is its 40-clove garlic chicken. And diners start their meals with a basket of fresh-baked rolls to dip into bagna calda, a sauce that, according to a recipe, contains a whopping 2.5 cups of garlic for every bowl served.

But take it easy on the bread. Save room for garlic ice cream, a chocolaty concoction that you can love even if you don't like garlic. The Stinking Rose was a hit from the day it opened. Not long after, Serafini and Dal Bozzo opened a second one in Beverly Hills that's become a favorite of Hollywood stars.

Serafini said the concept of a garlic restaurant was carefully researched long before the first menu was printed. Dal Bozzo was a fan of the Gilroy Garlic Festival and was confident that if he opened a restaurant dedicated to garlic, the devotees that flock to Gilroy would follow their well-trained noses to San Francisco. A University of Pennsylvania study on garlic seemed to support that dream.

"We discovered that garlic is very accepted in a positive way," Serafini said. "Garlic is cross-cultural. So many people who come into the Stinking Rose come from all over the world."

If garlic isn't your thing, Serafini can point you toward one of his other establishments, including Osso Steakhouse (try the bone-in filet mignon), Calzones, Salitos Crab House and the Dead Fish. Serafini said he tries to visit at least two of his restaurants weekly, preferring to pop in and surprise some of his 600 employees.

"I can tell whether everything is running smoothly just by the way the hostess stand is operating and the employees are behaving," Serafini said.

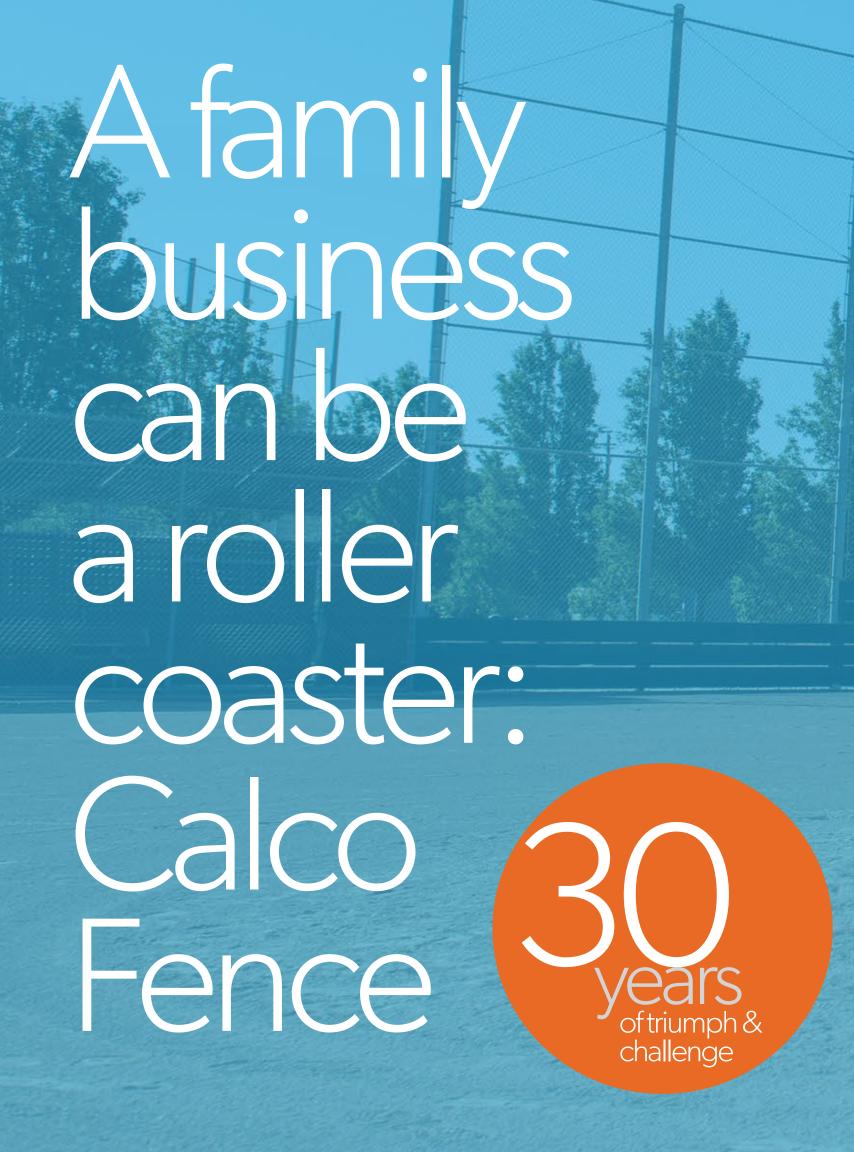
What does Serafini think his late dad would have said of his son's success in the restaurant industry?

"He'd be pleased," said Serafini. "Although he kept telling me not to go into the restaurant business. It's too much work."



The Stinking Rose restaurant is a long-term client of Heffernan's San Francisco office.







Looking back at nearly 30 years in the rough-and-tumble life of a small business, Scott Pope can spot the approach that helped his family-owned company thrive during good times and survive when the economy went south.

"We're not afraid to start something new to add another piece to what we are," Pope said. "We're not going into something that we're not familiar with. But we're not afraid to try something to make us a little stronger."

That mindset has helped Pope's family build Calco Fence Inc. into one of the top fence installation companies in the San Francisco Bay Area. From humble beginnings—when the company owners assembled gate frames in a garage—Calco has grown to handling projects approaching \$1 million. The company now manufactures its own ornamental iron and makes custom architectural fencing. And in 2008, the company launched a retail operation for commercial as well as residential customers.

Calco Fence developed a niche in high-end commercial fencing, with a focus on schools, parks and recreational centers, including batting cages and baseball and football fields. The company specializes in the commercial-grade chain-link fencing required by contractors, Pope said, which insulates it from competition from the building materials offered by big-box stores.

"Most of our customers are construction contractors who want a higherend product," Pope said. "And if we don't have what they need, often we can make it. Stanford University needed panels to fit into the top of crash barriers they had installed. There was really nothing on the market that worked, so the contractor asked if we could make something. So we did. And Stanford got the look they wanted."

Such projects show just how far the company has come since it was founded in December 1983 in the small college town of Chico, California. Scott Pope, his older brother, Kirk, and their brother-in-law, Mike Hill, had all worked for Oakland Fence Co., which at the time had operations throughout northern California. Kirk and Scott had also spent time installing fences in Hawaii.

"We felt we were just as capable as the company we were working for," Scott Pope said. "We decided, 'Let's give it our own shot.'"

Putting the pieces together

A key to getting the company off the ground, Scott Pope says now, was the mix of talents that each man brought to the job. Mike Hill, a graduate in construction management from Chico State University, was good at estimating costs and ran the office. Kirk and Scott Pope ran crews doing fence installations. And the Pope brothers' father, Rocky, handled sales.

"Dad was really personable," Scott Pope recalled. "People just loved him. Together, we had all the components that you need to build a fence company."

The company moved to the East Bay city of Livermore, California, within a year. By 1985, Calco Fence was running four crews, handling both residential and commercial jobs. And in 1989, the company bought its first new truck—a two-ton Ford 600 series. The truck came to symbolize the company's growth. The young owners didn't realize that their business skills would soon be severely tested.

In 1989, Rocky Pope was stricken with a heart attack. The company suddenly lost its marketing leader and Calco's owners lost their business mentor and their father. As they worked through their personal grief and the effect on the company, the real estate markets took a severe downturn.

"In early 1990, real estate just got hammered," Pope recalled. "It got to the point that if someone said they were a developer, we would ask for 50 percent of the cost up front."

Finding the right insurance

By that time, Calco Fence had grown enough to hire a full-time office manager. A critical back-office function for a growing company is insurance. For a small company in the construction business, insurance needs are wide-ranging, from workers' compensation and general liability protection to project performance bonds and vehicle and equipment coverage.

"We have to deal with a tremendous number of insurance issues," Pope said. "The contractors we work for can be incredibly demanding to guarantee performance. It's as if we are building the Bay Bridge. So we need an insurance person who can meet all those needs."

Calco's office manager knew about a young insurance brokerage company that seemed to fit the company's needs. She called Melani Conti of Heffernan Insurance Brokers in nearby Walnut Creek. They had no idea that Melani had only recently been promoted to sales and Calco Fence was the first sales call Melani had ever made.

"We went with Heffernan, and the biggest reason was that we really liked Melani," Pope said. "We may do 500 installations a year, so we needed someone who understood that we might do a job for \$250 and we have another job that is nearly \$1 million."

Calco Fence has been with Heffernan ever since, and now ranks as one of Heffernan's oldest clients. Pope said Calco's complex insurance needs mean that his office staff contacts Heffernan on a weekly basis. Even he has to work with Heffernan at least once a month. Melani and her staff, especially Stephanie Lawrence, have always provided the service that Calco needed, he said.

"Melani is honest, she's helpful and she has always come through for us," Pope said. "Some years, when prices were up, Melani reduced or gave up her commission. I don't know how many insurance agents out there would do that."

Looking back, he chuckles at how he later learned that Melani was so nervous before her first sales call at Calco that she sat hyperventilating in her car after pulling into the company parking lot. More than 20 years later, Pope said he's glad that Melani made it into his office that day.



A happy niche

With Heffernan handling the company's insurance needs, Calco Fence weathered the real estate downturn of the early 1990s and began to hone its business. A key move was developing relationships with half a dozen school districts.

"Aside from prisons, schools have more chain-link fence than anyone," Pope said. "So they became very important clients."

In the late 1990s, the company dropped out of the residential fence business to concentrate on commercial fencing, which required more technical expertise and carried higher margins. The owners found that they were especially good at fencing for schools and sport facilities.

"Ball fields are like the happiest places on earth," Pope said. "It's like building an amusement park. Ball fields will keep kids smiling and busy for hours. And building them makes you feel useful."

By 2007, Calco's staff had reached about 30 and revenues topped \$4 million, Pope said. Calco's owners decided they needed to maintain more control over the quality of their products. So they invested \$1.5 million to open a two-story manufacturing facility the following year. It allowed them to make custom architectural fencing and their own ornamental iron, which constitutes about 15 percent of their business. They added a retail component, selling fencing supplies to the public, commercial clients and large public customers, including Alameda County and the city of San Francisco.

Then the Great Recession hit

"Could we have picked a worse time to expand?" Pope said ruefully. "2008 to 2010 was the worst time in 30 years in business. It was brutal."

Revenue fell nearly 25 percent. The owners took dramatic pay cuts and the work force shrank 40 percent. Pope cited three keys to survival: Low debt, decisive actions and ownership that knew the business from top to bottom. The company traditionally used cash to buy vehicles, equipment, computers and office equipment,

so the only significant debt was the mortgage on the new building. Laying off workers was the toughest move.

"We cut back sooner than a lot of companies did," Pope said.
"We hated to let people go, but did it with the hope of hiring them back. People who were new to the work had to go and everyone else had to step down a notch. We knew that if we kept too many, then no one would have a job."

Because the owners had come up through the business, everyone knew the jobs they had to step into. And no one complained that they shouldn't have to do that old job any more, Pope said.

Looking ahead

After clawing back from the depths of the downturn, Calco's revenues last year were nearly back to their 2007 peak. Pope gives a lot of credit to his employees. It also reflects a company culture that values everyone's contributions.

"Our guys are so talented, and you have to show that you appreciate them," Pope said. "We have no division between the sales people or the installers or the office staff. The guys know that we're all in this together."

For now, Pope says the company is looking to expand. The company currently runs eight crews and would like to reach ten. That's the optimal size, he said, for the current management team to handle.

Pope said running a family business has been something of a labor of love. But Scott is now 58. Kirk Pope, his brother and company president, is three years older. Mike Hill, their brother-in-law and the company numbers man, is 55. Scott Pope said he realizes that the day will come when the current owners of Calco Fence will step away from the company they have built.

"We came into this together and we'll all leave together," Scott Pope said. "We're like a band. We started this when we were young, and now we're all grandparents."

More than a Client: Calco Fence has a friend in veteran Heffernan employee Melani Conti, Senior Vice President, Walnut Creek

Let's start at the beginning. You came in at ground zero, right? Heff bought me! (Laughter.) Actually, he bought the agency I was with, the Petersen agency (Don Petersen: great man). I think we had 9 or 10 employees at the time. We had heard about Mike—he was this young guy—29 or 30? He came in—had long blonde hair to his shoulders, and blue eyes. And he calls us all in, and I don't know if he was nervous or what, but he pulls everyone into the conference room, and says, "I want to welcome everybody, and we're going to go around the room, and everyone's going to introduce themselves, so I can get to know each of you." So we go around the room, and I'm one of the last ones, and they get to me and I say, "I'm Melani Conti, blah blah blah,—and when I finished I paused, turned to him and said, "And you are??"

Everybody started cracking up. Mike looked at me for a second, then he started laughing too. Right then I knew it was going to be okay, because he didn't get miffed that I had sort of called him out. But he had never actually introduced himself or said, "I'm Mike Heffernan."

What were those early days like? At that time I was an Account Manager. Mike brought every one of us in and asked us what we were doing, what we wanted to do, what we enjoyed about our jobs, and where we wanted to be in a few years. Of course I didn't know what his intent was and I remember gripping the cloth chair and thinking, "Oh no—is he going to fire me?" But I told him I really wanted to get into sales, and would do a good job.

Back then there weren't a lot of women in sales; it was dominated by men. So I figured he would just say, "Yeah, yeah," and pat me on the head so to speak, but he didn't. He remembered what I said, and he had me in production by 1990. He taught me how to sell. He would take me out on calls, show me how it was done, let me talk a little bit, and then critique me afterwards (laughter). It was always interesting to get out of a meeting room wondering what he was going to say and believe me, he always had a comment!

Tell me about writing your first client. After a bit of training (not a lot! Mike did like you do with a kid: teach them how to swim, and then you throw them in the pool and wait for them to swim to you!) I got a lead: Calco Fencing Co.



Melani Conti 1995

Even though I had been doing insurance for ten years and had worked my way up, I remember sitting in their parking lot, my heart pounding. I had my little proposal, and I was SO scared! I was hyperventilating and had to take deep breaths. But I went in there, and started to talk to these guys, and I remember at one point they asked me how I had found the place, and I completely froze—over an easy question like that! But they were really, really nice guys. I ended up writing the account, and they were my first deposit check—I think it was, like, \$2,500. I still have that account today, 25 years later. I love them, they are amazing. When my daughter got married, they were there at her wedding. They're just really great people.

How does Mike motivate people? LOL, well, he doesn't give a lot of praise. You worked hard for him to say, "good job." And then he would add, "What else have you got going?" But Mike had more confidence in my abilities than I did for a long, long, time. I'm sure that's just good sales managing, but I was young and impressionable and I believed that he believed in me, so finally I believed in me. I own it now but it took a while! He's a good manager and a good leader.

Has the company experienced growing pains? Some of my happiest times were when we were small, and growing: our successes, and our producer dinners. We would take over restaurants and it was fantastic! It's a lot different now, but you can't keep a 10-20-person-type of feeling going when you have 420 people. But I believe Mike's done as good of a job with that as you can. He places key people who embody the company culture into our branch offices, and then it's up to them to keep that culture going. We now have some great, great people running our branches.

Anything you'd like to add? At our earlier parties Mike used to get up and do imitations of Bob Dylan at every party and company function. That was huge. He sounded just like Dylan. He'd make up the words, like an early rapper, using the people and the company as material. It was HILARIOUS. We're probably too big now, but I wish we could bring Bob Dylan back, just one more time.



LIGHTING There was little doubt what

There was little doubt what career path James Young would choose. He's from a family of electricians that stretches back three generations.

By Linda Wagar



"Even as a kid, I would go to little side jobs with my father and he would let me take the paper out of the boxes," said 59-year-old James Young, who is the seventh electrician in his family.

Young's father, also named James, started Young Electric in 1977 when he decided, at age of 47, to leave a comfortable management job and a respectable income with a national electrical contractor to venture out on his own.

"It was a ballsy move," said Young. "But he knew he could do it."

James Young became his father's first employee. It was a trial by fire. He often worked seven days a week helping his father build and diversify the company.

"There were a lot of times where we would bid the job and once we got back to the office he would send me right back out to do the work," Young said with a sigh. "I never knew whether I was coming or going."

But the hard work was paying off. By the time his father retired in 1990, the company had 20 employees and \$3 million a year in sales. Twenty-three years later, Young Electric has 135 employees and revenue of \$29 million a year.

Young places the credit for the company's growth on the quality work of the union electricians he employs and the core belief that every customer should be treated like family.

"If the customer wants something done that wasn't in the budget we go ahead and do it anyway," Young said. "I don't nickel-and-dime people. I figure I'll make it up on the next job."

That strategy has earned Young Electric a wide range of customers, from George Lucas's Industrial Light and Magic to biomed giant Gilead Sciences to San Francisco's iconic Cliff House restaurant overlooking the Pacific Ocean.

One of Young Electric's specialties is the demanding niche of wiring hospitals. Dave Schurba, one of Young's main suppliers, said few electrical contractors can meet the regulatory requirements, skill and training levels needed for hospital construction.

"Young Electric is known for doing great work," said Schurba. "His company has one of the best reputations in the business."

Young downplays such praise, saying the company's first hospital job fell into its lap in 1984 when he and his dad were working on a job site and the general contractor of that job invited them to join him on his next job, renovating a hospital. Hospitals now comprise 50 percent of the company's business, which includes contracts stretching across the Bay Area.

Young evaluates hospital jobs himself and puts together a lot of those bids. Once construction is under way, he regularly walks the site to supervise the work. Being on a job site, talking with employees and troubleshooting is the best part of his week.

"Unfortunately, I spend too much of my time stuck in the office," Young said.

Classy Guys Survive

John Tallarida, of Heffernan Insurance Brokers, called James Young the secret of Young Electric's success.

"He's probably one of the fairest and most considerate business people I've ever worked with," said Tallarida who's been handling Young Electric's insurance coverage for more than 20 years.

"I've seen him through three big downturns in the construction industry. But he's still here. That's because of his reputation and the relationships he builds with his customers. Classy guys survive."

Young said Tallarida is more than just his insurance broker.

Over the years, the two have become good friends.

"When I told someone at Heffernan how long John had been my agent, she said, 'Wow, you knew him when he had hair,' " said Young, laughing. "I've been with Heffernan a long time. But John's never given me a reason to go anywhere else."



Battling a Bad Economy

In 36 years, Young Electric has dealt with a wide range of business conditions. But the biggest challenge came in 2008 when construction nearly ground to a halt.

Business fell off 30 percent. Neither Young nor his two business partners, Wayne Huie and Chuck Walters, took a salary that year. They had to squeeze their profit margin 20 percent to compete with contractors who were slashing prices for a shot at the ever-dwindling number of

It was painful, but Young Electric survived without laying off a single office employee. The company's communications division put the company in a stronger position than many of its competitors because it didn't rely exclusively

"I jumped in—both feet," Young recalled. "But I really struggled."

The Communications Boom

In 1995, Young made a key move that turned into the company's growth engine. He saw the revolutionary effect of computers and recognized that someone was going to have to wire them. "I jumped in-both feet," Young recalled. "But I really struggled."

He had trouble finding the right person to run the division and was so unhappy with some of the early leadership that when some customers tried to hire Young Communications for IT jobs, he steered them away. "I didn't trust us back then," he said.

Then he ran into Len Beatie at a wedding in Santa Rosa. Beatie had apprenticed with Young Electric before striking out on his own. Young remembered how impressed he'd been with Beatie's work and realized he was the guy who should be running Young Communications.

Today, Beatie runs a division that has 60 employees and does \$10 million in annual sales.

Into the Future

Just before the downturn, Young Electric moved into a new headquarters with enough space to accommodate the company's growing operations. The building, on San Francisco's Erie Street, is a symbol of the company's success. The building will be paid off in 15 years. By then, lames Young said, he will be retired and his friend and youngest partner, Wayne Huie, will continue to run the company that James has devoted his life to building. Just as Young did when his father retired.

"I think he's very proud of me, to see what his company is doing today," James Young said. "But I still consider it my dad's company. He's the guy who started it."

Young Gun: John Tallarida, Managing Senior Vice President of Heffernan's Menlo Park branch, Takes a Look Back

When did you start at HIB?

April 1991, three years after the company was founded. I think we had 7 producers; 19 employees total in the company.

I was here for 8 months and didn't write a client. One Friday, Heff asked me for a ride to the City, and as I'm driving through the toll gate, he looks over at me (I'm, like, 26 years old and Mike's 32), and says, "You know, I'm not sure you're going to succeed." Ruined my whole weekend.

Then he told me on Monday, "Just go write something." So the first thing I wrote was this little drywall contractor—I think it generated \$1800 in revenue. I just started writing little stuff, and that helped a lot.

Early memory of the company?

Our first sales meeting, we had just merged with SPWM and I think there were 10 of us, including 6 to 7 brokers and a couple of account managers and an accounting person. And I'll never forget that—we had to scramble to get a decent-sized table for dinner!

Did you expect that Heffernan would be what it is today?

It's funny, when I threw in, I wanted to join a firm where I could be part of the growth and get some equity. I NEVER envisioned that we would be what we are, and never planned on it. That's one thing that Mike set as a company culture—we've never really sat back and said, "Wow." It's more like, "We've got to get to the next level."

Others have said Mike's good at motivating people. Would you agree?

He had huge game, back in the day. He was good at motivating people. I think he's also brought in a lot of people that are good at motivating people too—account managers, etc.
There's this whole culture that it's never been one guy—he's always brought people in that can be leaders. He's never made it about him doing it all.

Tell me about your working relationship with Young Electric.

They were my first big client, 21 years ago. Jim Young and I have become good friends. We've gone to hell and back with that guy—we've hung in there with them. Jim met me and Mike when we both had a ton of hair!

Want to share some company lore?

There was the time before one of our very first reward events in the City. Our former HR manager had a dress hanging on her cubical, and I took it and put the dress on and walked around the office. People were on their phones and when they looked up and saw me, they started choking and coughing. It was actually very entertaining. And the HR Manager took one look at me and said, "Your shoulders look so much better in that dress than mine do."

Another day, in the old place, Dan Sebastiani (our CFO) came running past my office to talk to Mike, and then goes running past my office again. Next thing I know I hear this huge BANG. I look out: Dan had missed the corner, and had run right into the wall. So there's our controller, crumpled on the floor. And then he got up and ran off, dazed. I can still picture that.

And it's no secret that I've been called "loud". One day I come in to work and there's this handyman with a ladder in (former manager) Robin Newman's office. I walk out and say, "What's going on?" And Robin's got the guy up on a ladder with this giant caulking gun, and he's actually sealing the wall and the window between my office and hers

to keep the noise out! Also, I had a sign that said, "Ladies' Room" on my door for over twenty years. It's from the early days in the company when I first got an office. Someone had pulled the Ladies' Room sign down and stuck it on my door, so I left it there.

A lot of the old-timers remember that.

Anything you want to add?

Mike Heffernan's always been, and always will be, six years older me. I keep reminding him of that.





The Evolution of a Company

HIB staff celebrate the early days of

In the early days, what did you set out to do in terms of company culture at HIB?

The biggest change I made, from day one, was that I felt that brokerages should be sales organizations. Normal sales meetings in our industry at that time, they would talk about insurance. But when we had sales meetings, I wouldn't let anyone talk about insurance.

I said, "We're only going to talk about sales. Because insurance is what we're selling, and that's nice, but then it's not a sales meeting. The job of sales people is to sell." They obviously need to know insurance, but their job is to sell insurance, not just know insurance.

You also had definite ideas about employees socializing and getting to know each other personally.

I never understood why you would go to a job and act differently for the eight hours you're at work, versus the other hours of your day.

I just thought that was very strange, and so I tried to create a culture where the lines were definitely blurred.

What's notable for you regarding the evolution of the company over the last 25 years?

I'm always conscious that as we get bigger, we try to maintain, as much as we can, that entrepreneurial, small feel. It becomes difficult, to continue to do that, and to make sure people are on board with what we're trying to do. We still have a good group of people that put Heffernan first.

How big do you want to get?

There are so few large, independent brokers left in this country, and many of them are controlled by someone else's money. So I think just to be one of the largest, truly independent brokers (i.e., we can make our own decisions, with no one telling us what to do), is important.

What's your secret to growing a successful company?

You try to get as many people as you can believing in what you do. And you try as hard as you can to make it a good place to work.

- Mike Heffernan

All Heffernan Insurance Brokers' staff interviews in this issue compiled and edited by Terry Phelan.

The employees featured on the next four pages have worked at Heffernan for twenty years or more. Here are their recollections of

THE WAY WE WERE...



Kerry Dantzig, Senior Vice President, takes a temp job (that's still going, twenty years later)...

I graduated from college and began looking for work. There was an opening at my dad's company, Heffernan Petersen, for the office assistant. It paid well and had cool benefits (I loved the every other Friday off!). This was to be my temporary job while I figured out my "real" career. I sat at a desk in the hallway, sharing it with the one printer for the whole office. The main file cabinet and I shared space too!

I was the assistant to the small business account managers, the benefits producer, the claims staff, did dictation for the producers (you're welcome JT & William B. Yetter), as well as ran office errands for the office manager, Robin Newman, and was the back-up on phones.

As we grew, I was given options as to which direction I wanted to go. I'm thankful for Robin's guidance through those years. After one year, I was promoted to an Account Manager in the small business department. A year later my father's church accounts were growing and they wanted to add a producer to help him. I was offered the option of changing my "temporary job" into a career.

That was 20 years ago.

Why have I stayed? The culture of giving back rings true to my soul. The people: family members who work here (initially my dad; currently my brother and nephew)—and friends who are like family. My church and nonprofit clients. The opportunities given to me. The parties. Yoga in the office at lunchtime. The loud and crazy folks in the Walnut Creek office who get silly with me. Co-workers and friends from the other branch offices. And overall, the work hard, play hard mentality of Heffernan Insurance Brokers.



Reynette Reuter, Assistant Vice President, has some stories she can't tell...

Where do I start?

OK I will have to tell you this one: Mike had just purchased Petersen and was doing some "clean up," meaning deciding who he was keeping, and who was he letting go. I had just been hired at Petersen, after my prior agency folded. Mike called both Gloria Sweidel and me into his office and closed his door. Mike looks at both of us and says, "I am letting some people go." Immediately my eyes fill with tears as I figured it was us he was letting go. Mike looks at me and says, "Oh no; it's not you." He sort of left out that part! (LOL!) OK—it was not funny at the time, but Mike used to love re-telling that story, at my expense.

For one of our Halloween parties I decided to dress up as one of my coworkers (Nora Cortes—those who knew her back then would understand). I contacted her husband to borrow some of her clothes, and purchased a wig that looked like her hair, then taped a long piece of hair to my arm (she had a long hair on her arm that she refused to remove), and bought a burrito to walk around with (she loved to eat burritos), and I did not shave my legs so my hair would grow (she hated to shave). On the day of the party I went looking for her and came around the corner of the office at the same time she did. She stopped in her tracks and her mouth dropped open. She said, "Oh my God; it's me!" I had everyone in the office laughing and won first prize.

Hmm... not sure if I should tell you this one. Garee Smith's kids had a surprise birthday party for her at a restaurant in San Leandro. Mike was still pretty new to us and his hair was long. We all were just having a good time. The next thing I know, I turn around and see Mike dancing around, a balloon tied to his pony tail. I'll never forget that sight.

Then when JT (John Tallarida) started, Mike had him working on the floor with all of us, right on the other side of the partition from me. None of us could concentrate since John was so LOUD when he talked. Mike finally put him in an office to give us peace and quiet. Well, that didn't work, as JT wouldn't close the door, so we would close the door for him. We also took a bathroom sign from the women's bathroom and put it on his door. We used to love messing with JT. Wait—I still like doing that. (LOL.)

Christmas parties were always fun. We would rent a limo and have lunch at a nice restaurant—anywhere from Walnut Creek to Sonoma to San Francisco. Some of us would go out dancing afterwards and the party would continue.

When the office was small, it was fun. We could tease each other and no one's feelings would get hurt. We did a lot together, both at work and outside of work. We were like family.

There are more stories but those people would probably get mad at me if I tell, so I will keep those to myself. LOL. \odot

Top photo Reynette Reute 199

Bottom photo: Left to right, Melani Conti, Reynette Reuter and Nora Cortes 2013



Sharann Corkery (former Executive Assistant to the CEO, current Sales Support and Jack of All Trades) has seen it all...



How did you come to work at Heffernan?

I've been here for 20 years. I had worked for Mike previously when I worked at his father's firm. Then I went to live in Ireland for a couple years. But I stayed in contact, and when Mike bought the Petersen agency in 1988 I gave him a call, and we had lunch on a Tuesday or a Thursday, and I started working for him the following Monday (as his Executive Assistant). And I did that for thirteen years.

What was the company culture? Was there one? There definitely was—the mission statement was already in place, i.e., Answer the Phone and Have Fun. That hasn't changed. We were smaller; when I joined there were maybe 80 employees? That's a guess, but it was small, so obviously the growth, the number of people, has jumped. But the culture was always there. The partitions in the office were low, and people would just pop up and yell or call out if they wanted to know something. And answering the phone was a big thing at that time, because after ringing three times out front, it would ring back to the floor, and everyone was trained to pick up. At that point you're building a

business and you need to answer the phone.

Did you and Heff hit it off right away? You know, we did. I had first started working for him indirectly at Frank's firm—I had been with them for maybe two years, and I heard Frank's son Mike was going to come on board, and I was part of a secretarial pool at the time, and nobody really wanted to work with him or jumped up out of their chair to say they wanted to work with him, but eventually I said, "I'll do it." In a naïve way, I guess I didn't realize that he was the boss's son, so if you irk him in some way, you're setting yourself up, potentially, to be fired! I don't know if that's what other people were thinking or what, but nobody else appeared to want to work with him.

Was working for the CEO a 24/7 job? No, not then—it's probably more like a 24/7 job now, because back then cell phones weren't prevalent, and when I did get a cell phone, I never gave him my phone number! So with technology, you're so much more accessible, so it's much worse today than it was back then

What about this culture that's grown up around the company, where so much of it is the social life that takes place within the workplace—has that grown?

Mike wanted to have a different kind of company—that was really important to him.

For instance, he wanted to do fun lunches for the sales people and he wanted to go someplace cool and someplace different. So the social thing was always important to him. And when I started, often on a Friday afternoon, people would gather in his office, and he had a television, and a fridge, and people would go in there and chat and have a glass of wine and talk and unwind from the week. When I first started they used to go to Arturo's and have cocktails after work. Mike wants the people that he works with to be personally involved with each other.

What did you do after being EA for Mike?

After 13 years I left and actually had another job, as an EA for a CEO of a bank, and it was so different from what goes on here. And I was like, "Oh my gosh. There's no spark; there's no color."

So I heard they had this potential position, dealing with clients, and so I ended up coming back. And they didn't know what to call me, so they gave me some random title, but I refer to myself as "back room sales support" because that's really what I do—work with the sales people, with Salesforce; I work on an outward basis with our clients with our risk management platform. I arrange shipping for conventions—basically do whatever anybody needs in terms of support.

Did you ever think you'd be here after 20

years? Yes, I did, actually. I was surprised that I left! I definitely saw myself being with the company, or continuing to work for Mike. He just has that drive, and he has good people around him that help us continue on a path forward. It's fun to watch the young ones come in and develop and see where they're going to go. And the other thing I enjoy, although it does make me feel old, is when people who have been here a while start having their families, and now maybe someone in their family is driving, or going off to college, or working here! It's a cool thing, because now I'm like an old-timer! But you know it's still fun, I gotta say.

I was talking to someone on the second floor recently, and they were saying, "Remember ten years ago—those were the good old days," and I said, "Yeah it was, but you know, in five years, we're going to look back at THIS moment, and say, "Remember the good old days?"

Stephanie Worden, Vice President and Commercial Lines Manager, fondly recalls the early days at HIB...

I had a friend working at Heffernan named Reynette; she told me this guy named Mike Heffernan had purchased their agency just a few years ago and there was an opening to work for one of the producers, Garee Smith.* Based on Reynette's referral, I met Mike briefly and also interviewed with Garee, who struck me as a very sweet lady. I had never worked with a woman producer before and thought working with her would be a nice change. I eagerly accepted the position with Heffernan, and have never regretted that decision. Over twenty years later I am still here, so that must say something.

I later learned that there would never be another producer on this Earth that I would love working with as much as I did with Garee! Working with her was life-changing; I learned so much from her in so many ways, but the biggest lesson was how to treat others with kindness and respect, something that did not always come naturally for me. She treated everyone like they had been her best friend for years, and her generosity was something that I had never experienced from anyone else in my entire life, and I have yet to meet anyone that compares to the person Garee was. Sadly, Garee passed away from breast cancer in 2004. I will forever miss her and I keep a little framed picture of her on my desk to inspire me every single day. To this day when I am faced with a difficult or perplexing situation I ask myself, "What would Garee do?"

I subsequently moved on to working with other producers at Heffernan and eventually was promoted to a Commercial Lines Manager here in our Walnut Creek branch. Many of the staff that I manage today I worked side by side with as my peers when I was an account manager, and they are all still here.

I have watched the company grow from 30 or so people in the entire Walnut Creek office to over 100 in our branch. In the earlier days the entire office would celebrate birthdays (Mike's 40th), baby showers (John Petersen's first child, a daughter, that was supposed to be a boy), wedding showers (John and Yvette Prichard who both worked at the company), etc. We would all regularly get together after work for drinks at a Mexican restaurant called Arturo's, which is where the Marriott Hotel in Walnut Creek now sits.

There wasn't anything that went on in someone's life here that we didn't all know about and try to help each other out with; we regularly would put together gift baskets if someone was out due to a long illness, got hurt, had a family issue, etc. That close-knit family atmosphere still exists today, just on a more departmentalized basis due to the size of our company now. Speaking of close-knit family atmosphere, there are so many of us who have family members who work here. I have three daughters, all of whom work at Heffernan, and I am not unusual!

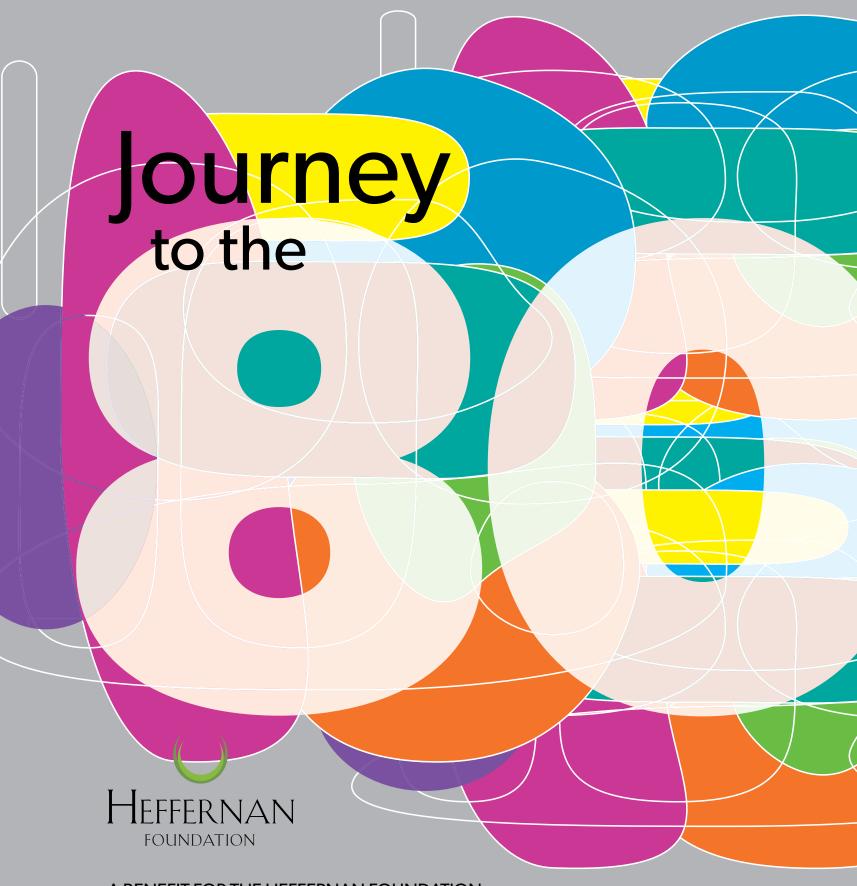
The company picnics were something we would look forward to every year, and bring our families along. The first ever "Reward" event in Carmel was at the quiet LaPlaya, where we managed to disrupt the entire place with our antics and loud celebrating. On our very first departmental outing we had lunch and got \$100 to go shopping for the afternoon—still my favorite outing to this day!

There was also the random closing of the office early on a Friday afternoon just because "it was a nice day." I remember our first summer of having casual dress because we were converting to our new Tam computer system—and then we kept casual dress forever!

The list goes on and on: Mike's first boat; the building of the Villa; the many, many awesome Reward Events (wine caves at Rutherford Hill, top of the mountain at the Resort at Squaw Creek, Arizona, just to name a few); all the amazing outings; fantastic Christmas parties, etc. But I believe that the one thing that sets Heffernan Insurance Brokers apart from other brokerages and has truly made it an exceptional place to work is our culture. The original mission statement was, and still is, "Answer the Phone and Have Fun."

*Garee Lee Smith was one of Heffernan's first employees and was instrumental in establishing Heffernan's family-friendly culture. When she passed away, the Garee Lee Smith Award was established in her honor. Each year, the Heffernan Foundation awards up to eight \$5,000 scholarships to Heffernan Group employees and their family members.



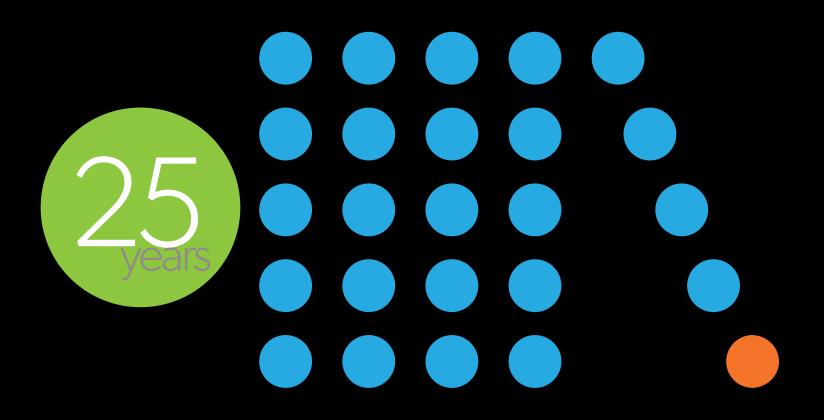


A BENEFIT FOR THE HEFFERNAN FOUNDATION

THE CHARITABLE GIVING PROGRAM FOR HEFFERNAN INSURANCE BROKERS HELD A BENEFIT EVENT ON MAY 18, 2013, AT THE REGENCY CENTER IN SAN FRANCISCO, WHICH RAISED OVER \$850,000, CELEBRATING THE 25TH ANNIVERSARY OF THE FOUNDING OF HEFFERNAN INSURANCE BROKERS IN 1988. THE EVENT THEME WAS "JOURNEY TO THE '80S," AND INCLUDED A LIVE AUCTION AND RAFFLE. ALL PROCEEDS BENEFITTED THE FOUNDATION.



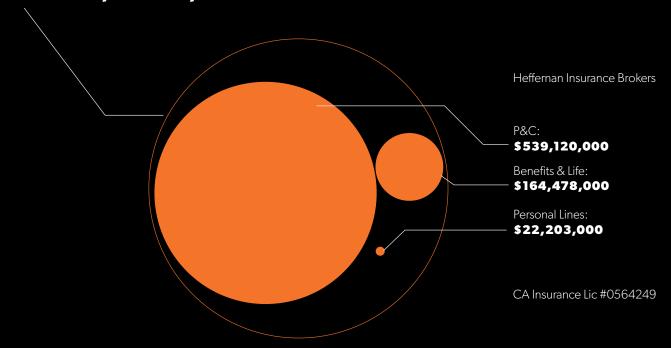
Heffernan Group





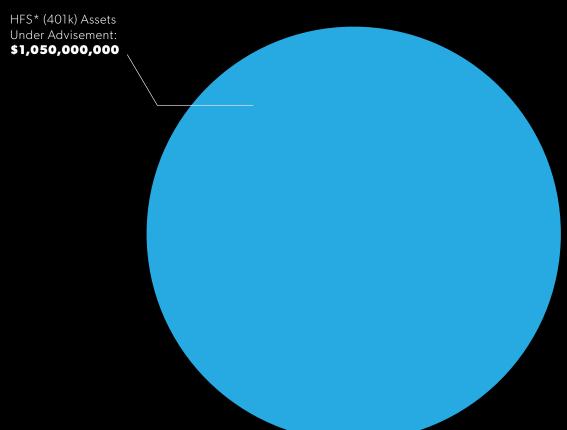
Overall Premium Volume:

\$725,801,000





* Heffernan Investment Advisors: Wealth Management for Individuals, Corporations, Nonprofit Endowments Custodian Services offered through Charles Schwab & Co.



* John Prichard, Sr., Blake Thibault, John Clark and Rebecca Tapia are registered representatives with, and securities and advisory services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC. Heffernan Insurance Brokers, Heffernan Investment Advisors and Heffernan Financial Services are separate entities from LPL Financial.

25

HG Magazine asked our branch managers,

"To mark the company's 25th Anniversary, please tell us (in 25 words or less) when you started at Heffernan and why you took the job?"

Menlo Park

April 1991. I joined the firm because Mike's passion and quirkiness were compelling and I thought we could have some fun together.

John Tallarida Menlo Park



Orange County

October 2005. I was initially impressed by John Tallarida and Steve Williams's shirt and tie combinations. I was then further impressed by Mike Heffernan's lack thereof.

Ben Stern
Orange County

I joined the Heffernan family in October 2011 because I was immediately attracted to the entrepreneurial culture and the tremendous opportunity for personal and professional growth.

Victor Fonseca New York



St. Louis

I started with
Heffernan in 2008.
I took the job
because I found
the team that
I trusted and
believed in.
Bingo!

Brian Billhartz St. Louis



New York

July 1997. Drawn to Heffernan's dynamic, entrepreneurial and socially-conscious culture, I excitedly joined, and that decision has been one of the best of my life!

Elizabeth Bishop Petaluma, CA, and Portland, OR

San Francisco

In 1997 Picetti & Williams Insurance Brokers merged into Heffernan. My family has been in the insurance and investment business continuously in San Francisco since 1886.

Steve Williams San Francisco





Los Angeles

Heffernan acquired my business on July 1, 2008, in the depths of the economic recession in a glorious shotgun wedding. I wish I had joined forces with Heffernan back in 1988...

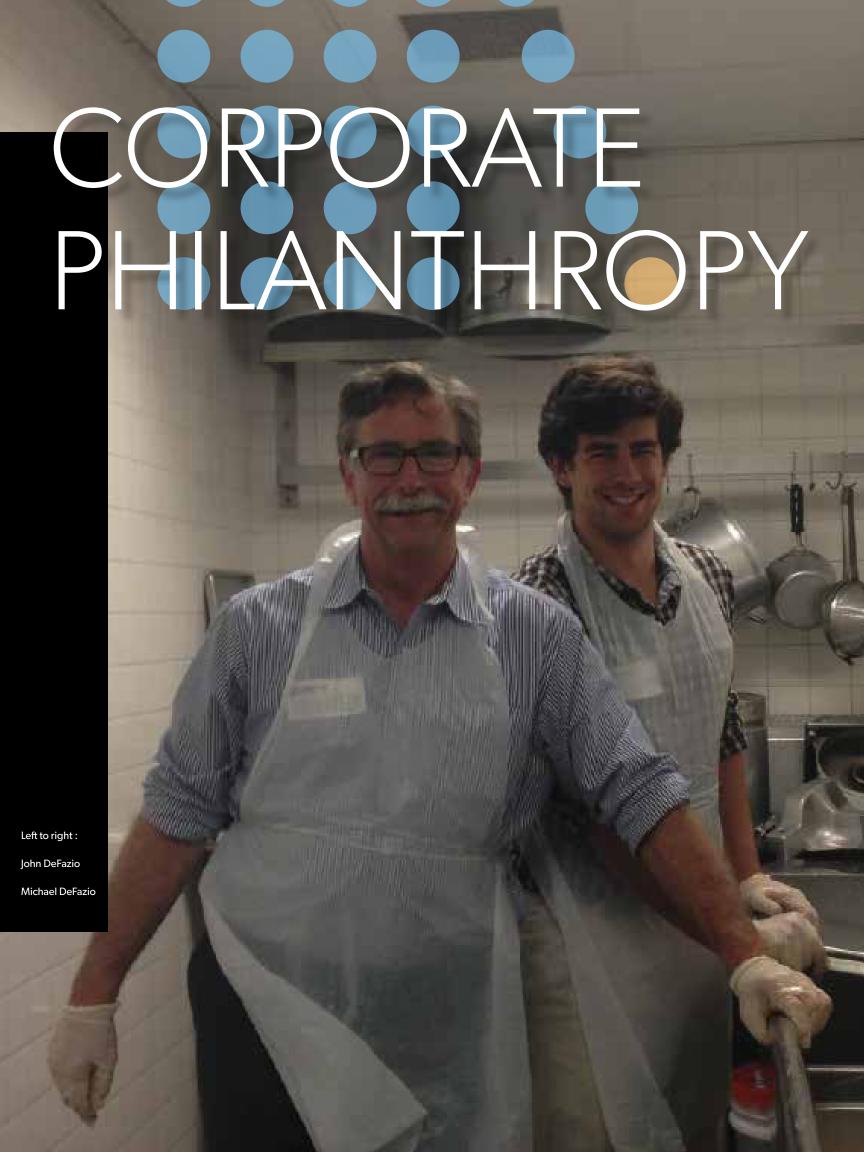
John DeFazio Los Angeles Portland

August 1999. My father was at Heffernan; he and Mike convinced me over a three-hour lunch that I should join too. They were right. A great ride with more to come!

Brian Dantzig Walnut Creek

July 1994. I wanted to go to a firm that offered entrepreneurship and longterm growth opportunity, Heffernan provided that.

John Prichard, Jr. Walnut Creek



The Heffernan Group has been involved in the community since its inception in 1988. In 2012 Heffernan proudly donated over 16% of its profits to charity. The Heffernan group believes giving back, whether through volunteer opportunities or donations, is a way to improve the communities where we live and work for the future.

Community Investment – The Heffernan Group averages \$1,405 in donations per employee and we sponsor three official avenues for charitable giving:

Employee Matching – Employees are offered the opportunity to donate to a 501(c)3 charity of their choice each year and Heffernan will provide a dollar-for-dollar match.

Garee Lee Smith Scholarship Award – Each year, the Heffernan Group Foundation awards up to five \$5,000 scholarships to students. Garee Lee Smith was one of Heffernan's first employees and was instrumental in establishing Heffernan's family-friendly culture.

Large Grant Donations – The Heffernan Foundation's mission is to serve nonprofits that provide direct support and services to our local communities in the area of shelter, food, education and the preservation of the environment. The Foundation accepts applications for grants by invitation only on an annual basis. Grants to 501(c)3 nonprofits typically range from \$2,500 - \$10,000.

Volunteer Time—Each Heffernan employee is granted up to four paid days off per year, one day per quarter, to volunteer their time at a local nonprofit. Additionally, Heffernan participates in the Insurance Industry Charitable Foundation's Annual Volunteer Week.



Evelyn Ofiteru



can earn up to \$50/month subsidy toward a gym membership. The subsidy is offered to employees who agree to participate in an annual Health Risk Assessment and physical exam as part of the company's preventative wellness effort.

Combining Wellness & Philanthropy: in 2013, Heffernan staff participated in the following philanthropic fitness events:

- Avon Walk for Breast Cancer, Chicago, June 2013
- Susan G. Komen Race for the Cure, Portland, September 2013
- Walk for Humanity (Heffernan Foundation), October 2013 Nike Women's Half Marathon, San Francisco, October 2013



Come Say Hello!

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