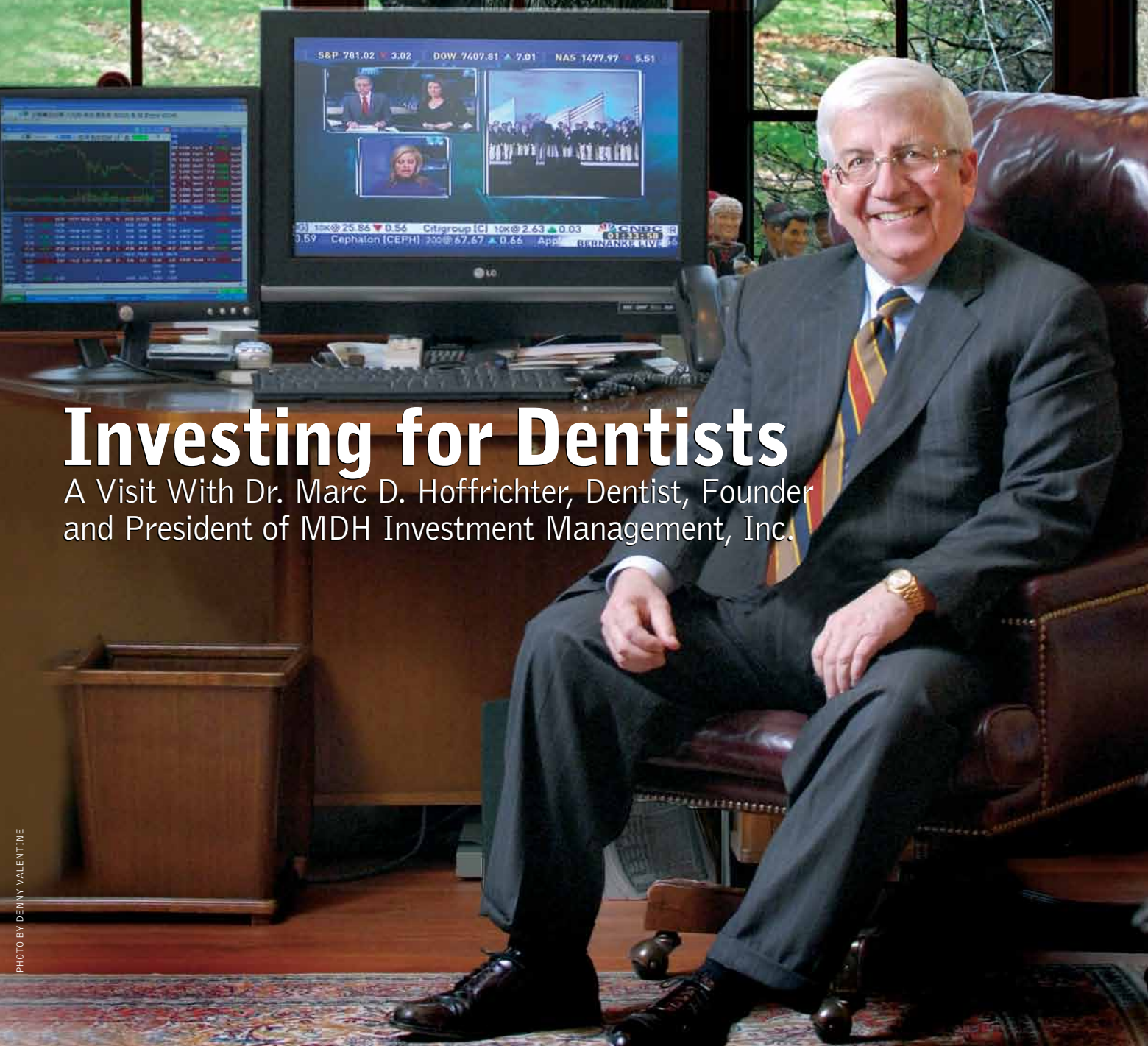


DOCTOR of DENTISTRY

A BUSINESS AND LIFESTYLE MAGAZINE FOR DENTISTS



Investing for Dentists

A Visit With Dr. Marc D. Hoffrichter, Dentist, Founder and President of MDH Investment Management, Inc.

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By Vivian Wagner

As a dentist, Dr. Marc D. Hoffrichter took care of his clients' teeth. Now, as an investment manager, he is taking care of their money.

The founder and President of MDH Investment Management, Inc. in East Liverpool, OH, Dr. Hoffrichter is a plain-spoken, highly respected, former practicing dentist turned investment manager. Since starting MDH Investment Management back in 1983, he has earned the trust of over a hundred clients in 14 states, including many dentists.

"Dentists are the heart of my business," he said. "I think they identify with me because I was a dentist. I know what issues they're dealing with every day."

Dr. Hoffrichter, who worked as a dentist for 15 years, understands what it means to deal with high overhead, increasing regulation and malpractice insurance, and this understanding has served him well as an investment manager for dentists.

"Dentistry is a wonderful profession, but there are a lot of moving parts," he said. "Most dentists are independent people. They're extremely intelligent, and they work long hours."

Despite its difficulties, however, Dr. Hoffrichter says that the profession of dentistry is a healthy one.

"My dental clients are doing very well," said Dr. Hoffrichter. "Dentistry has steadily progressed. The general public really respects the profession."

In addition to dentists, Dr. Hoffrichter has doctors, bankers, lawyers, business owners and other professionals. All of them share a basic philosophy: They worked hard for their money, and they want their money to work hard for them. With Dr. Hoffrichter, they have found an investment manager with those same values.

"Most of my clients are small town, conservative, hard-working people," he said. "They're looking for people they can trust."

THE MAKING OF A MONEY MANAGER

Dr. Hoffrichter's interest in investing began as a child, when he learned about stocks and bonds from his dentist father. He loved following the market and learning about companies.

It never crossed his mind, though, to become a professional investor. Rather, like his dad, he would become a dentist. Following

in Dad's footsteps, he went to dental school at The Ohio State University, graduating in 1971. Later, in 1972, he set up a dental practice in the same building as his dad's practice.

He kept up his interest in Wall Street, however, investing his own money and advising his friends about how to invest theirs. Over time, friends benefiting from this advice began to suggest that maybe he could make a career out of his skills in the market.

One of those friends was Dr. William Bartolovich, an optometrist in East Liverpool. Dr. Bartolovich's practice was across the street from Dr. Hoffrichter's, and Dr. Hoffrichter was his dentist. The two would talk about money and investing, and after a while, Dr. Bartolovich asked him if he would invest his money.

"I knew that he was knowledgeable, and over the years, I asked if he would handle my accounts," said Dr. Bartolovich.

At first, Dr. Hoffrichter turned him down because he didn't want to risk their friendship. A few weeks later, Dr. Bartolovich and several other dentists visited him at home and after several hours of talking, finally persuaded him to become their investment advisor.

So, in 1983, still working as a dentist, Dr. Hoffrichter agreed to take Dr. Bartolovich on as his first investing client. Gradually, word spread about Dr. Hoffrichter's money skills, and his

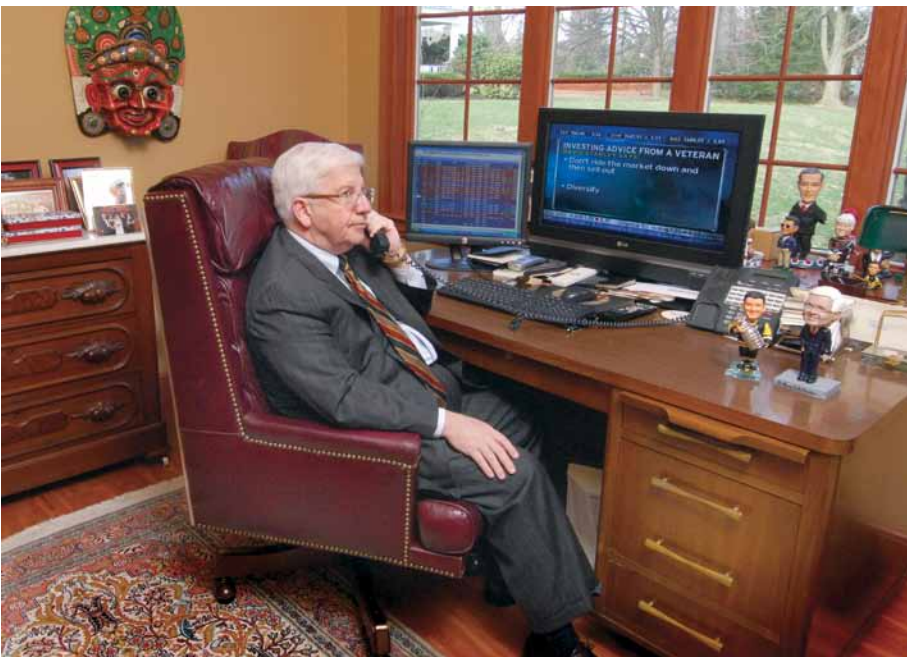
A self-described tortoise in the investment race, Dr. Hoffrichter has smiled in the winner's circle for the past 22 years.





“You can time the market,” Dr. Hoffrichter proclaims. “That whole argument that you can’t time the market, I couldn’t disagree more.”

Thanks to sophisticated, real-time financial software, CNBC and the Internet, Dr. Hoffrichter has a virtual seat on Wall Street.



PHOTOS BY DENNY VALENTINE

client base increased. He did so well, in fact, that in 1987 he decided to sell his dental practice and become a full-time investment manager.

“If it wasn’t for me, he still would be a practicing dentist,” Dr. Bartolovich boasts. “And over the years, he’s done me very, very well.”

Dr. Bartolovich sees Dr. Hoffrichter’s dental experience as key to his success.

“It doesn’t hurt him to have been a dentist, since other dentists could relate to him,” Dr. Bartolovich said. “He’s a dentist, and he knows dentists.”

A key to his relationship with Dr. Hoffrichter, Dr. Bartolovich says, is trust.

“I put all my trust in him,” Dr. Bartolovich said. “Over the years, he’s done me very well. We feel that he’s an honest, competent financial advisor.”

Dr. Ronald Heiber, an orthodontist in Lancaster, was another one of Dr. Hoffrichter’s early clients. Dr. Heiber’s friendship with Dr. Hoffrichter goes back to dental school, and he, too, has entrusted his funds with his longtime friend.

“Marc’s been a fantastic advisor,” said Dr. Heiber. “He’s done very well with my funds and the funds of my family.”

Much of Dr. Hoffrichter’s business comes from presentations he gives for dental societies in Ohio, Indiana and other states. These seminars give him a chance to connect with dentists and demonstrate his affinity for them and his understanding of their concerns and interests.

“He relates very well to dentists, since he had that role at one time in his life,” said Dr. Heiber. “He brings a passion for investing that’s necessary to be successful in any professional practice.”

A CONTRARIAN STRATEGY

Dr. Hoffrichter’s primary investing strategy is classic contrarianism: buy when people are selling, and sell when people are

buying. His ultimate goal is to achieve for his clients steady profits over the long term while protecting their capital. In market downturns, he buys, and in overpriced markets, he sells. This strategy, he says, has helped him to earn strong returns for his clients.

“I’m a tortoise,” he says in a promotional video on the MDH Investment Management website. “I even look like a tortoise. But I feel totally vindicated. It’s about who survives the bear market.”

He argues that despite conventional investing wisdom, it is possible to time the market, to move against trends and to make money by investing when things seem bleakest.

“You *can* time the market,” he proclaims. “That whole argument that you can’t time the market, I couldn’t disagree more.”

Dr. Hoffrichter is also not a big fan of mutual funds, which, he argues, provide little protection from the effects of a down market, since they follow the market as a whole.

Similarly, he does not like the buy-and-hold philosophy promoted by many investors.

“The buy-and-hold approach is a bogus strategy,” said Dr. Hoffrichter. “People think that a diversification of mutual funds is the answer, but it’s not.”

Even in market downturns like the current one, Dr. Hoffrichter’s clients say his contrarian strategy has served them well.

“Marc’s best moves in the market have been when things look the worst,” Dr. Heiber said. “He’s the consummate bargain hunter. He has the sort of personality that has the ability to maintain focus through any adversity. Marc is the steady hand, and when it comes to retirement funds, that’s what it’s all about.”

PORTRAIT OF AN INVESTOR

Part of the secret to his success is that Dr. Hoffrichter is an avid reader and researcher. He works in his office from 5 a.m. to 10 p.m., reading 13 different newspapers and studying news from around the world. He enjoys learning about what’s going on and predicting how events and trends will affect markets.



Dr. Hoffrichter and his secretary, Myrna Crawford, have been “timing the market” together for the past seven years.

PHOTO BY DENNY VALENTINE

“I spend most of my day reading, talking to other people and thinking,” he said.

Another thing that keeps his clients loyal to him is that he does not make commission from selling certain financial products to his clients. Rather, he makes his living from a percentage of the funds they invest. Dr. Hoffrichter emphasizes that he is not a salesman, but a money manager, and he always has his clients’ best interests at heart.

“Unlike the majority of people in my profession, I’m not selling any product or generating any commission,” said Dr. Hoffrichter. “I’m not selling anything, and I’m not churning accounts to make commission. I am managing their money.”

That kind of dedication to managing money and serving clients has served Dr. Hoffrichter well in his career, and many people who have worked with him testify to his commitment to his investors.



Dr. Hoffrichter and Steve Sant, President and CEO of 1st National Community Bank in East Liverpool, have worked closely over the years with the bank's trust account holders.

Though he has clients throughout the country, Dr. Hoffrichter is proud to call East Liverpool his home and office. "People I talk with in New York are jealous of me."



PHOTOS BY DENNY VALENTINE

President and CEO of 1st National Community Bank in East Liverpool, Steve Sant, has worked closely with Dr. Hoffrichter over the years. MDH Investment Management is affiliated with the parent company of 1st National, Tri-State 1st Banc, and Dr. Hoffrichter also serves as an Independent Money Manager for 1st National Community Bank's trust department. Sant says that Dr. Hoffrichter's approach to investing has made him popular with the bank's trust account holders.

"His performance has stacked up better than most of our investment alternatives," said Sant. "He's got a high level of integrity."

The minimum amount to invest with Dr. Hoffrichter is \$250,000, and the



PHOTO BY DENNY VALENTINE

Dr. Hoffrichter gets regular visits in his nearby office from his wife, Cindy, and their feisty dog, Morrie.

percentage he earns goes down as the amount invested goes up.

Dr. Hoffrichter's office is a few yards from his home in East Liverpool. Elegantly decorated with some of world's finest antique pottery and artifacts from his world travels, Dr. Hoffrichter studies the market, assisted by his secretary and a trader who works with him. Thanks to sophisticated, real-time financial software, CNBC and the Internet, Dr. Hoffrichter has a virtual seat on Wall Street. He likes being so close to his home, and happy he doesn't have a commute to work. "People I talk with in New York are jealous of me," he said.

He said that living in a small town like East Liverpool, his hometown ever since childhood, has its advantages.

"In a place like East Liverpool, if you do a good job for people, word spreads really fast," he said.

Dr. Hoffrichter has been married to his wife, Cindy, for 36 years. The couple has two grown daughters — Megan, who owns two retail stores near Chicago, and Andrea, who is the Assistant Director of Alumni Affairs for Harvard University.

He does take some time off from the markets now and then to devote himself to his hobbies, which include antique pottery collecting, duplicate bridge and trapshooting.

"They're diversions," he said. "The investment business is on your mind every waking minute, and it's nice to do something else once in a while."

He always likes returning to his office, however. In fact, he enjoys his investing work so much that he plans to continue doing it far into the future. He works seven days a week, from early morning until late in the night, and loves every minute of it.

"I have absolutely no interest in retiring," he said. "I can't wait to get to work in the morning." ■

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