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Sundt gets a natural high from helping investors and youth

By TIM COFFEY
San Diego Daily Transcript

Three people stopped in to see Jon Sundt on a Friday in mid-September — his noontime appointment, a representative from a drug and alcohol awareness program he finances, and an office architect.

The man from the awareness program gets to Sundt first as Sundt enters the reception area of his office at 1020 Prospect in La Jolla. The two discuss minor business matters and Sundt reviews promotional fliers for the group's next event. Sundt is a major sponsor of the nonprofit that provides drug-and-alcohol-free events for teenagers and young adults. Sundt's two younger brothers died from drug abuse more than 10 years ago.

Promising to finish the discussion later, Sundt shakes the man's hand, turns to the two people waiting for him and invites both of them into the office.

Sundt leads the men to an office at the back of the building. From the fourth floor, the office offers an expansive view of La Jolla Cove and the Pacific Ocean.

Sundt shows the architect a rough sketch of the wall he wants knocked down and the new walkway to replace it. The architect raises trivial objections, but Sundt has little time to iron out a compromise and the two agree to talk later.

From there, Sundt leads his noontime appointment back to his personal office situated in the middle of the floor, a peculiar location for the president of a brokerage with \$700 million in assets.

"I like to see what's going on," said Sundt.

Since 1994, Sundt has sold hedge fund products to his investors from this spot. His success is measured by not only the firm's assets, but by the fact he was able to spin off his business from the previ-



Jon Sundt

ous owners without paying a cent in compensation.

Less than two months ago, Sundt created **Altegris Investments**, a private manager for alternative investments, also called hedge funds. Before then the business was a division of **Man Financial Inc.**, a securities brokerage in England.

Sundt took all the employees and accounts, and renamed the business.

"I told them I wouldn't change the current economic arrangement," Sundt said. "It's like being an All State Insurance agent and one day telling All State I'm going independent. I'll still sell your policies, but I'm going to sell a lot of others, too."

Sundt sells to his investors certain positions in worldwide hedge funds that don't follow the equity markets. The company uses a software program it designed to track the performance of hundreds of funds and the managers that run them.

Altegris secures the positions by offering to the funds average investments of \$250,000. Sometimes minimum investments are \$1 million.

The firm seeks out hedge fund managers with "good track records" that "allow us to sleep at night," Sundt said.

"The problem we're trying to solve is how do we find a money manager that is not dependent on a rising stock market," he said. "Right now, you're choices are bonds, real estate or mutual funds, and those aren't very good choices in my opinion. Interest rates are pretty darn low, everyone's wondering if the real estate bubble is going to crack, and equities — depending on who you read and what you believe — might not be giving you very good returns for the next 10 years."

As committed to Altegris as Sundt is, he's equally, if not more, committed to keeping kids off drugs.

Sundt

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Several years ago, Sundt created the Sundt Memorial Fund to fight drug use among teenagers. The fund was a grieving project for Sundt whose two younger brothers, Steve and Eric, died from drug use. Steve overdosed on cocaine and Eric was heavily involved in psychedelics, ended up with a mental illness and later committed suicide.

"I wanted to do something about the loss," Sundt said. "I wanted to fight back. I didn't want what happened to Steve and

Eric to happen to other kids."

"They were my little brothers, I mean one and two years younger. We were tight," he said. "I didn't want to let it rest without fighting back and doing something to help other kids."

Initially, Sundt ran a surfing contest and later arranged for classroom speakers. When those ideas didn't produce the results Sundt envisioned, he made a video called "Natural High."

The video interviews people with hero status among kids, particularly those in Southern

California. "Natural High" features skateboarding star Tony Hawk, pro surfer Kelly Slater and others discussing the benefits of a drug-free life. The video is quickly becoming a big hit in school systems across the country.

Sundt hopes to use peer pressure to lead kids away from drugs.

"I think peer pressure had a lot to do with kids developing drug habits," he said. "I think when people get into drugs they have a hole they're trying to fill and I think with peer pressure people turn to drugs a lot quicker to fill that hole."

"That's the key to the whole program," Sundt said. "Madison Avenue hits on it a little bit, but 10-second sound bites don't do it."

Sundt aims to produce a new "Natural High" video every year in hopes of keeping the content fresh. He doesn't believe the message will get stale, despite the trendy lifestyle teenager's live.

"They don't build a resistance to MTV," Sundt said.

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See Sundt on 4A