Questions to ask before hiring a financial advisor

Date: ____________________  Name of Financial Advisor: ________________________________

Name of Company: ________________________________________________________________
Address: ______________________________________________________________________
Phone: _________________  Email Address: _________________________________________

QUALIFICATIONS

1. What is your educational background? _____________________________________________
   ______________________________________________________________________________

2. What are your financial planning credentials, professional memberships and affiliations?
   ______________________________________________________________________________
   ______________________________________________________________________________

3. Do you participate in continuing education and professional development? __________

4. What certifications do you have? _________________________________________________
   ______________________________________________________________________________

5. How long have you been offering financial planning and/or advisory services? ________

6. Have you ever been cited by a professional or regulatory governing body (e.g. FINRA) for
disciplinary reasons? ______ If yes, please explain. _________________________________
   ______________________________________________________________________________
   ______________________________________________________________________________
   ______________________________________________________________________________

PAYMENT

1. Circle how you are compensated.
   Fee-only  Commissions only  Fee-based (fees and commissions)  Other

2. Is there a minimum fee? ________________________________________________________
3. Will you provide me with an agreement describing your compensation and services before I engage your services?  

4. Do you receive compensation from mutual funds or insurance products that you recommend?  
   If yes, please detail how you receive compensation and how much you will receive if I hire you.  

5. Are there financial or other incentives for you to recommend certain products?  

6. Do you accept or provide referral fees to anyone?  

SERVICES  

1. How many clients do you have?  

2. Circle your areas of expertise.  
   - College savings  
   - Insurance planning  
   - Investment planning  
   - Tax planning  
   - Retirement planning  
   - Estate & legacy planning  
   - Business planning  
   - Cash Management  

3. Will I work directly with you and/or a team?  

4. What is your investment philosophy?  

5. Will you provide a detailed written financial plan that includes analysis of my financial situation and make specific recommendations?  

6. Will you provide ongoing advice regarding my financial needs and goals as they evolve?  

7. Do you take custody of or have access to my assets?  

8. Do you require discretionary trading authority over my investment accounts?  

9. Do you provide full disclosure of any potential conflicts of interest that may impact my performance, risk exposure or expenses?  

__________________________________________________________________________
FIDUCIARY PLEDGE

I, the undersigned, pledge to exercise my best efforts to always act in good faith and in the best interests of my client, _________________________, and will act as a fiduciary. I will provide written disclosure, in advance, of any conflicts of interest, which could reasonably compromise the impartiality of my advice. Moreover, in advance, I will disclose any and all fees I will receive as a result of this transaction and I will disclose any and all fees I pay to others for referring this client transaction to me. This pledge covers all services provided.

SIGNATURE ________________________________

PRINT NAME ________________________________

DATE ________________________________
DEFINITION OF TERMS

Adviser (also, Financial Advisor): A person who is employed to provide financial services or guidance to clients. A professional who helps individuals manage their finances by providing advice on money issues such as investments, insurance, mortgages, college savings, estate planning, taxes and retirement, depending on what the client requests.

Broker: A person who buys or sells goods or assets for others

CERTIFIED FINANCIAL PLANNER™ (CFP®): The CFP® certification process, administered by CFP Board, identifies to the public that those individuals who have been authorized to use the CFP® certification marks in the U.S. have met rigorous professional standards and have agreed to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence when dealing with clients.

Commissions: A fee paid to a broker or other financial agent for negotiating a sale. The fee is based on a percentage of the sale price.

Custodian: A financial institution that holds customers' securities for safekeeping to minimize the risk of their theft or loss. A custodian holds securities and other assets in electronic or physical form.

Discretionary trading authority: A discretionary account is an investment account that allows a broker to buy and sell securities without the client's consent. A discretionary account is sometimes referred to as a managed account.

Fee-based: A compensation arrangement where the advisor is paid from multiple sources.

Fee disclosure: A Department of Labor regulation requiring qualified retirement plans to provide regular information to the participant regarding plan and investment fund fees and expenses.

Fee-only: A compensation arrangement where advisors are paid only by the client. This allows the client’s interests to be first.

FINRA: Financial Industry Regulatory Authority, Inc. A private corporation that acts as a self-regulatory organization.

Fiduciary: A trustee. A person or corporation to whom property or power is entrusted for the benefit of another.
DEFINITION OF TERMS (cont’d)

**Fiduciary Oath**: The Committee for the Fiduciary Standard believes that investors have a right to know whether their advisor is acting in their best interests. For those investors and firms that believe the same, the Committee has drafted a straight-forward oath declaring an advisor’s commitment to adhere to a fiduciary ethic and, in so doing, be accountable for the advice to their clients.

**Financial Planner**: A person employed to manage the personal finances of clients. A qualified investment professional who helps individuals and corporations meet their long-term financial objectives by analyzing the client’s status and setting a program to achieve that client's goals.

**Incentive**: A reward offered for increased productivity

**Investment Advice**: Any recommendations regarding an investor’s portfolio

**Mutual Fund**: A mutual fund is an investment that pools money from many participants and invests in stocks, bonds, short-term money-market instruments or some combination of the three. The combined holdings of stocks, bonds, or other assets that the fund owns are known as its portfolio. Each investor in the fund owns shares, which represent a part of these holdings. There are two kinds of mutual funds: loaded mutual funds and no-load mutual funds. A load is a commission the investor must pay in order to purchase and/or to sell that fund. All mutual funds have operating costs. Mutual funds are securities regulated by the Securities and Exchange Commission (SEC) but are not guaranteed or insured by the Federal Deposit Insurance Company (FDIC).

**Performance**: Comparing an investment against an appropriate benchmark

**Risk Exposure**: A quantified loss potential usually calculated by multiplying the probability of an incident occurring by its potential losses.

**Referral Fees**: A monetary amount given in exchange for a paying customer