

***The 13 Questions You
MUST Ask BEFORE Hiring
A Financial Advisor!***



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Dear Friend:

I've got a very important question to ask you...

Do You Know What You Should Ask Before You Choose A Financial Advisor?

I think you'll agree with me that it is very aggravating, stressful, and frustrating to find out you have had the WRONG person help you with your money matters.

You trusted this person. You believed this person. You opened up to this person.

And then, after it's way, way too late...you find out that they weren't the best advisor for you.

It makes you mad. You feel violated and cheated. You feel embarrassed and used.

Unfortunately, this unhappy experience happens to people all the time.

Which is really sad, because there's no reason to end up having been involved with a financial advisor who isn't right for you. Especially if you know the 15 questions to ask any financial advisor BEFORE you start working with them!

See, picking a financial advisor is tough when you really don't know enough about the industry to be in a position to understand what things you should know and be aware of...before you make any financial decisions.

That's what this invaluable guide will do for you! It has been written by a financial industry insider who knows the whole deal...and will give you the ammunition you need to be an educated consumer! You'll know EXACTLY what to ask of any financial advisor, whether it's your current person, or one you're thinking about using!

Once you know what questions to ask, you'll know if the person you're talking to is right for you...and be able to make an educated decision on whether or not to follow their advice.

You've probably realized that you need some help, and want sound advice about what to do with your money. And, let me tell you that knowing *how* to select a financial advisor can be more important than the decision to use one! Because...

SELECTING THE WRONG FINANCIAL ADVISOR CAN REALLY HURT YOUR CHANCES TO ACHIEVE FINANCIAL SECURITY!

You see, if a financial advisor is not really on the ball, or is looking out for their own best interests instead of yours... LOOK OUT! Let me give you a couple of examples of real situations, to see what I mean:

SCENE 1 - Irene was a very frugal woman. When her daughter and son-in-law, wanted to take a look at her situation, they felt really helpless. They had thought about talking to the advisor who had "taken care" of her in the past, but were skeptical that he could be of any help. Especially since her current state of affairs was partially a result of his "help."

Irene had just turned 80, and was the picture of health. When she came into the office, she led her kids (who were in their late 50's) into the office. She was very positive and optimistic about life. We admired her toughness.

And she needed to be tough, because she was broke!

Her husband had died when she was 60, and she kept working at the factory until she was 66. Finally, after all her hard work, and saving, she was able to retire.

The combination from Social Security and her husband's small pension gave Irene \$790 per month of income. It was not great, but it was OK. She had also received \$50,000 from her husband John's life insurance. It seemed like enough money, especially with the house all paid for, with no mortgage.

Until the repairs for the roof, the garage, the driveway and so on, ate up most of her nest egg. Not to mention the "bailouts" she lovingly offered for several of her kids. And there was the increase in medical costs. And the increase in the costs of everything!

Now, she faces life with \$5,678 in the bank, and an old insurance policy with \$2,000 of cash value. Her monthly expenses are \$800-1,000 per month, without doing anything like visiting relatives, or buying birthday gifts for the grandchildren.

And she wants to know if anyone can help.

I'll tell you, other than some budget help, there isn't much anyone can do. The financial path she was running on with no "money map" in her hand had led Irene into a dead-end!

Believe me, this kind of story can break your heart. We calculated that she would be out of money soon, within a year or less, and probably end up with her kids. (The thought of an independent woman like her forced to depend on "charity" is very sad.)

WHY DID THIS HAPPEN?

With Irene's husband's pension plan and Social Security income, and the "advice" Irene received from her "financial advisor", she thought they had it made. Unfortunately, the "advice" Irene received was not based upon a plan, but rather based upon a product that could "solve their problems."

THE ONLY FINANCIAL "ADVICE" THEY HAD GOTTEN WAS FROM A PRODUCT SALESMAN WHO CALLED HIMSELF A FINANCIAL ADVISOR.

Instead of first diagnosing every situation in Irene's life that came up, and helping her weigh all the options to avoid making costly mistakes, this planner did just the opposite! There was no "diagnosis", no "options to weigh" and no strategic financial planning that could have saved her from such a pitiful state of affairs!

Instead, she got "product pitches" and suckered into a lot of bad financial decisions that were good for lining the ADVISOR'S pockets, but certainly not hers!

Have you ever known anyone who has gone through a similar problem? Maybe a friend or family member? Can you see yourself in this situation either today, or sometime in the future?

Please take note! YOU are responsible for your financial future. YOU must take the steps necessary to assure yourself of a financial future that is far better than the one just reviewed!

SCENE 2 - Linda and Dennis had to figure out what to do with Dennis' distribution from his company's retirement plan he was getting in a month or so. They had basically been financially stable for many years, and had to deal with this sudden change in their life.

He used to be a sales manager at a national firm, until he fell victim to rampant downsizing. Linda is an executive secretary. They are both 54, and live in a nice home in the suburbs.

Now that Dennis is leaving his job, they wanted to know two major things. One, what to do with the distribution. And, second, were they on track with the retirement scenario they had been working on together for several years?

You see, when they first decided to get help with their planning, they had all the concerns a typical American family has these days:

- * Tax Planning
- * Education Funding
- * Cash Flow
- * Investment Choices and Diversification
- * Company Benefits
- * Risk Management
- * Retirement Planning
- * Estate Planning

Just like all of us, these areas must be set up right, to give a family the best chance possible to get wherever they want to go!

Anyway, Linda and Dennis had set up goals years ago, and by planning, they have always been right on top of the situation.

And now, when this bombshell at work hit, they found out some interesting things like: Even with all the money they had already paid for college costs, they had enough set aside for their youngest daughter's education. And, they would not have to use any of their lump sum distribution to fund the remaining school expenses! And better yet, they don't have to worry about Dennis's job loss because:

They Can Retire NOW... All The Planning They Had Done Paid Off!

If Dennis doesn't want to get another job, he won't have to! Linda can quit whenever she chooses! Is that great or what?

As a matter of fact, Dennis always wanted to own a little fishing shop, (his passion) and now he was finally going to do it. Good for him!

It's amazing to several of their friends and relatives that the two of them are so well set financially, when they were always just "regular people." Not millionaires or anything, just hard working folks.

"How did they do it?" is the constant question from their acquaintances.

We know, and it had nothing to do with luck or "hitting the jackpot."

It had everything to do with planning...and getting the right help!

You see, the right advisor is trained to coordinate and tie all these areas together. To work hard with families like Linda and Dennis to assure that they are always on target to reach their goals.

As you can see, there's a lot of stuff to know.

The average person could not keep up with the tax law changes and investment opportunities alone! As with most complicated things in life like medicine or law, you need HELP!

**MAKING FINANCIAL DECISIONS WITHOUT GOOD INFORMATION
CAN BE A BIG MISTAKE!**

Once you realize that you can't do it alone, how do you obtain the services of a trained professional to assist you? Is there a way to separate the objective financial advisors from the product pushers?

**ABSOLUTELY!! That's What This Guide Will Provide You With...So Let's
Get To It!**

LET'S TAKE A LOOK AT THE 13 QUESTIONS TO ASK BEFORE CHOOSING A FINANCIAL ADVISOR :

1. Ask for 3 references. 2 references should be current clients, and another reference should be other professionals like an accountant, banker, or lawyer. There are three reasons for getting the professional references. First, any person in business should have at least 2 satisfied clients they can provide you with, therefore, client references alone may not be enough.

Secondly, if an advisor cannot produce other professionals that will attest to his or her ability as a financial advisor, they may not be respected by their peers. And last, outside professionals in the community see all kinds of things, and will usually be aware of what kind of advice is available, and what kind of quality is provided by different folks.

Call the references you receive! Many people ask for references, but never use them! Call all 3 people. You can never learn too much about the person you are considering using for your major financial decisions. Take the few minutes to talk to these people. It will be worth it!

2. If they do not charge fees for their service, ask what companies they represent and if they get extra commissions or other bonuses for selling one company's products over another. No one works for free! If they are not charging fees, they must be making money from commissions that come from the sale of products. If they are making 100% of their income from product sales, they must sell enough to make up for the people they meet with who did not buy anything. If there is a price to be paid, it must be paid by either the advisor or you. Which one do you think it will be?

If they work on straight commission, you must find out EXACTLY what companies they sell for, and EXACTLY how and why they decide which products, from which companies, they will recommend to you.

Side note. If they work for just ONE company, I'd have to tell you to really think about using them. I am hitting some sour chords with the industry here, but they can't come up with even a single reason based in reality how using a single company agent benefits the customer in any way. You should work with an advisor who can select products from a wide variety of companies. A single company advisor is really not acceptable in today's complex world. If your current advisor works for one company, you **MUST get a second opinion** or two from INDEPENDENT advisors who don't work for one company!!

3. If they do not charge fees, ask them how you can be sure that the advice they will provide is in your best interests. Make them tell you how they analyze a situation, and what process they go through to arrive at recommendations.

What you want to hear, is that they ask you specific questions on how you feel about your money and finances. Then, they should get a detailed understanding of your income, assets, debts, company benefits, etc. Finally, they should work up an action plan that addresses all of your concerns, and gives you choices. Choices of the different ways your concerns can be handled, with the pros and cons of each choice.

Then, and only then, will you be able to choose for yourself which way to go.

This process allows you the ability to make decisions from an educated basis, instead of from salesmanship. There is nothing wrong with being sold financial products, as long as they fit YOUR needs based on an objective plan, and not those of the salespeople!

If they say you'll get recommendations without any backup as to how those recommendations were arrived at...this guy or gal is NOT the advisor for you! If you've already received "advice" or been sold products without any backup or specifics as to why you got those products recommended to you...you may need to seriously consider getting a new advisor!

4. If the planner will help you implement investments, ask if the investments can be obtained if no plan is prepared. Buying financial products without a plan, is like having surgery without an exam. Call me crazy, but I sure wouldn't want a doctor to operate on me until he knew what was wrong with me. A doctor who performs surgery without an exam would be an idiot!

The same holds true for a financial advisor who sells product without an analysis. If you take away the planning process, you are left with nothing more than a product sales person. Do not let yourself be deceived!

Now, a plan may be many things. It can be a short one pager, all the way up to a thick set of charts and graphs. It just depends on how detailed your needs are. Even if the written plan is short, the interview process must not be.

Garbage In: Garbage Out!

The best planning we have seen is not due to the thickness of the plan, but because of the depth of the interview. The planner must ask about all your issues. Not just the ones he can make money on. For example, they should ask about your taxes, education funding, home financing, company benefits, insurance, estate planning, retirement goals, investments, etc.

A good advisor knows how to get to know you, your goals, and your fears. If you feel he or she truly understands your emotions, as well as your finances, then you may be with the right advisor!

I personally would NEVER work with anyone who would make financial recommendations without asking me all the questions about how I feel about my money, and reviewing everything I already have...such as tax returns, investment statements, IRA's, 401(k)'s, insurance policies, wills, company benefits and statements, savings accounts, mortgages, loans, etc., and then preparing recommendations based on all my information and personal goals.

If the people you're talking to or working with don't do this, you should really begin looking elsewhere!

5. If there is a planning fee, ask how it is calculated, and how much of the fee must be paid in advance. Ask if the fees are flat fees covering a whole 12 months, for example, or if they are calculated on an hourly basis.

In my opinion, you are usually better off working with an advisor who charges their planning fees on a flat basis, no matter how many hours they spend with you or on your planning. Hourly charges can work, but I have seen many instances where disputes have arisen because of the number of hours being billed. I have also seen many cases where people felt there are too many hours being charged, and then stop the planning process because they feel it's running too much money...thus prohibiting them from getting their planning finished.

6. Ask the advisor if they charge fees for managing some or all of your money, instead of, or in addition to planning fees and product sales commissions. Some financial advisors charge for money management (sometimes called "asset management") services in various ways, almost always based on a percentage of the money they are managing for you. These fees can range from 1-3% per year in most cases, and are normally charged quarterly. So, the more money they are managing, the more the fees you'll pay.

This method of charging money management fees is not necessarily bad, but you should know how much the fees are, how they are billed, and what kind of discounts are available for larger accounts.

Be sure to get a clarification as to whether or not these money management fees are separate from financial planning fees! Some advisors will charge financial planning fees, and then charge additional money management fees on top of the planning fees. This is not necessarily bad, and can often be the right way to do things. With this type of advisor, make sure to ask them if you pay them for planning fees, if you will be required to use their money management services, or if you're free to invest your money based on their advice with any money manager you choose.

They should tell you that the planning fees do not create any obligation to use them as the money managers, but if you do use them to manage your money, they should immediately disclose how much they charge for the money management services.

Some advisors will not charge you a planning fee, and just charge the money management fees if you let them manage the money. This is another alternative, and not necessarily bad, but you should ask if they do any kind of financial planning BEFORE making money management recommendations. If they say they don't or give you some sales pitch instead of a plan, get out of there quickly!

Another method to watch out for is if the advisor charges a money management fee IN ADDITION TO product sales commissions. If you are expected to pay 1 to 3% of your money for management as well as paying fees for such things as mutual funds and variable annuities, your investment fees may get very expensive. So make sure you're clear how this works.

7. Ask about the advisor's background, education and experience! As a rule of thumb, if you have significant wealth, consider only advisors that have been providing financial services for at least 5 to 10 years. Somewhere in that range is the only thing you should think about. If they tell you they just got in the business last year, you should get away from them fast. Not that there's anything wrong with new guys (rookies), it's just that you wouldn't want a new doctor to open up your heart and do a by-pass, and you shouldn't use a financial advisor who is new.

Although there may be some very good advisors with less experience, why take the chance? I was once an inexperienced planner, and when I was, I got my experience working with people who were also just starting out, and maybe I worked with families that I was too inexperienced to handle in hindsight. You should select an advisor that has more financial experience than you do, and that has been in the game a while!

8. Ask about their recognized financial designations. Education is an important ingredient in selecting a financial advisor. An educated financial advisor will usually have at least one of the following credentials:

CPA - Certified Public Accountant
CFP - Certified Financial Planner
ChFC - Chartered Financial Consultant
CLU - Chartered Life Underwriter
RFC - Registered Financial Consultant
APFS - Accredited Personal Financial Specialist

The above organizations require that the professional pass an initial exam and obtain continuing professional education. By seeking a planner or advisor with one or more of the above designations, you can be assured that the planner has made a commitment to obtain sufficient knowledge to excel in financial planning and consulting.

Make sure you ask to see their diploma or certification if they say they have one or more of these credentials. Don't just nod your head in acceptance because the man or woman says they have the designation. There have been numerous incidents where the advisor says they are a CFP or CPA or whatever, and do not have the required licenses, essentially just pretending they did. If you're embarrassed

to ask, you shouldn't be looking for an advisor. This is YOUR money, so if anyone makes you feel uncomfortable for asking to see proof of their certification, then you should get up and walk...fast!

A responsible advisor will be glad you asked, and be more than happy to show you their proof of designations!

Now, if they don't have any of these formal designations, it still doesn't mean you can't use them, or shouldn't use them. An advisor without designations may answer all the other questions the way you like and be the right person for you, even though they don't have these kind of credentials.

9. If they charge fees, ask if they provide you with a written, 100% guarantee of unconditional satisfaction. If they are so sure they can help you, they should back up that promise with an ironclad guarantee. The benefits you receive must exceed the cost of the planning/advice.

You are the only person that can determine the amount of help you have received...and, the benefit received can not be determined until the plan has been completed and presented to you. There should be no question in your mind that you have received more benefit than cost. If not, then the fee should be adjusted or returned.

If the advisor thinks he/she can provide sufficient benefit to you to justify the cost, let them say so in writing, and back it up with a written, money-back guarantee on the fees they charge you!

(FYI. They CANNOT guarantee anything about any investments you decide to make through them. It is against the law for them to do so, unless the product has written guarantees built into it, which should be disclosed in the prospectus or other documents relating to the investment!)

10. Ask them how they keep up on the constantly changing financial environment. Do they get research from their parent company? Do they attend workshops or go to classes? Are they studying for an advanced degree? Do they subscribe to financial publications other than general media? (Reading trade journals, as opposed to "Newsweek" or "The Wall Street Journal.")

Ask if they attend continuing education classes, and if so, how often, and on what topics! They will be shocked when you ask this, because no one ever does. Everyone assumes that because they hold themselves out to be financial planners or advisors that they get continuing education! This is not true. They only get continuing education if they want to, or are required to by some regulating authority that makes them. Make sure to ask this question, as you don't want to be getting advice from someone who hasn't been to a

continuing education class, or a refresher course in 12 years!
Financial issues change like the wind, and anyone who doesn't stay current...is someone you should not be working with!

Let me assure you this is an important question. There is no way on Earth anyone can be excellent at financial advice unless they are excellent at obtaining up to date, accurate information!

11. Ask to see the financial strength of the companies they recommend. Ask to see independent ratings services ratings on the companies they suggest you use. The companies that do these ratings are places like, Best, Standard and Poors, Moody's, Weiss, Morningstar, Value Line, etc.

Remember that most of the companies and banks that went under in the last few years, were loaded up with huge debts, and bad investments in junk bonds, real estate and the like. Just like your mom told you, too much of a good thing is usually bad! And, also like your mom told you, look before you leap!

12. Ask the advisor how many clients they have, and how many new ones they take on. It is impossible for anyone to handle thousands of clients with a high level of personal service. Make sure you feel you will be getting excellent service and advice, and won't be just a number, in a too busy advisor's schedule.

And, it's true that every planner can handle a different client load. It depends on their personality, staff, resources, outside professionals, etc. Be sure to find out how they get things done, and how fast they can respond to your needs.

Which leads to another question:

13. Finally, ask them if they give the same advice or product recommendation to all their clients! Believe it or not, many financial salespeople give the same advice and recommend the same product for everyone, whether you're like Irene and in your 80's...or you're 25 just starting out a family...or anything in between!

Make sure you ask this question. You'll be amazed at how many times the person has to say that they usually do make the same recommendations or the same product for all their clients. If they do, obviously, DON'T WORK WITH THEM!

OK! That's a pretty good round of tough questions to ask, don't you think?

We know that these are sometimes hard questions to ask, because you may feel you are going to be insulting the person.

DON'T HESITATE TO ASK THESE QUESTIONS, EVEN IF IT FEELS UNCOMFORTABLE!

We are talking about YOUR MONEY here!

Being shy has no place in this process. If you feel too embarrassed to ask the questions yourself, have a trusted friend or relative ask them for you. Whatever way you get this quizzing done, just be sure to GET THE QUESTIONS ASKED AND ANSWERED!! And, if your current advisor is not holding up under the questions...GET RID OF HIM OR HER! Don't stick with somebody just because you "like them" or because they are your brother-in-law, or because you've "been with them" for a million years! If they are NOT working for you I your best interests...dump them now! If you decide to stick with them in spite of knowing what you now know...then you're on your own!

Why am I so insistent about this? Because getting the right help is so important! For example, did you know the government tells us that:

94% OF ALL AMERICANS WILL NOT BE ABLE TO RETIRE ON THE SAME STANDARD OF LIVING THEY HAD BEFORE THEY RETIRED! (Source- Social Security Administration)

Why is this the case? Possibly because most people spend more time planning their vacations and evenings out, then they do planning their family finances!

Vacations, for example, are planned very carefully. When will you leave? What do you need to do before you go? What will you bring with? How will you get to the airport? What will you do when you get there? How you will get to the hotel and around town? Where you will eat? And so on.

Are you that detailed with you personal finances? Be honest now. Do you really take the time to plan for your own future in such lavish detail?

IT TAKES A LOT OF TIME, AND KNOWLEDGE, TO ANALYZE AND PLAN FOR YOUR FINANCIAL FUTURE!

We understand! Raising a family can be as much a full time job as "work" itself! There is little time left to study tax laws, investment options, and other financial information. Therefore, the job of planning your finances is often delayed until a "more convenient" time.

However, you must plan for the future today, because the future will become the present, whether you plan for it or not.

**Remember, people do not plan to fail,
they just fail to plan!**

WHAT MIGHT BE THE OUTCOME IF YOU DON'T PLAN?

- * Wasting Thousands of Dollars in Overpaid Income Taxes!
- * Earning an After Tax Rate Of Return That Is Lower Than Inflation!
- * Suffering a Lower Standard Of Living At Retirement!
- * Losing as much as 50% of Your Estate-to-Estate Taxes!
- * Not Achieving Your Financial Goals!

PROPER PLANNING IS YOUR BEST CHANCE TO BEAT THE ODDS, AND JOIN THE 6% OF AMERICAN THAT ARE SUCCESSFUL IN HAVING A SECURE RETIREMENT!

Take any one hundred people at the start of their working careers and ask them how many believe they will be financially independent. I would be surprised if even one person answered "Not Me!" However, 40 years later, according to the Social Security Administration, one will be wealthy, five will be financially secure, five will continue working, 36 will be dead and 54 will be dependent upon their meager social security checks, relatives, friends or even charity for a minimum standard of living.

Planning is the major difference between the 6% that were successful and the 94% that failed to accomplish their objectives.

Don't get me wrong. I am not saying that planning will make everything perfect. That would be a ridiculous statement to make. However, after more than twenty years of experience, I can tell you that planning will significantly improve the possibility.

PLANNING IS THE ONE COMMON INGREDIENT IN SUCCESSFUL VENTURES!

It would be difficult to find one thriving business that does as little planning as the average family! If you find one, they are very lucky. Do you want to rely on luck for your future? If so, the lottery awaits you. If not, financial planning awaits you!

What we are talking about here is setting goals. Executing a plan to reach your objectives. And monitoring your progress, making any necessary adjustments on a timely basis!

SIMPLY BEING TOLD TO BUY FINANCIAL PRODUCTS IS NOT PLANNING!

The traditional random method of buying financial products from salespeople is basically history. A salesperson who does not take the time to help you create a plan before selling you products is NOT DOING YOU ANY FAVORS!

Imagine the following; you go to the doctor with a stomachache. The nurse takes you to a room and talks to you about your symptoms. The nurse leaves, and returns a short time later with a prescription for a drug signed by the doctor. You are amazed about two things!

One, the doctor prescribed the medication without even performing a diagnosis, and two, the doctor prescribed the same medicine for your wife's sunburn last week! How could two totally unrelated health problems have the same cure?

Imagine your surprise when you find out that your nephew went to this same doctor for asthma, and received the same medicine! If you didn't know better, you might think that this doctor was benefiting somehow from "pushing" this prescription. Could you ever contemplate a doctor doing this? If they did, they would be kicked out of the profession so fast that their head would spin!

Many financial salespeople do this on a daily basis. No matter what the financial problem is, everyone gets the same product! Whether you know it or not, this may have happened to you. More than once!!

PLANNING SHOULD COME FIRST, SOLUTIONS SECOND!

The only way to be sure you receive a plan is to work with a professional who will provide you with a complete examination before recommending any solutions for your problems! An advisor that recognizes the need for a thorough analysis of your situation. Sounds good, doesn't it?

If all this makes sense, and you are curious about our approach to financial planning, you have three choices.

One is to say "No thanks".

The second is to pick up the phone and call us. You can ask us these questions over the phone, or set up a free meeting to ask us the questions in person. Either way, you get the information you need to see if you'd like to meet with us further.

The third is to take us up on our invitation to our upcoming seminar. More information about my next seminar is attached.

Either way, we wish you good luck with your financial efforts. We hope we've given you a good, sound idea of the kind of things you should be looking for from a financial advisor.

Sincerely,

John Navin

P.S. No matter what else you do, commit to doing some form of planning today! Planning will significantly increase your chances of being among the 6% that are successful. And, make sure to ask the right questions before you hire anyone!

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