



3250 N. Arlington Height Road
Suite 109
Arlington Heights, IL 60004
847-483-5400
www.NAPFA.org



Is Your Financial Advisor Really Working For You?

With a few basic questions, consumers can find out if their best interests are being protected by their advisor.

As the events of the last several months have made clear, it's never been more important for consumers to act in their own best interests when working with a financial advisor. Consumers must ask the right questions when selecting an advisor, AND they must keep asking questions on a regular basis.

The National Association of Personal Financial Advisors (NAPFA) has been a vocal advocate for the consumer for more than 25 years and is currently working with other industry organizations, congressional leaders and regulators to encourage increased protection for consumers. However, even if new reforms are put in place, NAPFA encourages consumers to protect themselves by being proactive when establishing or engaging in an ongoing relationship with a financial advisor.

Regardless of which advisor is chosen, a consumer needs to ask the following questions:

- **Do you work with an independent custodian?** Whether your advisor is managing your money or you are the person who signs off on each financial decision, your advisor should not be holding your money. Your money should be held by an independent custodian company. Make sure you know the name of the company; how to contact the company; and your account numbers. Be sure to open and review your monthly statements and check on the accuracy of any trades and withdrawals in your accounts.
- **Will I be able to review all transactions that are made?** When you receive your statements, be sure you carefully look at all transactions. Make sure you understand each purchase, sale, deposit and withdrawal and why it was made. If you have a question concerning a transaction, call your advisor immediately. If you aren't satisfied with the answer you receive, call the custodian directly.
- **Will I be able to make checks payable to the custodian?** When making a deposit to your investment account, write the check to the custodian, not to your advisor. Be careful of advisors who ask that checks to be made out to them.
- **Do you require a General Power of Attorney?** The General Power of Attorney document will allow your advisor to remove money from your accounts without your special consent. Typically a Limited Power of Attorney, which allows the advisor to make trades on your behalf, is preferred. You may want to discuss your personal situation with an attorney.
- **Can I have copies of statements sent to a family member?** If you don't understand your statements, tell your advisor to send copies to a family member or another professional who can help you.
- **Stay in contact with your advisor.** Visit with your advisor at least annually, and stay in contact by e-mail or telephone.

FOCUSonFiduciary™