

Financial Professional Questionnaire

Choose your financial professional as carefully as you would an attorney or physician — that person will be giving you advice that will affect your future financial well-being. You want someone with whom you can build a relationship of trust over a long period of time. Since nearly anyone can call themselves a financial planner, it is important to choose an advisor who is qualified through training and experience and who puts your family's financial well-being ahead of personal gain.

Investment professionals can be highly influential. While most stockbrokers and investment advisors are honest and ethical, some do fall prey to "conflicts of interest". Furthermore, honest errors as well as scams do occur. Checking out your investment professional before you have dealings with him or her is your best bet at avoiding broker problems and problem brokers. Your next best defense is to be sure you are managing the person who is managing your money.

1. The Texas State Securities Board (TSSB) will check out your broker's professional history and provide you with any information you need to make an educated decision. When you contact the TSSB, ask these questions: Is the person licensed to sell investments in Texas? Is the firm licensed to sell investments in Texas? Is there a history of regulatory violations, disciplinary actions, or investor complaints involving this individual or firm?
2. Ask if your broker is a registered investment advisor (RIA) or a registered representative (RR). The distinction is important to you. The RIA has a fiduciary responsibility to you, the client, and is regulated by the Texas State Securities Board. The RR has a fiduciary responsibility to the brokerage firm and is regulated by state law, as well as the Financial Industry Regulatory Authority (FINRA), a self-regulatory agency.
3. Always find out in advance about commissions. This may be awkward, but is a must. The information will help you avoid "steering" or being persuaded to invest in products that provide the broker with a hidden profit motive.
4. Review any investment professional's Form ADV (for RIAs) or U-4 (for RRs). This document provides educational background and work experience and discloses any legal or financial problems that have been reported to the person's regulatory agency. If the broker doesn't promptly provide you a copy of the form, take your business elsewhere.
5. Never pay for an investment transaction with a check made out to a broker. The check should always be made out to the brokerage firm or to the investment company issuing the securities.
6. Avoid a conflict of interest by using fee-only financial planners or investment advisors. When advice is what you're after, get it from a person who will not benefit from the products he or she recommends.

Please detach this page and keep for your reference

This Financial Professional Questionnaire is provided as a courtesy to you in assisting to help better determine the Financial Professional best suited for your needs.
Gary Clemmons, Registered Investment Advisor, 407-C West Baker Road, Baytown, TX 77521 (281) 427-8000 or (888) 761-7600

Financial Professional Interview Questionnaire

submitted to:

Date: _____

Company: _____

Name: _____

Financial Professional Questionnaire

The backgrounds of financial professionals can vary as much as the services offered. The advisor's education and experience should demonstrate a solid foundation in investing and a commitment to keeping current.

EDUCATION & BACKGROUND

What kind of professional license do you hold? _____

Are you a registered investment advisor; are you registered with the state or Securities Exchange Commission?

RIA State (please specify if other than TX) SEC

How long have you been offering financial services?

- Less than five years
 Five to ten years
 Ten to twenty years
 More than twenty years

How much time do you dedicate to continuing education?

- 1 to 14 hours of professional education each year
 15 to 30 hours of professional education each year
 At least 30 hours of professional education each year

Have you ever been cited by a professional or regulatory governing body for disciplinary reasons?

Yes No

Do you take possession of, or have access to my assets?

Yes No

Financial Professionals are charged with the responsibility of acting as prudent persons in making investment decisions. It is important to match client needs with what investment methods and strategies will be used.

INVESTMENT METHODOLOGY

What kind of periodic reports should I expect from you? _____

During the bear market, what did you do to reduce risk? _____

Can you document your previous answer? Yes No

Do you act as a salesperson or an investment manager

If offering a brokerage fee account, would I be better off paying a commission over the long term?

Yes No I'm not sure N/A

Will you provide me with references from clients that have been with you for over 3, 5, and 10 years?

Yes No

What kind of investment philosophy do you support?

Buy and Hold Active Management

Do you provide a written analysis of my financial situation and recommendations?

Yes No

Financial Professional Questionnaire

INVESTMENT METHODOLOGY cont.

Is the analysis tailored to my personal needs and goals?

- Yes No

How are you compensated?

- Fee Only
 Commission Only
 Fees and Commissions
 Fee Offset (Fees are reduced by commissions for products sold)

How is your compensation calculated?

- Flat fee or fee range of \$ _____
 Fee Percentage (%) _____
 Are fees capped?
 Yes No
 Commission Only
 Fee Offset (a flat fee is charged against which commissions are offset)
 Fee and Commission

If commissions exceed the fee, is the balance credited to me?

- Yes No N/A

Financial planning costs include what a consumer pays in fees and commissions. Comparison between financial advisors requires full information about potential total costs. It is important to have this information before entering into any agreement.

INVESTMENT PRODUCTS & COMPENSATION

Do you offer mutual funds? If so, how many funds do you offer? _____

Is there a preferred group among them?

- Yes No

Do you receive any special consideration or sales incentives from the mutual funds offered?

- Yes No

If recommending mutual funds, what class of mutual fund shares will you be proposing?

(A B C) please circle one Other _____

Are there redemption fees on any of the funds you offer?

- Yes No N/A

If yes, what amount or percentage? _____

Do you recommend variable annuities for retirement accounts?*

- Yes No

*The SEC cautions against purchasing variable annuities in retirement plans. Read more: www.sec.gov/investor/pubs/varanny.htm

