Public Investors Arbitration Bar Association

July 3, 2013

VIA EMAIL

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090
rule-comments@sec.gov

Re: File No. 4-606; Duties of Brokers, Dealers and Investment Advisers (Request for data and other information)

Dear Ms. Murphy:

I write on behalf of the Public Investors Arbitration Bar Association ("PIABA"). PIABA is an international bar association comprised of attorneys who represent investors in securities arbitrations. Since its formation in 1990, PIABA has promoted the interests of the public investor in all securities and commodities arbitration forums, while also advocating for public education regarding investment fraud and industry misconduct. Our members and their clients have a strong interest in the standards of conduct to which brokers and investment advisers are held when giving investment advice. We welcome this opportunity to provide further information related to the Commission's study of this issue.

We will provide information in response to the Commission's "Request for Data and Other Information Relating to the Current Market for Personalized Investment Advice". For clarity, we have included the requests to which we are responding below. We have responded to those requests where we believe we can provide the most relevant data.

2. **Data and other information describing the types and availability of services (including advice) broker-dealers or investment advisers offer to retail customers, as well as any observed recent changes in the types of services offered. Provide information as to why services offered may differ or have changed. Have differences in the standards of conduct under the two regulatory regimes contributed to differences in services offered or any observed changes in services offered? If possible, differentiate by retail customer demographic information.**

A survey of the websites for five of the largest broker-dealers and five of the largest registered investment advisory firms leads to the conclusion that both generally offer the same comprehensive financial planning and advice:

BROKER-DEALERS

(i) Merrill Lynch

Merrill Lynch's website is full of materials detailing the comprehensive financial services offered to prospective customers. Interestingly, nowhere on its website does it discuss

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order execution. Instead, there are a myriad of goals Merrill Lynch will assist with, including:

- Caring for My Family
- Preparing for Retirement
- Growing My Business
- Pursuing My Dreams
- Estate Planning and Philanthropy

See Exhibit 1. Merrill Lynch goes to great lengths to describe itself as a "Wealth Manager", not merely a securities broker that buys and sells securities or simply places orders. Merrill Lynch also includes numerous client testimonials on its website describing the substantial and personal relationship the clients have with their Merrill Lynch Financial Advisor. The website describes "access to world class market research and the industry's top financial analysts" and references the importance of finding the right financial advisor. Poignantly, the website includes a quote from Charles Merrill, who said in 1914, "The interests of our customers must come first." *Id.*

These current representations are not new. Before the financial crisis, Merrill Lynch represented itself as "Total Merrill" to its customer base. Attached as Exhibit 2 is a PowerPoint presentation which was shown at a Merrill Lynch conference on June 19, 2008, by Vice President Marilyn Pearson. This presentation was geared to Merrill Lynch financial advisors using inter-networking skills to expand their business. Importantly, the basis of the presentation is "Total Merrill", which, as the second page of the presentation illustrates, is far more than merely executing orders or even simply making investment recommendations. Instead, "Total Merrill" was an integrated concept designed to provide customers with comprehensive service, including advice, retirement planning, banking, credit and lending, and estate planning. In fact, "investments" is just one piece of this fully integrated, comprehensive service.

(ii) Morgan Stanley

Morgan Stanley is more bombastic about the impact it can have for its clients, proclaiming rhetorically in large, bold print: "**WHO CAN PROVIDE A HIGHER LEVEL OF FINANCIAL ADVICE BACKED BY THE BEST THINKING ON WALL STREET?**" Of course, the answer is Morgan Stanley. It also represents that it offers services to its customers similar to those offered by Merrill Lynch. Morgan Stanley states, "At Morgan Stanley, our dedicated Financial Advisors are ready to work closely with you. With a clear understanding of your unique circumstances, we'll find the right services and solutions to help meet your objectives today and tomorrow." *See* Exhibit 3. Morgan Stanley also touts its "access to Banking services" and represents itself as a "wealth manager", not simply a company that brokers securities transactions.

Morgan Stanley's website also details its "Wealth Planning" services, which include investing, managing risk, strategic borrowing, and setting objectives to plan "for the long term".

(iii) UBS

Much like its peers, UBS is not shy about the quality of the services offered to its customers. On its website, it states in bold: "**Advisors without peer. Advice without equal.**" *See* Exhibit 4. It goes on:

> At UBS, our clients are the focus of everything we do. And with access to the best resources and intellectual capital in the industry, our Financial Advisors are in the best position to help clients reach their goals. In addition to having exceptional credentials, experience and perspective, our Advisors know it's essential to listen to you and truly understand your goals in order to help you achieve the financial future you envision.

Id. UBS, like Merrill, has customer testimonials and video stories on its website which provide a provocative glimpse into how UBS will make your dreams come true. In fact, the website states: "At UBS, we can help you pursue all of your financial goals – including those that go beyond investing – to help you live the life you've always imagined." UBS represents its services to include retirement planning and investing along with education funding, estate planning, and charitable giving, all of which is presented as a "collaborative approach". Much like its peers, there is nothing on UBS' website which describes it as an order executor. In fact, nothing represented by UBS indicates it actually brokers transactions. Instead, it repeatedly represents itself as an advisory firm focused on providing planning and advice in all facets of someone's financial life.

(iv) Ameriprise Financial

The tenor of Ameriprise's website is somewhat different than the previous three firms. It clearly and unmistakably represents that it provides services far more substantial than simply executing orders or making investment recommendations. In fact, one of the key components of the "ongoing advisor relationship" is to "track ongoing progress". *See* Exhibit 5. Ameriprise's website includes client testimonials and videos which explain the important and substantial impact Ameriprise has had on their lives.

Ameriprise represents that it provides numerous services to its clients. These include investments, insurance/annuities, financial planning, credit cards, and lending services. Specifically, Ameriprise identifies several different investment products offered by the firm to its customers, including:

- IRAs & retirement plans
- Mutual Funds
- Stocks and ETFs
- Bonds
- Education savings
- Real estate and alternative investments
- Managed accounts
- Structured products
- Certificates
- Options
- Unit Investment Trusts (UITs)
- Syndicates, including closed-end funds and preferred stock

Id. at 4-5. Unlike the "big three" above, Ameriprise specifically identifies what investments it offers to its customer base. Importantly, it wraps this list up by calling attention to Ameriprise advisors as being "investment professionals". Nowhere on the website are Ameriprise advisors referred to as securities brokers or traders.

(v) LPL Financial Services

LPL Financial represents its financial advisors as "experienced professionals" who provide "objective guidance and advice". It also makes a specific point that LPL "does not offer any proprietary products ..." resulting in "unbiased investment products and strategies ...." *See* Exhibit 6. LPL also focuses on a "holistic approach to life planning":

> No matter where you are in life – just getting started or winding down a successful career – you have goals and dreams. Your advisor engages you in an ongoing conversation about your needs, goals, and objectives to create the life plan that's right for you.

Id. LPL goes even further, touting a neighborly approach:

> Your LPL Financial advisor more than likely lives and works in your community. And because your LPL Financial Advisor cares as much about your personal satisfaction as the performance of your portfolio, he or she serves as a true partner to help you live the life you desire.

Id. LPL also focuses on the support it provides to its financial advisors as a selling point to prospective customers. It emphasizes the training and management programs LPL advisors attend to stay on the cutting edge of the investment field. Like the "big three" above, LPL clearly represents itself as a fully engaged wealth management, life-planning partner.

Also, like Ameriprise, LPL identifies specific securities products it offers to its customers. These include:

- Mutual Funds
- Annuities and other tax-efficient investments
- Domestic and international securities
- Insurance
- Fee-based asset management programs
- Estate and financial planning
- Trust services
- Group retirement plans
- Exchange-traded funds (ETFs) and exchange-traded notes

Id. at 3. Importantly, LPL leaves the door open, stating, "From these and <u>other investment options</u>, your LPL Financial advisor can construct individual investment portfolios by using our unbiased research on the economy and a range of other investment-related topics." (Emphasis added)

REGISTERED INVESTMENT ADVISORS

(i) Fisher Investments

Fisher Investments, located in Woodside, California, represents on its website that as of April 1, 2013, it had over $46 billion in assets under management. It represents itself as a money manager. It does not proclaim to be a "wealth manager" or "life planner" like the large broker-dealers. It simply represents that it uses its talent, market insight, technology, and strategies to adjust its clients' portfolios accordingly.

The website identifies specific benefits to being a Fisher "private client". These include:

- Direct, Proactive Customer Service
- Regular Communications
- Fisher Forecast Seminars
- Investment Roundtables
- Fisher Friends Events
- Client Conference Calls
- Marketminder.com

See Exhibit 7. Fisher Investments is a fee-based, discretionary, investment advisor. It pretty clearly represents itself as such, leaving out much of the flowery hyperbole the brokerage firms use in their marketing and website pieces.

(ii) Aspiriant

Aspiriant was the nineteenth ranked investment advisory firm in 2012, having over $4 billion of assets under management. The Los Angeles-based firm represents on its website that it "employ[s] all the rigor of institutional manager selection and performance monitoring and analysis." *See* Exhibit 8. Much like Fisher, Aspiriant represents that it uses technology and market research to maximize performance.

Unlike Fisher, Aspiriant does represent that it performs more than just financial planning, purporting to perform "strategic planning" also. This includes:

- Budgeted expenses
- The amount and timing of family and charitable gifts
- Whether to continue employment or business involvement or to "retire"
- What investment returns and risks to pursue...or accept.

Id. at 4-5.

(iii) Oxford Financial Group

Oxford Financial Group is an Indianapolis-based investment advisor with over $10 billion in assets under management, making it the sixth largest investment advisor in 2012. Oxford represents that it provides services a bit broader than Aspiriant or Fisher, sounding more like one of the "big three" brokerage firms above.

Oxford's website is not shy. In touting its family office services, it states: "[t]he sole commitment of our Family Office Services group is to enhance the financial lives of our clients and to enrich family legacies. This means helping you to organize and deploy your wealth in ways that enable you and your family to lead lives that are happier, more harmonious and secure." *See* Exhibit 9.

Oxford also represents on its website that it offers "Alternative Investments" in addition to its investment services. These include:

- Private equity
- Private real estate partnerships
- Hedge funds
- Natural resources

Id. Oxford also offers a proprietary plan called Savile Row, which provides pooled investment vehicles.

(iv) Shepherd Kaplan, LLC

Shepherd Kaplan, LLC, is a Boston-based fee only investment advisory firm with over $7 billion in assets under management. Its website is straightforward and specifically identifies itself as a fiduciary. *See* Exhibit 10. It also identifies its role in providing alternative investments to its qualified investor clients, but stops short of identifying specific types of investments, merely stating it offers private equity and venture capital offerings.

(v) Ronald Blue & Co.

Ronald Blue & Co. is an Atlanta-based fee only investment advisory firm with over $6 billion in assets under management. On its website, Ronald Blue represents the firm to be a more comprehensive wealth management firm, not merely a "money manager". It identifies:

- Financial Planning
- Investment Management
- Tax & Business Services
- Estate Planning
- Philanthropic Counsel

See Exhibit 11. This level of service is quite similar to the services represented by the broker dealers above.

<u>CONCLUSION</u>

After reviewing the publicly available materials advertising the representations and services offered by both brokerage firms and registered investment advisors, there is an inevitable conclusion: Brokerage firms represent themselves as if they were fiduciary investment advisors.

3. Data and other information describing the extent to which different rules apply to similar activities of broker-dealers and investment advisers, and whether this difference is beneficial, harmful or neutral from the perspectives of retail customers and firms. Also, provide data and other information describing the facts and circumstances under which broker-dealers have fiduciary obligations to retail customers under applicable law, and how

> **frequently such fiduciary obligations arise. If possible, differentiate by retail customer demographic information.**

There are many differences in the rules applicable to broker-dealers and investment advisers. The most notable difference is the standard governing the provision of investment advice – brokers are held to a suitability standard under FINRA rules and investment advisers are held to a fiduciary standard under federal law. There are wide differences in state law regarding whether or not a broker is deemed a fiduciary.

Courts have routinely held that when an account is discretionary, the broker has a fiduciary duty to the client. In *Leib v. Merrill, Lynch, Pierce, Fenner & Smith*[1], the court specifically set forth the duties a broker owed the customer when the account is a discretionary account:

> Such a broker, while not needing prior authorization for each transaction, must (1) manage the account in a manner directly comporting with the needs and objectives of the customer as stated in the authorization papers or as apparent from the customer's investment and trading history, *Rolf v. Blyth Eastman Dillon & Co., Inc.*, 570 F.2d 38 (2d Cir. 1978); (2) keep informed regarding the changes in the market which affect his customer's interest and act responsively to protect those interests (see in this regard, *Robinson v. Merrill Lynch, supra*) ; (3) keep his customer informed as to each completed transaction; and (5) explain forthrightly the practical impact and potential risks of the course of dealing in which the broker is engaged, *Stevens v. Abbott, Proctor and Paine*, 288 F. Supp. 836 (E.D. Va. 1968).

However, apart from discretionary accounts, the discussion of the duties a broker owes to a customer gets more complicated. Courts have addressed the issue of the existence and extent of a fiduciary relationship between a broker and a customer differently. In *Marchese v. Nelson*[2], the court laid out the ways various courts have addressed this issue:

> Unlike the present case which involves nondiscretionary accounts, "the broker handling a discretionary account becomes the fiduciary of his customer in a broad sense." *Leib v. Merrill, Lynch, Pierce, Fenner & Smith,* 461 F. Supp. 951, 953 (E.D. Mich. 1978) (interpreting Michigan law). Accordingly, numerous courts have held that the lodestar for determining the existence of a fiduciary relationship is whether the account is discretionary or nondiscretionary. *See, e.g., Refco, Inc. v. Troika Inv. Ltd.,* 702 F. Supp. 684, 687 (N.D. Ill. 1988) (interpreting Illinois law). In *Refco,* the court held that "[i]n general only a broker operating a discretionary account is viewed as a fiduciary." *Id.* at 686. The *Refco* court tempered its absolute view by acknowledging that "[e]ven in the most limited type of agency – the nondiscretionary account where the broker is simply called on to carry out its principal's orders – the concept of faithfulness to duty operates to preclude the agent's dealing to its own advantage rather than its principal's." *Id.* at 687 n. 9.
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> Similarly, in *Leib,* the court indicated that in a nondiscretionary account, the "broker is bound to act in the customer's interest when transacting business for the account; however, all duties to the customer cease when the transaction is closed." *Leib,* 461 F. Supp. at 952-53. Notwithstanding

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[1] 461 F. Supp. 951, 953 (E.D. Mich.1978).
[2] 809 F. Supp. 880, 893 (D. Utah 1993).

this apparently limited duty, the *Leib* court identified six duties associated with nondiscretionary accounts: (1) the duty to recommend stock only after becoming informed about the stock; (2) the duty to promptly carry out the customer's orders; (3) the duty to inform the customer of the risks involved in a transaction; (4) the duty to refrain from self-dealing; (5) the duty not to misrepresent any fact material to a transaction; and (6) the duty to transact business only after prior authorization from the customer. *Id.* at 953.

The Tenth Circuit, rather than using the nature of the account as the dispositive factor, balanced the nature of the account with the nature of the relationship between the parties. *Hotmar v. Listrom & Co.*, 808 F.2d 1384, 1386 (10th Cir.1987) (interpreting Kansas law). The *Hotmar* court, in finding no fiduciary relationship, analyzed whether the broker agreed to manage or otherwise control the account, or rather, whether he merely rendered advice. *Id.* at 1387. Finding no agreement by the broker to monitor his clients' nondiscretionary accounts, the court found no fiduciary relationship. *Id.*

Other courts have rejected the nondiscretionary-discretionary dichotomy, in favor of an analysis of the actual relationship. *See, e.g., Baker v. Wheat First Sec.*, 643 F. Supp. 1420, 1429 (S.D. W.Va. 1986) (interpreting West Virginia law); *Davis v. Merrill, Lynch, Pierce, Fenner & Smith,* 906 F.2d 1206, 1216-17 (8th Cir.1990) (interpreting South Dakota law). In so doing, the *Baker* court found a fiduciary relationship where the broker exerted "de facto control" over the account. *Baker,* 643 F. Supp. at 1429. To the *Baker* court, such de facto control existed when "'the client routinely follows the recommendations of the broker.'" *Id.* (quoting *Mihara v. Dean Witter & Co.*, 619 F.2d 814, 821 (9th Cir.1980)).

The Eighth Circuit in *Davis* followed the rationale of the *Baker* court, concluding that a fiduciary relationship may exist in cases where the broker exerts de facto control over a nondiscretionary account. *Davis,* 906 F.2d at 1216-17. In reaching this result, the *Davis* court relied heavily on the fact that the aggrieved customer was an unsophisticated investor who never failed to follow her broker's recommendations. *Id.* at 1217. Even then, however, the court found it significant that the broker had made numerous unauthorized trades. *Id.*

Finally, other courts assume the existence of a fiduciary relationship even if the account is [non]discretionary [sic], and then analyze the facts to determine the scope of the duty and whether the broker breached the duty. *See, e.g., Romano v. Merrill, Lynch, Pierce, Fenner & Smith,* 834 F.2d 523, 530 (5th Cir.1987) (interpreting federal securities law). Applying this analysis, the *Romano* court found no breach where the customer, an alert and vigilant businessman, controlled his nondiscretionary account and made all decisions regarding activity in the account. *Id.* (citations omitted).

The cases discussed above illustrate four methods that courts employ in answering whether a fiduciary relationship exists between a broker and a customer with nondiscretionary accounts. Two of these methods involve an absolute rule: either finding no fiduciary relationship because the account is nondiscretionary, *see Refco, Inc. v. Troika Inv. Ltd.*, 702 F. Supp. 684, 687 (N.D. Ill. 1988), or finding a fiduciary relationship regardless of whether the account is discretionary, *see Romano v. Merrill,*

> *Lynch, Pierce, Fenner & Smith,* 834 F.2d 523, 530 (5th Cir.1987). Other courts, using a flexible approach, base the existence of a fiduciary relationship, not on the nature of the account, but on the nature of the relationship, and find a fiduciary relationship either if the broker has agreed to manage the account, *see Hotmar v. Listrom & Co.,* 808 F.2d 1384, 1386 (10th Cir.1987), or if the broker exercises de facto control over the account, *see Davis v. Merrill, Lynch, Pierce, Fenner & Smith,* 906 F.2d 1206, 1216-17 (8th Cir.1990).

In *Leib*, the court recognized that apart from discretionary and non-discretionary accounts, there exists a hybrid-type account. "Such an account is one in which the broker has usurped actual control over a technically non-discretionary account. In such cases, the courts have held that the broker owes his customer the same fiduciary duties as he would have had the account been discretionary from the moment of its creation."[3] *Leib* further set forth the factors the court should consider when determining whether the broker has usurped control over the account:

> In determining whether a broker has assumed control of a non-discretionary account the courts weigh several factors. First, the courts examine the age, education, intelligence and investment experience of the customer. Where the customer is particularly young, *Kravitz v. Pressman, Frohlich & Frost*, 447 F. Supp. 203 (D. Mass. 1978), old, *Hecht v. Harris, supra*, or naive with regard to financial matters, *Marshak v. Blyth Eastman Dillion & Co., Inc.,* 413 F. Supp. 377 (N.D. Okl. 1975), the courts are likely to find that the broker assumed control over the account. Second, if the broker is socially or personally involved with the customer, the courts are likely to conclude that the customer relinquished control because of the relationship of trust and confidence. *Kravitz v. Pressman, supra*; *Hecht v. Harris, supra*. Conversely, where the relationship between the broker and the customer is an arms-length business relationship, the courts are inclined to find that the customer retained control over the account. *Shorrock v. Merrill Lynch, supra*. Third, if many of the transactions occurred without the customer's prior approval, the courts will often interpret this as a serious usurpation of control by the broker. *Hecht v. Harris, supra*. Fourth, if the customer and the broker speak frequently with each other regarding the status of the account or the prudence of a particular transaction, the courts will usually find that the customer, by maintaining such active interest in the account, thereby maintained control over it. *Robinson v. Merrill Lynch, supra*.

The differing standards applicable to investment advisers and brokers in some jurisdictions is discussed in more detail below in response to Item 9.g.-h. The differences in the standards are generally harmful to retail customers who do business with brokers instead of investment advisers.

There are several circumstances other than purchasing broker recommended securities in an account in which it would be beneficial to retail customers for brokers to be subject to a fiduciary duty. Common situations that manifest how beneficial the fiduciary standard is include situations where the following occurs: 1) an investor follows a broker to a new brokerage firm; 2) the investor has a change in circumstances or objectives; 3) the investor changes brokers; and 4) the broker is aware of impending doom for a portfolio.

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[3] 461 F. Supp. at 954.

The investor following a broker to a new brokerage firm. This is probably the most common situation in which a fiduciary standard for brokers would directly benefit investors. Brokers commonly move to different brokerage firms over the course of a career and will try to get their clients to follow them when making such moves. When a broker sells investments that are unsuitable and then changes brokerage firms, it can place the investor's portfolio in supervisory limbo. Despite requiring the completion of account suitability documents at the new firm, the new firm commonly will do nothing to warn the investor that the portfolio previously purchased for the investor by the firm's new broker is grossly unsuitable for the investor. It will then justify the inaction by saying it is only responsible for trades made after the broker had transferred to it. The investments are then left to decline in value until the investor's nest egg is gone. Further, the initial firm, at which the investment purchases were made, will deny responsibility because it had no ability to supervise the broker, to recommend investment changes, or to discover the impropriety after the broker left. A fiduciary duty on the part of the broker and the new firm to inform the investor of an unsuitable portfolio, irrespective of whether the investments were recommended by the broker after he changed firms, would protect the investor.

The change of circumstances or objectives. When an investor's circumstances change, such as when the investor retires, becomes unemployed, or becomes disabled, the needs of that investor change. Likewise, investors can manifest a change in risk tolerance and objectives that causes the portfolio of that investor to no longer be suitable. This is a very common situation where a fiduciary duty benefits the investor. The lack of a fiduciary duty means that a broker does not need to inform an investor that the investor's portfolio is no longer suitable – no matter how strongly the information given the broker would indicate to the contrary. Typically, the change in circumstances will be deemed relevant only to new advice given. To make matters worse, investors commonly think their broker will volunteer such advice. Brokerage firms, through advertising and other marketing, give investors reason to believe that they are watching over investors' savings and guiding them through the transitions in their lives.

An example of how such a fiduciary duty benefits investors can be found in a recent case filed in the American Arbitration Association ("AAA") and settled prior to arbitration[4]. The case involved an individual who informed his registered investment adviser that he had developed cancer and stopped working and wished to live on income from his investments. Despite the significant life change, the investment adviser failed to advise the investor that his aggressive portfolio was inconsistent with such a life change. The fiduciary duty of the investment adviser meant that the adviser had the duty to do so. Without such a duty, the adviser could have kept his mouth shut and let the portfolio do little to help the investor sustain himself during this time when he was not working. The existence of a fiduciary duty in this case, arising because of the investment adviser status, gave the investor legal recourse. A broker may not have had similar obligations under the FINRA rules or applicable state law.

Investor changing from one broker to a new broker. When an investor comes to a new broker with a portfolio that requires some future action, the broker may fail or refuse to take any action. When losses subsequently occur, the new broker attempts to disclaim liability for losses by stating that the recommendation for the investment was not the broker's, but rather the prior broker's, and that the broker has no duty with respect to investments he did not recommend. The losses could be prevented if the broker were a fiduciary with a duty to disclose relevant information.

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[4] Names of the parties have been withheld due to the confidentiality provision of the settlement agreement between the parties.

The importance of fiduciary duties being applicable to brokers is demonstrated in another recent case in which an investor purchased a substantial variable annuity from her first broker. She then changed brokers and retired. Despite the request for income to sustain the investor during retirement and a need for stable investments, the new broker never advised the client to annuitize the annuity. Annuitizing would have furthered both objectives. When the investor questioned why the broker failed to take this action after years of doing business together, the broker responded that the investor should have done so on her own. Like many investors, the investor in this matter barely understood what a variable annuity was. Under a fiduciary standard, the broker and her firm could be held liable for not disclosing such important information.

In another case, a broker convinced an elderly investor to take a loan secured by the investor's portfolio that would be paid for by income from the portfolio. The investor's new broker did not make any payments on the loan and did not inform the investor that failing to pay the loan off could result in the investor's entire life savings being liquidated without notice. In this case, the investor was able to recover only because the new broker was found to be a fiduciary. Without such a duty, the elderly investor would likely be left with no recourse.

Not advising about impending disaster. When investors only get information at the time of the purchase of an investment, situations arise in many cases where the broker knows information indicating that a particular investment is about to implode but fails to take action or inform the investor. This circumstances occurs often in cases involving proprietary products that a firm does not want its customers to sell.

The many cases involving Morgan Keegan in the past five years exemplify this situation. Morgan Keegan was selling certain proprietary mutual funds as conservative bond funds. Ultimately, Morgan Keegan came to learn that a substantial portion of these funds were invested in collateralized debt obligations – an investment vehicle carrying substantial risk. Internal emails recognized those risks and the fact that individuals invested in such investments were not aware of the substantial risk. Despite the knowledge that the investors misunderstood the risk of holding the investments, Morgan Keegan never notified the investors of the substantial risk. Whether Morgan Keegan had a duty to warn depended in part upon whether the brokers and Morgan Keegan were fiduciaries of the investors. In *Warfel v. Morgan Keegan*, (FINRA No. 11-726 and U.S. District Court for the Middle District of Florida, 12cv1250), the FINRA arbitration panel found that a fiduciary duty existed and, as such, the Morgan Keegan broker had a duty to warn of the risk of continuing to hold the Morgan Keegan bond funds. Morgan Keegan was ordered to reimburse the claimant for his losses as the result of not being informed of such risk. This case should be contrasted with a large number of other cases in which the investors were not told of the risk of continuing to hold such investments and in which the arbitration panels found no fiduciary duty and, therefore, no liability on the part of the broker or the firm.

9. **Data and other information related to the ability of retail customers to bring claims against their financial professional under each regulatory regime, with a particular focus on dollar costs to both firms and retail customers and the results when claims are brought. We especially welcome the input of persons who have arbitrated, litigated, or mediated claims (as a retail customer, broker-dealer or investment adviser), their counsel, and any persons who presided over such actions. In particular, describe the differences between claims brought against broker-dealers and investment advisers with respect to each of the following:**

9.a. **The differences experienced by retail customers, in general, between bringing a claim against a broker-dealer as compared to bringing a claim against an investment adviser.** – For the time being, there is very little difference between bringing suit against licensed investment advisers or broker dealers, because most claims will end up in arbitration. It is commonly believed that the use of mandatory arbitration by investment advisers is widespread. A recent survey conducted by the Massachusetts Securities Division found that nearly half of registered investment advisers responding to the survey had pre-dispute mandatory arbitration clauses in their advisory contracts.[5]

Of course, nearly all claims brought by retail customers against broker-dealers are subject to mandatory arbitration, either through an express arbitration provision in the customer's account documentation, or as a result of FINRA rules. *See UBS Fin. Servs. v. W. Va. Univ. Hosps., Inc.*, 660 F.3d 643 (2d Cir. 2011).

9.b. **Any legal or practical barriers to retail customers bringing claims against broker-dealers or investment advisers.** – Retail customers must ordinarily bring claims against investment advisers in either state court or in arbitration. Save for claims for rescission of an investment advisory contract and restitution, the Investment Advisers Act of 1940 ("IAA") does not provide for a federal private right of action or jurisdiction. *See Transamerica Mortgage Advisers, Inc. v. Lewis*, 444 U.S. 11, 18-19 (1979).

Most investment adviser arbitration takes place before private dispute resolution forums such as the AAA or JAMS. Traditionally, FINRA has not been used as an arbitration forum for disputes between investment advisers and their clients, because the advisers have not been FINRA members. However, FINRA has launched a pilot program, under which the forum may be used if the adviser and the customer submits a post-dispute agreement to arbitrate in the forum.[6]

There is a wide variation among these forums' procedural rules. For example, discovery may be limited to simply an exchange of documents, or may include pre-hearing depositions of all of the principals. Similarly, the forum rules may allow for pre-hearing, dispositive motions. The forums may be prohibitively expensive for some retail customers. Participants in AAA arbitrations may be required to share a pre-hearing deposit of as much $25,000. The neutrals are often retired judges who may or may not have significant securities experience.

FINRA arbitration, in contrast, is much more tailored to the retail customer than these other forums. Its discovery rules and procedures specifically focus on securities-related documents and information and require disclosure of certain

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5 *See* http://www.sec.state.ma.us/sct/sctarbitration/Report%20on%20MA%20IAs%27%20Use%20of%20MPDACs.pdf.

6 *See* http://www.finra.org/ArbitrationAndMediation/Arbitration/SpecialProcedures/P196162. To date, only a small number of investment advisers have made use of this pilot program.

documents. Pre-hearing dispositive motions are no longer allowed in FINRA proceedings, except in a few limited circumstances. The forum fees are significantly lower than in other forums. Finally, FINRA neutrals may not have the pedigree of private forum neutrals, but likely have more experience with arbitrating disputes within the securities industry.

Of course, litigants in arbitration have little recourse if an arbitrator returns a legally erroneous award. Litigants in court may seek appellate review of judicial errors.

Another legal barrier faced by retail customers is the satisfaction of a judgment or award in their favor. Under FINRA rules, industry parties must comply with an arbitration award or settlement related to an arbitration or mediation within 30 days or risk suspension or cancellation of that party's registration with FINRA. *See* FINRA Rule 9554. However, retail customers that litigate in court or in an arbitration forum other than FINRA must enforce any judgment like any other civil judgment – by levying and executing on property wherever it can be found.

9.d. **The amount of awards.** – Claims against brokers or broker-dealers are generally adjudicated in the FINRA arbitration forum. FINRA provides statistics as to how often investors are awarded monetary damages in arbitration claims against broker-dealers or brokers. From 2008 to 2012, customers have received some monetary damage recovery in a range of 42% to 47% of the cases for each year.[7] However, FINRA does not keep statistics as to what percentage of the damages claimed by investors are recovered through arbitration against broker-dealers.

Edward O'Neal and Daniel Solin performed a statistical analysis of arbitration awards against broker-dealers, with data from January 1995 to December 2004. *See* "Mandatory Arbitration of Securities Disputes: A Statistical Analysis of How Claimants Fare", Edward S. O'Neal, PhD., and Daniel R. Solin[8] (hereinafter "Mandatory Arbitration").

O'Neal and Solin sampled over 13,800 cases – 90% of those cases were from NASD arbitration and 10% were from NYSE arbitration. Mandatory Arbitration at 6. They found that the average "win rate" – where the investor was awarded at least some money – was about 50.7% over this ten year period. Mandatory Arbitration at 10. Of those investors who "won", their average recoveries ranged annually from 68% of the amount requested to 49% of the amount requested. Mandatory Arbitration at 11.

The percentage of requested damages recovered went down significantly depending on how much money was requested. For example, when the amount claimed was less than $10,000, investors who "won" received 76% of their losses back, on average. When the claims requested damages of between $100,000 and $250,000, investors who "won" only received 52% of

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7 *See* http://www.finra.org/ArbitrationAndMediation/FINRADisputeResolution/AdditionalResources/Statistics/.

8 Available at http://smartestinvestmentbook.com/pdf/061307%20Securities%20Arbitration%20Outcome%20Report%20FINAL.pdf.

their requested damages. Even worse, for claims with damage requests of over $250,000, investors who "won" only received 37% of their requested damages. Mandatory Arbitration at 12. Thus, investors who brought larger claims were likely to recover less of their losses.

While this analysis by O'Neal and Solin was helpful to determine how investors fared against brokers and broker-dealers, no similar analysis has been performed on cases involving investment advisers. As such, it is impossible to compare the awards/recoveries against each other.

9.e. Costs related to the claim forum, as it affects retail customers, firms, and associated persons of such firms. – When an aggrieved investor sues a broker-dealer and its representatives, that investor is generally required to bring claims in FINRA arbitration, due to the fact that FINRA-member broker-dealers generally have an arbitration clause in their account agreements. The initial filing fees for claims filed in FINRA arbitration are $1,425 for claims with losses between $100,000 and $500,000; and $1,800 for claims with losses over $1 million. The parties are also required to pay forum fees for the initial pre-hearing conference, disputes over discovery and subpoenas, and the evidentiary arbitration hearing. The forum fees for the evidentiary hearing can be significant, ranging from a few thousand dollars, to $30,000, or even more. These forum fees can be a significant financial burden on investors who are required to arbitrate their claims.

Often, when an aggrieved investor sues an investment adviser and its representatives, that investor is required to arbitrate his or her claims, pursuant to an arbitration clause in the investment advisory agreement, in one of the following forums: a) AAA; b) JAMS; or c) even FINRA. The forum fees associated with AAA or JAMS are generally higher than FINRA forum fees and can be substantial for an aggrieved investor to have his or her "day in court." As discussed above, some forums, other than FINRA, have substantial deposit requirements.

However, some investment advisory agreements do not have any arbitration clause. The absence of an arbitration clause allows the investor to proceed in court. Court filing fees are typically much smaller and often range from $300 to $600 (including jury fees). There are also costs associated with serving process on a party for a court action (which an investor typically does not have to deal with in arbitration). Courts typically do not charge parties "trial fees", "forum fees", or other fees to appear before a judge or jury to determine the outcome of the case. Thus, investors who sue their investment advisers in court generally will have significantly lower forum fees associated with bringing a claim. However, there may be significantly higher costs associated with discovery and motion practice for claims filed in court.

Hence, the differences in forum costs associated with suing a broker-dealer or suing an investment adviser are dependent on the forum in which the case is litigated. The costs can vary significantly, depending on whether the investment adviser has an arbitration clause in its agreement, and, if so, which forum has been selected. Without such a clause, the forum fees for an aggrieved investor are significantly less.

9.f. Time to resolution of claims. – As with forum costs above, the difference between suing a broker-dealer or an investment adviser depends on the existence of an arbitration clause. One of the benefits to arbitration is that claims filed in an arbitration forum are generally resolved more quickly than those filed in court. Claims filed in FINRA arbitration, AAA, or JAMS are generally resolved in a range of one year to eighteen months. FINRA's website indicates that from 2011 to 2013, the average time from start to resolution of a FINRA arbitration claim ranged from 14.2 to 14.8 months.[9] However, cases that went to final evidentiary arbitration hearing had lasted, on average, from 15.9 to 17.7 months.

Claims that are filed in court can be resolved quickly, but generally take significantly longer to be resolved than claims filed in arbitration. The length of time to resolution is somewhat dependent on how busy the court dockets are, which varies from court to court. For example, a case in a rural court with a relatively light docket may proceed more rapidly than one in an urban court with a loaded docket. Additionally, court cases are subject to more motion practice and greater discovery (such as depositions, which are generally not allowed in securities arbitration). Discovery and motion practice can add time and expense to the resolution of the case in court.

The United States Government keeps statistics on how long it takes cases to proceed in the federal courts.[10] For each year ending in September, from 2007 to 2012, the median time from filing of a civil case to *trial* has ranged from 24.3 months to 25.5 months. However, these statistics only include cases that get that far – the median time from filing to disposition of a civil case has ranged from 7.3 to 8.9 months. While these statistics include all civil cases, they can be used to estimate the length of time an investor should anticipate for the resolution of his or her claims in court.

Thus, the differences between suing a broker-dealer or an investment adviser again depend on whether there is an arbitration agreement. An aggrieved investor that is suing an investment adviser in court may anticipate a greater length of time for the resolution of his claims.

9.g. The types of claims brought against broker-dealers (we welcome examples of mediation, arbitration and litigation claims);

9.h. The types of claims brought against investment advisers (we welcome examples of mediation, arbitration and litigation claims); and

9.i. The nature of claims brought against broker-dealers as compared to the nature of claims brought against investment advisers (e.g., breach of fiduciary duty, suitability, breach of contract, tort).

The nature of claims against broker-dealers and investment advisers is generally similar. The majority of claims made against either broker-dealers or investment advisers generally involve two types: a) that the broker or adviser misrepresented the risks or characteristics of a particular investment; and b) that the investment was unsuitable for the investor in light of the investor's financial resources, risk tolerance, investment objectives, age, and other characteristics. The former type of claim typically is asserted in numerous

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9 *See* http://www.finra.org/ArbitrationAndMediation/FINRADisputeResolution/AdditionalResources/Statistics/.

10 *See* http://www.uscourts.gov/Statistics/FederalCourtManagementStatistics/district-courts-september-2012.aspx.

causes of actions, such as common law fraud, violation of a state securities statute, or violation of a state consumer fraud statute. The latter type of claim typically is asserted in causes of action for negligence or breach of fiduciary duty. The extent of the broker's or adviser's duty in a negligence or breach of fiduciary duty claim is what differentiates the two claims.

Investment advisers are fiduciaries under federal law and have extensive duties to their clients, including the duties to put the best interests of the client first and duties of fair dealing. *See S.E.C. v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 191 (1963) (describing the "delicate fiduciary nature of the investment advisory relationship"). On the other hand, the law varies from state to state concerning whether a broker owes his client a fiduciary duty. Courts in some states, like California, have found that brokers are fiduciaries and have the same duties as an investment advisor would. *See Duffy v. Cavalier*, 215 Cal. App. 3d 1517, 1533 (Cal. App. 1989); *see also Brown v. Wells Fargo Bank, NA*, 168 Cal. App. 4th 938, 960 (Cal. App. 2008) (stating that "A stockbroker is a fiduciary"). Courts interpreting the law of other states have determined whether a broker is a fiduciary on a case-by-case basis. For example, some courts have looked to who had *de facto* control over the account at issue (*see Davis v. Merrill Lynch, Pierce, Fenner & Smith, Inc.,* 906 F.2d 1206, 1216 (8th Cir. 1990)), or whether the client was unsophisticated (*see Patsos v. First Albany Corp.*, 741 N.E.2d 841, 849-50 (Mass. 2001)).

Because of the clear law regarding the fiduciary nature of the investment advisory relationship, proving liability on the part of an investment adviser in some jurisdictions can be more readily accomplished than proving liability on the part of a broker or his firm. Likewise, proof of a common law fraud claim against a broker who is a fiduciary under state law and investment advisers can, in some jurisdictions, be an easier task. For example, under Oregon law, common law fraud must be proved by only a preponderance of the evidence in a claim against a fiduciary,[11] whereas fraud must be proven by clear and convincing evidence against a non-fiduciary.[12]

Consumer protection statutes prohibiting unfair trade and deceptive practices are more likely to reach investment advisory services than securities trading. Some courts have held that securities transactions are not within the scope of such statutes. *See, e.g., Paine Webber Jackson & Curtis, Inc.*, 839 F.2d 1095 (5th Cir. 1988) (Louisiana Act not applicable to securities transactions); *Spinner Corp. v. Princeville Dev. Corp.*, 849 F.2d 388 (9th Cir. 1988) (Hawaii's "baby FTC Act" not applicable to securities). Other courts have held that securities claims are within the scope of these statutes. *See Onesti v. Thomson McKinnon Securities, Inc.*, 619 F. Supp. 1262 (N.D. Ill. 1985) (Illinois consumer fraud statute applicable to securities transaction since securities are merchandise); *Segal v. Goodman*, 851 P.2d 471 (N.M. 1993) (court upheld award of treble damages under New Mexico Unfair Practices Act for sale of unregistered securities).

However, the courts that have considered the issue have generally determined that the provision of investment services falls within these consumer protection statutes. *See Denison v. Kelly*, 759 F. Supp. 199 (M.D. Pa. 1991) (although securities are not "goods" within the meaning of the Pennsylvania Consumer

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11 *Lindland v. United Business Invs., Inc.*, 298 Ore. 318, 693 P.2d 20, 25 (Or. 1984).
12 *Dizick v. Umpqua Community College*, 287 Ore. 303, 599 P.2d 444, 448 (1979).

Protection Law, the Act is applicable to investment services); *Johnson v. John Hancock Funds*, 217 S.W.3d 414, 424 (Tenn. Ct. App. 2006) (investment counseling and advice is consumer transaction covered by Tennessee statute); *Strigliabotti v. Franklin Res., Inc.*, 2005 U.S. Dist. LEXIS 9625, *29-30 (N.D. Cal. Mar. 7, 2005) (California statute reaches scheme to overcharge investors in the management of securities).

9.j. **The types of defenses raised by broker-dealers and investment advisers under each regime.** – Broker-dealers and investment advisors raise many similar defenses in investor claims against them. Those defenses include the negligence of the investor, the sophistication of the investor, ratification, waiver, estoppel, and failure to mitigate. There are, however, defenses raised by broker-dealers and brokers which are not available to investment advisors. Most brokers and broker-dealers will contend that they owe no fiduciary duty to an investor. Rather, the only obligation that they contend they have is to make suitable investment recommendations and that their duties begin and end with the securities transaction. One case frequently cited by brokers and broker-dealers is *De Kwiatkowski v. Bear Stearns & Co.*, 306 F.3d 1293, 1302 (2d Cir. 2002). Brokers and broker-dealers also frequently assert that there is no private right of action for violation of rules of a self-regulatory organization. Because investment advisers owe an ongoing fiduciary duty to act in the best interests of their customers, and they are not governed by the rules of a self-regulatory organization, these defenses are not available to investment advisers.

12. Data and other information describing the effectiveness of disclosure to inform and protect retail customers from broker-dealer or investment adviser conflicts of interest. Describe the effectiveness of disclosure in terms of retail customer comprehension, retail customer use of disclosure information when making investment decisions, and retail customer perception of the integrity of the information. Please provide specific examples. If possible, differentiate by the form of disclosure (oral or written), the amount of information the disclosure presents, and retail customer demographic and account information. Also, if possible, measure disclosure effectiveness by associated activity.

The Commission's studies of the financial literacy of investors suggests that disclosure is insufficient to protect investors. *See* Office of Investor Education and Advocacy and U.S. Securities and Exchange Commission, "Study Regarding Financial Literacy Among Investors" (August 2012)[13] (the "Financial Literacy Study").

The Commission's Financial Literacy Study recognized that "American investors lack basic financial literacy. For example, studies have found that investors do not understand the most elementary financial concepts, such as compound interest and inflation. Studies have also found that many investors do not understand other key financial concepts, such as diversification or the differences between stocks and bonds, and are not fully aware of investment costs and their impact on investment returns. Moreover, based on studies cited in a Library of Congress report, investors lack critical knowledge about investment fraud. Surveys also demonstrate that certain subgroups, including women, African-Americans, Hispanics, the oldest segment of the elderly population, and those who are poorly

[13] Available at http://www.sec.gov/news/studies/2012/917-financial-literacy-study-part1.pdf.

educated, have an even greater lack of investment knowledge than the average general population."[14]

The Financial Literacy Study identified: "(i) methods to improve the timing, content, and format of disclosures; (ii) useful and relevant information for investors to consider when either selecting a financial intermediary or purchasing an investment product; and (iii) methods to improve the transparency of expenses and conflicts of interest."

It is important to note that mere disclosure is not sufficient to protect an investor or for a broker or investment adviser to satisfy his obligations to an investor. *See In re Dept. of Enforcement v. Gerald J. Kesner Lakewood, Co.*, 2010 WL 781456, *9 (N.A.S.D.R.); *see also In re Chase*, SEC Release No. 47476, 2003 WL 917974 ("Mere disclosure of risks is not enough. A registered representative must 'be satisfied that the customer fully understands the risks involved and is . . . able . . . to take those risks.'" (quoting *In re Patrick G. Keel*, SEC Release No. 31716, 1993 WL 12348)).

Disclosures must be set forth in plain English. If the risks or the conflict cannot be adequately expressed to be fully understood by the client, the disclosure is meaningless.

14. Data and other information describing the extent to which retail customers are confused about the regulatory status of the person from whom they receive financial services (i.e., whether the party is a broker-dealer or an investment adviser). Provide data and other information describing whether retail customers are confused about the standard of conduct the person providing them those services owes to them. Describe the types of services and/or situations that increase or decrease retail customers' confusion and provide information describing why. Describe the types of obligations about which retail customers are confused and provide information describing why.

In its original report to Congress, the "Study on Investment Advisers and Broker-Dealers" (the "SEC Study")[15], the Commission studied the extent to which retail customers were confused about the status of the person from whom they receive financial services. The Commission reviewed two studies which it sponsored, and a study conducted by Consumer Federation of America (the "CFA Survey").

<u>Commission-sponsored Studies</u>

(i) **Siegel & Gale Study:** Siegel & Gale, LLC, and Gelb Consulting Group, Inc., were retained by the Commission in 2004 to conduct focus group testing. The focus group participants had the same issues as those raised by investors in the publicly solicited comments, namely that they did not understand that the roles and legal obligations of investment advisers and broker-dealers can be different, and that the different titles used are confusing. The participants also did not understand terms such as "fiduciary".

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[14] *See* Federal Research Division, Library of Congress, <u>Financial Literacy Among Retail Investors in the United States</u> (Dec. 30, 2011). The Library of Congress Report is incorporated by reference in the Commission's Financial Literacy Study and is attached thereto as Appendix 1.

[15] "Study on Investment Advisers and Broker-Dealers", available at <u>http://www.sec.gov/news/studies/2011/913studyfinal.pdf</u>.

(ii) **RAND Corporation Report**: The Commission retained RAND in 2006 to conduct a study of broker-dealers and investment advisers.

a) **Firm Analysis**: RAND found it difficult to identify with certainty the business practices of investment advisers and broker-dealers. RAND noted that it could be difficult for investors to understand the differences in the services provided by financial firms as the information was not presented uniformly, with some firms providing so much information it would be difficult to process and others providing scant information. RAND found that the firms believed investors tend to trust a particular firm without necessarily understanding the firm's services and responsibilities.

b) **Investor Survey**: Survey respondents and focus group participants reported that they did not understand the differences between investment advisers and broker-dealers, and found the titles used confusing. Focus group participants noted that "the interchangeable titles and 'we do it all' advertisements made it difficult to discern broker-dealers from investment advisers."[16] Participants also did not understand the legal duties owed to investors by investment advisers and broker-dealers. "The primary view of investors was that the financial professional – regardless of whether the person was an investment adviser or a broker-dealer – was acting in the investor's best interest."[17]

c) **RAND's Conclusion**: RAND came to the conclusion that the "financial services market had become more complex over the last few decades in response to market demands for new products and services and the regulatory environment."[18] Therefore, there has been a blurring of the distinctions between investment advisers and broker-dealers.

<u>CFA Survey</u>

Industry advocates and certain industry groups also conducted a survey. The results of the survey again suggest that investors do not understand the differences between investment advisers and broker-dealers, nor do they understand that there are differing standards of conduct related to each.

<u>SEC Study Conclusion</u>

The SEC Study found that, based on the comments, studies and surveys it had reviewed, investors do not understand the differences between investment advisers and broker-dealers. This misunderstanding is compounded by the fact that many retail investors may not have the "sophistication, information, or access needed to represent themselves effectively in today's market and to pursue their financial goals."[19] The SEC Study concluded that, "it is important that retail investors be protected uniformly when receiving personalized investment advice or

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[16] *See* SEC Study, p. 98.
[17] *See* SEC Study, p. 98.
[18] *See* SEC Study, p. 99.
[19] *See* SEC Study, p. 101.

> recommendations about securities regardless of whether they choose to work with an investment adviser or a broker-dealer. It is also important that the personalized securities advice to retail investors be given in their best interests, without regard to the financial or other interest of the financial professional, in accordance with a fiduciary standard."[20]

* * *

Finally, we provide some comment with respect to the "Request for Data and Other Information Relating to Potential Areas for Further Regulatory Harmonization." We are supportive of harmonizing the regulations applicable to broker-dealers and investment advisers. To the extent the individuals are providing the same, or very similar, services to investors, they should be subject to the same regulations.

Specifically, brokers and investment advisers should be subject to the same advertising regulations. However, as noted above in response to Item 2, broker-dealer advertisements are very misleading to investors, despite the fact that their advertisements are regulated. Any regulatory scheme governing advertisements must ensure that the advertisements accurately describe the services offered by a broker-dealer, broker, or investment adviser and that the advertisements are consistent with the legal duties owed to investors. To the extent there are conflicts of interests, those conflicts should be prominently disclosed in advertisements; however, both brokers and investment advisers should endeavor to eliminate conflicts.

With respect to continuing education requirements, both brokers and investment advisers should be subject to such requirements. The materials used to satisfy the continuing education requirements should be retained by the firms to ensure that their representatives have received adequate training.

PIABA supports harmonizing the regulation of brokers and investment advisers and ensuring that brokers are held to the same stringent fiduciary duty. PIABA thanks the Commission for the opportunity to provide additional information on this very important issue.

Sincerely,

Scott C. Ilgenfritz

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[20] *See* SEC Study, p. 101.

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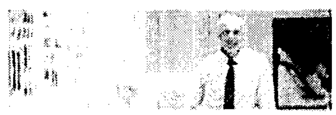

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What Matters Most To You?

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Marilyn Pearson, Vice President
Merrill Lynch
June 19, 2008

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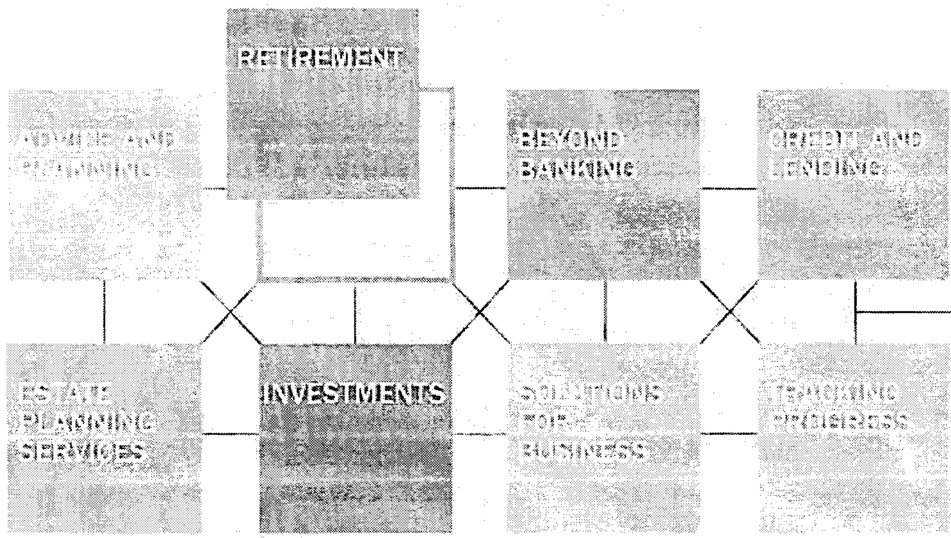

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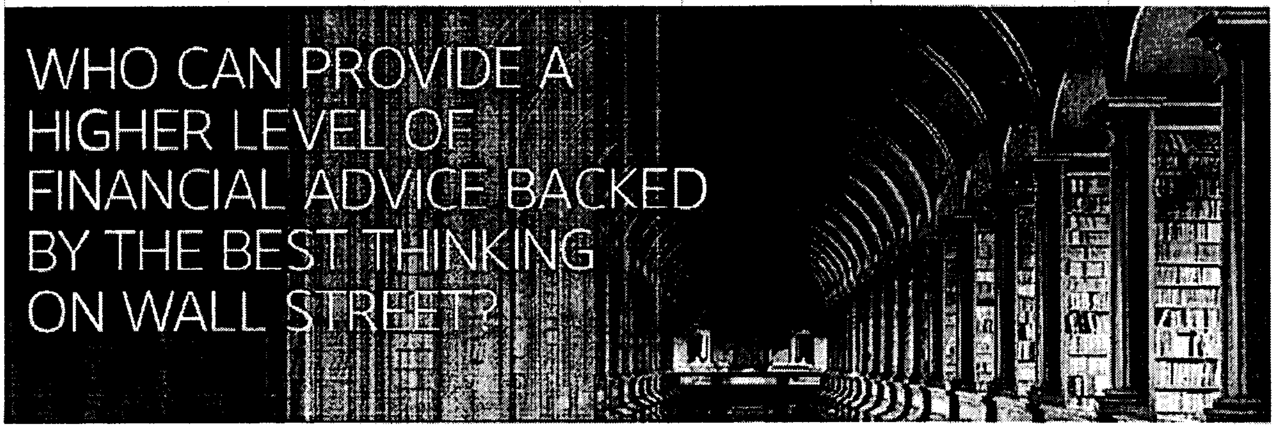
EXHIBIT 3

Morgan Stanley



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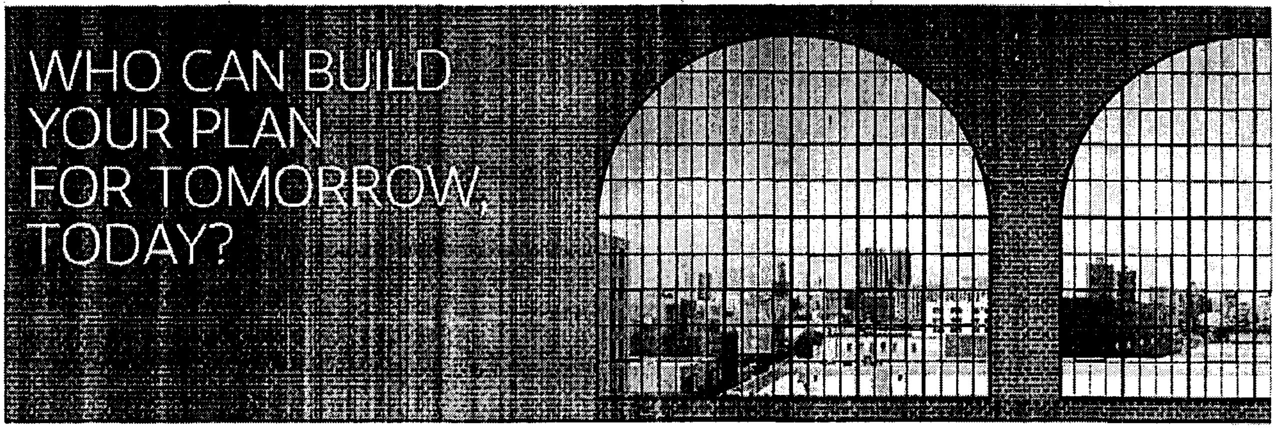

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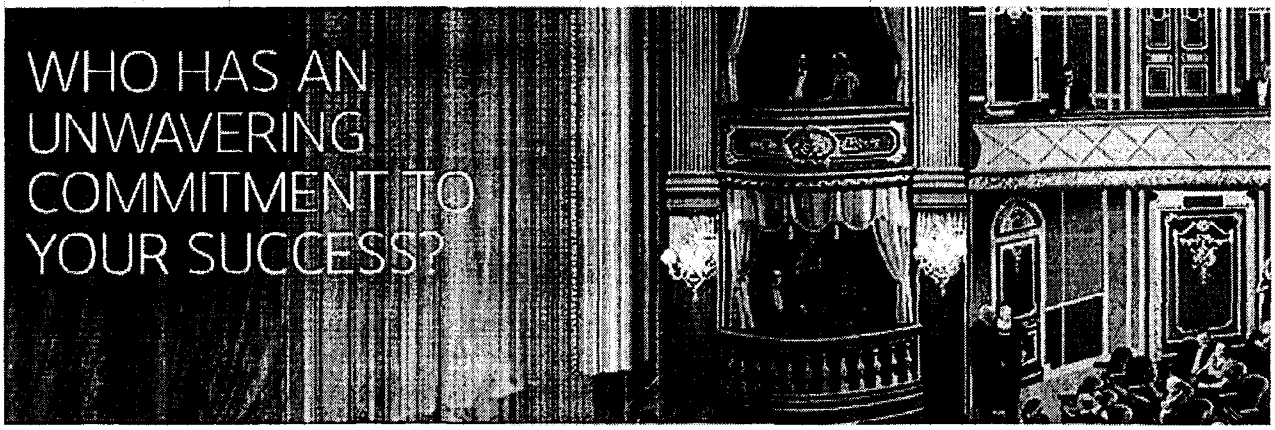

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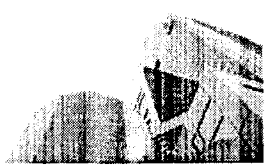
Your Relationship With Morgan Stanley

When you've spent a lifetime pursuing the goal of financial success, choosing the right Financial Advisor is critical. Many of the most accomplished individuals and their families — as well as corporations, foundations and endowments — have made the same choice: Morgan Stanley Financial Advisors, who are as devoted to your goals as you are.



Morgan Stanley Tops *Barron's* List of Financial Advisors

Morgan Stanley is proud to have more Financial Advisors placed on *Barron's* 2013 Top 100 Financial Advisor list than any other firm. In all, 27 of our Financial Advisors and Private Wealth Advisors were honored.

- Meet Our Team

Morgan Stanley Reserved

Morgan Stanley Reserved clients enjoy access to benefits such as fee waivers, exclusive offers from prestigious brands and invitations to elite events.

- Learn More

CRC670611

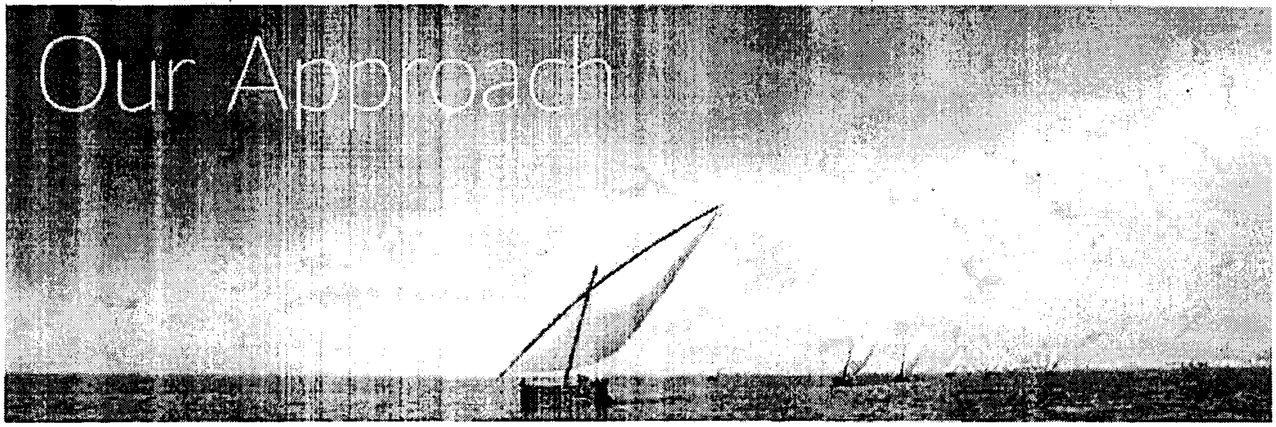
Connect

Find a Financial Advisor

Enter ZIP Code

More search options

OR CALL 1(888)932-6772



YOUR RELATIONSHIP WITH US

WEALTH PLANNING

INVESTMENT STRATEGIES

SERVICES

INVESTMENT SOLUTIONS

PRIVATE WEALTH MANAGEMENT

DISCLOSURES

Our Approach

AN UNWAVERING COMMITMENT TO YOUR SUCCESS

When you've dedicated a lifetime to building financial success as a goal, choosing a Financial Advisor committed to your objectives is critical. Today, many of the nation's most accomplished individuals and their families—as well as corporations, foundations and endowments—have our Financial Advisors help them achieve their goals.

At Morgan Stanley Wealth Management, your Financial Advisor becomes your personal advocate—gaining an understanding of your needs, advising you and helping you select the right capabilities from our company to meet them.

Working together with us, you'll discover how to leverage our firm's many strengths:

Personal Wealth Managed to Institutional Standards

As a client of Morgan Stanley Wealth Management, you'll benefit from the same market insight, global presence, risk management resources and analytic rigor that drive our institutional relationships.

In-depth Knowledge and Experience

Our firm and our Financial Advisors have an in-depth understanding of the challenges, goals, preferences, styles and strategies that distinguish wealthy investors. As a truly global institution, we have an acute knowledge of financial opportunities and their potential risks. This combination better positions us to develop, structure and execute strategies for your most important financial needs.

Investment Insights Without Limits

At Morgan Stanley Wealth Management, we provide access to the strategic and tactical views of some of the world's most respected investment professionals. This information and analysis is directly available to our clients, and your Financial Advisor can help you leverage these resources to strengthen your portfolio.

Working Together

Your Financial Advisor can help you create a strategy that addresses short term and long term goals, advising

Wealth Management Strategies

By looking at your complete picture—your resources and your priorities—your Financial Advisor can

Connect

Find a Financial Advisor

Enter ZIP Code

More search options

OR CALL 1(888)932-6772

EXHIBIT 4

UBS

Advisors without peer.
Advice without equal.

In an increasingly complex, uncertain global economy, the right advice has never been more important in helping you have the confidence that you are on track to meet your investment goals—no matter what the environment.

At UBS, our clients are the focus of everything we do. And with access to the best resources and intellectual capital in the industry, our Financial Advisors are in the best position to help clients reach their goals. In addition to having exceptional credentials, experience and perspective, our Advisors know it's essential to listen to you and truly understand your goals in order to help you achieve the financial future you envision.

Beyond this, there are other reasons we believe our Financial Advisors are the best in the industry. With invested assets per Advisor of $126 million,* our Advisors are intimately familiar with the specific needs that come with significant wealth. In fact, there's no better place for affluent individuals to invest. And with unique access to research performed solely for private investors, exclusive third-party partnerships and extensive global solutions, UBS Financial Advisors are unmatched in being able to deliver the full resources of UBS to help you reach your financial goals.

These resources, combined with the trusted advice of our Financial Advisors, can make all the difference in helping you move forward with confidence in today's economy.

Advice you can trust starts with a conversation, so find a UBS Financial Advisor today.

*Source: UBS AG 1Q2013 company report.

Related Links

- Planning

UBS

Planning—the confidence to pursue all your life's goals starts with a plan

At UBS, we can help you pursue all of your financial goals—including those that go beyond investing—to help you live the life you've always imagined. What drives this approach is the financial plan we create together—a road map that informs which solutions are right for you based on what you want to achieve. From helping you save for retirement to helping you borrow for a purchase that enriches your life, you have access to a wide range of options that address both sides of your balance sheet. Whether you'd like to grow your assets more strategically or protect them more intelligently, our Advisors can connect you to the right solutions, starting with a comprehensive financial plan.

In addition to financial planning services, a UBS Financial Advisor can provide access to specialists in various areas, including investment and cash management, retirement, education funding, and estate and charitable planning. This collaborative approach not only allows our Advisors to help you address your most specific and complex needs, but also helps you strategically position to pursue the financial future you envision.

Advice. Beyond Investing.

For more insight into how a plan can benefit your individual strategy, connect with a UBS Financial Advisor today.

Related links

- Financial planning
- Education planning
- Long-term care planning
- Retirement planning

- Estate planning

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Products and services mentioned on these web pages may not be available for residents of certain nations. Please consult the sales restrictions relating to the service in question for further information. www.ubs.com

Wealth management services in the United States are provided by UBS Financial Services Inc., a registered broker-dealer offering securities, trading, brokerage and related products and services. Member SIPC. Member FINRA.

Notice for Non-U.S. Investors. Order Routing Disclosure. Statement of Financial Condition. Best Execution Statement. Loan Disclosure Statement. Account Sweep Yields. Advisory & Brokerage Services. CFP Board's Trademark Disclaimer. Important Information About Auction Rate Securities.

UBS

plan access save borrow grow protect give

The confidence to pursue all your life's goals starts with a plan.

Planning is the road map for the financial future you envision. It's the first step in our ongoing conversation with you to develop a clear, actionable and flexible plan based on your needs. Whether you're looking to save more intelligently, access your money more efficiently or borrow more strategically, a comprehensive financial plan from your UBS Financial Advisor will give you more confidence in your ability to meet your goals over time.

Only about one-third of Americans have a financial plan.* Talk to your UBS Financial Advisor today about the importance of having one or click an area below to explore solutions that help address your entire financial life.

Connect with your UBS Financial Advisor or find a UBS Financial Advisor.

access
Manage your assets more efficiently

save
Prepare for the future you envision

borrow
Get credit you can count on, the way you want it

grow
Align your investment objectives with your personal or business goals

protect
Take steps to preserve everything you've worked so hard to achieve

give
Make an impact on the people and causes you care most about

*2012 Household Financial Planning Survey. Certified Financial Planner Board of Standards and Consumer Federation of America.

UBS

Investing intelligently to provide for your needs and help you reach your goals.

Building an investment plan and an optimal asset allocation strategy to meet your unique needs requires careful consideration and often, outside expertise. Our UBS Financial Advisors are committed to helping you with this process, allowing you to spend more time on the activities you truly enjoy.

UBS Financial Advisors take a holistic wealth management approach to carefully understanding your overall financial situation, unique needs and goals, and deliver an optimal investment solution to meet them. Our breadth of offerings, intellectual capital and investment expertise empower your UBS Financial Advisor to partner with you to create a custom asset allocation and work with you to adapt your portfolio to the changing market environment and personal life events. Ultimately, allowing you more time to focus on what matters most.

In today's complex world of investing, many people turn to professionals. Their portfolios have reached a size where they want expert money management working for them.

At UBS Wealth Management, we not only leverage our internal capabilities, including our Investment Bank and Global Asset Management, but also look outside the firm to third-party partners, finding the appropriate solutions to address your needs.

For more insights on investing intelligently, connect with your UBS Financial Advisor or find a UBS Financial Advisor.

Related links:

- Investment advisory programs
- Traditional investments
- Nontraditional investments

Wealth management services in the United States are provided by UBS Financial Services Inc., a registered broker-dealer offering

EXHIBIT 5

Getting Started with Ameriprise

How to choose a financial planning firm

How to contact a financial advisor

How to select a financial advisor

Common questions

Your first meeting

Your ongoing advisor relationship

Now I'm working with the children of my clients. I still have their drawings."

Nanette, an Ameriprise financial advisor

See our advisors' stories

Your ongoing advisor relationship

After you've met with an advisor and decided to work together, you'll schedule one or more follow-up discussions to start developing your plan. As part of your planning relationship, your advisor may also invite you to participate in financial seminars and client appreciation events and provide you with current financial information, including commentary and insights about the financial markets from our experts.

While every advisor works a little differently, here's an idea of the steps you'll take, based on our unique *Dream > Plan > Track >*® client experience.

1. Identify and prioritize objectives

Based on your first meeting, your advisor will continue to discuss your dreams and goals to get a clear picture of where you are and where you want to go. At this point, you'll prioritize and determine which goals and immediate needs are most important to you.

2. Gather information

Like many people, you've probably already taken steps toward your goals. Your advisor will review your important records to help understand the big picture and see the progress you've already made.

To prepare, you'll want to locate:

- Recent brokerage and bank statements
- Tax returns
- Insurance policies
- Retirement plans
- Recent pay stubs
- Your budget or estimate of how you spend your money each month

3. Analyze information

Your advisor will consider your prioritized goals and needs together with your current financial situation. They will evaluate the information you provided including the four cornerstones of your financial situation: cash and liabilities, insurance, investments and taxes. From there, your advisor can begin to determine where you need to take action or make changes to put you on a path to reach your goals.

4. Propose recommendations

Once the advisor has a clear understanding of your financial life, they can provide advice and help you create a plan to pursue your goals. You'll review the advisor recommendations together and go over any questions you have. This is where you'll begin to see clearly the impact each recommendation and decision you make will have toward meeting your goals over time.

5. Take action

Next, you'll discuss how to work together and determine the product and service solutions that are right for you. The advisor can help you open an account or accounts and take care of other financial details. You may also choose to implement recommendations yourself. We are committed to providing the type of guidance and solutions that best meet your unique needs.

6. Track ongoing progress

Regularly, you and your advisor will review your progress and make adjustments to help keep you on track with your goals. Many advisors

Take the next step

Speak to a financial advisor
800.257.8740
8 am to 5 pm CT
Monday - Friday

Email one of our financial advisors

Search for an advisor by zip code

Related information

Solutions

An advisor will continue to recommend products, services and other resources to help bring your plan to life.

Read about our products

How to choose an advisor

What is a personal financial plan?

Saving and budgeting strategies

Plan for a new job, a new baby or other major events in your life

Retirement planning information for your stage of retirement

plan to meet twice a year and follow a schedule similar to the one below, however, you and your advisor may discuss the arrangement that works best for you.

Tracking checkpoints

Following the financial planning process, the advisor's main job is helping you stay on track. You keep the advisor up to date on anything that might affect your plan. For instance if your goals change or you experience other life changes (marriage, job change, new baby, new business etc.). In addition, you should contact your advisor with any financial questions or concerns that come up, so that your advisor always has a current understanding of your financial situation.

6-month review

At the mid-year review, your advisor will follow-up with you to find out how you are tracking toward your goals. At this time, the advisor can make any needed adjustments to your plan or investments. You may also discuss topics such as tax strategies, estate planning or beneficiary review.

Year-end review

At the year-end review, you'll review your accomplishments of the past year and go over your goals, including any new goals you'd like to work toward. At this time, the advisor will take you through planned fees and expectations and, should you continue to work together, begin to create your plan for the coming year.

Annual reviews

During your annual review, you and the advisor typically review your financial plan, recap your goals, rebalance your portfolio if necessary and other activities. The advisor will also show your current financial situation including your cash, liabilities, investments, insurance and taxes and may offer recommendations and solutions to you to fill any gaps you may have.

You may not always work with the same advisor over an extended period of time.

Ameriprise Financial cannot guarantee future financial results.

Ameriprise Financial and its representatives do not provide tax or legal advice. Consult your tax advisor or attorney regarding specific tax issues.

Brokerage, investment and financial advisory services are made available through Ameriprise Financial Services, Inc. Member FINRA and SIPC.

Find an advisor

In your neighborhood

ZIP Search More options

Ask your friends about Ameriprise.

Products & Services

Financial planning

True financial planning is a comprehensive, ongoing approach that starts with helping you define your dreams, developing a plan to help you get there, then tracking your progress along the way, recommending changes where needed.

Cash, cards and lending

Find the solutions you need to streamline your financial life today and make the most of your cash reserves with investment and cash management accounts, certificates, credit cards, lending and more.

Insurance and annuities

Life can surprise you. So help protect your family and your assets and meet your retirement needs with your choice of products: life insurance, disability income, auto and home and long-term care, as well as annuities for retirement income.

Investments

Ameriprise financial advisors give you access to numerous investment options and brokerage account types, so you can build a portfolio designed to help you achieve your financial goals.

Find us on Facebook

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Like 40,209

Ameriprise Financial

How did you earn extra bucks when you were a kid?

Facebook social plugin

Client stories

A special family, a special cause

As parents of a child with congenital muscular dystrophy, Rich and Ann hope to see their daughter walk someday. Their Ameriprise financial advisor helped them meet their day-to-day and long-term needs while dedicating ... (3:03)

Calculators & Tools

Net worth calculator

Accelerated debt payoff calculator

IRA rollover evaluator

More tools

Investments

- IRAs & retirement plans
- Mutual funds
- Stocks & ETFs
- Bonds
- Education savings
- Real estate & alternative investments
- Managed accounts
- Structured products
- Certificates
- Unit Investment Trusts (UITs)
- Options
- Syndicates

Did you know?

We offer over 5,000 mutual funds and investment products.

Investments

Investing in the financial markets can help you reach your future dreams of retirement, education or world travel. Whether you already know a lot about the market or you want someone to help you make sense of investing, an Ameriprise financial advisor can help.

IRAs & retirement plans

Roth and Traditional IRAs offer tax advantages for retirement savings. Consolidate or rollover the assets in a 401(k) and 403(b) account to enjoy a complete picture of your retirement savings plan.

Mutual funds

Diversify your investments with professionally managed mutual funds. Choose from over 3,500 available mutual funds for efficient and cost-effective money management.

Stocks & ETFs

Stocks can play a role in a long-term, diversified investment strategy. A financial advisor can help you build a portfolio that works for your immediate needs and your future dreams.

Bonds

Bonds are a debt security that can provide a predictable income stream. By working with an Ameriprise financial advisor, you have access to a wide variety of bonds to help diversify your investment portfolio.

Education savings

Get the rundown on options for saving for your children's education (or yours!), including 529 plans, Coverdell accounts, and UTMA custodial accounts.

Real estate and alternative investments

If you are looking for "atypical" investment options, our alternative investments may help you diversify your portfolio.

Managed accounts

A managed account provides access to investment professionals that select and monitor investments based on your investing goals and needs. Choose active involvement in regular account activities, or delegate it entirely to investment professionals.

Structured products

Our structured products are designed to provide various levels of principal protection and potential performance returns.

Certificates

A solid investment for your cash reserve needs. Since 1894, *Ameriprise*® Certificates have been offering guaranteed principal, flexible terms and competitive rates.

Take the next step

Speak to a financial advisor
800.257.8740
8 am to 5 pm CT
Monday - Friday

Email one of our financial advisors

Search for an advisor by zip code

Options

Options are complex and sophisticated investments that give the holder the right or the obligation to buy or sell securities at a predetermined price within a set period of time.

Unit Investment Trusts (UITs)

Unit investment trusts (UITs) are professionally-selected securities in a passively managed portfolio that offer access to a variety of investing styles, sectors, and asset classes.

Syndicates

A syndication is a means of bringing a new security to the market. Ameriprise Financial participates in two types of syndicate offerings: closed end funds and preferred stock.

Work with an investment professional

Contact an Ameriprise financial advisor today to help you take a look at your overall financial situation and offer ideas and recommendations about investment solutions that fit your goals, risk tolerance and timeline.

Investment products, including shares of mutual funds, are not federally or FDIC-insured, are not deposits or obligations of, or guaranteed by, any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

You should consider the investment objectives, risks, charges and expenses of a mutual fund before investing. For a free copy of a prospectus, which contains this and other information about the mutual fund, call 800.862.7919. Read the prospectus carefully before investing.

Brokerage, investment and financial advisory services are made available through Ameriprise Financial Services, Inc. Member FINRA and SIPC. Some products and services may not be available in all jurisdictions or to all clients.

Throughout your financial planning relationship, you can count on a continuous level of support, even though you may work with different advisors over time as circumstances dictate.

Diversification helps you spread risk throughout your portfolio, so investments that do poorly may be balanced by others that do relatively better.

Diversification is not a guarantee of overall portfolio profit and does not protect against loss.

You should consider the investment objectives, risks, charges and expenses of certificates carefully before investing. Download a free prospectus which contains this and other important information about our certificates. Read the prospectus carefully before you invest.

Certificates are backed by reserves of cash and qualified assets on deposit. The assets backing the certificates have varying ratings and generally increase in market value as interest rates fall and decrease in market value as interest rates rise. There are risks associated with certificate investments, including credit risk, interest rate risk, and prepayment and extension risk.

Ameriprise Certificates are not federally or FDIC-insured and involve investment risks including possible loss of principal.

Ameriprise Certificates are issued by Ameriprise Certificate Company and distributed by Ameriprise Financial Services, Inc. Member FINRA and SIPC.

Ameriprise Financial is a distributor of REIT offerings and does not participate in selecting, managing, or selling real property or other investments, except as described in the prospectus. REIT products are limited to investors who meet the financial suitability standards as specified in the prospectus, in addition to the Ameriprise Financial minimum suitability requirements.

Home

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- Getting Started with Ameriprise
- Our Clients' Stories
- Our Advisors
- Fees
- Ameriprise Client Resources

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- Life Insurance
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- Manage Your Investments
- Retirement Income & Expenses
- College Education
- Inheritance
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- Overview
- Portfolio
- Transfers & Bill Pay
- Trade
- Statements & Documents
- Meeting Management
- Message Center
- Rewards

Corporate Entities and Important Disclosures, Website Rules and Regulations, Privacy and Security Center, Online Security Guarantee and About Email Fraud

*Ameriprise helped pioneer the financial planning process more than 30 years ago. Our unique *Dream > Plan > Track >*® approach is about more than just numbers, it's both science and art. We have more financial planning clients and more CERTIFIED FINANCIAL PLANNER™ professionals than any other company in the U.S, based on data filed at adviserinfo.sec.gov and documented by the Certified Financial Planner Board of Standards, Inc. as of Dec. 31, 2012.

Retirement & Life Events

Retirement

- Retirement stages
- Organize your accounts
- Maximize your savings
- Manage your investments
- Define your expectations
- Plan retirement income and expenses

Top Retirement Questions

Plan for — or continue to enjoy — a long-lasting retirement.

In retirement

- How can I make my savings last?
- I've lost money — what should I do?
- How can I make sure my income will cover my expenses?
- What are my Required Minimum Distributions?

Near retirement

- When can I retire?
- How can I save more?
- How much will health care cost me?
- Are my family obligations going to affect my retirement?
- What should I do with the company stock in my 401(k)?

Far From

- Where should I save my money? 401(k), IRA?
- How can I save more with all my other obligations?
- What type of investments should I have?
- Should I consolidate my accounts?

Life events

Prepare financially for life events and life goals.

- Dealing with divorce
- Saving for college
- Getting married
- Job loss
- Job transition
- Managing an inheritance
- Having a baby
- Home downsizing
- Buying a home

Client stories

Retired and doing what they love

Ron and Mary Ann came to their advisor 13 years ago because they wanted to invest for retirement. Over the years, their Ameriprise financial advisor became like family and helped them feel confident in their future. Today, they're ... (1:59)

Living your dream retirement - despite market volatility

Chuck and Alison's retirement dream became reality when they sailed across the Atlantic to live in the Mediterranean. With the help of their Ameriprise financial advisor, they've been able to stay the course despite recent ... (1:31)

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Ameriprise Financial

How did you earn extra bucks when you were a kid?

Facebook social plugin

Calculators & Tools

- Calculate how much you should save for retirement
- *Retirement Check-In questionnaire*
- Calculate how long your savings may last

See all

[1] Each client represented invests with Ameriprise Financial Services, Inc., Member FINRA and SIPC, a registered broker-dealer, and is discussing his/her experience as a brokerage customer. As a client of Ameriprise Financial you may work with different advisors over time.

*Ameriprise helped pioneer the financial planning process more than 30 years ago. Our unique *Dream > Plan > Track >*® approach is about more than just numbers, it's both science and art. We have more financial planning clients and more CERTIFIED FINANCIAL PLANNER™ professionals than any other company in the U.S. based on data filed at adviserinfo.sec.gov and documented by the Certified Financial Planner Board of Standards, Inc. as of Dec. 31, 2012.

EXHIBIT 6

WE SHARE IN OUR CUSTOMERS' PASSION FOR HELPING CLIENTS REALIZE THEIR DREAMS

Working with an Advisor

With increasingly complex financial markets and longer life expectancies, working with an investment professional is more important than ever. One of the most important decisions you can make is to seek the advice of a trusted, qualified advisor. For this important partnership, you need a trained professional who sees your total financial picture-someone who can help you define your life goals, establish the right financial plan, provide strategies focused on your needs, and help you stay on track.

At LPL Financial, we understand the important role a financial advisor can play in managing your total financial life. That's why we provide our financial advisors with the tools they need to help you meet your goals. When you choose an advisor supported by the vast resources of LPL Financial, you can be confident that your advisor will have access to independent research, state-of-the art technology, innovative investment tools, and the exceptional support that allow your advisor to devote his or her full attention to your needs and objectives.

Why Use an LPL Financial Advisor?
Over the past decade, financial advisors backed by LPL Financial have become a leading source of objective advice for accumulating and managing personal wealth. As experienced financial professionals, these advisors possess an average of 10 years of industry experience when they partner with our organization. With thousands of LPL Financial advisors to choose from nationwide, you can identify and interview more than one advisor in your region before choosing one with whom you feel most comfortable. While advisors aligned with LPL Financial come from different backgrounds and offer different types of expertise, they all have two things in common: they're backed by a market leader and they're 100% committed to helping you achieve your long-term financial and life goals. This means that when you invest with an LPL Financial advisor, you can benefit from:

Objective guidance and advice - With access to leading independent research, your LPL Financial advisor can help you make informed, objective decisions.

Investment choice and flexibility - LPL Financial does not offer any proprietary products, so your advisor can help you choose unbiased investment products and strategies from many of the nation's leading investment managers.

Holistic approach to life planning - No matter where you are in life-just getting started or winding down a successful career-you have goals and dreams. Your advisor engages you in an ongoing conversation about your needs, goals, and objectives to create the life plan that's right for you.

Convenient account access - You can manage your account online anytime, day or night, from the convenience of your own home or office. In addition, easy-to-read account statements keep you informed of account activity and performance.

Passion for providing independent advice - LPL Financial advisors offer tailored strategies designed to address the needs of your life goals and financial growth. Our advisors base their success upon helping their clients by tapping into our vast resources to provide the objective advice you need.

An independent investment partner - Your LPL Financial advisor more than likely lives and works in your community. And because your LPL Financial advisor cares as much about your personal satisfaction as the performance of your portfolio, he or she serves as a true partner to help you live the life you desire.

Take the first step to starting a new partnership with an LPL Financial advisor today through our convenient advisor-locator tool.

WE SHARE IN OUR CUSTOMERS' PASSION FOR HELPING CLIENTS REALIZE THEIR DREAMS

How We Support Your Advisor

LPL Financial provides advisors with the tools, technology, and support they need to manage a successful practice. Backed by our substantial resources, your LPL Financial advisor can focus on what he or she does best—provide you with prudent financial guidance and advice.

LPL Financial offers your financial advisor:

Integrated technology — Our integrated, web-based technology platform allows customers to manage critical aspects of their business while remaining highly efficient and responsive to their clients' needs. Time-consuming processes—such as account opening and management, document imaging, transaction execution, and account rebalancing—are automated to improve efficiency and accuracy. With LPL Financial focused on technology, advisors are able to focus on what is most important: growing their clients' assets.

Independent research — Our Research team provides unbiased research on mutual funds, separate accounts, annuities, alternative investments, equities, fixed-income securities, and more. With a focus on performance, service, and transparency, our research team delivers timely perspectives on the ever-changing economic marketplace, helping advisors to help their clients understand and adjust to the latest developments.

Practice management programs and training — LPL Financial constantly seeks ways to help customers increase their service to their clients. Our experience and leadership in our industry, as well as the size and diversity of our customer base, give us the ability to benchmark the best practices of successful financial advisors and financial institution-based investment programs. In addition, we are able to dedicate an experienced and diverse set of professionals to work with customers, helping them to build and manage their business and client relationships through one-on-one consulting and group training.

Comprehensive clearing and compliance services — LPL Financial custodies and clears the majority of our customers' transactions, providing an enhanced customer experience and expedited processing capabilities—all backed by robust and responsive service center and operations organizations focused on providing timely, accurate, and consistent support.

In addition, our 300-person Compliance team provides oversight of many diverse compliance and monitoring requirements. We serve as a true business partner to our advisors, working closely with them and acting proactively on their behalf so they can run a compliant practice. By seamlessly integrating compliance functionality into our advisors' practices, we enable many of their procedures to be fully automated. With LPL Financial focusing on back-office service and support, advisors are able to focus on their clients' future rather than on logistics.

WE SHARE IN OUR CUSTOMERS' PASSION FOR HELPING CLIENTS REALIZE THEIR DREAMS

Objective Guidance

At LPL Financial, we provide all the tools advisors need to offer you objective advice, including exceptional research and administrative support for tracking and monitoring account performance. We believe advisors backed by LPL Financial have a greater understanding of the economy and markets, more time to evaluate financial strategies, and greater access to comprehensive information. As a result, you can depend on your LPL Financial advisor for objective financial advice.

Our advisors are able to offer their clients a broad array of financial products, including:

- Mutual funds
- Annuities and other tax-efficient investments
- Domestic and international securities
- Insurance
- Fee-based asset management programs
- Estate and financial planning
- Trust services*
- Group retirement plans
- Exchange-traded funds (ETFs) and exchange-traded notes (ETNs)†

From these and other investment options, your LPL Financial advisor can construct individual investment portfolios by using our unbiased research on the economy and a range of other investment-related topics. Because we offer no proprietary investment products and have no investment banking operations, our research is free from conflicts of interest. As a result, our financial advisors are able to make informed recommendations based on objective research and your individual needs.

**LPL Financial representatives offer access to trust services through The Private Trust Company, N.A., an affiliate of LPL Financial.*

†INFORMATION REGARDING LEVERAGED AND INVERSE ETFs, ETNs, AND MUTUAL FUNDS (collectively referred to as "Products") — Similar to any investment, these types of products have risks. These include the general risks associated with investing in securities, potential tracking errors, and the possibility that particular indexes may lag other market segments or active managers. Leveraged ETFs, ETNs, and mutual funds are different from and can be riskier than traditional ETFs, ETNs, and mutual funds. Compounding of the returns, in particular for leveraged products, can produce a significant divergence from the underlying index over time, especially in volatile markets; therefore, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. Additionally, these products may not be diversified and may be based on commodities or currencies. These products may have higher expense ratios and be less tax efficient than more traditional ETFs, ETNs, and mutual funds.

WE SHARE IN OUR CUSTOMERS' PASSION FOR HELPING CLIENTS REALIZE THEIR DREAMS

Before You Invest

Generally, every firm requires a client to sign a new account agreement before the client invests. You should carefully review the information contained in this document because it may affect your legal rights regarding your account. Ask to see any account documentation prepared for you by the sales representative. Do not sign the new account agreement unless you thoroughly understand it and agree with the terms and conditions it imposes on you; in addition, do not rely on verbal representations from a sales representative that are not contained in the agreement. LPL Financial advisors will ask for information about your investment objectives and personal financial situation, including your income, net worth, and investment experience. It is important that you answer these questions honestly, because advisors will use this information in making investment recommendations to you.

Completion of the new account agreement requires that you make three critical decisions:

1. Who will control decision making in your account?

You will control the investment decisions made in your account unless you decide to give discretionary authority to the advisor to make investment decisions for you. At LPL Financial, discretionary authority within an advisory account allows a third party to make investment decisions based on what they believe is best—without consulting you about the price, the type of security, the amount, or when to buy or sell. Do not give discretionary authority to anyone without seriously considering whether this arrangement is appropriate for you.

2. How will you pay for your investment?

Most investors maintain a cash account that requires payment in full for each security purchase. An alternative type of account is a margin account. Buying securities through a margin account means that you can borrow money from the brokerage firm to buy securities; this arrangement requires that you pay interest on that loan. You will be required to sign a margin agreement disclosing interest terms. If you purchase securities on margin (by borrowing money from the brokerage firm), the firm has authority to immediately sell any security in your account, without notice to you, to cover any shortfall resulting from a decline in the value of your securities. If the value of your account is less than the amount of the outstanding loan—even due to a one-day market drop—you are liable for the balance. This balance may be a substantial amount of money even after your securities are sold. The margin account agreement generally provides that the securities in your margin account may be lent out by the brokerage firm at any time, without notice or compensation to you.

3. How much risk should you assume?

In a new account agreement, you must specify your overall investment objective in terms of risk. Be sure that you understand the distinctions between the terms, and be certain that the risk level you choose accurately reflects your investment goals. Read more about investment objectives.

This brings you to an important investment decision: never invest in a product you don't fully understand. You may wish to consult additional information sources such as business and financial publications; information about the fundamentals of investing and basic financial terminology can be found at your local library. You should also ask your advisor for the product prospectus, offering circular, or most recent annual report, as well as the options disclosure document, if you are investing in options. Read these materials carefully and, if you have questions, talk with your advisor before investing.

Nobody invests to lose money. However, investments always entail some degree of risk. Be aware that:

> The higher the expected rate of return, the greater the risk. Depending on market developments, you could lose some or all of your initial investment.
>
> Some investments cannot easily be sold or converted to cash. Check to see if there is a penalty or charge if you must sell an investment quickly or before its maturity date.
>
> Investments in securities issued by a company with little or no operating history or published information may involve greater risk.
>
> Securities investments, including mutual funds, are not federally insured against a loss in market value.
>
> Securities you own may be subject to tender offers, mergers, reorganizations, or third-party actions that can affect

the value of your ownership interest. Find an LPL Financial Advisor Privacy/Security Contact Us Site Map about such transactions; they involve complex investment decisions. Be sure you fully understand the terms of any offer to exchange or sell your shares before you act. In some cases, such as partial or two-tier tender offers, failure to act can have detrimental effects on your investment.

The past success of a particular investment is no guarantee of future performance.

Although capital markets are carefully regulated, market reaction to events and news are part of the normal course of a trading day. Clients should be familiar with what may occur during periods in which markets are more volatile. Read more about market volatility.

WE SHARE IN OUR CUSTOMERS' PASSION FOR HELPING CLIENTS REALIZE THEIR DREAMS

Prudent Investing with an LPL Financial Advisor

Providing a proper investment environment is a priority for LPL Financial. In addition to our efforts to help safeguard your accounts, your own actions and awareness are also critical to keeping funds properly invested. Following is some important information to keep in mind:

> Payment for securities investments should always be made directly to "LPL Financial" or to a mutual fund, annuity, or insurance company, or other LPL Financial product partner. **View a list of many product sponsors that partner with LPL Financial and their check payee information.** If you are asked to write a check to a product provider that does not appear on this list, please call 800-558-7567.
>
> LPL Financial advisors are required to place securities investments through LPL Financial or directly with a mutual fund, insurance company, or other product provider, like the ones in the list above. Do not make checks payable directly to a financial advisor, the financial advisor's business name, or any business controlled by the financial advisor.
>
> When dealing with a representative of LPL Financial, accept account payments from LPL Financial or the product provider only. Payment from any other business names or the representative is not appropriate.
>
> You should never borrow from or lend money to a representative of LPL Financial.
>
> Always sign your own documents and never ask someone else to sign for you unless they can legally act for you, e.g. via power of attorney.
>
> Review your statements when you receive them. If you receive a summary statement from your financial advisor, compare the statement numbers to your statements from each product provider or official LPL Financial account statement.

With questions about these prudent investing practices or to report any suspicious activity on the part of your financial advisor, please contact the LPL Financial compliance department at 800-558-7567.

For your reference, following are several sample communications from LPL Financial. Your account-related communications from your LPL Financial advisor should resemble these documents:

> Trade confirm
>
> Sample Account Statement
>
> Tax forms: Realized Gains and Losses Statement and Consolidated 1099

EXHIBIT 7

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Fisher Investments Services

Founded in 1979 as a sole proprietorship, Fisher Investments offers global equity management for high net worth and institutional clients. Based in Woodside, CA, the firm operates two principal business units: Fisher Investments Institutional Group and Fisher Investments Private Client Group. Fisher Investments takes an active approach to portfolio management, leveraging information derived from capital markets technology (i.e. ways of analyzing information differently) to adjust client portfolios depending on our forecast and opportunities we see in the markets.

Fisher Investments Private Client Group

In 1995, the Fisher Investments Private Client Group was formed to extend personalized portfolio management services to high net worth individuals. Fisher Investments manages investment portfolios for each client based on individual investing goals, time horizon, cash flow requirements, outside holdings and tax status, along with other factors, and measures investment performance relative to an appropriate benchmark. Fisher Investments private clients enjoy a series of enrichment programs designed to keep them informed, educated and comfortable with their investment strategy.

Fisher Investments Institutional Group

With roots as an institutional investment manager, Fisher Investments Institutional Group continues to thrive, overseeing assets for some of the world's leading organizations. Its global client base includes corporations, foundations and endowments, non-profit organizations and governments. The Fisher Investments Institutional Group offers an array of services, based on a number of specific investing strategies and styles.

Fisher Investments Portfolio Management Team

Together, Ken Fisher, Jeff Silk, Andrew Teufel, Bill Glaser, and Aaron Anderson make up the Investment Policy Committee (IPC) at Fisher Investments. The IPC, directly supported by Fisher Investments' dedicated team of research analysts, makes strategic investment decisions for both institutional and private client portfolios.

HOW CAN WE HELP YOU?

Contact Fisher Investments for more information:

Phone: (800) 587-5512

13100 Skyline Boulevard
Woodside, CA 94062

→ Email Us

Service Benefits Fisher Investments Private Clients Receive

- **Direct, Proactive Customer Service**
  Each client is assigned a dedicated Investment Counselor as a primary point of contact that can answer account or market-related questions in as much detail as clients desire
- **Regular Communications**
  Each quarter, clients receive a Quarterly Review with in-depth explanation of the IPC's views for the recent period and a look ahead. Clients also receive a semi-annual DVD featuring a roundtable discussion with the IPC.
- **Fisher Forecast Seminars**
  Throughout the year, we hold a series of seminars all over the country to provide clients with the latest information regarding our global market views and portfolio strategy.
- **Investment Roundtables**
  Senior members of our Research and Client Service departments travel the country to conduct in-depth, discussion-oriented Q&A sessions with small groups of clients.
- **Fisher Friends Events**
  Unique, exclusive events giving clients the chance to meet other local Fisher Investments clients in an informal, social setting.
- **Client Conference Calls**
  Senior members of the firm regularly hold client conference calls to discuss our outlook, portfolio positioning, and a host of other topics.
- **MarketMinder.com**
  Published daily with support from our research staff, MarketMinder provides Fisher Investments' thinking on timely issues and news.

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Fisher Investments Private Client Group

World-class money management services for financially successful individuals looking for a personalized approach, global exposure, unparalleled service, and an experienced portfolio management team.

Follow us:

Private Client Group Background

Investments began offering personalized portfolio management directly to high net worth individuals. Today, the firm serves a global client base of diverse investors including over 100 large institutions and over 25,000 private clients. Founder and CEO Ken Fisher has written the Forbes "Portfolio Strategy" column since 1984, has authored 10 books (4 of which are *New York Times* bestsellers), and was named by Investment Advisor magazine as one of the 30 most influential industry individuals in the last 30 years (May 2010).

What You Can Expect From the Fisher Investments Private Client Group

1. **Personalization:** Once your needs and objectives are understood, a personalized portfolio is created for you that may include stocks, bonds, cash, and/or exchange traded funds (ETFs).
2. **Global, flexible approach:** Your portfolio will typically be invested in global markets and may be adjusted as your personal situation, your investment objectives, or our expectations for market conditions change.
3. **Unparalleled service:** You will always have a dedicated point of contact at Fisher Investments who knows you by name and provides personal attention tailored to your needs.
4. **Ongoing education:** You will have access to ongoing education about investing and our portfolio management approach through a series of live events, quarterly reports, books, websites, and more.
5. **Security:** For your additional comfort and security, accounts are held at well-known, secure institutions specializing in asset custody, and your portfolio is accessible by you at any time.

MarketMinder Headlines

What You Don't Know About Your Portfolio May Help You
Tuesday, June 11, 2013 3:55:16 PM | Carl Richards, The New York Times

MarketMinder's View: This piece is spot on, in our view. Because of behavioral finance concepts like prospect theory—humans tend to fear losses much more than they appreciate gains—investors tend to make quick, emotional decisions which are often quite detrimental in the longer term.

The Old Rating Regime Totters On
Tuesday, June 11, 2013 3:53:25 PM | David Cottle, The Wall Street Journal

MarketMinder's View: We agree with the notion investors have basically discounted ratings agencies' often late-to-the-game proclamations, and markets have largely brushed off their actions over the past few years. The fact regulations still rely on them isn't a great reason to pay them much heed.

'Battle Lines Drawn' in German Court Over ECB
Tuesday, June 11, 2013 3:50:14 PM | Holly Ellyatt, CNBC

MarketMinder's View: Events here bear watching as Germany's Constitutional Court will hear testimony regarding the constitutionality of the ECB's controversial bond-buying program. For more, see our 6/11/2013 cover story "Germany Takes the OMT to Court."

Fisher Investments Commentary

→ **Lara Hoffmans' (Fisher Investments *Forbes* contributor) article, "4 Things for Investors to Remember in 2013"**

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Fisher Investments Private Client Group Advantages

Fisher Investments offers many unique advantages. We believe our business model eliminates many conflicts of interest inherent in the financial services industry, and our focus directly benefits our clients. Learn more by clicking on the following links.

Proactive Customer Service

At Fisher Investments, clients receive proactive service from a dedicated Investment Counselor who knows you by name and keeps you up-to-date on any important changes in your account. Learn more.

Portfolio Customizability

Fisher Investments' personalized service model and proprietary technology platform allow for a wide range of customizations to your portfolio. Learn more.

In-house Research

Fisher Investments in-house research department is responsible for developing capital markets technology and doing fundamental research to support the firm's investment decision making. Learn more.

Stable Management Team

The Investment Policy Committee members, including CEO Ken Fisher, have over 100 years combined industry experience. Learn more.

HOW CAN WE HELP YOU?

Contact Fisher Investments for more information:

Phone: (800) 587-5512

→ Email Us

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Investing in stock markets involves the risk of loss.

EXHIBIT 8

ASPIRIANT

Aspiriant's Clients

We serve a nation-wide, and often global, clientele whom we expect to remain clients forever. Our clients include successful professionals, corporate executives, business owners, entrepreneurs, and individuals and families with substantial and complex assets. Individuals who have recently sold a business or received a substantial inheritance or settlement choose us for our fresh perspective on articulating and achieving their goals.

In all cases, our clients value the integration of our comprehensive wealth planning services combined with our discretionary management of substantial investment portfolios.

In addition, we often provide services to select groups of senior professionals or corporate executives. These group-sponsored engagements are, in essence, individual engagements underwritten by a client's employer or other sponsor. These arrangements are usually part of an overall executive compensation and benefits package and several of our current sponsorship relationships span more than twenty years. Over the years, we have been retained by many prestigious public companies and professional firms to provide comprehensive financial advisory services to their most senior personnel.

From the Newsroom

Aspiriant named one of the Top 50 Wealth Managers
view more press

Aspiriant wins PAM 2012 Award - Best Private Wealth Manager - Client Service - Over $5B
view more press

Tax Changes You Need To Know Before You File featuring Sandi Bragar
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ASPIRIANT

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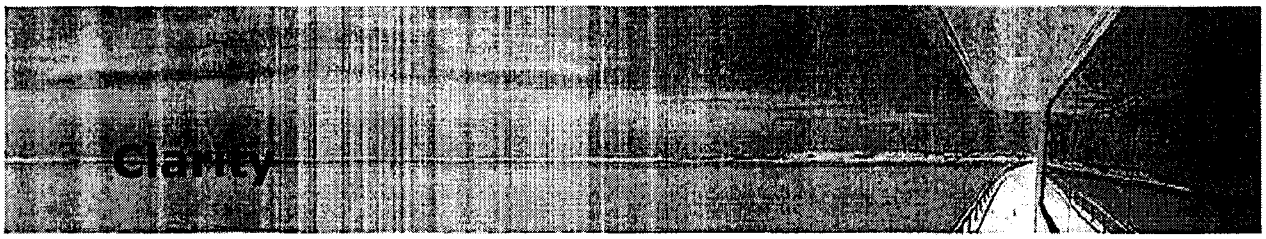

OUR SERVICES

- INVESTMENT MANAGEMENT
- FINANCIAL & STRATEGIC PLANNING
- TAX SERVICES & EXPENSE MANAGEMENT

From the Newsroom

Aspiriant named one of the Top 50 Wealth Managers
view more press

PAM WINNER
Aspiriant wins PAM 2012 Award – Best Private Wealth Manager – Client Service – Over $5B
view more press

Aspiriant Insight April 2013: First Quarter Market Snapshot
view more press

World-Class Investment Management

Aspiriant's approach to portfolio management is a direct result of our cost-efficient, risk-aware investment philosophy and unwavering commitment to acting always in our clients' best interests.

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- Investment Philosophy
- World-Class Investment Platform
- Measured Approach to Risk
- Open Architecture
- Equity Over Fixed Income
- No Market Timing
- Appropriate Use of Margin
- Sensitivity to Expenses and Taxes

Investment Philosophy
Substantial wealth is created through successful participation in global economic activity, over the long term. Aspiriant manages client's portfolios to harness the wealth-creating power of global capital markets in order to deliver attractive investment returns as inexpensively, and tax efficiently, as possible, consistent with each client's tolerance for levels of risk and appetite for levels of return.

In more efficient public markets, we predominantly use relatively low-risk and low-cost passive strategies. Where it is appropriate for the client, we supplement this allocation with actively managed, higher risk private investments that offer substantial opportunities sufficiently greater to compensate for their usually higher levels of cost, illiquidity, and risk.

World-Class Investment Platform
Aspiriant has built a flexible and innovative world-class investment platform designed to generate in the optimal way, risk-adjusted, after-tax returns to achieve each client's financial goals. Employing true open architecture, we apply objective analysis to source, evaluate, and select

"best in class" investments, wherever they are to be found.

We employ all the rigor of institutional manager selection and performance monitoring and analysis. However, since our clients are individuals, they often have long timeframes that institutional fiduciaries cannot easily adopt. Consequently, Aspiriant clients can develop investment plans that aim for higher returns than those enjoyed by institutional investors.

At Aspiriant, we believe that clients' risk tolerance should be determined by the level of return necessary or desired to achieve clients' objectives. Aspiriant clients make decisions about their own money, and are thus free to knowingly accept levels of risk that institutional fiduciaries would rarely accept.

Measured Approach to Risk

Still, we believe that risk should only be undertaken to the extent necessary to achieve the objective. For many of our clients, risk is not necessary, but instead is a preference. Our role is to provide clarity so that clients can be informed, deliberate and intentional about risk and return. But regardless of whether risk is a preference or a requirement, Aspiriant strives to achieve broad diversification both across and within asset classes to reduce the volatility that is inherent in any portfolio.

Open Architecture

We implement portfolios for each client using "best of breed" opportunities, regardless of their source. We may use outside separate account managers, and large, institutional managers, or investment funds not normally available to individual investors (or that may be, in fact, closed to new investors). In appropriate cases, Aspiriant also employs mutual funds, ETF's and ETN's in the construction of investment portfolios.

Equity Over Fixed Income

Portfolios tend to be broadly diversified among asset classes. Nevertheless, for portfolios designed to meet long investment timeframes, Aspiriant often favors strong equity weightings. History and the logic of necessary capital market behavior both support equity investing as most suitable for the funding of long-range financial objectives.

No Market Timing

An overwhelming body of evidence indicates that consistently making accurate near-term forecasts of a market's direction is extremely improbable. The attempt can also be costly and very inefficient on an after-tax basis.

Moreover, one or two incorrect or ill-timed decisions can more than undo all of the advantage of remaining committed to equity investments over the long term. We coach our clients to accept and tolerate sometimes painful short-term volatility to reap the positive performance advantages that accrue over the long term.

Appropriate Use of Margin

Consequently, using leverage to finance diversified, long-term assets makes strong economic sense for clients who are able and willing to accept more short-term risk. For the right investor, a reasonable use of durable investment margin is a worthwhile strategy for augmenting long-term equity returns (Use of margin increases the volatility, or positive *and* negative risk in the portfolio, and the result of using margin may be, from time to time, exactly the *opposite* of the desired purpose and expected long-term results — with losses greater than might have been experienced in an unleveraged portfolio. See important disclosures by clicking here.)

Sensitivity to Expenses and Taxes

Taxes are inescapable for virtually all of our clients and are a very significant consideration for many of them. Our wealth managers are experts in mitigating the tax consequences of portfolio management. We exercise great care in the appropriate placement of investments within taxable and tax-deferred accounts and continually monitor and review portfolios for tax opportunities.

Expenses reduce investment returns for every client. Since Aspiriant has no proprietary financial interest in any strategy or investment product, we always select investments for our clients that combine top performance expectations with the lowest possible cost.

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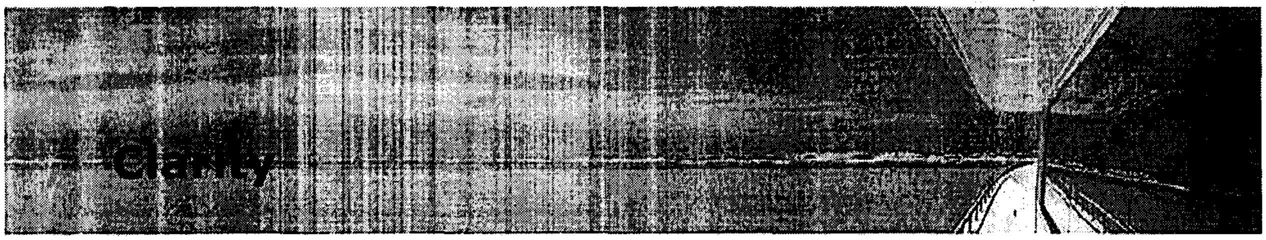
ABOUT CLIENT EXPERIENCE OUR SERVICES WHY ASPIRIANT NEWSROOM



OUR SERVICES

INVESTMENT MANAGEMENT

FINANCIAL & STRATEGIC PLANNING

TAX SERVICES & EXPENSE MANAGEMENT

Financial & Strategic Planning

Aspiriant's wealth planning team provides our clients with best-in-class expertise and practices in the critical areas of financial independence and wealth accumulation planning, philanthropy, risk management, and wealth transfer as well as optimizing stock-based and other high-level executive compensation programs. We develop creative, customized, and often unconventional approaches to identify and accomplish each client's unique financial objectives.

Financial Independence | Risk Management
Stock Compensation | Philanthropy
Wealth Transfer

Financial Independence

Many Aspiriant clients are still accumulating substantial wealth from their employment, business, or professions. All of our clients, however, are eager to know whether what they have already accumulated or expect to acquire is adequate to comfortably achieve all their key goals. Through rigorous and iterative analysis, we guide our clients to reliable conclusions for managing the complex interplay of:

- Budgeted expenses
- The amount and timing of family and charitable gifts
- Whether to continue employment or business involvement or to "retire"
- What investment returns and risks to pursue...or accept.

Philanthropy

Many of our clients have ambitious and complex objectives for charitable giving. We create customized charitable giving solutions to optimize the combination of available tax benefits and use of financial resources in order to achieve social welfare and the personal satisfaction that comes from giving.

Our comprehensive planning process helps clients identify and prioritize their appetite and capacity for making charitable contributions. We then pursue optimal gift structures that can include donor advised funds, supporting organizations, private/family foundations, direct cash/stock gifts, and a wide variety of charitable trusts such as charitable lead and charitable remainder trusts.

These approaches often also accomplish other key goals such as portfolio diversification, intergenerational wealth transfer, and the development of a philanthropic ethic for the family's younger generations.

Risk Management

Aspiriant's wealth managers review all risks that clients face...property loss, liability, health, disability...and evaluate how best to manage these exposures. Often, clients are in a position to "self-insure" many of these risks. In other cases, insurance or some other structure is essential to

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Aspiriant named one of the Top 50 Wealth Managers
view more press

PAM WINNER
Aspiriant wins PAM 2012 Award – Best Private Wealth Manager – Client Service – Over $5B
view more press

Zuckerberg's Loan Gives New Meaning to the 1% featuring Sandi Bragar
view more press

avoid or mitigate the risk.

In all cases, we are very experienced in drawing effective conclusions for our clients...from simple insurance to domestic or offshore creditor protection trusts. Perhaps as important, we have no interest in any particular solution. Our clients can therefore depend on a thoroughly competent and unbiased assessment of their overall insurance portfolio...a combination very difficult to find anywhere else.

Wealth Transfer

Aspiriant wealth managers are expert in the broad array of estate planning issues and opportunities, including the use of wills and trusts, optimal forms of property ownership, estate and gift taxes, philanthropy, and strategies for property transfer between spouses and through the generations of the client's family.

We work with our clients' attorneys to craft and implement family limited partnerships (FLP's), family LLC's, stock option transfers, special needs trusts, incentive trusts, grantor retained annuity trusts (GRAT's), intentionally defective grantor trusts (DGT's), and dynasty trusts as appropriate to clients' objectives.

Stock Compensation

In addition to direct cash compensation many of our clients have compensation and benefits programs which include a wide array of 401(k)'s, deferred compensation, profit sharing and/or a pension, as well as stock options (both ISO's and non-qualified), and restricted stock components. While these stock-based compensation components are potent sources of wealth accumulation, potential pitfalls include over-concentration in one stock and an over-reliance on the success of one company.

Aspiriant's wealth managers can be of extraordinary value in this arena. We help many senior corporate executives develop comprehensive strategies for stock options, deferred compensation, and sales under 10b5-1 plans, hedges, and transfers. We coordinate these especially complex and tax – and regulation – sensitive elements as vital components of an overall financial plan.

Tim Kochis authored the book, "Managing Concentrated Stock Wealth."

If our clients are not already represented by counsel, we can refer to a broad array of the highest quality estate planning specialists for the necessary legal work involved in this area.

EXHIBIT 9

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Services — Individual and Family

Oxford helps individuals and families develop and implement sophisticated, long-term financial plans that are highly tailored to their individual needs. With billions of dollars of assets under advisement, Oxford is expansive enough to offer a full range of services and access to global investment opportunities as well as world-class independent research.

Our size also affords us extraordinary access to top-tier money managers in areas such as private equity, real estate and hedge funds that go well beyond the traditional asset classes. At the same time, we remain small enough to be privately held and to offer you highly customized, independent advice.

Family Office Services

The sole commitment of our Family Office Services group is to enhance the financial lives of our clients and to enrich their family legacies. This means helping you to organize and deploy your wealth in ways that enable you and your family to lead lives that are happier, more harmonious and secure. We provide successful families and individuals the advantages and synergies of a single family office.

Family Office Services includes everything from financial and estate planning to assistance with insurance, taxes, real-estate holdings, credit solutions and philanthropy. For some clients, we even manage household finances and provide concierge-like services.

Investment Services

Our first step at Oxford is to work with you to develop a clear understanding of your financial goals and then document them in a written Investment Policy Statement. Based on this statement, we design strategic and tactical asset allocation policies, recommend the appropriate managers and investment vehicles, monitor performance, conduct ongoing due diligence, report results and recommend changes as required. It's a rigorous portfolio construction process, based on insightful analysis, with the goal of providing you the highest probability of achieving your financial objectives.

The Trust Company of Oxford™

Oxford established The Trust Company of Oxford to serve as an independent third party that acts in a fiduciary role for our clients—as a custodian of certain assets, as a trustee or a co-trustee of a trust. Although The Trust Company of Oxford is a separate legal entity, its subsidiary relationship with Oxford enables us to align the services offered by the two organizations, providing a single point of contact for our individual and family clients.

All clients enjoy the benefit of an Oxford Financial Group partner dedicated to their account, complementing the expertise of a fiduciary administrator. There is a single set of records and a common set of objectives for each client, and the necessary authorities are in one place. This alignment can be particularly valuable during times of sudden change, such as a marriage, a child reaching the age of majority, the sale of a business or a death in the family.

Alternative Investments

For qualified investors with long-term investment horizons, investments in "alternative" areas such as private equity partnerships, private real estate partnerships, hedge funds and natural resources offer benefits that include the potential for higher long-term performance, diversification and an enhanced ability to manage risk and return.

Oxford's Savile Row® offers pooled investment vehicles that give qualified investors access to a diversified mix of top-tier alternative investment managers. And through our Mayfair investment program, we offer you occasional opportunities to make direct equity investments in privately held companies.

Consulting Services

Are you looking for a second opinion on your financial investment strategy? Oxford offers consulting services for individuals and institutions wishing to evaluate their current financial results when compared to their objectives. To learn more, please give us a call or drop us a note. We'll be happy to visit your offices and tell you more about who we are and how we work. We cordially invite you to do the same, to help us learn more about you and your financial needs.

Fees

Oxford is truly a fee-only wealth advisor—we only charge a fee for the services we provide, with no hidden costs or expenses. We offer you complete objectivity because we have no affiliations or financial arrangements with third parties that might distort our objectivity or present conflicts of interest, nor do we sell mutual funds, insurance or other products.

Because we do not receive compensation from other sources, our sole commitment is to serve your best interests at a fair price. In other words, we sit on the same side of the table as our clients.

Call us today for a complimentary consultation.
Toll-free: 800.722.2289

EXHIBIT 10

June 12, 2013

sk What We Do

Every investor or fiduciary's objective is to make effective financial decisions. Our role is to provide the necessary tools, process and relationship for our clients, so that they can comfortably and confidently address the needs of their institution or family. We consult to and provide investment management, fiduciary compliance and educational resources for institutional and private investors, trusts and foundations.

125 Summer Street, 22nd Floor, Boston, MA 02110

June 12, 2013

sk

Private Wealth Management

What We Do
Institutional Consulting
Private Wealth Management

Our private wealth management practice is focused on enabling our clients to enjoy the benefits of an integrated approach to managing their wealth. Our role is to anticipate and solve financial problems and provide wealth management leadership so that our clients' lives can be easier and richer.

We guide clients through strategic decision making based upon goals for their personal lifestyle, family, and charitable legacies.

We focus on the elements of wealth management that are truly controllable such as asset location and allocation, market efficiency, costs, and taxation. We then serve as the focal point for investment management, tax planning and day to day organization.

125 Summer Street, 22nd Floor, Boston, MA 02110

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June 12, 2013

sk

Resources

Resources
Research
Best Practices
Education
Alternative Investments
Reporting

We provide our clients with a unique set of resources for making effective financial decisions. Our proprietary systems and processes provide increased transparency, and ensure a greater integrity of analysis.

125 Summer Street, 22nd Floor, Boston, MA 02110

Important Disclosures

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June 12, 2013

sk

Alternative Investments

Resources
Research
Best Practices
Education
Alternative Investments
Reporting

Qualified investors have long recognized the benefits of diversification, enhanced returns, and potential risk reduction through allocations to non-correlated alternative investment strategies.

We provide independent and unbiased advice to help our clients identify and participate in investments not readily available to the broader marketplace.

We also assist our clients with due-diligence on a wide variety of private equity opportunities including venture capital offerings.

125 Summer Street, 22nd Floor, Boston, MA 02110

Important Disclosures

EXHIBIT 11

Client Login

Financial Planning

Financial Planning

Investment Management

Tax & Business Services

Estate Planning

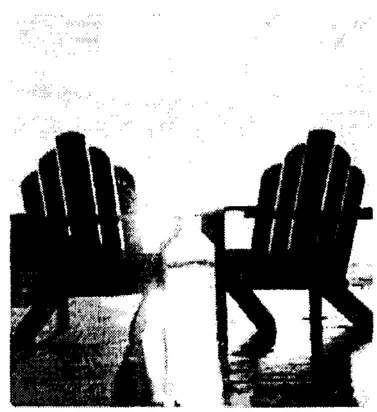
Philanthropic Counsel

One of the things I love about this firm is that we have an unwavering commitment to the clients and to the people who serve them.

Brian Shepler
Chief Financial Officer, EVP
Client Services
Atlanta, GA

The purpose of a financial plan is to set you on a path to achieving your financial goals. There are no independent financial decisions and there is a greater ability to make wise choices when we are able to see with a long-term perspective. A well-crafted, integrated plan is a road map showing an efficient way to get to your desired destination.

Contact Us To Begin



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Client Login

Investment Management

Financial Planning

Investment Management

Tax & Business Services

Estate Planning

Philanthropic Counsel

What we do is very client focused. We do a lot of listening to match our clients' needs with what we have to offer.

Sarah Baker
Financial Advisor
Charlotte, NC

We believe that investing plays an important role in the overall stewardship process to help individuals provide for their families, do good works, and be generous. We strive to help clients grow their investments to meet their personal financial goals. Our method of investing is "Principled Reasoning," a decision- making process that combines our investment philosophy (wisdom) with ongoing investment research (knowledge).

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