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**Are You Gambling With Your Retirement?
8 Things You Need To Know About Your Financial Adviser**

My name is Pete Martinez. I have been in the investment arena for over 20 years.  My path to Private Wealth Management has been both unique and rewarding.  I’ve worn the hat of a student, soldier, banker, financial consultant, father, philanthropist and now small business owner.

I began my career as a banker for the Bank of New York while I was going to school to get my degree in finance. Around the same time I decided to serve as a citizen soldier, as well.

I served on active duty in the United States Air Force during the Gulf War and later served as a Captain in the Missouri Air National Guard in St. Joseph, Missouri.

The Air Force taught me how to plan, organize and think with the end goal in mind. All of these experiences have molded me into an independent financial adviser and advocate for my clients.   The Air Force core values of:  **INTEGRITY** first, **SERVICE** before self and **EXCELLENCE** in all I do have become sort of a life mantra.

Remembering those core values instilled in me during my Air Force days is one of the many reasons that after spending so many years working in other firms as an adviser and supervisor that I decided to start my own investment firm.  I wanted to find a better way to use this passion I had for finance and the devotion I have to helping others.



Personally, I’m sick and tired of seeing good people like you being taken advantage of by such a greedy industry.  OK, let me rephrase that – by greedy and self-serving advisers.  Don’t get me wrong. I believe there are a lot of good guys out there. But the bad ones seem all too easy to find. And I hear about them daily from people just like you.

That’s what motivated me to create this report. I want to share some “insider knowledge” about my “peers” so that you can make the best, most informed decisions about your savings and your retirement. Few in my industry would dare to do this for fear of repercussions. But, I am willing to risk it.

I want to make sure you’re getting the best service and the real value for the money you pay your adviser. Look, I know money doesn’t grow on trees. When I got out of the Air Force, with a young wife and a baby on the way, I started working for a private investment firm in Overland Park. But, I kept burning the midnight oil at work and continued to save whatever I could.

I am sure you are a lot like me…you worked long and hard to get where you are today. You raised a family, ran a successful business and know the value of each dollar. And now with more time behind you than in front, you have less time to recover poor investment performance. You shouldn’t have to wonder if your financial adviser is really working for you or following his own agenda.

Let’s face it. The financial services industry – which includes investment advisers, banks, mutual funds and insurance companies – has a vested interest in your hard-earned savings.  It’s where their next paycheck comes from.

Every day we are bombarded by financial companies trying to get to our money by continually warning us that we may not be financially prepared for retirement. We’ve all seen the advertisements. From Fidelity’s slogan, “Follow the path”, to “What’s your number?” from ING.

These companies, and many more like them, spend millions of dollars on commercials to convince you to hand over your money to their investment firms. Each of them telling you that if you work with them, you’ll have a worry-free retirement that will let you live your dream.

But as the U.S. financial services sector has grown, MANY people have started calling themselves “investment advisers".  The most disreputable have a knack for taking advantage of unprepared and misinformed people to hand over their money with little more than a brief face-to-face conversation or the offer of a free lunch.



*“There are no requirements for managing billions of dollars, but before somebody can trim your sideburns, he or she has to pass some sort of test. Given the record of the average fund manager over the last decade, maybe it should be the other way around.”* **—Peter Lynch “Beating the Street”**

In the next few pages, I am going to give you easy-to-understand information about the financial industry so that you will be confident when evaluating your adviser. In addition, I will give you specific questions to ask your adviser that will help you to decide if you have the type of relationship you need, and more importantly, you deserve.  By investing just a few minutes right now, you’ll be able to quiet any nagging concerns you may have and learn how to take action to ensure your retirement is in good hands.

But, before we get started, let me ask you a quick question. …

**What do you know about your current adviser?**

Was he referred to you from a friend or relative? Or did you find them through one of those commercials I mentioned above? Don’t fret.  There’s no right answer to this. People come into our lives in all different ways and for all sorts of reasons.

But how much do you really know about your adviser? And I’m not asking how much you know about his or her family…or people in the office.  What do you know about them as an adviser? Do you know what type of investment methods he uses to grow your retirement fund? And please don’t assume that this question only applies to the boutique asset advisory firms. This question is just as relevant for the big name companies, as well.

Also, before you invested with his firm, were you able to find out if he has:

* The competence and sufficient experience to advise you?
* The appropriate credentials to guide you?
* The depth in his firm to fully service you?
* A conflict-free payment structure to ensure that his wallet isn’t getting fatter than yours?

I suspect that you are like most trusting people. This information wasn’t provided and you didn’t even know how to ask for it.  In fact, if you are like the majority of the folks out there, you probably hired an adviser to guide you through some of the most complex and important financial decisions you’ll have to make – with no or few questions asked.

Don’t blame yourself. This industry is not easy to understand and unfortunately, some advisers see this as an opportunity to take advantage.



Now your current adviser may very well be one of the good ones.

But let’s be honest.  You wouldn’t be here right now if you had complete confidence in the person handling what could well be the bulk of your wealth. Something has been rattling around in the back of your mind…or you’ve been awakened at 2:30 a.m. with a nagging worry that something about your current retirement strategy just doesn’t seem right.

Maybe you’ve seen your portfolio shrink over the last few years or are concerned that the fees you are paying are steep when you continue to receive below market results. Or perhaps you are growing impatient from the “wait and see” approach you’ve been hearing from your adviser for the last 12 months. Or worst of all, you may be like the majority of the clients I speak to each day, who have heard nothing at all from their adviser.

Well, I’m here to help.

About 9 months ago, I created a list of top questions everyone should ask their adviser for clients of my IFS Second Opinion Service (S.O.S.). And now, I’m sharing it with people like you absolutely FREE.

A growing area of my business is providing second opinions for people who want to fully understand what advisory services they are receiving and how much they are paying for those services. I use the outline below as a discovery process to help clients do the appropriate due diligence on their existing adviser. The answers to these questions often reveal the many reasons you might be less than satisfied!

Now, I know some of these questions may seem delicate and you may initially find them difficult to ask. But when it comes to your financial future, your retirement and your quality of life, there are NO questions that should be considered off limits. Don’t concern yourself with your adviser’s reaction to any of them. You deserve to get the real answers.

So, let’s get started!

***Question #1: How qualified is he?***

The financial services industry attempts to train thousands – I am being polite when I say train – of potential new advisers every year.  Unfortunately, many times these people, who are often very young to boot, are given little more than a few hours of basic training and placed on the phone to “dial and smile” their way into your kitchen.

What continues to surprise me is how many of these potential new “advisers” haven’t even taken a basic business course to learn the fundamentals of finance, tax or general investments. Without a solid grasp of investment fundamentals they probably have little chance of understanding your complete financial situation or even offering you an appropriate level of service. It's like putting them in an airplane and telling them to fly it. It would be impossible since they’d never had any lessons.



Regardless of the flaws in the training systems, many bodies are recruited, told to take a basic set of tests and are then set forth into the world to meet with you.  Many are not fully registered to discuss all the various financial instruments so they only offer a limited few.

So ask yourself:

• What is this person’s background? Ask how long he’s been in the investment business. Do not ask about the firm. Ask about him specifically. If this is his first few years in the business, you might want to wait and consider someone else. Some advisers make their biggest mistakes during the first year in the business.  That is, they need to have experienced the good times and the bad; they should have experience in market up turns and well as market corrections as experienced in 2001 and 2008. If you do hire a green adviser, start with a small amount of money. Experienced advisers have more knowledge working with clients through various market cycles.

• What kind of education does he have?  Where he went to school, or even if he completed his education isn’t what matters here. Some of the best people in the business never went to college, let alone to the Ivy League schools like Harvard or Yale. That being said, completing a 4 year degree shows wherewithal and determination. It shows that they have the tenacity to get the job done. Figure out when he started, what did he study, did he graduate…if not, why? Does he seem to be telling the truth?

• What is his compliance and disciplinary history?  This may seem difficult at first glance, but it’s actually very simple. Ask your adviser for a copy of his ADV. If your adviser is a Registered Investment Adviser (though not all advisers are), he must comply with this request.  The ADV is filed with either the SEC or the securities agency in the state where the adviser has their business.  Whether they file with the SEC or the State depends on the amount of assets they manage. This form provides information about the adviser's education and business and provides details if they've had problems with regulators or clients. It also outlines the adviser's services, fees and strategies. Before you hire someone to be your investment adviser, always ask for, and carefully read Form ADV. It will tell you a lot.  If he’s not a representative of an RIA and doesn’t have an ADV, simply ask if he’s had any compliance or disciplinary issues that you should be aware of.

• Has he ever had a personal bankruptcy? If he can’t manage his own assets, that may be a bad sign. I am not sure I would feel comfortable placing my money with them.



• Does he have any health concerns that may impair his work on your behalf? As I mentioned earlier some questions might be delicate. I am sure this is one of those. But before you decide to skip over this one remember that your retirement nest-egg represents the quality of life you and your wife (or husband) will have in your later years. You should ask detailed questions about your adviser the same way you would if you were interviewing a babysitter or a nanny for your child. The health of your adviser many not seem like a major issue but, trust me, it will be if he is not there when you need him most.

• What is the history of the business? Financial strength? Ask how long the firm has been in business. Who are the principles, if you are not dealing directly with them? Ask about their background, as well.

***Question #2: Are you getting full-financial services or simply being pitched a product?***

Another way to look at this question is are you working with a real adviser or is he just a salesman? Today it seems that just about everyone calls themselves a financial adviser or financial planner. A true financial adviser should be working for YOU.

This person, if they are truly your adviser, should have your best interest in mind when making any recommendation.  Unfortunately, we find that too many so called advisers approach clients with an agenda. Their goal could be to sell you a pre-determined product in order to net a higher commission for themselves, or gain status within their organization for selling the most volume of one particular product. Or, even worse, they could push a set of products that their employer (typically the investment company or insurance company) wants them to sell.

An Adviser should be your advocate, not that of any other organization.  Any and all investment recommendations should be based on your needs, not theirs.

**Second Opinion Scenario:**

*A true story…Alice Walker, (names changed to protect true identity) a fit 92 year old, was fortunate to have a comfortable retirement nest-egg. She had a total net worth of $1.9 million yet, Alice was living on her Social Security income and a small pension left behind by her husband. She used her investments to supplement her income.*



*Alice started attending many of the “free lunches” held by investment professionals and her son, Bill, become concerned that his mother might be getting bad advice. Bill started to look into the investments his mother had made in the two years following her husbands’ death and what he discovered was shocking.*

*Alice was SOLD two annuity contracts that had 17 (that’s SEVENTEEN) years of surrenders penalties attached to them. That meant that Alice could only receive all of her money back without penalties or charges when she celebrated her 106th birthday!*

*Despite her son’s best attempts to reverse these investments, it proved futile…even when he got his attorney involved. You see, the insurance company that sold these policies to Alice was very diligent about having her sign multiple disclosures saying she had read all of the material provided to her and she accepted the surrender schedules.  Sadly, Alice has had to pay penalties to the insurance company every year just to have her own money returned to her so she can live in the style she to which she is accustomed.*

*What’s the moral of this story? Proper financial planning should come first, solutions, second.  Don’t let this happen to you.*

So how can you tell if you’ve been sold a product?  You may not recognize this directly, but one way is to take a look at the financial products that you own. Start by checking out your statements. They are often very telling.

**• Is just about every investment or strategy from the same company?**  If so, raise this concern with your adviser. The financial universe is vast. There are hundreds of different companies, funds, solutions, etc.  It’s virtually impossible that any one company offers the best products in EVERY category of your financial needs. This could mean that your adviser is working with one investment firm and not looking around for the best solutions for your needs.

***Question #3: Who’s really managing your money? Do you know your adviser’s processes and protocols for developing investment recommendations and executing strategies on your behalf?***

A certain, but rarely disclosed, truth about the investment world is that not all financial advisers, investment consultants or registered representatives are investment managers.  A majority of them are merely what I call asset gatherers. That is, they are simply relationship mangers who outsource the investment responsibilities to third party investment managers or to their “parent companies.



And in many cases, these are organizations with pre-set portfolios, strategies or models. That’s not exactly the personalized service you thought you were paying for now, is it?

Don’t get me wrong, this is not always a bad idea.  I’d rather have my money outsourced to a competent third party manager than be mishandled by someone with limited investment experience.  But you must know what type of service you are receiving and paying for.  It’s critical to understand the true nature of your relationship with your adviser. So here are some questions you should ask him to get a clear picture:

• **Is your adviser making investment decisions and placing the trades for you, or is he simply outsourcing your investments to a third party?** The primary concern that I have with these models is that they are just that, models.  There is very little personalization involved. They don’t typically change their investment strategy or design a model that fits your exact needs. Nor do they address your investment concerns.  My experience has determined that for the most part is the case.

• **How many layers of fees are there and who are you paying?**

You may discover you are paying your adviser a fee for placing your money with investment managers who are also taking a fee to manage your money. Make sure you know how much each party is profiting from you and how they are distributing it. Is it a flat percentage of the assets under management or perhaps a flat annual fee for the service they provide?

• **How much direction and instruction can your adviser give the third party manager?**

• **Are your assets managed for you, or are they part of a large pool?**

• **Do all of your accounts have the same holdings in them?**

***Question #4: What is it truly costing you to work with your adviser?***

Financial products are almost as varied as the people who sell them.  As the industry has grown and more of us have leaped into the markets, the financial products available have changed and evolved with the times.

I have found that when I ask potential clients how much they are currently paying, continue to pay or have deferred paying for an investment – they rarely know.  Most of the time we get the same reaction….the client gives us the puzzled, head tilting-to-one-side, blank stare.



Most advisers, and especially commission driven sales people (let’s face it that’s what many of them really are), prefer not to place their expenses, commissions or fees in writing.  Why would they? I am sure if you saw those fees in black and white you would definitely start asking questions and doubting whether the investment made sense for you.

In order to feel comfortable with your adviser, you must understand all the fees, charges, and expenses charged by your adviser, as well as by the funds and products he uses. Also, you must know the cost of execution.  This can be tricky, so I’ve created a short educational summary of how advisers handle fees and expenses below:

**Navigating the Wacky World of Financial Adviser Fees — Commission Only or Fee Only?**

**COMMISSION-ONLY**Commission-only advisers often believe they offer the best compensation method, because you pay only for the investments or insurance that the planner says you need.  If you don't like their recommendations you can simply say no and spend nothing.  But this can create a conflict of interest. These advisers make money only when you buy something so they have a strong incentive to get you to do what they want you to do. And because you view them as a trusted adviser, there is a good chance you will act on their advice.  But how do you know the product that is being sold to you isn’t the one with the highest commission? After all – that is how they earn their income.  Could that lead to bad advice? Sure, very easily.  The question you should ask yourself is if the adviser is there to sell you something, are they really an adviser who is looking at your personal situation, or are they only a sales person?

**FEE-ONLY**Some advisers are fee-only, which means they charge fees, either hourly or flat. They do not earn commissions.  After they provide their recommendations to you, you have the option to go elsewhere to implement them if you wish. These planners do not earn commissions, so they say they do not have a conflict of interest. But, they are paid whether you implement their advice or not, so it makes no difference to them whether your investments succeed or fail. They do not have a stake in the long-term success of your investment or retirement plan.

**FEES PLUS COMMISSIONS**According to industry surveys, a majority of financial advisers charge fees plus they accept commissions. In other words, most advisers do hold insurance and securities licenses. Therefore, they are able to collect fees for giving you advice and they also earn commissions if they sell you investment products.



Many fee-plus-commission advisers also charge an asset management fee, usually ranging from 1% to 3% of the value of the assets they are monitoring for you. This can be in addition to underlying investment account (sub-account) fees and commissions. Also, some fee-only planners are charging asset management fees, either in addition to their hourly or flat rate, or in place of it.

**WHEN FEES ARE REALLY COMMISSIONS**Asset management fees appear to be emerging as the compensation method of choice for both advisers and clients. Clients like it because you can avoid paying up-front commissions, and since the fee grows with the size of the assets, the adviser's compensation is directly related to how well those assets perform. This puts the adviser on the same team as you: If your investments fall in value, so does the adviser's fee.

Before we move on, let me say this…whatever commission structure you have with your adviser, make sure you understand it and that it works for you. Good advisers are extremely valuable – their knowledge and experience can help you grow your money safely and consistently. And they should be paid for this skill. So, the decision is up to you. You'll have to decide for yourself if there is a compensation method you prefer. In the end, it may not matter, but what does matter is that you ask your adviser how they make their money and that you understand what that means.

**ADDITIONAL FEES TO WATCH OUT FOR**Another fee to look out for are12b-1 fees.  These fees are levied by a mutual fund usually on a yearly basis at a rate of .25% of a fund’s assets.  The monies collected from the shareholders are usually used to pay broker-dealers for servicing accounts and are usually passed down to the servicing broker.  A mutual fund that charges a 12b-1 fee must disclose this in writing.  (Another good reason to read your prospectus!)  Mutual funds that assess 12b-1 fees are generally NOT no-load funds.  At times, advisers are able to collect both their investment management fee from their client AS WELL AS the 12b1 fees from certain mutual funds that they placed into their clients’ accounts.  Are you paying these fees in addition to your advisory fees?

**SECOND OPINION SCENARIO:**
*One of the questions I hear more times than I care to count is, “I under-stand it costs money to make money, but why are my accounts trailing the market by so much?”*

*As an adviser, it is my responsibility, as it should be for all advisers, to understand our clients’ needs, goals and timelines so that we can provide proper guidance.  Before making recommendations we must ask about your investment history/experience as well as your short, intermediate and long-term goals.  This is very telling for us.  Through simple analysis we can evaluate investment style (and whether or not it is fitting for your particular needs), risk tolerance (and if it fits your personal risk measures), and how expensive your investments are to hold.  For many, this is a surprise they do not expect.*



*Take the situation that David White found himself in recently. As a 45 year old physician, David had done a good job of managing his debt and paying off his medical school loans.  He has been diligent about saving and now wanted to invest and save more aggressively than before due to increased income and lower debt.  David was working with a fee-based advisory firm but felt that his accounts didn’t quite seem to “keep up” with the strategies he believed he and his financial adviser had set forth.*

*Being a talented guy, upon analysis he discovered he was paying an advisory fee of 1.5% and held primarily mutual funds with expenses exceeding another 1.6%.  David also paid a ticket charge on many trades placed on his behalf and, because a few of his accounts were “smaller” in nature, he also paid an annual account fee to the custodian.*

*In total, David discovered he was paying approximately 3.3% in fees and expenses. Now to some of you that may not seem like a large number.  But assume that this is your money.  And you are hoping for S&P-like returns after expenses.  If the S&P returns 10% in a given year then your account would net 6.7% after expenses.  Another way of looking at this is that your adviser would have to gross 13.3% in the same year the S&P returned 10% so that you would be even with the index.  In other words, this particular adviser would have to outperform the S&P by 33% to keep you even.  I am not saying this is impossible, but the probability of this happening on a consistent basis is relatively small.*

*As you can see, you can’t afford not to understand what you are paying for your adviser’s guidance. In some cases, it could be 2 or 3 times more than you may have expected.*

***Questions #5: How often are you meeting and speaking with your adviser?***

You should absolutely expect to receive regular communication from your adviser on the status of your account, as well as any other activities that your adviser has committed to, and other relevant developments. You should not believe that a meeting with your adviser is a luxury…it should be a requirement of the relationship.

One of the first questions we ask every potential client is “how frequently have you met with your current adviser”?  We even ask those managing their own investments this question.  It amazes me how many people are looking to replace their adviser because of lack of contact, unreturned phone calls or limited to no office support to assist them when their adviser is unavailable.



It seems that so many of these advisers are only available when the market is rallying, but when the market trends downward, calls go unanswered.

**• Are you on a set schedule for meeting?**

Your adviser should be available to you or have a set rule for returning your call.  Your financial well-being could depend on it.  At the very least they should have a properly trained and licensed staff to support you in case of emergencies.

Much like your physician or your dentist, your financial adviser should be meeting with you face-to-face at least once a year to conduct what I call the “Financial Physical”.

Indices are unmanaged measures of market conditions. It is not possible to invest directly into an index.  Past performance is not a guarantee of future results.

These rates are used for hypothetical illustration only and may not be used to predict investment results. Income from investments may fluctuate and the value of the investment may fall against the interest of the investor.

**• Are you calling on him at Strategic times that are beneficial for you?**

Your assets should not be invested in a vacuum. Your investment plan and your financial plans have to adjust to your circumstances as they happen.

Are your kids starting college? Have you lost your job? Have you gotten married or recently divorced? Are you turning 70 and need to plan for your required minimum distributions from your IRAs or employer sponsored retirement plans?  Did you just have a baby? The point is that your personal circumstances can affect your investment strategy, style or level of appropriate risk.  All of these, and many more, are reasons for meeting with your adviser on regular basis and no less than once a year.

***Question #6: How much depth and stability does your adviser’s office have? Is he a “Jack of all Trades” or are there specialists within the organization to help pull your plan together? Is there a succession plan in place in case something happens to him?***



Most of us understand and expect that time changes us all and the relationships of yesteryear are different than they once were.  The same is true about your relationship with your adviser. While we wish them to be there for us throughout our lives, the chances are that this will not be the case.

**• When will your adviser more-than-likely retire?**I have asked this question myself, only to hear the same rhetoric repeatedly, “I don’t ever see myself retiring, I love what I do”.  Great – I wish them all great health, mental competence and 100+ years of life.

Now let’s be realistic…We all know that retirement will be inevitable for most of us, as will life-changing events forcing us away from our daily lives.  But what will happen to you?  Will you lose years of trust you have with your adviser right when you might need them most? Make sure your adviser has a succession plan in place and ask him to share it with you.

**• How deep is your advisers “bench”?**
Successful firms know that depth within an organization is crucial for developing and maintaining strong and mutually-beneficial relationships.  Helping you achieve your financial goals should be a team approach. Well-trained and knowledgeable specialists within an organization strengthen the quality of advice and therefore the strength of your overall plan.  Lone gunmen advisers, as I like to call them, are those advisers that feel they need to be the only person you see.  Many times this may be out of fear that you might not find them knowledgeable or begin to second-guess their recommendations. They might avoid bringing in talented specialists to provide the assistance you might need.

Remember, an adviser who is building a relationship for the long-term should have a group of trusted experts they work with to handle all of your financial needs including:

 • Estate Planning Specialist

 • Trading Experts

 • Liability and Insurance Experts

 • Benefit and Social Security counselors

If you aren’t sure if your adviser has a list of experts, ask them directly. See if they can provide you with a list of people they know and trust in related fields.



***Question #7: How diversified are you?***

One of the questions I ask my Second Opinion clients is “what investments do you own and why?” What I usually find is that most hard-working people have very little knowledge, if any, about what investments they actually own. They aren’t sure if they own certain funds for income purposes …or to offset volatility, or as a hedge to a possible market correction. And, many aren’t sure if their money is diversified among a group of funds, stocks or other financial instruments.

Diversification is something that should not only be preached, it should also be practiced.  I have consistently found so-called “diversified strategies” that reveal over exposure to the same market sectors, assets classes and even the same stock.

For example, some investment groups manage with a particular investment style…let us say Small Company Stocks. These groups will take you on as a client and place all of your assets in this particular strategy.  That’s not diversified!  A rational investment strategy might surely consider Small Company Stocks, but only as a percentage of the overall strategy. Your money should also be diversified among Mid- and Large-sized companies.

Another hidden truth when it comes to diversification is that many advisers simply use historical returns to make their investment decisions. So they select similar, if not identical, investments from the same investment family or fund group.  If they took the time to dig deeper into the actual securities in each fund, they may have seen that these investments hold VERY similar underlying securities.  And although the adviser’s goal was to diversify your money, all they did is end up with differently-named products with similar assets. Again, this is not diversification.

To ensure that your retirement nest egg isn’t all in one basket, ask your adviser:

• What asset class comprises the largest percent of my portfolio?

• How many investment firms or mutual fund firms are represented in my portfolio?

• What are my top 10 holdings and how much do they represent of my portfolio?

• What is my mix of:

 o Stocks to Bonds



 o US Stocks to Foreign Stocks

 o Value Stocks to Growth Stocks

 o What percent of my portfolio consists of alternative investments, such as Gold, Real Estate or Commodities?

***Question #8: Have you given all of the decisions and responsibilities for your investments to your adviser? Have you adopted a “set it and forget it” attitude?***

This is probably the number one reason you are dissatisfied with your adviser.  But as with all relationships, it takes two to make it work. Have you done your job?  This might be tough to hear, but YOU are just as responsible for your investment performance as the person you hired to make the investment decisions for you. Below is a list of responsibilities I go over with every one of my Second Opinion clients so they understand their role:

• Always ask for explanations on any recommendations that you do not understand.

• Never authorize execution of a recommendation if you do not understand how it works, why it was chosen, how much it costs or what are the risks.

• Look at every "confirmation" and statement you receive and reconcile those statements with any performance reports that your adviser provides to you independently. You may choose to engage a CPA, bookkeeper or trusted person separate from your adviser to perform this reconciliation.

• You must fully understand and agree with your adviser’s investment philosophy.

• Do not allow investment of all your assets with a single money manager or mutual fund.

• Evaluate your adviser, not just on performance, but on his ability to listen, communicate and respond to your concerns, and to change the relationship if it is no longer acceptable.

• Understand your tolerance for risk and your own relationship with money.

• Question why returns are much greater than the market averages as vigorously as you might question why your returns are below a reasonable expectation.



• Challenge fees that were not agreed to in advance and evaluate whether you believe you are receiving value for what you are paying.

• Do not give a Power of Attorney over the assets, to the same person who is responsible for executing the transactions.

How did you fare? Have you being doing your job?

***So what’s your next step?***

Armed with all of this knowledge you should schedule a meeting with your current adviser as soon as possible. Ask for a face-to-face meeting rather than one over the phone. You will be able to see his reactions to your questions and he will see your concern first-hand. Go through these questions, one-by-one. Do not let him dissuade you or dismiss you with quick answers. Stick to your guns and wait to get the full answers.

By the end of your conversation, you should leave his office knowing:

1. How qualified he is.

2. If you are simply being sold products, or if you are being properly advised.

3. Just who is really managing your money?

4. What’s it costing you to work with him?

5. When you’ll be speaking with him next. Make sure he knows you want regular face-to-face meetings and phone calls.

6. How much depth and stability does your adviser's office have?

7. What his succession plan is if he retires or pre-deceases you.

8. How diversified are your investments. Have your adviser review your holdings in painstaking detail.

If you are at all hesitant to call this meeting with him…remember what is at stake folks! The quality of your later years. This meeting very well could make the difference between you having the ability to dine out every night or travel 5 months of the year…and being stuck at home, clipping coupons and looking for ways to lower your expenses. Which would you rather have?

If you’ve been with your adviser for some time, this might seem awkward to ask these questions now. But it’s never too late to ask. Your adviser works for YOU and should be more than willing to share these details with you no matter how long you’ve had a relationship with them. And if they seem reluctant to give you the information, you should seriously consider a “Plan B”.



As I said earlier, I typically only share this information with clients of my Second Opinion Service. But, honestly, I wish more and more folks like you knew the questions to ask BEFORE you hire an adviser. Not only would it make it harder for the less-reputable advisers to survive, but it would make my job much easier. The more actively YOU participate in your financial future, the better the relationship will be for both of us.

Look, by now I hope you realize that I am a straight shooter. I became an adviser after serving my country because I enjoyed helping families secure their future. I realized early on that my military training had turned me into a good teacher and it had made me a good listener, too. As an adviser, listening to clients is just as important as giving them investment leadership. I know my clients expect a lot of out me and I expect a good deal out of them.

If you’re still wondering whether you should stay with your existing adviser… or perhaps you’re afraid he won’t give you the honest truth, I am going to make you a special offer.

**FREE: No-Cost, No-Obligation Second Opinion Service Consultation (a $600 value)**

Whenever any of us has to make an important decision we often seek out the advice of an objective third party, someone who has the experience and knowledge who will give you an honest opinion. I do this with my friend Bill whenever my car has a potentially expensive problem, or with my brother whenever I need advice about medicine.  What I have come to realize is that most people never do this when it comes to their investments. Yes, a second opinion can often provide perspective and a clearer picture.

*Realizing this huge void needed to be filled; I developed a Second Opinion Service. We normally charge clients $600 for a complete analysis of their financial situation. And I’ve never had anyone complain about the fee…I believe it’s a small price to pay to get an experienced opinion. However,* ***for the next 7 days****, I’d like to offer you this opportunity absolutely* ***FREE****.*

*I’m sure you’re wondering why I would make such a generous offer. Honestly, I figure I owe it to you. You’ve spent your valuable time reading this report and, while I hope it sets your relationship with your current adviser back on track, I can’t guarantee it. You may not hear the things you want to hear when you start asking the hard questions. Or you may not feel confident enough to walk into his office and demand answers. I know not everyone is as assertive as I am.*



*So, to show you that not EVERYONE in the financial industry is looking out for their own best interests, I’m offering up my services…for free, but only for the next 7 days. Please understand, I want to work with as many of you as possible but I’ve been fortunate to build up a strong firm and keeping my clients happy is job number one. So I have to place a limit on how many people I can assist. And, I’ve found that those who know they need a second opinion because they are losing sleep at night will act quickly.*

***How To Get Started***

*Getting this process started is easy. Simply fill out the enclosed questionnaire and fax it to us at (913) 402-2021 along with the following:*

*• Copy of most current investment statement*

*• Copy of most current 401k, IRA or other retirement account statement*

*Once we receive these materials, we will send you a Risk Tolerance Questionnaire via email to complete.  This will help us match your investments to your investment strategy. After reviewing your materials you’ll receive a call from one of our second opinion advisers to schedule an appointment to come in so we can review our findings with you.   We'll review your existing portfolio with you.  If we think your investments continue to be well-suited to your long-term goals we'll gladly tell you so, and send you on your way.*

*If, on the other hand, we think some of your investments no longer fit with your goals, we'll explain why, in plain English.  And, if you like, we'll recommend some alternatives. We’ll help you outline your financial goals and help you decide what your investment portfolio is intended to do for you and how to tailor it for your lifestyle and retirement needs.*

*You are under no obligation to hire us.  There are no high-pressured sales pitches. While we hope that some of you consider and hire us as your trusted adviser, the most important thing is that you walk away, able to make smart choices about your investments and financial future.*

*I look forward to hearing from you.*

*With warm regards,*

*Pete Martinez, MBA*

*President/Founder*

*Insight Financial Services*

*PS: Remember, 7 days from now, my FREE Second Opinion offer will expire. That’s a $600 value. You don’t want to miss out.*



***FAX:  Second Opinion Service***

***Attention:*** *Investment Department – Insight Financial Services*

***FAX NUMBER:*** *(913)-402-2021*

***Diversification cannot ensure a profit or protect against a loss.***

***QUESTIONNAIRE***

***Name(s):***

***Address:***

***Date of Birth (Individual / Spouse):***

***Income Range: $***

***Net Worth Range: $***

***Investment Goal (Circle all that apply):*** *Retirement / Education / Family Protection / Estate Planning / Tax-Efficient Investing*

***Email Address(es) to send the Risk Tolerance Questionnaire:***

***Currently working with a financial adviser?*** *Y or N*



Securities offered through Securities Service Network, Inc., Member FINRA/SIPC. Advisory services provided by IFS Advisors, LLC (IFSA), a Registered Investment Adviser.