

True Independence vs. Semi-Independence

Each year more and more registered representatives endeavor to take greater control of their professional and personal lives by going independent. This often involves searching for and eventually joining a new broker-dealer.

The search for independence, however, can be an elusive and often confusing enterprise. The task of evaluating each prospective broker-dealer's payout schedule, monthly fee schedule (*which First Asset has none*), technology offerings, approved product lists, various support services and compliance parameters are challenging enough for anyone. Our minimum is one of the lowest around-\$10,000 per year of NET COMMISSIONS TO YOU is our base requirement. We also cater to those "old fashioned brokers" who like to do things via PAPER rather than the computer. While we encourage use of the computer, as we communicate and use the computer for many functions, we can still work with the broker who likes the traditional "paper" process.

Insurance companies, banks and international conglomerates own many of the competing firms in our industry. Their operating paradigms, agendas and conflict of interests differ substantially from our own. This results, in part, from the fact that many of these parent company organizations are also financial product manufacturers. Owning one or more broker-dealers provides them with a stable distribution outlet for their homegrown products.

This situation poses many difficult questions for the registered representative considering a change of broker-dealer. For example, when you affiliate with a broker-dealer owned by a large product manufacturer, will your clients view you only as "semi-independent" in their eyes? Will they wonder if the products you present are really *best of breed* products or run-of-the-mill *in-house* products? Will long-term client loyalty be improved or hindered?

As you may have guessed, we have an opinion about this issue. At a time when clients and regulators are increasingly concerned about conflict of interest within the broker-dealer community, we believe *true independence* is a significant competitive advantage. It seems to us that broker-dealers owned by large product manufacturers often lack the desire to provide truly helpful advice about the products and services they offer. Today's investors deserve better, and so do you.

True independence is much more than a state of mind, and it doesn't happen by accident. It's a decision carefully made and thoughtfully implemented. It's also one of the qualities that sets First Asset Financial apart. Our unique brand of *independence* includes the following:

- First and foremost, we understand that our most important stakeholder is you, our registered representative. Consequently, we are not involved in market-making activities, investment banking, or product manufacturing; all of which would involve substantial conflicts of interest, and serve to distract us from our core mission. We

do not receive additional compensation from any mutual fund group, therefore, have no "favorites" based on compensation and no "preferred list" based on compensation.

- Because we are privately owned and operated by management, we tend to be as entrepreneurial-minded as the investment professionals we serve. Our senior management team is comprised of seasoned professionals that are readily accessible to our registered representatives and welcome all suggestions and fresh ideas. By protecting the integrity and independence of our ownership structure, we are also protecting your own independence.
- Finally, we carry no proprietary products; offer no "stock of the day" promotions; and require no product quotas. We allow you to reap the many benefits of serving clients with excellence, without pressure or prejudice from your broker-dealer. We simply do not call you and "check up" or "encourage" you to produce. You are a mature broker running your own business. While we strive to stay compliant and assure you do as well, we do not interfere in your business.

If you share our passion for service excellence, and wish to accelerate your professional journey to *true independence*, we invite you to join First Asset and our national network of registered representatives.