

FSI Voice

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FOR MEMBERS OF THE FINANCIAL SERVICES INSTITUTE

VOICE OF INDEPENDENT BROKER-DEALERS AND INDEPENDENT FINANCIAL ADVISORS



One day, 110 meetings: FSI in Washington



“A pivotal opportunity in your lifetime to influence reform.”


Ralph Waldo Emerson once said of Washington that it was a place “where an insignificant individual may trespass on a nation’s time.”

Respectfully disagreeing with Emerson’s characterization of any citizen who “trespasses” in Washington, 118 of your colleagues did a lot of trespassing on Wednesday, September 30. In fact, financial advisors, broker-dealer executives, and sponsor representatives had meetings during the FSI Advocacy Summit with *20 percent of Congress*—in one day. In 24 teams, they took to the streets, hallways, and inner sanctums of elected representatives in 110 meetings. Some were there for the first time; others have been every year. Some are old hands at leading a group, while others got their first taste of stepping up to the plate and guiding the discussion with a senator or representative. A few teams held meetings in hallways; others met in grand hearing rooms. Some teams were as small as 2 (Kansas/Missouri); the biggest numbered 10 (Maryland). Two teams—both representing Texas—took the prize for most shoe leather expended: nine meetings between 1:30p.m. and 5:30p.m., in four different buildings across Capitol Hill. Speaking of shoe leather, the first-timers now understand one of the often repeated rules for Capitol Hill visits: wear comfortable shoes.

Since 2006, when FSI held its first Capitol Hill visits, the story of growing credibility for an organization only six years old is in the numbers: year one, 66 meetings with members of Congress; year two, 83; year three, 74; and this year, 110 meetings.

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News Briefs:  A calendar of 2010 monthly Web conferences is being developed and will be posted on the FSI Web site soon.  An archived recording of the conference call on the results of the 2009 FSI Broker-Dealer Financial Performance Study is available on the Web site in the Broker-Dealer Section. You must be an employee of an active FSI broker-dealer member to log in and listen. **voice** How are you positioning your firm to serve the advisory community? Why do so many leaders fail? What are advisors looking for today? Get the know-how at **OneVoice 2010: FSI Broker-Dealer Conference**. Early registration deadline is December 18. View the complete schedule and session lineup on the Web site.

FINRA  At the Advocacy Summit, speaker Patti Struck predicted that social media could be the number one issue for regulators in 2010. On December 16, you can get a take on it in a podcast, “**Compliance Considerations for Social Networking Sites**.” Register at finra.org, in Online Learning.

The “trespassing” of 2009 was what Steve Bartlett, president of The Financial Services Roundtable and the speaker at the Advocacy Summit’s CEO Dinner and Advocacy Briefing, calls “grasstops” advocacy: successful people with the ability to influence others—and outcomes. The potential outcomes this year, and into 2010, are large: primarily, the most significant effort to reform financial services regulation in the past 75 years.

This year, those at the Advocacy Summit carried two important messages into those 110 meetings. Legislation introduced in June 2009, H.R. 3408, is the “independent contractor issue.” This bill would remove an important safe harbor provision in the tax code that could change the status of independent financial advisors affiliated with broker-dealers. We asked each member of Congress to help us get language inserted that would ensure our industry is not covered by this bill. For legislation being considered as part of major financial regulatory reform, we asked that any legislation to harmonize regulation of broker-dealers and investment advisers include a new universal standard of care designed to ensure transparent business relationships, effective client disclosures, and efficient low-cost investment solutions. We also urged them to support closing important regulatory gaps by enhancing oversight and examination of investment advisers.

The message continues to be delivered: On October 6, FSI submitted to the House Financial Services Committee a written statement, for consideration during a hearing, on FSI’s proposed new universal standard of care. It asked members to apply the standard to both broker-dealers and investment advisers but not to extend the current fiduciary standard to broker-dealers.

While there is still much work to be done before any final legislation on regulatory



CEO dinner and advocacy briefing: “Grassroots and grasstops”

One year after the market meltdown is the appropriate time to focus on “Where do we go from here?,” according to Steve Bartlett, president and CEO of The Financial Services Roundtable, who gave an advocacy briefing to broker-dealer CEOs. It’s a “certainty” that we’ll see Congress enact major reform, said Bartlett, for three important reasons: First, it was a real, not a contrived, crisis that could

have been even more disastrous globally than it was. Second, reform *should* happen. “Like it or not,” said Bartlett, “our cumbersome and archaic regulatory system means that multiple bodies regulate the same institutions with different results. Worse, more than half the companies involved in the subprime mortgage mess were regulated by *nobody*.” Finally, financial services reform is the last bipartisan issue in Washington today—both sides are committed to reform that will help rebuild trust in our financial institutions.

Bartlett reminded CEOs that democracy is a participatory sport: “*You* get to help decide the outcome of these debates. Anybody sitting and watching is inconsequential. You must be comfortable with saying, ‘Senator, where do you stand on this issue?’ Grassstops advocacy rests on those people who have the ability to influence the outcome. This is not a time to be silent.”

► *The Financial Services Roundtable has produced a position paper, “Rebuilding Trust: Putting Our Financial House in Order.” For a copy, please e-mail membership@financialservices.org.*



reform will be presented, debated, and voted on, there also is the satisfaction that comes from being part of shaping and advancing the dialogue. Dick Averitt, chairman and CEO of Raymond James Financial Services and a three-time attendee, put it best: “This is a pivotal opportunity in our lifetime to influence reform. I’m not comfortable if I don’t at least *try* to do what I *can*. Never underestimate what one person can do.”

“In a 2005 Congressional Management Foundation survey, 99 percent of congressional staff said that what influenced undecided lawmakers most was in-person visits from constituents.”

FINRA, the SEC, NASAA:

A round with the regulators



The morning of the Capitol Hill visits, FSI members at the Advocacy Summit heard from three important speakers: Rick Ketchum, chairman and CEO of FINRA; Andrew “Buddy” Donohue, director of the division of investment management at the SEC; and Patti Struck, administrator of the division of securities for the Wisconsin department of financial institutions and a former president of NASAA. Here are some highlights.



“We need to distinguish between real risk and perceived risk. Let’s identify common investor protection principles and share the responsibilities for the ‘way forward.’ Advisors should not be misleading, full disclosures should be in plain English, and we should have a federally crafted fiduciary standard. The emphasis for any new standard should be that it is business model neutral—it’s about investors—and the focus should be on the best interests of clients. As for addressing the disparity between broker-dealer regulations and investment adviser regulations, we need an environment in which integrated businesses are treated in an integrated way. The shift from ‘hat’ to ‘hat’ doesn’t reflect business reality.”

—Rick Ketchum



“We must modernize all SEC regulation. The 12b-1 rule was adopted in 1980 but hasn’t kept or caught up with today’s marketplace. 12b-1 fees are not well-disclosed and investors don’t understand them. We do recognize the importance of 12b-1 fees to the industry but changes need to be made. The SEC has spent a lot of time the last two years meeting with industry representatives. This issue may be contentious but it’s very important that we get a better position on how 12b-1 fees are being used and presented.”

—Andrew “Buddy” Donohue



“NASAA has five key views on regulatory reform proposals. We are urging Congress to reinstate the authority of state regulators to supervise Reg D Rule 506; we propose that RIAs with assets under management of \$100 million, up from the current \$25 million threshold, be supervised by state regulators; oppose delegating investment adviser regulation to an SRO; and support ending mandatory arbitration for investors—they should always have a choice. Finally, we do support a fiduciary duty for all financial professionals giving investment advice. I know you’re concerned how this would work in practice. It’s not simple, but we do believe that most of you already offer advice in the best interest of your clients.”

—Patti Struck

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Walking in their steps in Washington



Kive Strickoff, CPA, president of Strickoff Financial Services.

“Power is there for those who will take it”

Kive Strickoff, CPA, president of Strickoff Financial Services in Merrick, New York, was so energized following his Capitol Hill visits in 2008 that he wrote an article about it for a publication of his broker-dealer, 1st Global. In it, he recounts years ago buying a textbook for a graduate course in business management and finding a valuable note written in the book by a former student: “Power is there for those who will take it.”

“This has become one of my mantras throughout my career,” says Strickoff. “I believe in stepping forward, being heard, and acting proactively when you’re passionate about something.” Strickoff stepped forward again in 2009, co-leading the FSI New York team for five meetings, along with Frank Tauches of American Portfolios Financial Services. Their first stop was the office of Rep. Carolyn McCarthy, D-NY-4th, a senior member of the House Financial Services Committee. That meeting was followed by ones with Rep. John Hall, D-NY-19th and with legislative directors for Reps. Chris Lee, R-NY-26th, Charles Rangel, D-NY-15th, and Peter King, R-NY-3rd.

“I believe in stepping forward, being heard, and acting proactively when you’re passionate about something.”

Strickoff says that the reception from all those with whom his team met was overwhelmingly positive. “It may be the caliber of those we met with and their current knowledge of the issues, but I think much of it has to do with the fact that FSI is becoming better known and respected for our thoughtful contributions to dialogue on important issues,” says Strickoff. “Congress as a body has such terribly low approval ratings but it’s very gratifying to meet and talk with individuals who are intelligent and have open minds. They don’t fit the stereotype.”

Waiting to meet with Representative King, Strickoff observed him in an adjoining room with New York City Police Commissioner Raymond Kelly, discussing proposed legislation about emergency first-responders. “I was struck by the fact that I, a small business owner from Merrick, New York, could participate as equally in access to my congressman as the ‘brass’ from the biggest city in the U.S.,” says Strickoff. ■

“A learning curve that paid off”

In 2008, Rick Mayo, CFP®, was encouraged by Dick Averitt, the CEO of his broker-dealer, Raymond James Financial Services, to join FSI and attend the Advocacy Summit. Mayo said yes, but was apprehensive: “Originally, I thought I’d attend the speaker sessions, but not go to Capitol Hill. I’d never done anything like that before and frankly was a little nervous. Let’s just say that it went so well there was no stopping us after that—even when we had to conduct a meeting in a hallway.” The successful learning curve resulted in Mayo being asked to lead the seven-member North Carolina/Virginia team this year. Because some of the team split off into North Carolina-only meetings, Mayo even held two meetings solo: with legislative aides for Sen. Mark Warner, D-VA, and Rep. James Moran, D-VA-8th.

Like Strickoff, Mayo and his team experienced knowledgeable, engaged, and articulate staff for members of Congress, asking good questions and getting clarification on points—“That’s everything you can ask for,” says Mayo. “It doesn’t matter if it’s the senator or representative or a key aide.”

Mayo’s client demographics—largely middle-class professionals—in his Virginia Beach practice of more than 20 years make the primary FSI advocacy message even more relevant. “FSI’s focus is on making sure that our voices are heard so that any reform in this very significant undertaking by Congress will benefit middle-class investors, who the majority of us in the independent channel serve.



Rick Mayo, CFP (left) and Dick Averitt, CEO of Raymond James Financial Services.

We have a pricing structure to help these clients, and they are more challenged than in the past with their needs for the basics, such as retirement and educating children. It's important that we keep our representatives in Congress focused on our ability to help our clients."

A political junkie who even tapes the Sunday morning talk shows to make sure he's up-to-date, Mayo has long been professionally active. A CFP practitioner since 1992, he has served on the local board for the FPA and its predecessor, the IAFFP, on an FPA Chapter Leadership Resource Council, on the faculty of the FPA Residency Program, and as chair of FPA's Ethics Committee. In 2005, he became a volunteer practitioner for the new credit counseling service offered to the public by the CFP Board to help with the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. "After many years in business and in the industry, I'm in a position to give back," says Mayo. "It's important to make our business profitable and easier for the next generation, and one way to do that is to be engaged in the political process. FSI gives us the track to run on."

"The least—and the most—for our industry"

Kelly Welker learned some valuable lessons from her first FSI Advocacy Summit, in 2008, including how to prepare for her second one. Chief among them: "This year I wore flat shoes to go to Capitol Hill."

But the most valuable lesson was how important repeat visits with members of Congress—and, perhaps especially, their staff—are to making a case. "In 2008, we met with legislative directors and staff of some of the same members of Congress as we did this year. They remembered us," says Welker, a financial advisor since 1998 and branch manager with LPL Financial in San Antonio, Texas. "I've been very impressed two years in a row with how sharp and engaged these staff members are. They juggle an awful lot and really have to be extremely knowledgeable on so many issues." After her 2008 visit, Welker also received several offers to visit with her congressman, Lamar Smith, R-TX-21st, back in the district. "That's where you can really get their ear," she says.

"Spending the time, money, and energy to go and make those personal visits is both the least and the most I can do for the future of our business."

Welker and her group, Texas "Team B," had six scheduled meetings during Capitol Hill visits and a seventh impromptu meeting that resulted from Welker running into and talking with Rep. Charles Gonzalez, D-TX-20th, on her flight from San Antonio to Washington. "I waited for him after getting off the flight and told him why I was in Washington and what FSI was involved in. I was impressed with his interest. When we dropped by later, he graciously agreed to meet with us."

Welker considers her time spent in Washington as a big investment in her business and her industry—and in other advisors' interests. "Frankly, I'm a little frustrated that more financial advisors don't get involved. It doesn't mean you have to go to Washington—you can simply get more involved with the advocacy tools that FSI offers. The only way our elected representatives will get to know about our industry is for us to *tell* them. Spending the time, money, and energy to go and make those personal visits is both the least and the most I can do for the future of our business." ■



Kelly Welker (far right) and the Texas Team B in a Capitol Hill meeting.



Mari Buechner, 2010 FSI Board Chair:

“Our presence has never been more important.”

Mari Buechner, 2009 vice chair of the FSI board, takes over from Eric Schwartz as chair in January. Mari is the president, CEO, and CCO of Coordinated Capital Securities, Inc. (CCS), in Madison, Wis. In 2008 Mari was appointed as an at-large member of FINRA’s small firm advisory board and was elected by her small-firm peers to the FINRA board of governors. She is a member of the FINRA independent dealer/insurance affiliated committee, past FINRA District 8 committee member, a member of the FINRA District 8 nominating committee, and a past member of the FINRA licensing and registration committee. She graduated from the University of Wisconsin with a B.S. in finance and marketing.

Q *Given the unsettling events of 2008 and 2009 and the calls for major regulatory reform, in what areas can FSI expect to have the most influence?*

A Any restructuring of the regulation of the financial services industry must focus on improving regulation for the specific benefit of middle-class investors, which is accomplished by improving the transparency, effectiveness, and efficiency of regulation and by building investor confidence and trust. Investors should have easy access to information to decide with whom to do business, the fees and expenses involved, and the ability to easily identify the appropriate regulator for the types of business conducted. We will always pursue ways to provide investors with better disclosures instead of *more* disclosures, and that’s a major part of our advocacy message to legislators and policymakers. Purchasing a mutual fund should not be like closing on a home mortgage.

It’s important to point out that although 2008 and 2009 were two tough years, the independent model is going to continue to thrive. We’ve seen movement of financial advisors to the independent channel in numbers we’ve never seen before. A Cerulli report predicts that 49 percent of all advisors will be independent by 2012. We need to continue to talk up our brand to focus on this opportunity.

Q *Do recent events change how advocacy has to be undertaken?*

A Our presence on the Hill has never been more important. We need to have the ability to mobilize our troops to move swiftly and meaningfully around our core advocacy issues. Our strategy going forward in 2010 will be to strengthen our grassroots efforts by increasing our financial advisor membership. We really want to help advisors who are frustrated about the increasingly costly and burdensome regulatory environment.

Washington listens to voters. We’ve seen our financial advisor membership increase from 3,000 in 2005 to more than 11,000 today. And there is always room to grow. The benefit of being an FSI member is that financial advisors can be as engaged in the process as they want to be. They can choose to be fully engaged by participating in events such as the Advocacy Summit and financial advisor discussions or they can join as a means to support our advocacy efforts—in other words “hire us to be your advocate.” The choice is theirs and the investment in our industry is really quite nominal. And you get the ear of Washington through face-to-face meetings.





Q *If SEC Chair Mary Schapiro or FINRA CEO Rick Ketchum were to ask you for advice, what would be at the top of your list?*

A Financial regulatory reform can't work without a good implementation system. Expanding the current fiduciary standard across industries consistently will not be effective unless it is supported by an even level of regulatory supervision and oversight. Mary and Rick both play an important role in this issue. I have great confidence in the leadership of both. Things are definitely not "business as usual" and both have acted swiftly given the urgency of the need for change. Rick has been active in reaching out to the districts and member firms across the country to learn more about our membership and the concerns we collectively have; he comes from an NYSE background and is eager to get to know firms in the independent channel. Industry involvement is an important component to the self-regulatory process. If you want to change things or get your

message across, you have to be involved. Our members agree, and with a quarter of all district committee positions filled by FSI members, we have a real voice in the FINRA regulatory process.

At the SEC level, I would respectfully suggest to Mary that she consider a uniform and consistent federal standard that would harmonize investment adviser and broker-dealer regulation and that the new standard be flexible enough to work in all client situations across different business models, and ensure that all investors receive professional support in their investment decisions. I would also suggest that the SEC carefully review the industry's comments on the proposed rule to require surprise audits of firms that have custody, even if custody is limited to debiting fees from customer accounts. I would encourage the SEC to do an analysis of investment adviser segmentation to better apply these rules from a risk-based approach to enhance investor protection in light of the Madoff fraud, without considerably driving up costs.

Q *How do you feel being the first woman to lead FSI's board in an industry, and organization, heavily dominated by men?*

A I'm gender-neutral on talent! It's always been my belief that if you focus on skills, you will be rewarded, whatever your gender. Everyone has a natural leadership style that works the best for that person. That being said, I do encourage more women to step forward and become involved in organizations like FSI, in FINRA governance, and as financial advisors. In our industry, only about 30 percent of registered representatives are women. Some of the most successful and respected advisors in my firm are women.

More important to me is that this will be the first time an executive of a small-firm member has led the board. Small firms represent more than 95 percent of FINRA's membership and have been, in many ways, hit the hardest with the events of the last two years. High costs associated with regulatory changes—such as SIPC fees, PCAOB audit requirements, and increased FINRA assessments—hurt the profits of *all* firms, but for some small firms it's a real struggle to survive. In many ways, small firms are like our financial advisor members—small business owners who are frustrated about the increasingly costly and burdensome regulatory environment.

Q *What do you consider to be FSI's most significant accomplishment in its first six years?*

A Simple: credibility for our business model. That hard-earned credibility gives us the opportunity to have a seat at the table with Congress and our regulators, to be part of the process to look for solutions, not just to identify problems. Financial regulatory reform is such a huge issue and we need to make sure we're advocating for our members and for middle-class investors. Our presence and our voice have never been more important.

► *To read more about Mari Buechner "up close and personal," visit the FSI Web site.*

Practice management: The risk dynamic

Imperiled by a host of obstacles, financial advisors need a multitude of robust solutions.

By Kevin Crowe

In the financial arena, risk is a ferocious adversary, ready to expose old weaknesses or spawn daunting new challenges to your professional viability. Left unaddressed, these risks—infrastructure, organizational, fiduciary, reputational, and client risk—can threaten your firm’s stability and financial health. But these risks can be controlled, perhaps even turned to your competitive advantage—if they are identified and properly managed.

Infrastructure risk

The cost of running your business is steadily rising. From 2006 to 2007, overhead expenses as a share of revenue rose from 36.9 percent to 39.3 percent for the average firm, with employee-related and information technology expenses accounting for nearly 60 percent of all advisory firm costs.¹ To a large extent, a firm’s long-term success (or lack thereof) is driven by its business processes and seamless integration of technologies. Given the recession’s impact on revenues and margins, a firm’s viability depends in large measure on its ability to mitigate risk by employing the most efficient and effective processes and integrated technologies. More importantly, your firm’s growth depends on your ability to scale internal business processes with low marginal costs to ensure long-term profitability.

Organizational risk

The organizational strategy represents the intersection of infrastructure and resource allocation. The application of both human

and financial resources can be subjective, and too often, advisors default to the “squeaky wheel” approach. Back-office and administrative tasks, which quickly clutter operations, can consume time, capital, and energy that should otherwise be devoted to current and prospective clients. Misallocation of human and financial capital can not only dampen the firm’s business viability—or financial soundness—but also the opportunity to grow longer-term. A lack of definition can lead to incongruous hiring and uneconomical compensation practices, mismanagement of roles and responsibilities and unpredictability of overhead expenses. Further, as solo or small advisory firms grow, the owner’s small-business mind set lingers, resulting in a “do-it-all” approach to running the business. This lack of a scalable organizational strategy overextends the advisor and staff, compromising efficiencies and increasing infrastructure risk. The end result is limitation of much-needed client contact and service functions, thereby encroaching further on the successful development of the firm.



Fiduciary risk

If you’re a fiduciary, you not only have an obligation to make decisions in the best interests of your clients, you also can be responsible for the actions of other agents and advisors—such as the custodians and portfolio managers who handle your clients’ money.

As a financial advisor, you should ensure that the institution holding your clients' assets segregates them from their own and holds them in each investor's name. Furthermore, you also may want to consider the utilization of a manager-of-managers model—one that offers auditable, scalable, and repeatable processes for manager selection and ongoing monitoring to provide transparency and consistency in how your clients' assets are managed.

Reputation risk

According to a report by The Conference Board, reputation risk is viewed by the majority of executives and investors as the most significant threat posed to a company's global business operations today.² The same could be said about successful, independent businesses like yours. Your reputation in the marketplace—the level of trust you've built among clients over many years—is a concrete business asset

that must be cultivated and protected. When the financial markets and economic conditions become dicey, the quality and value of your reputation can sustain your client relationships and set you apart from your competitors.

Client risk

The recent bear market, as deep and broad as any in recent history, has made clients distrustful of their financial advisors. Consider the results of a recent survey: 81 percent of investors with \$1 million or more in investable assets plan to take money away from their current advisor. An even larger number—86 percent—plan to tell other investors to avoid their advisor. Only 2 percent plan to recommend their current firm to other investors.³

The fact is, you can't control the markets. But you *can* impact the level of trust your clients have about your abilities, your processes, and your commitment to their financial objectives. Under all conditions, maintain a continuous focus on keeping an open, proactive dialogue with clients.

Realizing these risks and understanding the actions necessary to mitigate them are the keys to managing risks to your best advantage.

► *Kevin Crowe is senior managing director of SEI Advisor Network, a strategic business unit of SEI Investments Company. SEI's Risk Diagnostic Survey is available at seianswers.com/risk. For a copy of the Risk Dynamic White Paper, e-mail BDAccounts@seic.com.*

1 Pershing Advisor Solutions, LLC and Moss Adams, LLP, 2009.
2 Reputation Risk: A Corporate Governance Perspective, The Conference Board, 2007.
3 Prince and Associates, as quoted in The Wall Street Journal, Oct. 4, 2008; pB4.

Risk

On the air: FSI launches new podcast series

What you want, when you want it, and how you want it.



Tune in for FSI's new podcast series, starting in January, for thought leadership in audio form on regulation, the economy and the markets, behavioral finance, societal change, and other timely topics. Our new podcasts will round out the suite of member communications, encourage you to make FSI on iTunes an important "destination," and give you valuable perspective and insight—all available to you on your own listening schedule. Each podcast will be built on the theme of FSI bringing you content from our **education** (top speakers at OneVoice, for example), **events**, and **experts**.

Podcasts are episodic, downloadable, and content-driven. The word was originally created from the words "iPod" and "broadcast"; after Apple objected, the more-or-less accepted "definition" of podcast came to mean "personal on demand." And although the term "iPod" was in the original meaning, an iPod is not required to listen to a podcast—content can be accessed using any computer capable of playing media files. Popular since about 2004, you can now find podcasts on almost any topic from thousands of content creators. In January, you can get podcasts on topics important to your business from FSI.

The “100” project: What can we learn from centenarians?

After a chance meeting and an instant friendship with a 94-year-old woman who had accompanied her son, a financial advisor, to a conference at the Broadmoor Hotel in Colorado Springs, Steve Franklin, chief of new business development at Wells Real Estate Funds, was invited to her 100th birthday party in Nebraska. During their time together, Franklin asked her some simple questions about life and money. An idea was born: Franklin decided some interviews, maybe a dozen, with centenarians would make a fresh and interesting presentation for Wells’ breakout sessions at national conferences.



Franklin with 113-year-old Besse Cooper. She’s lived through 2 world wars, the turn of 2 centuries, and 21 presidents.

“I’ve been interested for a long time in all the research that Ken Dychtwald has done on baby boomers,” says Franklin. “But after talking to Mrs. Dwinell, I got really fired up about centenarians. I knew there was a lot of wisdom we could tap and pass on.”

That was in 2005. With Wells’ support, the “100” project, as Franklin calls it, grew into something quite different. Franklin and his team, including his executive assistant, Nancy Daniel, began scouring newspapers and the Internet for articles about centenarians and finding people through word of mouth. Eventually, Franklin connected with Lynn Adler and the National Centenarian Awareness Project, a non-profit organization based in Phoenix that advocates for positive aging. Adler helped Franklin find and pre-screen centenarians willing to be interviewed. By September 2009, Franklin and his team located and interviewed 114 centenarians born in 27 states and 10 countries and representing all socioeconomic levels. These centenarians’ interviews were captured in more than 200 hours of videotape and more than 1,500 still photographs. They include quite a few “notables:” Walter Breuning, 113, the world’s oldest man; the sixth oldest set of living twins in the U.S.; the oldest man still waterskiing; the oldest person in Georgia and eleventh oldest person in the world; and the oldest known practicing physician, a woman who helped develop the whooping cough vaccine and retired from her pediatric practice in 2001 at age 103.

No longer just a business project—although Franklin is wrapping up a book and a keynote presentation that he hopes to start delivering soon—it’s now a passion. “These centenarians are a national treasure and we can learn so much from them,” says Franklin. “We talked about money, work, stress, purpose, and how they got through tough economic times. All the headlines in 2009 about how our current economic woes are like the Great Depression, well, these people lived through it and have the tales to tell. There’s probably not one absolute ‘secret’ to their long lives, but to a person they seem to have an uncanny ability to not get stressed out. Many said to me, ‘Why does everybody worry so much about things not in their control?’”

As the project expanded beyond its initial idea, Franklin and Adler developed an 84-question survey and found a database that claimed to have names of 50,000 centenarians. Of the 50,000, almost 3,000 responded that they and their families would be willing to complete the questionnaire. So far, 300 have completed it and the surveys continue to come in. The survey questions include: Who first taught you about money? Have you ever had or used a credit card? What wisdom and advice do you have for younger people today about debt? What is the best financial decision you ever made? What is the worst? How do you define the word “rich”?

“These centenarians have lived through the Roaring 20s, the Great Depression, 18 presidents, numerous wars, bears and bulls, booms and busts, and the change from an industrial economy to an information economy,” says Franklin. “Some went broke early on; some went broke multiple times. None of them defines ‘rich’ solely as having a lot of money. All of them have incredible stories we need to hear.”

Wow—they still do what?

Franklin's "100" project unearthed some people notable for simply having made it to 100+ (and being willing to talk about it) as well as others notable for what they're still doing into their second century.

- Dr. Frank Schearer, who turned 104 in November, stopped waterskiing only after reaching age 101 after a lifetime of water and snow skiing, hunting, and fishing.
- John Donnelly, 103, was the National Senior Games Champion and Gold Medal winner in the Florida Senior Games State Championships in table tennis. Donnelly has participated in the Summer National Senior Games since 1991.
- Jack Bordon, 101, still practices law in Texas and was the Outstanding Oldest Worker for 2009.
- Mildred Heath, 101, a Nebraska journalist, was the Outstanding Oldest Worker for 2008.
- Gordie Miller, 100, still sails on San Francisco Bay.
- Marianne Crowder, 103, is the country's oldest Girl Scout.

Franklin also had a rare interview with Walter Breuning, 113, of Great Falls, Montana, the world's oldest man. Born September 21, 1896, Breuning is a supercentenarian, one of the 15 oldest verified people in the world, and the last known surviving man who was born in 1896. Breuning is in excellent health, able to walk, eats two meals a day, and always wears a suit and tie. Franklin also interviewed Beatrice Farve, the second oldest woman in the world (113) before she died in January 2009, and still keeps in touch with Besse Cooper, a "very sharp" 113-year-old woman.



Centenarian Gordie Miller, who still sails on San Francisco Bay: "I've forgotten how to spell the word 'work.'"

- ▶ Wells Real Estate is a premier sponsor of FSI. For more information about the "100" project contact Steve Franklin: steve.franklin@wellsref.com. For more information about the National Centenarian Awareness Project: adlercentenarians.org.

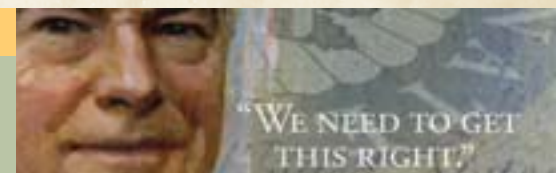


TALKBACK

Honest answers?—or puff piece?

Several comments from FSI members on our September FSI*Voice* cover story, an interview with Senator Chris Dodd, fell along the lines of, simply, "Why?" Specifically, why is FSI aligning itself with a senator whose actions and views have been controversial and, in the opinion of some, detrimental to our industry? And why did we prominently feature what one reader called a total "puff piece"?

We always welcome your feedback—and we always want to set the record straight. Featuring Senator Dodd was in no way intended as an *endorsement* of his policies, practices, or positions on any issues. Instead, it is important that FSI members know and understand the thinking and motivation of those in power and who have influence on our issues. Regardless of whether we agree or



disagree with him, as chair of the Senate Banking Committee, Senator Dodd is extremely influential on issues at the top of our priority list. *FSI is not a partisan organization.* We must work with whomever the voters decide to send to Washington in order for us to get the results we are seeking, namely a healthier regulatory environment for you and your clients. To do so, we will continue to be smart and principled in our approach.

Why Chris Dodd?

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MATT SCHWARTZ: OUR NEWEST ADVOCACY "RESOURCE"

In September, Matt Schwartz joined FSI as government affairs counsel, strengthening our focus on regulatory and legislative developments. Prior to joining FSI, Matt was an attorney in AEGON's corporate legal department, monitoring

and tracking regulatory rulemaking proposals, and also previously was a staff attorney in FINRA's office of dispute resolution. Matt earned his JD, cum laude, at Nova Southeastern University and a B.S. in criminology from Florida State University. Matt is a runner, loves live

music, and favors a quote from NFL coach Tony Dungy: "It's about the journey—mine and yours—and the lives we can touch, the legacy we can leave, and the world we can change for the better." Please welcome Matt to FSI. He can be reached at matt.schwartz@financialservices.org.

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