

## Possible options for Financial Label categories

The following are possible categories that could be included in a Financial Label. This could be automated and individuals could click all that apply – plus have the “other” category and appropriate blanks to fill in. This could be done easily and would not put an undue burden on the financial professional. However, it would help the client better understand what was being offered and at what cost, as well as providing full transparency.

<b>KEY FACTS ABOUT YOUR FINANCIAL PROFESSIONAL AND HIS/HER BUSINESS</b>	
<b>Standard of Conduct</b>	<ul style="list-style-type: none"> <li>■ <b>Commercial Standard</b> – Requires that the products and services sold are “suitable” for the client’s circumstances. Conflicts of interest are acceptable and need not be disclosed. Fee disclosure is generic.</li> <li>■ <b>Fiduciary Standard</b> – Requires, among other things, that the client’s best interests are put first; conflicts of interest are avoided or, if unavoidable, are fully disclosed and fairly managed, in the client’s favor. Fee disclosure is detailed and specific to the individual client relationship.</li> </ul>
<b>Scope of products and/or services offered</b>	<ul style="list-style-type: none"> <li>■ Provide insurance products only</li> <li>■ Provide insurance advice and products</li> <li>■ Provide estate planning</li> <li>■ Provide charitable planning</li> <li>■ Provide business succession planning</li> <li>■ Provide tax planning</li> <li>■ Provide investment products only</li> <li>■ Provide investment advice only</li> <li>■ Provide investment advice and products</li> <li>■ Provide retirement planning</li> <li>■ Develop comprehensive financial and investment plan</li> <li>■ Implement, monitor and manage investment recommendations.</li> <li>■ Other</li> </ul>
<b>Fees and Expenses paid by Investor</b>	<ul style="list-style-type: none"> <li>■ \$_____ up front planning fee</li> <li>■ \$_____ ongoing investment management fee quarterly</li> <li>■ Investment implementation fee from ___% to ___%.</li> <li>■ Separate manager/fund expenses from ___% to ___%</li> <li>■ Transaction fees add \$__ to \$__ a year</li> <li>■ Commission of \$__ to \$__%</li> <li>■ 1<sup>st</sup> year commission \$___; ongoing commissions \$___</li> <li>■ 12b1 fees of \$___</li> <li>■ Other</li> </ul>
<b>Potential Conflict of Interest</b>	<p>Potential conflicts include:</p> <ul style="list-style-type: none"> <li>■ Proprietary product at higher commission rate</li> <li>■ Company is market maker in product</li> <li>■ Product sponsor pays marketing fee to broker-dealer for extra exposure</li> </ul>

	<p>to firm's advisors</p> <ul style="list-style-type: none"><li>■ Other</li></ul> <p>(Also see "Standard of Conduct" definition, and ADV brochure.)</p>
<b>Product restrictions</b>	<ul style="list-style-type: none"><li>■ Limited to the universe of products approved by the Company</li><li>■ Limited to proprietary products created by the Company</li><li>■ Limited to licensing registrations</li><li>■ Other</li></ul>