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APRIL 6-10, 2020

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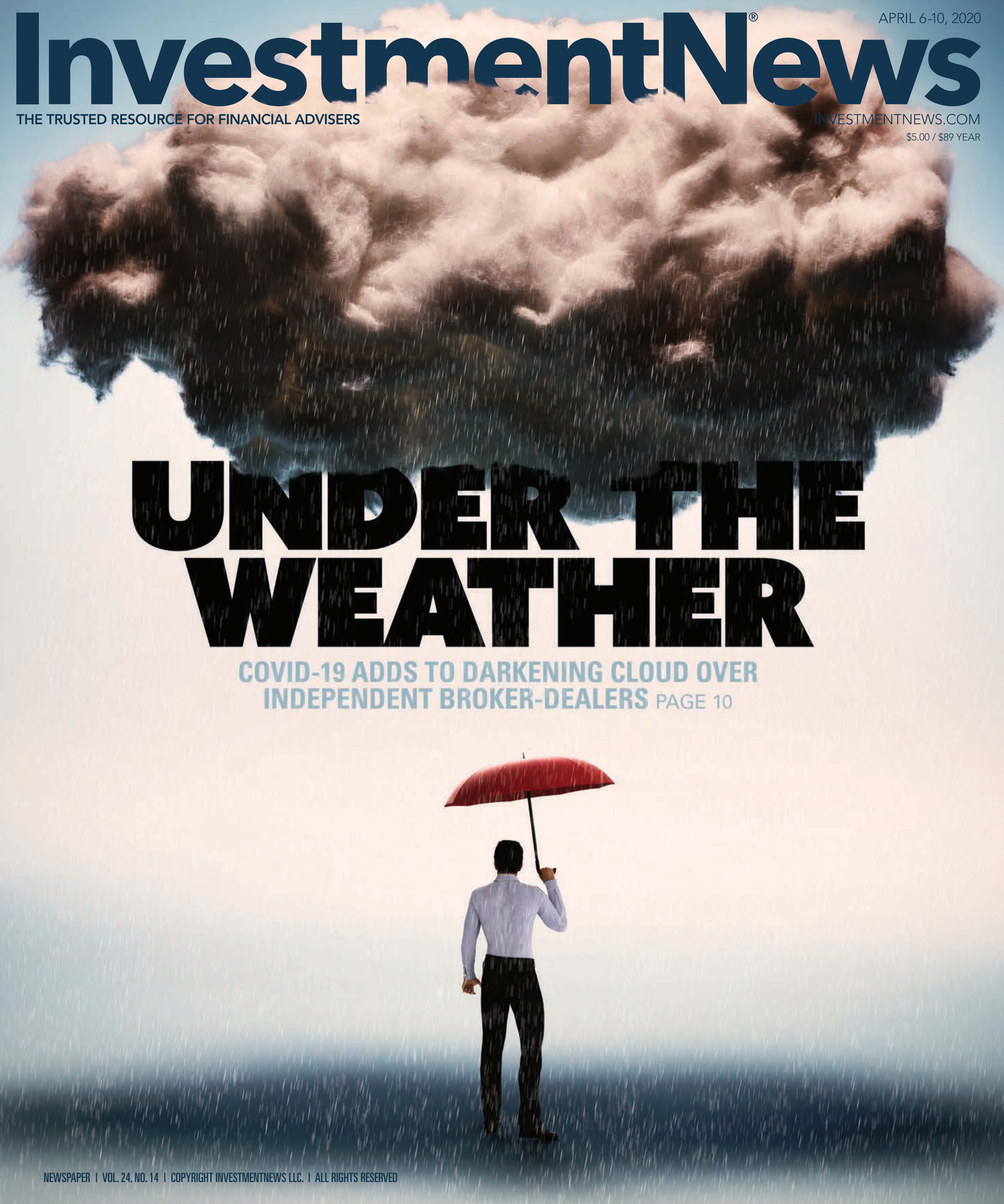

UNDER THE WEATHER

COVID-19 ADDS TO DARKENING CLOUD OVER INDEPENDENT BROKER-DEALERS PAGE 10

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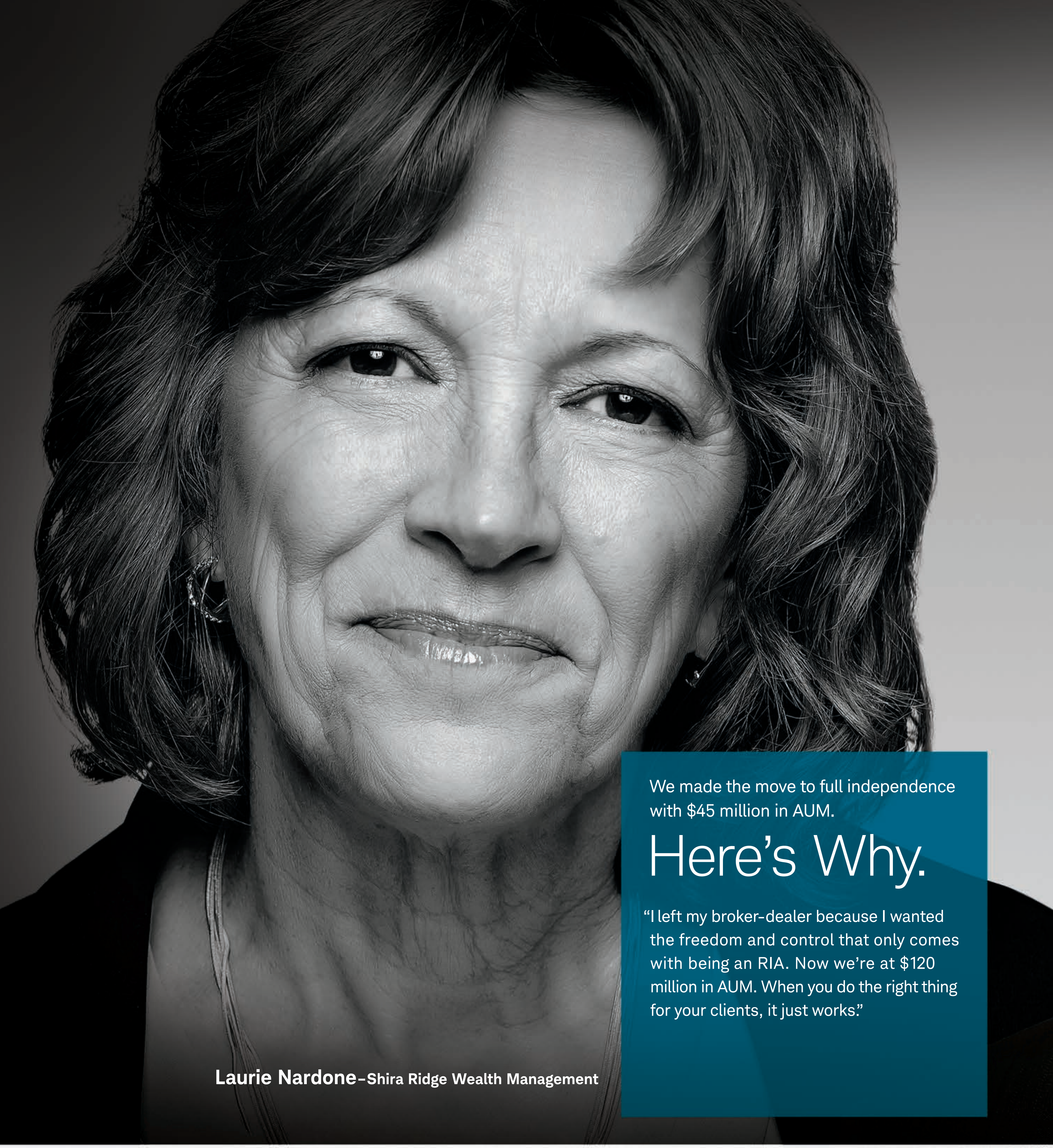

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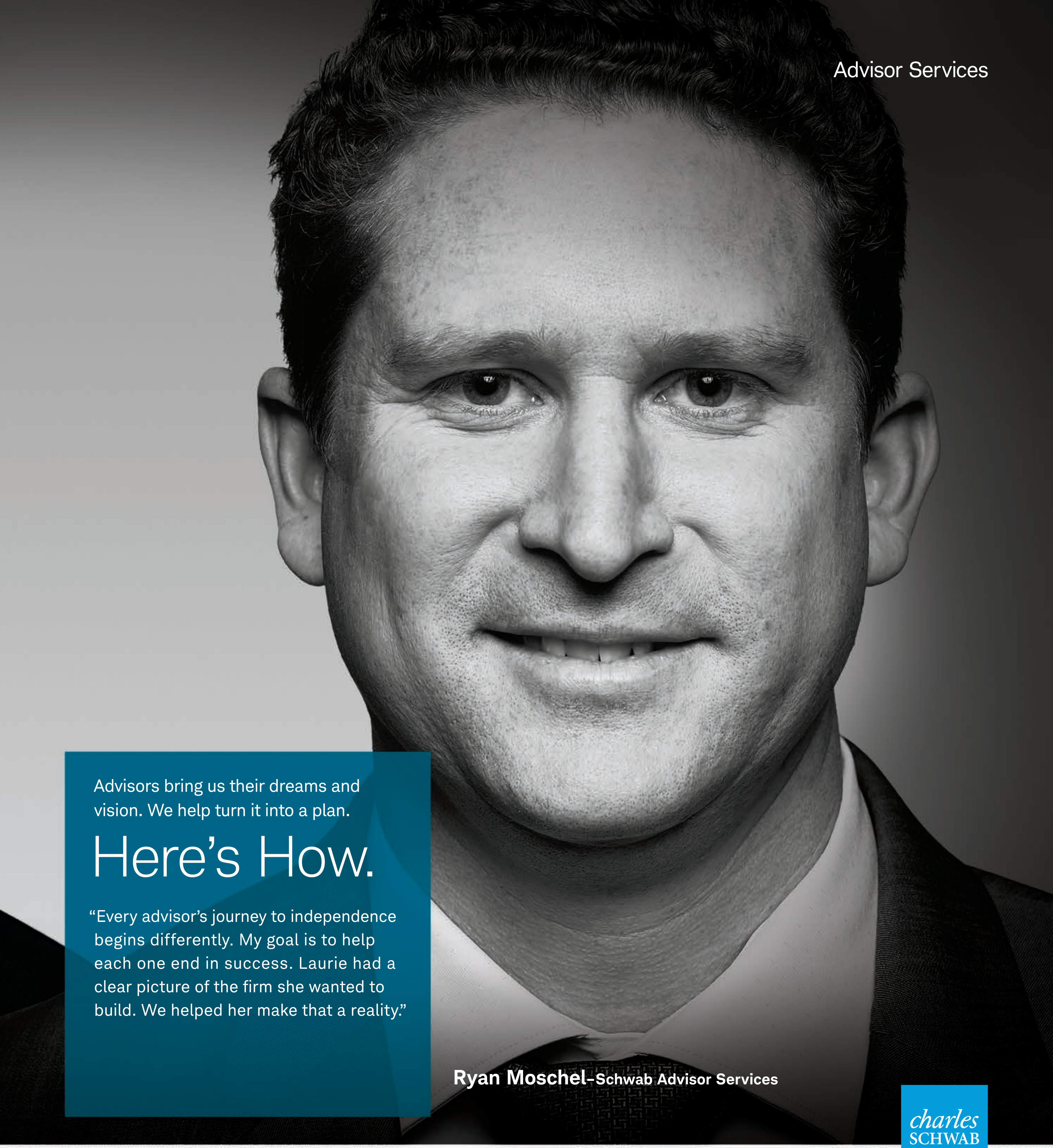

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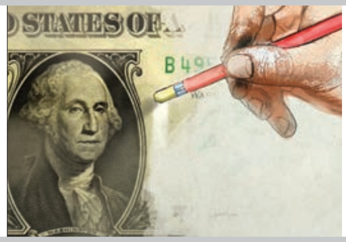
APRIL 6-10, 2020



Retirement Relief
Ed Slott lists additional steps Congress should take to bolster 401(k)s and IRAs.

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Finlit Month
Economic disruption brings new urgency to the financial illiteracy epidemic.

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EDITOR'S NOTE

Keeping the morale up

'It feels good to laugh.'

That's how a recent call with our *InvestmentNews* advisory board wound up, and it seemed particularly apt to the pervasive mood in this third week of "the new normal."

Week 1 brought the adrenaline of the new reality to the fore, and people were energized to tackle the challenge of getting work done under new circumstances. Week 2 saw the resumption of "normal" activities and the concomitant buzz of newness. Now, in Week 3, a sense of drudgery has set in.

GEORGE B. MORIARTY

Allow me to share insights I've gleaned over the past couple of weeks that have helped maintain morale.

First, overcommunicate. The consistent refrain has been that readers, users and clients will remember the people who reached out to them, and will quickly forget or dismiss those who put their head in the sand.

Second, engage face to face. Turn on the camera for that Zoom; it's so helpful to see people's faces.

Most important, innovate and share. None of us have been through this before, so don't be shy about sharing your ideas. I've enjoyed reading, listening and watching new ideas, which, even if not directly applicable, can spark indirect ideas.

Lastly, share a silly meme or story about what's happened in your home. It will trigger that laugh — and those laughs will keep the morale up.

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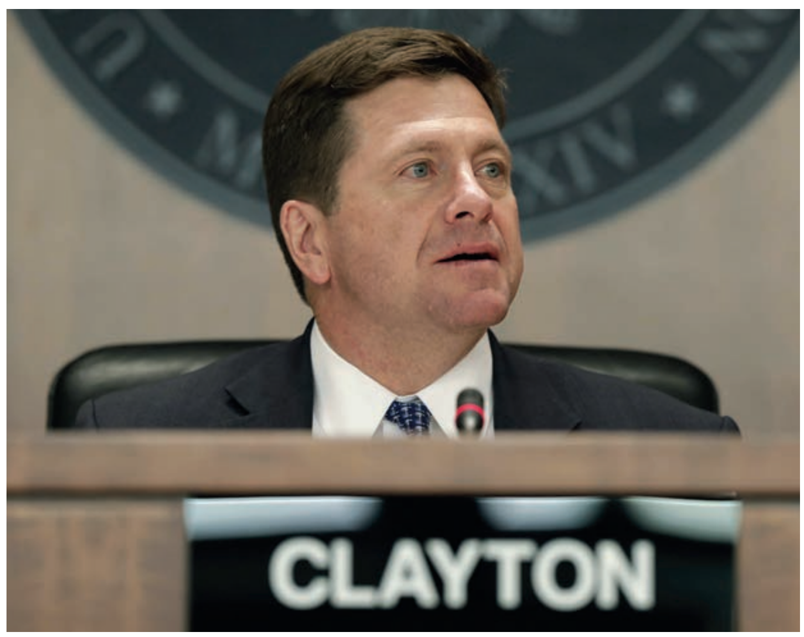
SEC sticks to June 30 deadline for Reg BI



BY MARK SCHOEFF JR.

KEY POINTS
- Financial firms must comply with Reg BI by June 30.
- Firms must also prepare a Form CRS, outlining fees, services and conflicts of interests.

THE SECURITIES AND Exchange Commission will maintain a planned deadline for implementation of a major investment-advice rule, Chairman Jay Clayton said in a statement last Thursday.

Financial firms must comply by June 30 with Regulation Best Interest, which is meant to raise the advice standard for brokers. They also must prepare a client relationship summary, known as Form CRS, that outlines their fees, services and conflicts of interests and describes the differences in those areas between brokers and investment advisers.

For the past several weeks, the SEC has been granting regulatory relief in a number of areas – such as extending the deadline for the filing of investment adviser registration forms – in response to the dislocations caused by the COVID-19 outbreak. Many financial firms are now working remotely, as is the SEC staff.

KEEPING PACE

But the SEC is keeping the pace on Reg BI and Form CRS, the main components of an advice-reform regulatory package the agency approved last June. The changes were designed to illuminate and reduce conflicts of interest for brokers and move the broker standard closer to the fiduciary duty that will continue to govern advisers' interactions with their clients.

Trade associations representing investment advisers and brokers had been pushing the SEC to delay

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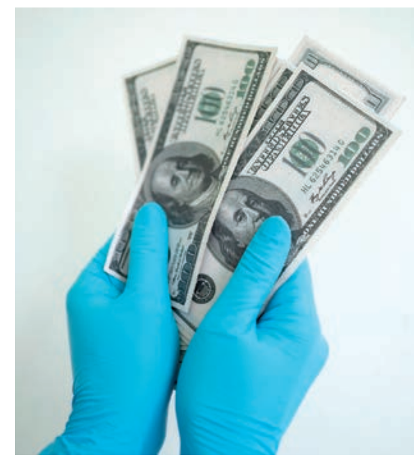

401(k) provider facilitates COVID-19 withdrawals

BY EMILE HALLEZ

ONE 401(K) PLAN provider is making it easier for participants to take early withdrawals and loans amid the COVID-19 pandemic.

Voya Financial will begin rebating fees associated with hardship and COVID-19-specific withdrawals, as well as loan origination fees, the company announced last Wednesday.

"We have seen an increase in loans and hardships in early March and expect them to increase in the next several months," a company spokesperson said in an email. "We recognize that some may have no choice but to access their retirement savings to address the financial challenges that they are facing today. Providing them with withdrawal and loan fee-credits is one way we can help to alleviate their expenses."

As part of the recently passed Cares Act, defined-contribution plan participants have easier access to their money. People who are affected by COVID-19 can take withdrawals of as much as $100,000 without the usual 10% penalty. The new law also allows loans of up to $100,000.

Voya estimates that the fees it re-

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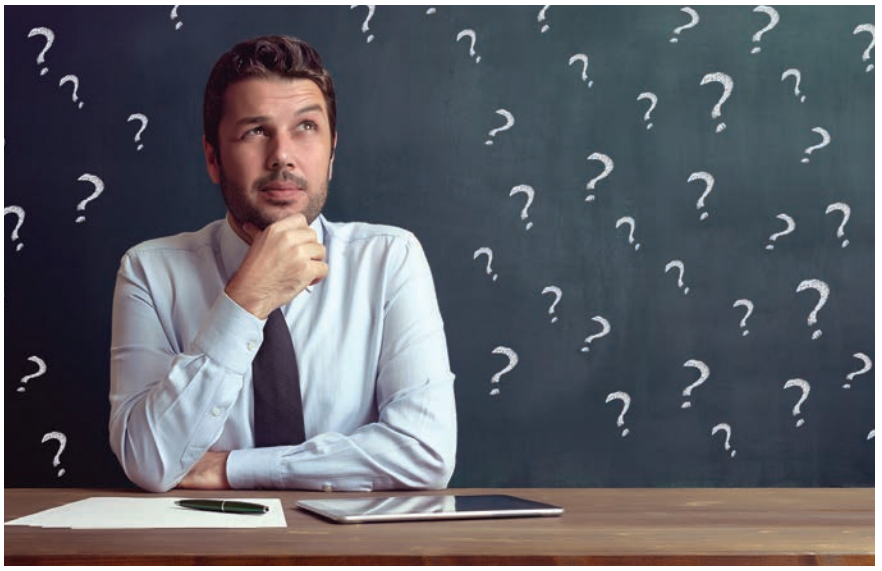
Should fee-based advisers take Cares loans?

The $2.2 trillion coronavirus stimulus package appears big and expansive enough to include something for just about everyone.

For financial advisers, especially those eligible for emergency funding through the Small Business Association, this might be a time to test your mettle as an asset-based fiduciary adviser.



INSIGHTS
JEFF BENJAMIN

According to Live Oak Bank, the nation's leading SBA lender that has carved out a niche writing loans to registered investment advisers, the stimulus package includes two unique opportunities for advisers.

Specific details are still to come on SBA loans through the massive Coronavirus Aid, Relief and Economic Security Act, but it looks like existing SBA loans will be eligible to have the principal and interest paid by the government.

PAYMENT PROTECTION

The second piece of the CARES Act, about small-business support, involves access to SBA loans equal to 2.5 times a business' monthly payroll expense, which is part of the stimulus package's Payment Protection Plan.

Those loans, which cap any individual's monthly income at $8,333, or $100,000 per year, also include government support on the monthly loan payments for up to one year, after which the loans are potentially forgivable if certain guidelines are followed.

"RIAs that have been affected by COVID-19 do qualify for the SBA lending programs," said Mike McGinley, executive vice president of Live Oak Bank.

"If you are asking me whether RIAs should be taking advantage of the Payment Protection Program, I would say that if they have been adversely affected by COVID-19, then they are eligible for the funds," he said. "As an example, if AUM has decreased because of the drop in the equities markets."

Like McGinley, who was scrambling to decipher the lending rules as the SBA geared up to start taking applications at the end of last week, David DeVoe, managing director of DeVoe & Co., has been analyzing the fine print.

LENDING PROGRAMS

"This creates opportunities RIAs should be considering, and it's appropriate for advisers to determine if and when the programs might help them during this time and to consider which programs might be best for their clients," said DeVoe, who is hosting a webinar to help advisers grasp the lending programs.

It would be foolhardy to assume Congress could produce a piece of perfect legislation, even under ideal circumstances, and this stimulus package is no exception.

The SBA program, which will include loans of up to $10 million, can be a great tool for scrappy advisers to help business-owner clients navigate these uncertain times. But is this really a tool that should be accessed by RIAs that are still collecting asset-based fees, just because the stock market has pushed those fees lower?

$8,333
MONTHLY INCOME CAP PER PERSON UNDER CARES ACT

DeVoe makes a solid case for how even RIAs "without acute capital needs" can use the emergency lending programs "to help firms reduce destruction or come out of this as strong as possible."

Whatever the other side of this virus looks like, coming out stronger is an unimaginable luxury to the restaurants, hair salons and thousands of other small businesses that completely shut down.

It might be unfair to make a comparison now to the people hoarding toilet paper and hand sanitizer, but if your fees are down because the market is down, maybe just be grateful for the fees you have and leave the stimulus funds for those more in need.

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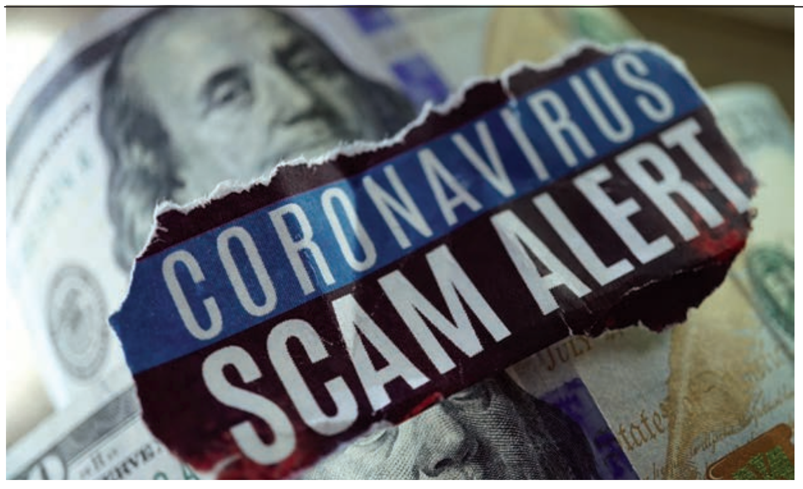

Scammers target Social Security accounts with virus-related ploy

BY MARY BETH FRANKLIN

A NEW WAVE OF scams has emerged that play on the public's fears about the COVID-19 virus. The scams involve sending letters to Social Security recipients warning that their benefits will be suspended as a result of SSA field office closures unless the beneficiaries call the phone number referenced in the letter. If recipients call the number, they may be conned into providing personal information or paying money.

"Social Security will pay monthly benefits on time and these payments will not be affected by the COVID-19 pandemic," Andrew Saul, commissioner of Social Security, said in a statement last week. "I want our beneficiaries to be aware that scammers may try to trick you

CONTINUED ON PAGE 27

Envestnet taps William Crager as its CEO

Envestnet's board of directors has appointed William Crager as the company's chief executive. Crager, the company's former president, had been serving as interim CEO since the accidental death of Envestnet founder and CEO Jud Bergman in early October 2019.

-InvestmentNews

Cambridge lands $1.5 billion branch from Advisor Group

BY BRUCE KELLY

SECURITIES AMERICA INC., a large broker-dealer that is now part of the Advisor Group network, lost a giant branch office with $1.5 billion in client assets, 50 advisers and at least two dozen offices across the country to rival Cambridge Investment Research Inc.

The two top executives of Cooper McManus Wealth Management, Arthur Cooper, managing director, and David McManus, senior wealth manager, switched their registration from Securities America to Cambridge on March 27, according to their profiles on BrokerCheck.

Cambridge confirmed the move last Friday. "We are pleased to welcome this group and their mix of hybrid and fee-only financial professionals reflecting approximately $1.5 billion in assets

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State securities regulators not being slowed by COVID-19

BY MARK SCHOEFF JR.

STATE SECURITIES regulators are expressing confidence that they're not missing a beat in their oversight of investment advisers and brokers despite disruption caused by the COVID-19 pandemic.

The North American Securities Administrators Association has been surveying its members to see how they're doing. So far, so good, seems to be the answer.

"All state regulators are continuing to operate," said Christopher Gerold, chief of the New Jersey Bureau of Securities and NASAA president. "Most of them are working remotely with a skeleton crew in the office."

Regulators are conducting examinations, pursuing enforcement cases and maintaining financial adviser registrations outside the office, as remote regulation becomes the new way of doing business.

KEY POINTS

- States have adapted quickly to remote regulation of adviser activities.
- State regulators oversee advisers with < $100M AUM.

For some states, the change hasn't been a big shock. In Vermont, 108 of 110 employees in the Department of Financial Regulation are currently working from home. But during normal times, 65 examiners have been based at home anyway.

"It's not that much different to do it completely remotely," said Michael Pieciak, Vermont securities commissioner. "We're still fully regulating the industry remotely."

The Alabama Securities Commission is up-to-date on licenses and registrations, most of which are filed electronically, according to its director, Joseph Borg.

"My IT team has done a damn good job," Borg said. "Surprisingly enough, the transition [to remote work] went smoother than I thought it would."

Various states have followed the Securities and Exchange Commission's lead and offered regulatory relief to advisers and brokers.

For instance, both New Jersey and Alabama are allowing advisers to work from their homes if they're registered in a nearby state where their offices are located.

"We will give them a waiver as long as they notify us," Borg said.

STATE-BY-STATE ACTIONS

More than 30 states have extended certain deadlines and provided other temporary relief, Melanie Lubin, Maryland Securities commissioner, said in March 25 testimony before the Financial Stability Oversight Council.

NASAA provides on its website a list of states that have taken steps to ease regulatory requirements in response to the disruption caused by the coronavirus.

"Because many of us are working remotely, our regulators are reaching out to our registrants to establish lines of communications and to figure out ways to address delays that might be caused by dislocations," Lubin said.

That's the approach that Pieciak is taking toward advisers and brokers in Vermont.

"Our advice to them is to exercise

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American Century launches a pair of nontransparent ETFs

BY JEFF BENJAMIN

AMERICAN CENTURY Investments announced last Thursday that it was launching two actively managed nontransparent exchange-traded funds, making it the first asset manager to do so.

The $148 billion asset manager was widely expected to be the first on the block with the unique fund structure, which trades throughout the day like other ETFs but only discloses its underlying holdings through quarterly public filings.

Ed Rosenberg, head of ETFs at American Century, said the COVID-19 pandemic had delayed the launch of the two new ETFs only slightly as a result of logistical issues related to gathering signatures from various market participants involved in trading and market-making.

"Everyone within the system has to be comfortable launching this structure within the market, and talking with ev-

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Top 10 advice firms ranked by investor satisfaction

Advisory firms are heading into this year's market turmoil "from a position of strength," according to J.D. Power's 2020 U.S. Full Service Investor Satisfaction Study. The survey shows a record level of overall investor satisfaction with full-service wealth management firms: 850 out of a possible 1,000 points. The rankings are based on a survey of 4,532 investors.

9 Stifel Nicolaus & Co.
2020 score: **844**
2019 score: **827**

8 Morgan Stanley
2020 score: **846**
2019 score: **844**

7 Chase
2020 score: **847**
2019 score: **826**

6 Wells Fargo Advisors
2020 score: **852**
2019 score: **829**

5 Ameriprise
2020 score: **855**
2019 score: **838**

4 Raymond James
2020 score: **857**
2019 score: **836**

4 Charles Schwab
2020 score: **857**
2019 score: **842**

3 Edward Jones
2020 score: **860**
2019 score: **853**
While Edward Jones saw its score rise, it fell in the rankings from first place in 2019.

2 Fidelity
2020 score: **865**
2019 score: **836**
Fidelity rose in the rankings after tying for eighth place last year.

1 RBC
2020 score: **873**
2019 score: **848**
In 2019, RBC ranked second.

— InvestmentNews

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Current crisis could damage retirement security in long run

It may not turn out to be as lethal as the 1918-20 influenza pandemic, which infected 500 million people and killed 50 million worldwide. And its economic damage may not be as devastating as the Great Depression, which saw unemployment peak at 24.9% in 1933 and linger above 14% from 1931 to 1940. But COVID-19's unusual one-two punch on both health and the economy is likely to produce its own long-lasting negative effects.

One of these is almost sure to be a chilling impact on the retirement security of millions of Americans for years to come.

To be sure, getting through the current economic crisis is foremost on everyone's mind. An arsenal of unprecedented monetary easing coupled with astounding fiscal stimulus has been pressed into service to avert economic implosion. But like the public health experts who are uncertain about the course of the pandemic and its impact, economists and business leaders — as well as workers of all stripes — are anxious and unsure despite the government's efforts.

$400 EMERGENCY

Most American workers have a lot to be unsure about. Last May, for example, a Federal Reserve survey found that almost 40% of American adults wouldn't be able to cover a $400 emergency with cash, savings or a credit-card charge that they could quickly pay off. What happens now when many of those same people are out of work and the rent is due?

If the choice becomes food versus rent, saving for retirement is off the table. Of course, if a quick economic turnaround occurs once the pandemic is contained or reversed, a few months or even a year or two of not making 401(k) or IRA contributions for someone in their 20s or early 30s would not be a retirement killer. But if joblessness persists, especially among those in their higher-earning 40s, the missing contributions would be meaningful.

Compounding that problem for those over 50 if temporary layoffs become permanent would be the difficulty in finding comparably paid work. An individual or couple that age on a trajectory to a satisfactory retirement could find themselves looking at a vastly different picture.

THREAT TO SOCIAL SECURITY

Social Security, an essential source of income for the majority of retirees, also may be threatened. As Mary Beth Franklin recently noted, previous economic downturns have prompted people to file for benefits earlier than they might have planned because they need the income. That means lower retirement income for them and a strain on the Social Security trust fund. Another strain comes in the form of high unemployment levels that reduce payroll tax revenue to the fund. To pay tomorrow's retirees, will payroll taxes have to rise? Will benefits be cut? Both? Will an already strained federal budget have to be tapped?

Those troubling and retirement-threatening longer-term issues are separate from the adverse impact on wealth that this year's first quarter has wrought. During that period, the S&P 500 lost a fifth of its value and the Dow Industrial Average suffered its worst quarter ever, down 23.2%.

Prior to the pandemic, a bull market in equities had compensated for low yields and the shortcomings of defined-contribution plans in the building of retirement nest eggs.

Today, markets and the economy seem to be conspiring to shrink those nest eggs, posing a challenge for investors and their advisers in achieving a comfortable retirement. For the tens of millions of Americans who can only aspire to require the services of an adviser, the challenge may be unsurmountable.

MARKETS AND THE ECONOMY SEEM TO BE CONSPIRING TO SHRINK NEST EGGS, POSING A CHALLENGE FOR INVESTORS AND THEIR ADVISERS IN ACHIEVING A COMFORTABLE RETIREMENT.

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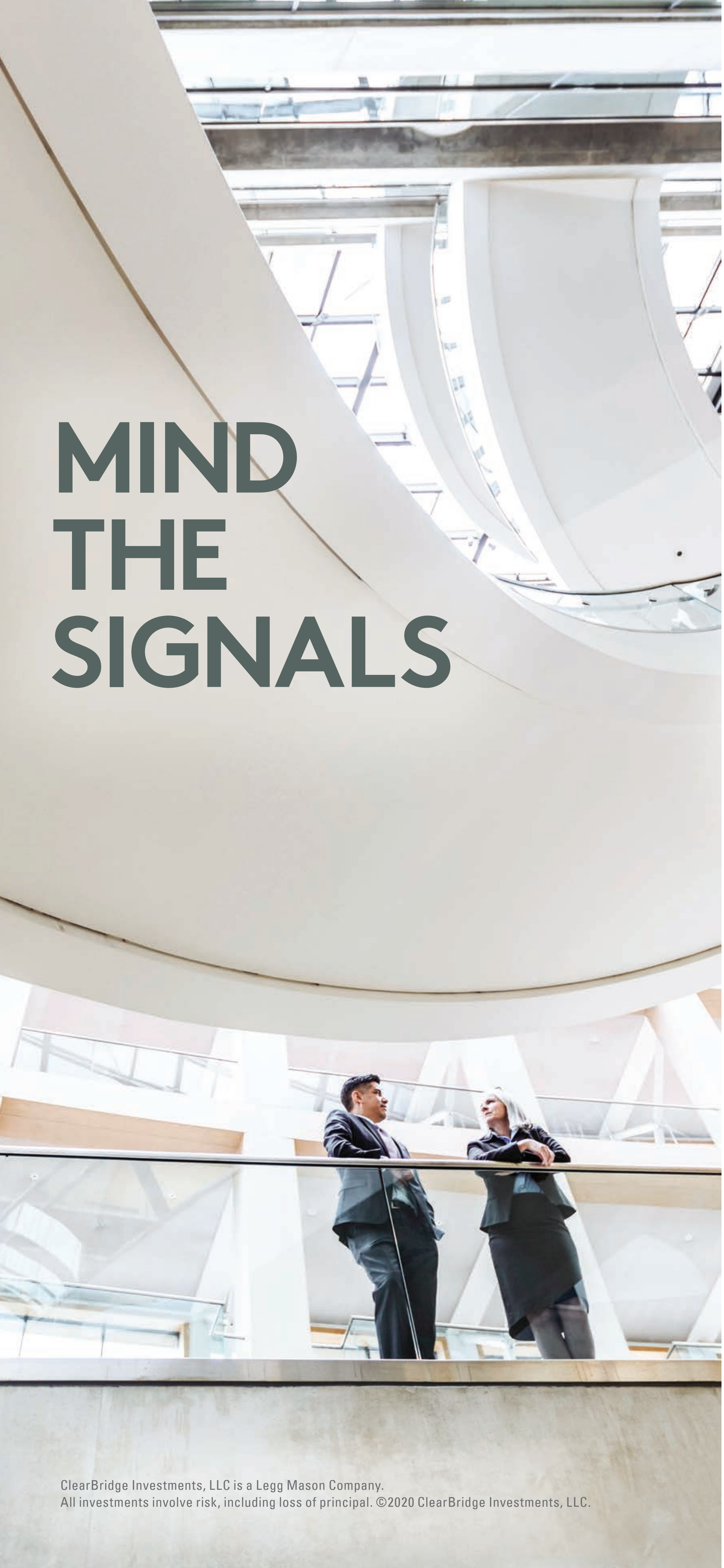

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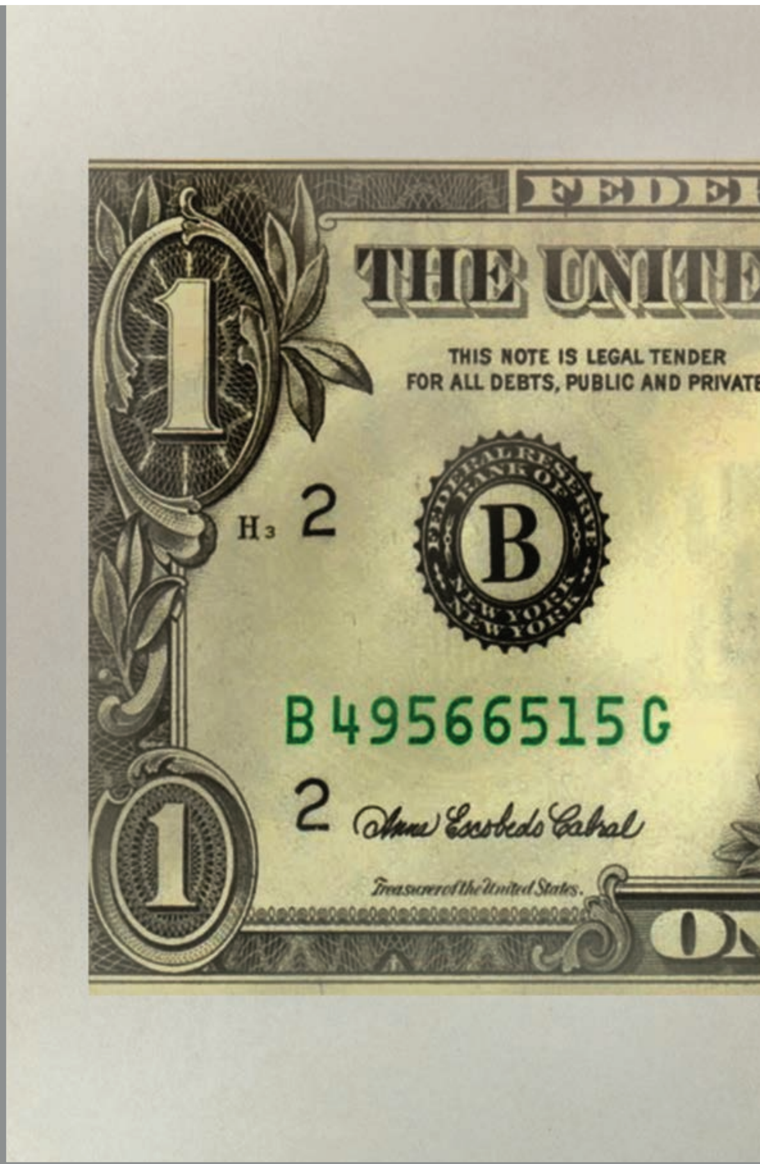
IBDs FACE HARD TIMES IN 2020



A DECLINE IN ASSETS AND CUTS TO INTEREST RATES SPELL A SHARP HIT TO IBD REVENUE THIS YEAR

BY BRUCE KELLY

After several years of steady growth, the independent broker-dealer industry is bracing for a dramatic downturn as the Americans work to understand COVID-19's impact on the U.S. economy and financial markets.

The industry is coming off a few relatively strong years and therefore as a group appears to be in better shape than it was in following the credit crisis 12 years ago. That era saw dozens of poorly capitalized, small to midsize independent broker-dealers fail as the result of legal liabilities related to their sales of high-risk alternative investments. In an effort to slash risk, large insurance companies sold broker-dealers.

In 2019, the 25 largest independent broker-dealers reported $26.2 billion in revenue, an increase of 8.3% from 2018, when those same firms reported $24.2 billion in revenue, according to InvestmentNews Research. Historic returns over much of the past 20 years have seen the leading 25 firms as a group report revenue growth of close to 10%.

But the IBD industry, which has been in the throes of consolidation since the 2008-09 credit crisis, should expect more hard times and retrenchments in 2020 as a result of the fallout from the coronavirus pandemic.

That fallout includes a decrease in firm revenues as a result of declining levels of assets, with the Dow Jones Industrial Average falling 28% from its recent record high in February. The industry has been steadily moving to charging clients fees based on assets rather than transactions, so its exposure to a downturn is greater than it was a decade ago. And net income will take a hit as a result of last month's move by the Federal Reserve to reduce short-term interest rates by 50 basis points, slicing the spread that firms generate on clients' cash deposits.

DOUBLE WHAMMY

That will be a double whammy for many broker-dealers, executives said.

"In a crisis, the well-capitalized and well-run businesses always do better," said Mark Casady, former CEO of LPL Financial and now the general partner at Vestigo Ventures, an early stage venture capital shop focused on fintech. "There will be a flight to quality in IBDs and in custodians. This happened in the 2008 crisis and will concentrate the industry even further, which is long overdue."

The term 'independent broker-dealer' reflects the fact that firms' brokers and financial advisers are paid as independent contractors. That's in contrast to the big bank wirehouses, which compensate their advisers as employees. The reps who work at IBDs capture a higher percentage of revenues per dollar generated, but also wind up paying more for expenses such as rent and staff.

"Removing the cash spread is painful for an IBD that is not self-clearing," Casady said. "Those earnings are now gone, especially in light of the cut of trading fees started by Schwab."

The income involved is meaningful. LPL Financial, the industry bellwether, reported $59 million in interest and other income last year, up from $48 million a year earlier, according to a January presentation.

Firms are already reporting declines in assets. Raymond James Financial Inc., which has a variety of platforms for advisers, including a large independent broker-dealer, on March 23 said client assets under administration in its private client group fell 5% over the four weeks of February as the COVID-19 virus began its spread in the United States.

It's not all bad news for IBDs' potential sales this year, however. Market volatility can be a plus for broker-dealers. Firms generate revenue from trading commissions, although those are under pressure given that discount brokers recently cut the price of some trades to zero, executive said. And brokers and financial advisers are undoubtedly rebalancing clients' stock and bond portfolios as the market dives and climbs.

28%

DROP IN DOW JONES INDUSTRIAL AVERAGE SINCE ITS RECORD HIGH IN FEBRUARY

ANNUITIES BENEFICIAL

Large independent broker-dealers, many of which are owned by insurance companies, could also benefit this year from an increase in sales of annuitized products such as variable and fixed annuities, executives said. The sharp decline in the market in March could drive investors into products that put caps on investor gains and losses and might be more popular in the wake of such shocking market volatility.

Financial advisers, many of whom have small-business owners for clients, will be working to understand the various federal stimulus packages emerging from Washington that provide billions of dollars of aid for such businesses.

"Small-business owners in particular will feel this impact," said Evamarie Schoenborn, CEO and president of Northwestern Mutual Wealth Management. "Our advisers will be helping clients think through their options."

Private equity owners of IBDs will be tested during the downturn

BY BRUCE KELLY

Private equity investors have been major players in the independent broker-dealer industry since 2005, when two top-tier managers, Hellman & Friedman and Texas & Pacific Group, now TPG, bought 60% of LPL Financial.

Five years later, they took the company public at $30 per share. The initial public offering was an unqualified success, with LPL shares flirting with $100 per share this year before the COVID-19 pandemic sparked a market sell-off.

Other private equity managers obviously took notice, as they've been snatching up registered investment advisers for the past 10 years.

Although broker-dealers are larger than RIAs when it comes to assets, B-Ds are less profitable, with margins in the single digits, compared with margins of 20% to 30% for RIAs.

But after the 2016 election of President Donald Trump signaled the end of the Department of Labor's expensive fiduciary rule for broker-dealers, private equity managers began acquiring giant broker-dealer networks with thousands of financial advisers. Those included Cetera Financial Group in 2018 and, a year later, Advisor Group and Kestra Financial.

DEBT CONCERNS

Private equity funds typically use high levels of debt to complete their purchases, and that debt concerns some in the marketplace now that broker-dealers face a harsher economic environment.

How will they hold up as they deal with the fallout from the COVID-19 pandemic, which includes the broad market sell-off and a sharp decline in interest rates, which hurts broker-dealers' spreads on client cash? Will the broker-dealers acquired by PE funds be able to spend as much on technology, marketing and recruiting as they had planned to do before the current bear market?

In a note from March, Moody's Investors Service Inc. said that while it was reaffirming the credit rating for Cetera's parent company, Aretec Group Inc., at B3, it changed the company's outlook to negative from stable. Moody's also cut the rating on Advisor Group's debt to B3 from B2.

"Aretec's negative outlook reflects a challenging macroeconomic environment which will weigh on the firm's revenue in the form of lower asset-based and advisory fees," according to the ratings agency. "The negative outlook also reflects the elevated debt level and the increasing probability of deterioration in debt-servicing capacity now that interest rates and market levels have declined."

"Although Advisor Group's revenue has benefited from macroeconomic tailwinds between 2017 and 2019, including higher interest rates and strengthened levels of client assets, Advisor Group has also engaged in debt-funded acquisitions, delaying its organic deleveraging during this favorable period," Moody's noted.

Such concerns weigh on broker-dealers owned by private equity managers, according to one industry observer.

"These high levels of leverage of the broker-dealers leave little margin of safety, as up to half of cash flow goes to servicing debt," said Jonathan Henschen, head of an eponymous recruiting firm. "As a result, the growth of the business slows."

"With the recent drop in interest rates, these broker-dealers now have very little revenue from money market sweep account revenue, which is why Moody's dropped the rating on Advisor Group, and both Advisor Group and Cetera were put on negative credit watch," Henschen said. "As broker-dealer revenue drops, but costs to maintain debt service remain the same, what happens to technology improvements, services and staffing levels?"

> **"ALL FIRMS AND ADVISERS ARE FEELING PAIN RIGHT NOW."**
>
> ADAM ANTONIADES, CEO, CETERA FINANCIAL GROUP

NOT CREATED EQUAL

Not all private equity acquisitions are the same, industry executives and observers say. The firms that were the earliest to buy broker-dealers, before the recent market peak, are likely to be in better shape. And if private equity funds finance their deals with floating-rate debt — which has recently seen a decline as a result of the Fed's rate cut — that helps, too.

Genstar Capital sold $1 billion in junk bonds in 2018 to help finance its acquisition of Cetera.

"Our debt payments will go down because we have a variable interest rate on the debt," Adam Antoniades, CEO of Cetera, said in an interview last month. "That gives us a little relief."

The firm will "absolutely" continue to invest in the business, he said, particularly its ongoing technology overhaul, but will have to be diligent during the rough time in the markets and given all the unknowns related to the coronavirus.

"All firms and advisers are feeling pain right now and have to manage their circumstances," Antoniades said.

Another executive remains upbeat.

"Kestra Financial has the benefit of a strong balance sheet, balanced and diverse revenue streams and is financially equipped to manage through the current environment," Kestra CEO James Poer wrote in an email.

bkelly@investmentnews.com
Twitter: @bdnewsguy

TOP INDEPENDENT BROKER-DEALERS 2020

RANKED BY REVENUE

	Firm	2019 revenue ($M)	% change vs. 2018	2019 commission revenue ($M)	% change vs. 2018	2019 fee revenue ($M)	% change vs. 2018	2019 other revenue ($M)	% change vs. 2018
1	LPL Financial	**$5,624.9**	8.4%	$1,892.4	-1.4%	$1,982.96	10.6%	$1,749.6	18.6%
2	Ameriprise Financial Services	**$5,068.5**	5.5%	$1,196.2	-1.1%	$2,838.4	7.6%	$1,033.9	8.2%
3	Raymond James Financial Services Inc.	**$2,611.4**	6.5%	N/D	--	N/D	--	N/D	--
4	Commonwealth Financial Network	**$1,552.7**	8.9%	$252.0	7.5%	$1,052.7	7.8%	$248.0	15.5%
5	Northwestern Mutual Investment Services	**$1,351.2**	10.8%	$341.0	4.4%	$892.4	13.4%	$117.8	11.3%
6	MML Investors Services	**$1,184.7**	5.2%	$689.0	1.6%	$484.3	9.1%	$11.4	145.5%
7	Royal Alliance Associates Inc.	**$961.1**	59.1%	$439.1	81.5%	$350.1	36.9%	$171.8	61.7%
8	AXA Advisors	**$945.7**	3.5%	$635.4	0.3%	$260.2	9.6%	$50.1	16.2%
9	Lincoln Financial Network	**$847.2**	8.3%	$565.8	14.2%	$256.0	17.6%	$12.6	2.1%
10	Securities America Inc.	**$729.5**	4.1%	$311.5	0.0%	$319.3	6.7%	$98.7	9.8%
11	Kestra Financial Inc	**$570.7**	3.9%	$198.3	1.4%	$319.2	5.3%	$53.2	12.5%
12	Waddell & Reed Financial Advisors	**$513.8**	-1.7%	$141.9	-10.7%	$269.3	3.6%	$102.6	-1.4%
13	Avantax Wealth Management	**$508.0**	36.1%	$191.0	16.4%	$252.4	53.6%	$64.6	44.7%
14	Woodbury Financial Services	**$498.0**	33.3%	$275.3	32.7%	$133.8	37.2%	$88.9	29.8%
15	Voya Financial Advisors Inc.	**$477.1**	4.0%	$241.4	-4.7%	$185.7	8.8%	$50.1	43.3%
16	SagePoint Financial Inc.	**$415.5**	2.4%	$185.7	-3.0%	$145.8	6.5%	$84.0	8.6%
17	Securian Financial Services Inc.	**$370.2**	0.4%	$186.5	-1.9%	$142.4	4.6%	$41.3	-2.5%
18	Lincoln Investment Planning	**$343.4**	1.9%	$128.7	1.5%	$202.9	1.5%	$11.7	16.1%
19	Principal Securities Inc.	**$320.7**	1.4%	$232.1	-0.9%	$873	8.5%	$1.2	-20.2%
20	FSC Securities Corp.	**$289.1**	-5.4%	$116.8	-15.2%	$109.7	1.0%	$62.6	5.8%
21	American Portfolios Financial Services Inc.	**$227.5**	4.3%	$115.7	6.0%	$111.8	2.5%	N/A	--
22	Park Avenue Securities	**$227.1**	6.3%	$131.0	4.8%	$92.8	6.5%	$3.4	97.8%
23	Independent Financial Group	**$193.5**	11.1%	$99.1	10.8%	$80.9	10.0%	$13.5	20.9%
24	M Holdings Securities Inc. (M Securities)	**$170.6**	-2.9%	$137.9	-4.7%	$27.8	7.5%	$5.0	-5.2%
25	Centaurus Financial Inc.	**$163.4**	4.9%	$120.0	4.9%	$43.4	4.9%	$0	--
26	Ameritas Investment Company	**$150.2**	8.0%	$77.0	-3.8%	$56.5	19.2%	$16.7	42.7%
27	Triad Advisors	**$141.5**	7.1%	$74.5	-2.2%	$44.3	-64.3%	$22.8	11.4%
28	J.W. Cole Financial Inc.	**$131.5**	8.3%	$81.5	0.9%	$50.0	22.9%	N/A	--
29	United Planners Financial Services	**$129.2**	-2.0%	$46.6	-10.0%	$78.0	2.1%	$4.4	23.3%
30	Geneos Wealth Management Inc.	**$128.8**	-2.6%	$28.5	-15.0%	$96.2	-2.6%	$4.1	-9.2%
31	Sigma Financial Corp.	**$124.3**	5.8%	$67.5	0.6%	$50.6	13.4%	$6.2	7.9%
32	ProEquities Inc.	**$123.2**	5.2%	$76.0	5.2%	$40.5	3.7%	$6.7	15.3%
33	Hornor, Townsend & Kent	**$122.7**	-1.2%	$80.3	-2.0%	$38.5	2.7%	$5.4	5.9%
34	KMS Financial Services Inc.	**$119.2**	-2.9%	$43.5	-7.0%	$60.8	0.0%	$14.9	-2.2%
35	H. Beck Inc.	**$112.1**	-4.1%	$68.5	-8.9%	$36.6	3.8%	$7.0	9.9%
36	PlanMember Securities Corp.	**$106.0**	8.9%	$25.4	1.3%	$80.6	12.6%	N/A	--
37	Securities Service Network	**$101.5**	1.1%	$49.0	-1.3%	$37.5	4.1%	$15.0	1.5%
38	Transamerica Financial Advisors Inc.	**$94.2**	-13.9%	$81.4	-15.4%	$15.3	-8.7%	N/A	--
39	Kovack Securities Inc.	**$78.4**	-1.1%	$38.6	-6.6%	$38.2	6.9%	$1.7	-29.4%
40	Leaders Group	**$76.5**	5.5%	$72.8	19.3%	N/D	--	N/D	--
41	The O.N. Equity Sales Co.	**$68.4**	-11.3%	$53.6	-16.0%	$14.7	11.1%	$0.1	14.0%
42	Parkland Securities	**$67.9**	7.0%	$46.4	5.3%	$18.5	9.5%	$2.8	9.8%
43	The Investment Center Inc.	**$59.6**	5.2%	$31.0	7.9%	$25.4	6.9%	$3.2	-23.7%
44	Harbour Investments Inc.	**$58.8**	7.0%	$31.2	1.3%	$27.5	14.3%	N/A	--
45	Equity Services Inc.	**$57.6**	7.1%	$25.2	-30.0%	$18.0	0.0%	N/A	--
46	Prospera Financial Services Inc.	**$57.6**	6.3%	$22.6	-5.6%	$30.7	15.9%	$4,2	15.4%
47	LaSalle St. Securities	**$43.0**	5.3%	$31.3	25.0%	$10.0	25.0%	$1.0	0.0%
48	Arete Wealth Management	**$36.5**	21.3%	$14.0	20.1%	$11.3	8.8%	$11.2	39.4%
49	Spire Investment Partners	**$35.6**	6.3%	$8.1	-14.9%	$27.4	14.8%	N/A	--
50	Founders Financial Securities	**$29.5**	1.2%	$7.4	20.5%	$20.9	-5.4%	$1.2	35.0%

Note: Revenue figures include impacts of any acquisitions made during the year. Itemized revenue may not add up to totals due to rounding.
Source: InvestmentNews Research

N/A = not available. N/D = not disclosed.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Alden Investment Group

261 Old York Road
Jenkintown, PA 19046
(215) 572-8700
aldeninvestmentgroup.com
Year founded: 1995
CEO: Lee Calfo
Recruiting contact: John Mulqueen

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	50	13.6%
# of CFPs:	4	0.0%
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	18	20.0%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	N/D	--
Commission:	N/D	--
Fee:	N/D	--
Other:	N/D	--
Total account assets:	N/D	--
Fee-based:	N/D	--
Other account assets:	N/D	--
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Arete Wealth Management

1115 W Fulton Market, Third Floor
Chicago, IL 60607
(312) 940-3684
aretewealth.com
Year founded: 2007
CEO: Joshua Rogers
Recruiting contact: Tim Snodgrass

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	94	-2.1%
# of CFPs:	18	350.0%
Avg payout per rep/year:	$233,117	16.4%
# of fee-based advisers served:	64	1.6%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$36.5**	**⬆21.3%**
Commission:	$14.1	20.1%
Fee:	$11.3	8.8%
Other:	$11.2	39.4%
Total account assets:	**$1,298.7**	**⬆5.5%**
Fee-based:	$1,298.7	5.5%
Other account assets:	$0.0	--
Excess net capital:	$0.5	98.2%
Total operating expenses:	$32.8	24.4%
Pretax earnings:	$1.1	47.5%

American Portfolios Financial Services Inc., a unit of American Portfolios Holdings Inc.

4250 Veterans Memorial Highway, Suite 420E
Holbrook, NY 11741
(631) 439-4600
americanportfolios.com
Year founded: 2001
CEO: Lon T. Dolber
Recruiting contact: Tim O'Grady

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	723	3.7%
# of CFPs:	109	3.8%
Avg payout per rep/year:	$224,180	-1.4%
# of fee-based advisers served:	562	3.1%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$227.5**	**⬆4 .3%**
Commission:	$115.7	6.0%
Fee:	$111.8	2.5%
Other:	$0.0	--
Total account assets:	**$30,845.2**	**⬆25.5%**
Fee-based:	$12,530.5	28.5%
Other account assets:	$18,314.6	23.6%
Excess net capital:	$6.5	-34.0%
Total operating expenses:	$28.2	3.0%
Pretax earnings:	$10.9	11.5%

Avantax Wealth Management, a unit of American Portfolios Holdings Inc.

6333 N State Highway 161
Irving, TX 75038
(800) 821-8254
www.avantaxwealthmanagement.com
Year founded: 1983
CEO: Chris Walters
Recruiting contact: Tim Stewart

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	3,431	18.0%
# of CFPs:	870	N/A
Avg payout per rep/year:	$108,207	7.9%
# of fee-based advisers served:	1,408	-47.9%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$508.0**	**⬆36.1%**
Commission:	$191.1	16.4%
Fee:	$252.4	53.6%
Other:	$64.6	44.7%
Total account assets:	**$70,134.7**	**⬆68.0%**
Fee-based:	$27,629.5	120.1%
Other account assets:	$42,505.2	38.4%
Excess net capital:	$18.4	402.6%
Total operating expenses:	$91.7	34.7%
Pretax earnings:	$68.3	28.7%

Ameriprise Financial Services, a unit of Ameriprise Financial

108 Ameriprise Financial Center
Minneapolis, MN 55474
(612) 671-3131
joinameriprise.com
Year founded: 1894
CEO: Jim Cracchiolo
Recruiting contact: Manish P. Dave

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	7,740	-0.2%
# of CFPs:	0	--
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	0	--

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$5,068.5**	**⬆5.5%**
Commission:	$1,196.2	-1.1%
Fee:	$2,838.4	7.6%
Other:	$1,033.9	8.2%
Total account assets:	**N/A**	**--**
Fee-based:	N/A	--
Other account assets:	N/A	--
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

AXA Advisors, a unit of AXA Equitable Holdings Inc.

1290 Sixth Ave.
New York, NY 10104
(212) 554-1234
equitable.com
Year founded: 1999
CEO: David Karr
Recruiting contact: David Goettelmann

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	4,336	1.6%
# of CFPs:	440	4.3%
Avg payout per rep/year:	$158,351	11.9%
# of fee-based advisers served:	3,267	3.4%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$945.7**	**⬆3.5%**
Commission:	$635.4	0.3%
Fee:	$260.2	9.6%
Other:	$50.1	16.2%
Total account assets:	**$152,897.0**	**⬆17.6%**
Fee-based:	$31,905.0	29.7%
Other account assets:	$120,992.0	14.7%
Excess net capital:	$21.3	21.8%
Total operating expenses:	$847.3	0.9%
Pretax earnings:	$98.3	32.2%

Ameritas Investment Company, a unit of Ameritas Life Insurance Co.

5900 O St.
Lincoln, NE 68510
(800) 335-9858
ameritas.com
Year founded: 1983
CEO: Kurt Shallow
Recruiting contact: Brandon Mann

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	846	-15.3%
# of CFPs:	0	--
Avg payout per rep/year:	$122,371	7.6%
# of fee-based advisers served:	589	-3.9%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$150.2**	**⬆8.0%**
Commission:	$77.0	-3.8%
Fee:	$56.5	19.2%
Other:	$16.7	42.7%
Total account assets:	**$24,300.0**	**⬆18.0%**
Fee-based:	$7,300.0	25.9%
Other account assets:	$17,000.0	14.9%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

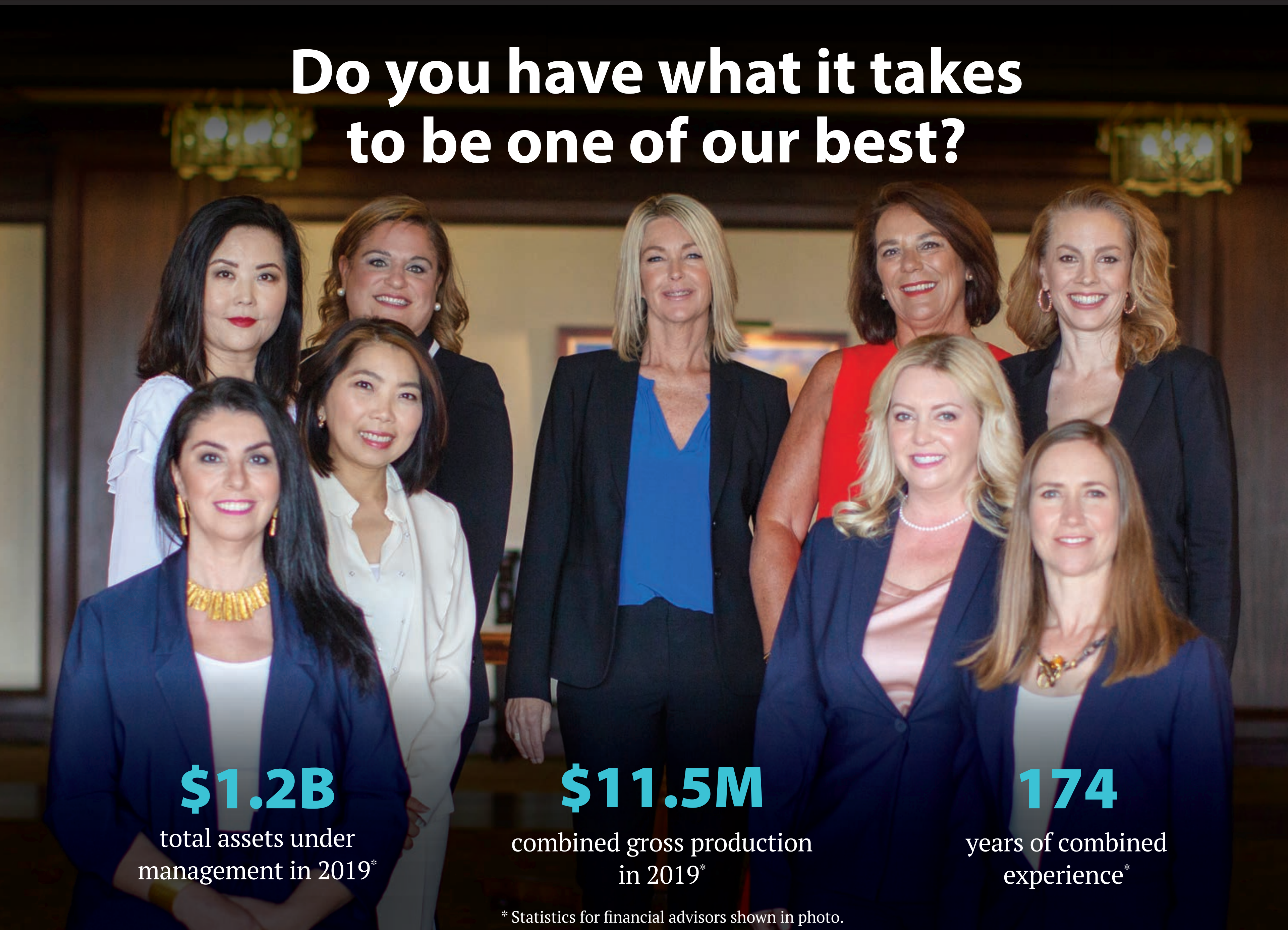
Centaurus Financial Inc., a unit of Federation of Financial Services

2300 E Katella Ave. Suite #200
Anaheim, CA 92806
(800) 880-4234
www.joincfi.com
Year founded: 1992; **CEO:** J. Ronald King
Recruiting contact: Tyler Shumaker, Kathy A. Swindell, Tesh Lokumal

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	635	-0.5%
# of CFPs:	200	-9.1%
Avg payout per rep/year:	$257,358	5.4%
# of fee-based advisers served:	498	2.7%

Financials (Year-end: Apr. 30)	2019 ($M)	1-year %chg
Total revenue:	**$163.4**	**⬆4.9%**
Commission:	$120.0	4.9%
Fee:	$43.4	4.9%
Other:	$0.0	--
Total account assets:	**$23,000.0**	**⬆15.0%**
Fee-based:	$4,466.5	16.6%
Other account assets:	$18,533.5	14.6%
Excess net capital:	$13.5	-20.4%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

N/A = not available. N/D = not disclosed.



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Independent Financial Group, an exclusive independent broker-dealer, is committed to helping its financial advisors amplify their success. With our personalized coaching programs, advisor-led conferences, and acquisition support, we're here for you every step of the way.

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Winner

Social Responsibility & Diversity Award
Wealth Management Magazine, 2018

#8

in percent of female advisors
Financial Planning Magazine, 2019

#4

in overall satisfaction, IBD Report Card
Wealth Management Magazine, 2019

Commonwealth Equity Services, dba Commonwealth Financial Network

29 Sawyer Road
Waltham, MA 02453
(866) 462-3638
commonwealth.com
Year founded: 1979
CEO: Wayne Bloom
Recruiting contact: Andrew Daniels

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	2,007	6.5%
# of CFPs:	1,000	4.1%
Avg payout per rep/year:	$589,471	5.8%
# of fee-based advisers served:	2,350	4.6%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$1,552.7**	**8.9%**
Commission:	$252.0	7.5%
Fee:	$1,052.7	7.8%
Other:	$248.0	15.5%
Total account assets:	**$200,660.0**	**24.6%**
Fee-based:	$114,240.0	34.1%
Other account assets:	$86,420.0	13.9%
Excess net capital:	$50.7	-27.0%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

FSC Securities Corp., a unit of Advisor Group

2300 Windy Ridge Parkway, Suite 1100
Atlanta, GA 30339
(800) 547-2382
joinfsc.com
Year founded: 1958
CEO: Derek Burke
Recruiting contact: Derek Burke

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	698	-18.5%
# of CFPs:	0	--
Avg payout per rep/year:	$277,975	-3.3%
# of fee-based advisers served:	488	-17.7%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$289.1**	**-5.4%**
Commission:	$116.8	-15.2%
Fee:	$109.7	1.0%
Other:	$62.6	5.8%
Total account assets:	**$36,206.1**	**4.6%**
Fee-based:	$13,441.8	12.2%
Other account assets:	$22,764.3	0.5%
Excess net capital:	N/D	--
Total operating expenses:	$44.2	-5.9%
Pretax earnings:	N/D	--

Equity Services Inc., a unit of National Life Group

One National Life Drive
Montpelier, VT 05604
(800) 344-7437
equity-services.com
Year founded: 1968
CEO: Lance Reihl
Recruiting contact: Jeff Wood

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	512	-4.3%
# of CFPs:	0	--
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	411	0.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$57.6**	**7.1%**
Commission:	$25.2	-30.0%
Fee:	$18.0	0.0%
Other:	N/D	--
Total account assets:	**$10,031.0**	**22.3%**
Fee-based:	$2,400.0	20.0%
Other account assets:	N/D	--
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Geneos Wealth Management Inc.

9055 E Mineral Circle
Centennial, CO 80112
(888) 812-5043
geneoswealth.com
Year founded: 2002
CEO: Russell R. Diachok
Recruiting contact: Ryan W. Diachok

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	263	-6.4%
# of CFPs:	112	-2.6%
Avg payout per rep/year:	$421,672	3.4%
# of fee-based advisers served:	263	-6.4%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$128.8**	**-2.6%**
Commission:	$28.5	-15.0%
Fee:	$96.2	-2.6%
Other:	$4.1	-9.2%
Total account assets:	**$16,380.0**	**21.2%**
Fee-based:	$8,963.3	10.8%
Other account assets:	$7,416.7	36.9%
Excess net capital:	$1.1	-0.7%
Total operating expenses:	N/D	--
Pretax earnings:	$0.8	35.2%

Fortune Financial Services Inc.

3582 Brodhead Road
Monaca, PA 15061
(724) 846-2488
fortunefinancialservices.com
Year founded: 1997
CEO: Gregory J. Bentley
Recruiting contact: Gregory J. Bentley

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	247	1.2%
# of CFPs:	23	9.5%
Avg payout per rep/year:	$84,536	5.1%
# of fee-based advisers served:	121	5.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$20.6**	**4.9%**
Commission:	$20.6	4.9%
Fee:	$0.0	--
Other:	$0.0	--
Total account assets:	**$2,365.8**	**13.6%**
Fee-based:	$0.0	--
Other account assets:	$2,365.8	13.6%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

H. Beck Inc., a unit of Advisor Group

2440 Research Blvd. #500
Rockville, MD 20850
(301) 944-5900
hbeckinc.com
Year founded: 1984
CEO: N/A
Recruiting contact: Violetta Pukas

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	448	-23.4%
# of CFPs:	78	-15.2%
Avg payout per rep/year:	$208,833	N/A
# of fee-based advisers served:	96	-23.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$112.1**	**-4.1%**
Commission:	$68.5	-8.9%
Fee:	$36.6	3.8%
Other:	$7.1	9.9%
Total account assets:	**$17,213.5**	**16.7%**
Fee-based:	$4,510.0	18.3%
Other account assets:	$12,703.5	16.1%
Excess net capital:	$7.8	17.2%
Total operating expenses:	$110.9	N/A
Pretax earnings:	$0.5	N/A

Founders Financial Securities, a unit of National Life Group

1020 Cromwell Bridge Road
Towson, MD 21286
(888) 523-1162
foundersfinancial.com
Year founded: 2006
CEO: Bradley M. Shepherd
Recruiting contact: Tom Senseney Jr.

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	79	3.9%
# of CFPs:	24	26.3%
Avg payout per rep/year:	$373,317	-6.5%
# of fee-based advisers served:	79	19.7%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$29.5**	**1.2%**
Commission:	$7.4	20.5%
Fee:	$20.9	-5.4%
Other:	$1.2	35.0%
Total account assets:	**$3,362.4**	**19.8%**
Fee-based:	$1,320.2	26.0%
Other account assets:	$2,042.1	16.2%
Excess net capital:	$0.9	-14.9%
Total operating expenses:	$28.1	3.3%
Pretax earnings:	$1.4	-21.0%

Harbour Investments Inc.

575 D'Onofrio Drive
Madison, WI 53719
(608) 662-6100
harbourinv.com
Year founded: 1987
CEO: N/A
Recruiting contact: Aaron M. Hager

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	214	-1.4%
# of CFPs:	40	0.0%
Avg payout per rep/year:	$274,500	9.0%
# of fee-based advisers served:	215	1.9%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$58.8**	**7.0%**
Commission:	$31.2	1.3%
Fee:	$27.5	14.3%
Other:	$0.0	--
Total account assets:	**$11,205.0**	**15.3%**
Fee-based:	$3,900.0	37.1%
Other account assets:	$7,305.0	6.3%
Excess net capital:	$0.5	23.2%
Total operating expenses:	$58.0	7.4%
Pretax earnings:	$0.3	2,720.0%

N/A = not available. N/D = not disclosed.

Hornor Townsend & Kent, a unit of Penn Mutual Life Insurance Co.

600 Dresher Road
Horsham, PA 19044
(800) 873-7637
www.htk.com
Year founded: 1969
CEO: Timothy N. Donahue
Recruiting contact: Dusten Long

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	837	-0.5%
# of CFPs:	0	--
Avg payout per rep/year:	$114,822	-18.9%
# of fee-based advisers served:	543	1.7%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$122.7**	**-1.2%**
Commission:	$80.3	-2.0%
Fee:	$38.5	2.7%
Other:	$5.4	5.9%
Total account assets:	**$18,200.0**	**10.3%**
Fee-based:	$6,000.0	20.0%
Other account assets:	$12,200.0	6.1%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Kestra Financial Inc

5707 Southwest Parkway, Building 2, Suite 400
Austin, TX 78735
(844) 553-7872
kestrafinancial.com
Year founded: 1996
CEO: James L. Poer
Recruiting contact: Daniel Schwamb

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	1,343	0.6%
# of CFPs:	315	2.3%
Avg payout per rep/year:	$317,775	1.7%
# of fee-based advisers served:	1,355	1.3%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$570.7**	**3.9%**
Commission:	$198.3	1.4%
Fee:	$319.2	5.3%
Other:	$53.2	12.5%
Total account assets:	**$88,087.5**	**13.9%**
Fee-based:	$34,392.8	39.8%
Other account assets:	$53,694.7	1.8%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Independent Financial Group

12671 High Bluff Drive, Suite 200
San Diego, CA 92130
(858) 436-3180
www.ifgsd.com
Year founded: 2003
CEO: Joe H. Miller
Recruiting contact: Julia Kohan

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	553	2.4%
# of CFPs:	91	1.1%
Avg payout per rep/year:	$294,100	8.7%
# of fee-based advisers served:	404	-7.1%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$193.5**	**11.1%**
Commission:	$99.1	10.8%
Fee:	$80.9	10.0%
Other:	$13.5	20.9%
Total account assets:	**$30,108.1**	**11.7%**
Fee-based:	$8,003.2	17.0%
Other account assets:	$22,104.9	9.9%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

KMS Financial Services Inc., a unit of Advisor Group Inc.

2001 Sixth Ave., Suite 2801
Seattle, WA 98121
(206) 441-2885
kms.com
Year founded: 1971
CEO: Erinn Ford
Recruiting contact: Howard Englehart

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	350	3.6%
# of CFPs:	100	17.6%
Avg payout per rep/year:	$265,639	-7.4%
# of fee-based advisers served:	331	8.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$119.2**	**-2.9%**
Commission:	$43.5	-7.0%
Fee:	$60.8	0.0%
Other:	$14.9	-2.2%
Total account assets:	**$19,380.0**	**18.2%**
Fee-based:	$8,715.1	23.2%
Other account assets:	$10,664.9	14.4%
Excess net capital:	$7.0	-1.9%
Total operating expenses:	$115.4	-1.5%
Pretax earnings:	$3.8	-32.7%

The Investment Center Inc.

1420 U.S. Highway 206 N.
Bedminster, NJ 07921
(800) 345-8041
investmentctr.com
Year founded: 1986
CEO: Ralph J. DeVito
Recruiting contact: Nicole Johnson

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	241	0.0%
# of CFPs:	54	-1.8%
Avg payout per rep/year:	$214,039	3.7%
# of fee-based advisers served:	205	0.0%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$59.6**	**5.2%**
Commission:	$31.0	7.9%
Fee:	$25.4	6.9%
Other:	$3.2	-23.7%
Total account assets:	**$8,780.0**	**27.4%**
Fee-based:	$3,775.4	27.4%
Other account assets:	$5,004.6	27.4%
Excess net capital:	$1.9	99.6%
Total operating expenses:	$59.5	8.4%
Pretax earnings:	$0.1	-91.9%

Kovack Securities Inc., a unit of Kovack Financial Companies

6451 N Federal Highway, Suite #1201
Fort Lauderdale, FL 33308
(866) 564-6574
joinksi.com
Year founded: 1997
CEO: N/A
Recruiting contact: Carlo A. Bidone Jr.

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	382	-5.7%
# of CFPs:	78	21.9%
Avg payout per rep/year:	$205,327	4.8%
# of fee-based advisers served:	345	0.9%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$78.4**	**-1.1%**
Commission:	$38.6	-6.6%
Fee:	$38.2	6.9%
Other:	$1.7	-29.4%
Total account assets:	**$12,245.3**	**6.7%**
Fee-based:	$3,031.2	10.9%
Other account assets:	$9,214.1	5.3%
Excess net capital:	$3.1	37.8%
Total operating expenses:	$71.6	-4.1%
Pretax earnings:	$4.4	-5.3%

J.W. Cole Financial Inc.

4301 Anchor Plaza Parkway
Tampa, FL 33634
(866) 592-6531
jw-cole.com
Year founded: 2002
CEO: N/A
Recruiting contact: John Carlson

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	440	7.1%
# of CFPs:	75	4.2%
Avg payout per rep/year:	$302,297	2.3%
# of fee-based advisers served:	372	14.1%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$131.5**	**8.3%**
Commission:	$81.5	0.9%
Fee:	$50.0	22.9%
Other:	$0.0	--
Total account assets:	**$22,489.5**	**9.5%**
Fee-based:	$6,611.9	13.1%
Other account assets:	$15,877.6	8.1%
Excess net capital:	$6.7	48.7%
Total operating expenses:	$12.3	25.9%
Pretax earnings:	$3.7	37.1%

LaSalle St. Securities

940 N Industrial Drive
Elmhurst, IL 60126
(800) 777-7865
lasallest.com
Year founded: 1974
CEO: Jack McDermott
Recruiting contact: Mark Contey

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	280	3.7%
# of CFPs:	40	8.1%
Avg payout per rep/year:	$200,000	11.1%
# of fee-based advisers served:	135	3.8%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$43.0**	**5.3%**
Commission:	$31.3	25.0%
Fee:	$10.0	25.0%
Other:	$1.0	0.0%
Total account assets:	**$11,000.0**	**10.0%**
Fee-based:	$2,500.0	25.0%
Other account assets:	$0.0	0.0%
Excess net capital:	$2.0	0.0%
Total operating expenses:	$4.0	0.0%
Pretax earnings:	$2.5	25.0%

N/A = not available. N/D = not disclosed.

Leaders Group

26 W Dry Creek Circle, Suite 800
Littleton, CO 80120
(303) 797-9080
Leadersgroup.net/about-us/
Year founded: 1994
CEO: David R. Wickersham
Recruiting contact: Charles Arnold

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	408	31.6%
# of CFPs:	87	-39.2%
Avg payout per rep/year:	$149,480	67.2%
# of fee-based advisers served:	150	16.3%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$76.5**	**5.5%**
Commission:	$72.8	19.3%
Fee:	N/D	--
Other:	N/D	--
Total account assets:	**$1,562.7**	**20.7%**
Fee-based:	$41.0	3.0%
Other account assets:	$1,521.7	21.3%
Excess net capital:	$1.1	177.4%
Total operating expenses:	$75.8	6.7%
Pretax earnings:	$0.7	N/A

M Holdings Securities Inc. (M Securities), a unit of M Financial Group

1125 NW Couch St.
Portland, OR 97209
(503) 232-6960
mfin.com
Year founded: 2000
CEO: Bridget McNamara-Fenesy
Recruiting contact: Jeff Bear

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	545	6.4%
# of CFPs:	69	1.5%
Avg payout per rep/year:	$292,743	-7.0%
# of fee-based advisers served:	280	16.7%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$170.6**	**-2.9%**
Commission:	$137.9	-4.7%
Fee:	$27.8	7.5%
Other:	$5.0	-5.2%
Total account assets:	**$48,800.0**	**-0.4%**
Fee-based:	$3,709.1	23.4%
Other account assets:	$48,090.9	4.6%
Excess net capital:	$1.6	-23.2%
Total operating expenses:	$15.9	4.6%
Pretax earnings:	$2.0	N/A

Lincoln Financial Network, a unit of Lincoln Financial Group

2005 Market St.
Philadelphia, PA 19103
(866) 533-3410
JoinLFN.com
Year founded: 1905
CEO: N/A
Recruiting contact: N/A

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	9,046	4.7%
# of CFPs:	N/D	--
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	N/D	--

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$847.2**	**8.3%**
Commission:	$565.8	14.2%
Fee:	$256.0	17.6%
Other:	$12.6	2.1%
Total account assets:	**N/D**	**--**
Fee-based:	N/D	--
Other account assets:	N/D	--
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

MML Investors Services, a unit of Massachusetts Mutual Life Insurance Co.

1295 State St.
Springfield, MA 01111
(800) 542-6767
massmutual.com/investment/mmlinvestors
Year founded: 1981
CEO: John Vaccaro
Recruiting contact: Renee Sherman

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	8,336	-1.0%
# of CFPs:	0	--
Avg payout per rep/year:	$113,712	3.8%
# of fee-based advisers served:	5,291	-1.3%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$1,184.7**	**5.2%**
Commission:	$689.0	1.6%
Fee:	$484.3	9.1%
Other:	$11.4	145.5%
Total account assets:	**$207,349.6**	**14.2%**
Fee-based:	$53,449.6	27.9%
Other account assets:	$153,900.0	10.1%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Lincoln Investment Planning, a unit of Lincoln Investment Group Holdings

601 Office Center Drive, Suite 300
Fort Washington, PA 19034
(215) 887-8111
lincolninvestment.com
Year founded: 1968
CEO: Edward Forst
Recruiting contact: Thomas Lakatos

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	1,051	-1.7%
# of CFPs:	168	-17.2%
Avg payout per rep/year:	$239,687	4.0%
# of fee-based advisers served:	867	-1.5%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$343.4**	**1.9%**
Commission:	$128.7	1.5%
Fee:	$202.9	1.5%
Other:	$11.7	16.1%
Total account assets:	**$38,874.1**	**15.5%**
Fee-based:	$19,517.0	23.9%
Other account assets:	$19,357.1	8.1%
Excess net capital:	$21.8	18.3%
Total operating expenses:	$81.5	3.1%
Pretax earnings:	N/D	--

Nationwide Planning Associates Inc.

115 W Century Road, Suite 360
Paramus, NJ 07652
(201) 476-0029
nationwideplanning.com
Year founded: 1992
CEO: Michael J. Karalewich
Recruiting contact: Michael J. De Pol

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	137	10.5%
# of CFPs:	9	0.0%
Avg payout per rep/year:	$265,153	7.2%
# of fee-based advisers served:	51	-5.6%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$21.7**	**14.1%**
Commission:	$14.5	16.0%
Fee:	$4.9	11.3%
Other:	$2.3	9.0%
Total account assets:	**$2,716.6**	**21.8%**
Fee-based:	$644.5	24.6%
Other account assets:	$2,072.1	21.0%
Excess net capital:	$1.0	102.4%
Total operating expenses:	$15.9	8.6%
Pretax earnings:	$0.9	210.2%

LPL Financial, a unit of LPL Financial Holdings Inc.

4707 Executive Drive
San Diego, CA 92121-3091
(866) 794-0185
lpl.com
Year founded: 1968
CEO: Dan Arnold
Recruiting contact: Rich Steinmeier

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	16,464	2.2%
# of CFPs:	3,645	2.4%
Avg payout per rep/year:	208,266	5.1%
# of fee-based advisers served:	N/D	--

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$5,624.9**	**8.4%**
Commission:	$1,892.4	-1.4%
Fee:	$1,982.9	10.6%
Other:	$1,749.6	18.6%
Total account assets:	**$764,409.6**	**21.7%**
Fee-based:	$365,765.5	29.7%
Other account assets:	$398,644.1	15.2%
Excess net capital:	$100.4	0.3%
Total operating expenses:	$4,749.9	6.2%
Pretax earnings:	$741.8	25.2%

Northwestern Mutual Investment Services, a unit of The Northwestern Mutual Life Insurance Co.

720 E Wisconsin Ave.
Milwaukee, WI 53202
(866) 664-7737
northwesternmutual.com
Year founded: 1968
CEO: N/A
Recruiting contact: Mike Power

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	5,112	.8%
# of CFPs:	1,279	6.7%
Avg payout per rep/year:	$188,380	9.7%
# of fee-based advisers served:	0	--

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$1,351.2**	**10.8%**
Commission:	$341.1	4.4%
Fee:	$892.4	13.4%
Other:	$117.8	11.3%
Total account assets:	**$189,705.3**	**24.3%**
Fee-based:	$98,994.0	31.6%
Other account assets:	$90,711.4	17.2%
Excess net capital:	$28.7	-8.3%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

N/A = not available. N/D = not disclosed.

The O.N. Equity Sales Co., a unit of Ohio National Life Insurance Co.

One Financial Way
Cincinnati, OH 45242
(877) 663-7267
joinonesco.com
Year founded: 1968
CEO: Patrick H. McEvoy
Recruiting contact: Patrick H. McEvoy

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	560	-11.5%
# of CFPs:	68	-10.5%
Avg payout per rep/year:	$105,005	0.3%
# of fee-based advisers served:	331	-8.1%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$68.4**	**-11.3%**
Commission:	$53.6	-16.0%
Fee:	$14.7	11.1%
Other:	$0.1	14.0%
Total account assets:	**$11,100.8**	**11.5%**
Fee-based:	$1,779.3	21.6%
Other account assets:	$9,321.5	9.8%
Excess net capital:	$3.3	29.7%
Total operating expenses:	$66.8	-11.3%
Pretax earnings:	$1.6	-11.7%

PlanMember Securities Corp.

6187 Carpinteria Ave.
Carpinteria, CA 93013
(800) 874-6910
planmember.com/join
Year founded: 1982; **CEO:** Jon Ziehl
Recruiting contact: Kevin Twohy, Malisa Wacker, Ron Heller, Jon Wolfe

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	473	-1.0%
# of CFPs:	41	-2.4%
Avg payout per rep/year:	$153,357	7.6%
# of fee-based advisers served:	473	-1.0%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$106.0**	**8.9%**
Commission:	$25.4	1.3%
Fee:	$80.6	12.6%
Other:	$0.0	--
Total account assets:	**$11,800.0**	**9.3%**
Fee-based:	$7,800.0	38.7%
Other account assets:	$4,000.0	-22.7%
Excess net capital:	$4.9	-4.0%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Packerland Brokerage Services Inc.

432 Security Blvd., Suite 101
Green Bay, WI 54313
(920) 662-9500
packerlandbrokerage.com
Year founded: 1994
CEO: Zach Kelly
Recruiting contact: Scott Zwierzynski

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	252	2.9%
# of CFPs:	20	0.0%
Avg payout per rep/year:	$93,000	11.2%
# of fee-based advisers served:	2	0.0%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$26.8**	**13.4%**
Commission:	$20.7	16.8%
Fee:	$5.4	4.8%
Other:	$0.7	-5.5%
Total account assets:	**$715.0**	**47.4%**
Fee-based:	$714.0	48.7%
Other account assets:	$0.0	--
Excess net capital:	$0.05	-7.1%
Total operating expenses:	$3.0	8.2%
Pretax earnings:	$0.5	153.4%

Principal Securities Inc., a unit of Principal Life Insurance Co.

711 High St.
Des Moines, IA 50392
(888) 774-6267
principal.com
Year founded: 1968
CEO: Michael F. Murray
Recruiting contact: Betsy Jepsen

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	1,406	-9.1%
# of CFPs:	235	N/A
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	975	-1.6%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$320.7**	**1.4%**
Commission:	$232.1	-0.9%
Fee:	$87.3	8.5%
Other:	$1.2	-20.2%
Total account assets:	**$67,868.6**	**25.0%**
Fee-based:	$9,678.0	26.2%
Other account assets:	$58,190.7	23.6%
Excess net capital:	$9.8	-13.6%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Park Avenue Securities, a unit of Guardian Life Insurance Co.

10 Hudson Yards
New York, NY 10001
(888) 600-4667
www.parkavenuesecurities.com
Year founded: 1999
CEO: N/A
Recruiting contact: Jerry Cassero

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	1,935	-4.0%
# of CFPs:	N/D	--
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	N/D	--

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$227.1**	**6.3%**
Commission:	$131.0	4.8%
Fee:	$92.8	6.5%
Other:	$3.4	97.8%
Total account assets:	**$33,593.0**	**21.4%**
Fee-based:	$13,805.2	25.1%
Other account assets:	$19,787.7	19.0%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

ProEquities Inc., a unit of Protective Life Corp.

2801 Highway 280 S
Birmingham, AL 35223
(800) 288-3035
joinproequities.com
Year founded: 1984
CEO: Christopher W. Flint
Recruiting contact: Tammy Robbins

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	604	-4.9%
# of CFPs:	N/D	--
Avg payout per rep/year:	$134,267	0.3%
# of fee-based advisers served:	517	-4.3%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$123.2**	**5.2%**
Commission:	$76.0	5.2%
Fee:	$40.5	3.7%
Other:	$6.7	15.3%
Total account assets:	**$4,056.4**	**11.7%**
Fee-based:	$4,056.4	11.7%
Other account assets:	$0.0	--
Excess net capital:	$6.1	78.4%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Parkland Securities

300 Parkland Plaza
Ann Arbor, MI 48103
(800) 373-1612
parklandsecurities.com
Year founded: 2002
CEO: Jerome Rydell
Recruiting contact: Jennifer Bacarella

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	327	-2.4%
# of CFPs:	29	-3.3%
Avg payout per rep/year:	$162,480	-3.2%
# of fee-based advisers served:	219	-1.8%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$67.9**	**7.0%**
Commission:	$46.4	5.3%
Fee:	$18.5	9.5%
Other:	$2.8	9.8%
Total account assets:	**$7,358.7**	**-2.3%**
Fee-based:	$1,668.0	9.0%
Other account assets:	$5,690.7	-5.2%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Prospera Financial Services Inc.

5429 LBJ Freeway, Suite 750
Dallas, TX 75240
(972) 581-3000
www.prosperafinancial.com
Year founded: 1982
CEO: David W. Stringer
Recruiting contact: Tim Edwards

Staffing and compensation (as of Dec. 31)	2019	1-year %chg
# of producing reps:	129	1.6%
# of CFPs:	13	18.2%
Avg payout per rep/year:	$476,074	3.9%
# of fee-based advisers served:	129	1.6%

Financials (Year-end: Dec. 31)	2019 ($M)	1-year %chg
Total revenue:	**$57.6**	**6.3%**
Commission:	$22.6	-5.6%
Fee:	$30.7	15.9%
Other:	$4.2	15.4%
Total account assets:	**$8,700.0**	**13.0%**
Fee-based:	$2,700.0	8.0%
Other account assets:	$6,000.0	15.4%
Excess net capital:	$8.5	10.2%
Total operating expenses:	$15.6	7.1%
Pretax earnings:	$1.5	-13.3%

N/A = not available. N/D = not disclosed.

Raymond James Financial Services Inc., a unit of Raymond James Financial

880 Carillon Parkway
St. Petersburg, FL 33716
(727) 567-1000
advisorchoice.com
Year founded: 1974
CEO: Paul Reilly
Recruiting contact: Barry Papa

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	4,347	1.8%
# of CFPs:	1,279	7.8%
Avg payout per rep/year:	$416,839	3.9%
# of fee-based advisers served:	4,004	0.2%

Financials *(Year-end: Sept. 30)*	2019 ($M)	1-year %chg
Total revenue:	**$2,611.4**	**6.5%**
Commission:	N/D	--
Fee:	N/D	--
Other:	N/D	--
Total account assets:	**$344,442.0**	**5.3%**
Fee-based:	$189,847.0	11.0%
Other account assets:	$154,595.0	-1.0%
Excess net capital:	$40.6	22.5%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Securities America Inc., a unit of Ladenburg Thalmann Financial Services Inc.

12325 Port Grace Blvd.
La Vista, NE 68128
(800) 747-6111
securitiesamerica.com
Year founded: 1984
CEO: Jim Nagengast
Recruiting contact: Gregg Johnson

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	2,608	0.3%
# of CFPs:	653	-6.8%
Avg payout per rep/year:	$213,193	0.9%
# of fee-based advisers served:	2,501	7.3%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$729.5**	**4.1%**
Commission:	$311.5	0.0%
Fee:	$319.3	6.7%
Other:	$98.7	9.8%
Total account assets:	**$103,000.0**	**19.6%**
Fee-based:	$50,000.0	27.6%
Other account assets:	$53,000.0	13.0%
Excess net capital:	$12.2	37.1%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Royal Alliance Associates Inc., a unit of Advisor Group

10 Exchange Place, Suite 1410
Jersey City, NJ 07302
(800) 821-5100
royalalliance.com
Year founded: 1989
CEO: Dmitry Goldin
Recruiting contact: Al Grilli

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	2,888	-6.4%
# of CFPs:	0	--
Avg payout per rep/year:	$284,869	77.6%
# of fee-based advisers served:	1,888	-0.4%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$961.1**	**59.1%**
Commission:	$439.1	81.5%
Fee:	$350.1	36.9%
Other:	$171.8	61.7%
Total account assets:	**$123,580.1**	**19.7%**
Fee-based:	$42,489.3	27.2%
Other account assets:	$81,090.8	16.0%
Excess net capital:	N/D	--
Total operating expenses:	$118.5	42.9%
Pretax earnings:	N/D	--

Securities Service Network, a unit of Advisor Group

9729 Cogdill Road
Knoxville, TN 37932
(855) 382-8754
ssnetwork.com
Year founded: 1983
CEO: Wade S. Wilkinson
Recruiting contact: Landon Moore

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	330	-0.9%
# of CFPs:	101	-4.7%
Avg payout per rep/year:	$235,000	2.6%
# of fee-based advisers served:	211	-33.9%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$101.5**	**1.1%**
Commission:	$49.0	-1.3%
Fee:	$37.5	4.1%
Other:	$15.0	1.5%
Total account assets:	**$17,478.7**	**19.6%**
Fee-based:	$8,072.1	25.9%
Other account assets:	$9,406.7	14.6%
Excess net capital:	$7.9	-9.0%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

SagePoint Financial Inc., a unit of Advisor Group

20 E Thomas Road, Suite 2000
Phoenix, AZ 85012
(866) 462-4432
sagepointfinancial.com
Year founded: 1970
CEO: Jeff Auld
Recruiting contact: Genevieve Sisco

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	1,329	-5.1%
# of CFPs:	0	--
Avg payout per rep/year:	$216,710	-4.2%
# of fee-based advisers served:	837	-2.0%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$415.5**	**2.4%**
Commission:	$185.7	-3.0%
Fee:	$145.8	6.5%
Other:	$84.0	8.6%
Total account assets:	**$52,189.7**	**16.0%**
Fee-based:	$17,362.3	20.2%
Other account assets:	$34,827.4	14.0%
Excess net capital:	N/D	--
Total operating expenses:	$61.7	2.1%
Pretax earnings:	N/D	--

Sigma Financial Corp.

300 Parkland Plaza
Ann Arbor, MI 48103
(888) 744-6264
sigmafinancial.com
Year founded: 1983
CEO: Jerome Rydell
Recruiting contact: Jennifer Bacarella

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	590	-1.3%
# of CFPs:	105	-0.9%
Avg payout per rep/year:	$183,745	5.7%
# of fee-based advisers served:	450	2.5%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$124.3**	**5.8%**
Commission:	$67.5	0.6%
Fee:	$50.6	13.4%
Other:	$6.2	7.9%
Total account assets:	**$18,043.8**	**N/A**
Fee-based:	$4,046.0	N/A
Other account assets:	$13,997.8	N/A
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Securian Financial Services Inc., a unit of Securian Financial Group Inc.

400 Robert St. N
St. Paul, MN 55101
(651) 665-3500
securian.com
Year founded: 1984
CEO: George Connolly
Recruiting contact: Robert Subjects

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	1,090	-1.9%
# of CFPs:	218	-1.4%
Avg payout per rep/year:	$266,973	3.0%
# of fee-based advisers served:	1,009	10.5%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$370.2**	**0.4%**
Commission:	$186.5	-1.9%
Fee:	$142.4	4.6%
Other:	$41.3	-2.5%
Total account assets:	**$39,027.3**	**16.7%**
Fee-based:	$17,752.7	22.4%
Other account assets:	$21,274.6	12.3%
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Spire Investment Partners

7901 Jones Branch Drive, Suite 800
McLean, VA 22102
(703) 748-5800
spireip.com
Year founded: 1997
CEO: David L. Blisk
Recruiting contact: LauraMarie Ross

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	63	-7.4%
# of CFPs:	26	0.0%
Avg payout per rep/year:	$525,083	-3.7%
# of fee-based advisers served:	58	-12.1%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$35.6**	**6.3%**
Commission:	$8.1	-14.9%
Fee:	$27.4	14.8%
Other:	$0.0	--
Total account assets:	**N/D**	**--**
Fee-based:	N/D	--
Other account assets:	N/D	--
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

N/A = not available. N/D = not disclosed.

St. Bernard Financial Services Inc.

1609 W Main St.
Russellville, AR 72801
(479) 967-1200
stbernardfinancial.com
Year founded: 1994
CEO: Robert Keenan
Recruiting contact: Robert Keenan

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	106	17.8%
# of CFPs:	4	N/A
Avg payout per rep/year:	N/D	--
# of fee-based advisers served:	43	N/A

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**N/D**	**--**
Commission:	N/D	--
Fee:	N/D	--
Other:	N/D	--
Total account assets:	**N/D**	**--**
Fee-based:	N/D	--
Other account assets:	N/D	--
Excess net capital:	N/D	--
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

United Planners Financial Services

7333 E Doubletree Ranch Road
Scottsdale, AZ 85258
(800) 966-8737
unitedplanners.com
Year founded: 1987
CEO: Michael A. Baker
Recruiting contact: Sheila J. Cuffari-Agasi

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	419	0.2%
# of CFPs:	109	0.9%
Avg payout per rep/year:	$311,360	0.1%
# of fee-based advisers served:	415	0.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$129.2**	**↓-2.0%**
Commission:	$46.6	-10.0%
Fee:	$78.2	2.1%
Other:	$4.4	23.3%
Total account assets:	**$17,497.0**	**↑6.3%**
Fee-based:	$9,380.7	22.6%
Other account assets:	$8,116.2	-7.9%
Excess net capital:	$4.9	-4.0%
Total operating expenses:	$128.5	2.8%
Pretax earnings:	$2.7	-8.2%

Transamerica Financial Advisors Inc., a unit of AUSA Holding Co., an Aegon company

570 Carillon Parkway
St. Petersburg, FL 33716
(770) 248-3271
www.tfaconnect.com/
Year founded: 1984
CEO: George Chuang
Recruiting contact: Matt Chambers

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	3,101	-7.3%
# of CFPs:	0	--
Avg payout per rep/year:	$29,425	-8.7%
# of fee-based advisers served:	0	--

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$94.2**	**↓-13.9%**
Commission:	$81.4	-15.4%
Fee:	$15.3	-8.7%
Other:	$0.0	--
Total account assets:	**$11,823.4**	**↑12.5%**
Fee-based:	$1,980.9	15.9%
Other account assets:	$0.0	--
Excess net capital:	$12.5	22.6%
Total operating expenses:	$27.0	3.8%
Pretax earnings:	$1.2	52.5%

Veritas Independent Partners

2201 Washington Ave., Suite 2
Conway, AR 72032
(501) 358-6131
veritasindependentpartners.com
Year founded: 2013
CEO: Gail Murdoch
Recruiting contact: Debra Shannon

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	28	21.7%
# of CFPs:	3	0.0%
Avg payout per rep/year:	$90,767	-0.1%
# of fee-based advisers served:	21	16.7%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$1.2**	**↑20.8%**
Commission:	$0.5	25.8%
Fee:	$0.6	16.9%
Other:	$0.0	--
Total account assets:	**$125.4**	**↑95.8%**
Fee-based:	$74.0	15.6%
Other account assets:	$0.0	--
Excess net capital:	$0.0	-29.1%
Total operating expenses:	$1.2	22.8%
Pretax earnings:	N/D	--

Triad Advisors, a unit of Ladenburg Thalmann Financial Services Inc.

5155 Peachtree Parkway, Suite 3220
Atlanta, GA 30092
(800) 720-4003
triad-advisors.com
Year founded: 1998
CEO: Jeff Rosenthal
Recruiting contact: Nathan Stibbs

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	640	-0.2%
# of CFPs:	178	-18.7%
Avg payout per rep/year:	$151,136	6.1%
# of fee-based advisers served:	608	0.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$141.5**	**↑7.1%**
Commission:	$74.5	-2.2%
Fee:	$44.3	-64.3%
Other:	$22.8	11.4%
Total account assets:	**$32,537.8**	**↑23.1%**
Fee-based:	$22,932.3	33.2%
Other account assets:	$9,605.6	4.2%
Excess net capital:	$9.5	30.3%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Voya Financial Advisors Inc., a unit of Voya Financial

699 Walnut St.
Des Moines, IA 50309
(800) 356-2906
voyafinancialadvisors.com
Year founded: 1968
CEO: Thomas Halloran
Recruiting contact: Tim Murphy

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	1,707	-0.6%
# of CFPs:	144	-3.4%
Avg payout per rep/year:	$207,843	-0.2%
# of fee-based advisers served:	1,183	1.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$477.2**	**↑4.0%**
Commission:	$241,4	-4.7%
Fee:	$185.7	8.8%
Other:	$50.1	43.3%
Total account assets:	**$58,323.1**	**↑17.3%**
Fee-based:	$18,989.7	23.1%
Other account assets:	$39,333.4	14.7%
Excess net capital:	$55.0	12.8%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Trustmont Financial Group Inc.

200 Brush Run Road
Greensburg, PA 15601
(724) 468-5665
trustmontgroup.com
Year founded: 1986
CEO: N/A
Recruiting contact: Lacey Dochinez

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	86	2.4%
# of CFPs:	36	0.0%
Avg payout per rep/year:	$132,000	8.2%
# of fee-based advisers served:	78	0.0%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**N/D**	**--**
Commission:	N/D	--
Fee:	N/D	--
Other:	N/D	--
Total account assets:	**$1,909.3**	**↓-3.9%**
Fee-based:	$621.4	12.3%
Other account assets:	$1,287.9	-10.0%
Excess net capital:	N/D	--
Total operating expenses:	--	--
Pretax earnings:	N/D	--

Waddell & Reed Financial Advisors, a unit of Waddell & Reed Financial Inc.

6300 Lamar Ave.
Overland Park, KS 66202
(913) 236-2000
joinwaddell.com
Year founded: 1937
CEO: N/A
Recruiting contact: David Call

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	939	-11.4%
# of CFPs:	278	8.2%
Avg payout per rep/year:	$344,782	30.1%
# of fee-based advisers served:	923	-11.4%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$513.8**	**↓-1.7%**
Commission:	$141.9	-10.7%
Fee:	$269.3	3.6%
Other:	$102.6	-1.4%
Total account assets:	**$60,095.1**	**↑17.2%**
Fee-based:	$26,947.3	27.1%
Other account assets:	$33,147.8	10.3%
Excess net capital:	$60.5	6.4%
Total operating expenses:	N/D	--
Pretax earnings:	N/D	--

Woodbury Financial Services, a unit of Advisor Group

7755 Third St. N
Oakdale, MN 55128
(800) 388-7773
joinwoodbury.com
Year founded: 1910
CEO: Rick Fergesen
Recruiting contact: Scott Little

Staffing and compensation *(as of Dec. 31)*	2019	1-year %chg
# of producing reps:	1,548	31.6%
# of CFPs:	0	--
Avg payout per rep/year:	$247,334	-14.2%
# of fee-based advisers served:	1,005	25.2%

Financials *(Year-end: Dec. 31)*	2019 ($M)	1-year %chg
Total revenue:	**$498.1**	**↑33.3%**
Commission:	$275.3	32.7%
Fee:	$133.8	37.2%
Other:	$88.9	29.8%
Total account assets:	**$67,244.8**	**↑48.3%**
Fee-based:	$16,318.0	51.3%
Other account assets:	$50,926.7	47.4%
Excess net capital:	N/D	--
Total operating expenses:	$78.3	27.7%
Pretax earnings:	N/D	--

Medicare high-income surcharges can be hard on singles, survivors

Health care costs are a major concern for many retirees, and income-based Medicare premiums can be a shock for some, particularly because annual required minimum distributions from retirement accounts can boost their income into surcharge territory.

"Those making retirement planning decisions need to take into account an increasingly complex array of factors, ranging from the implications of the SECURE Act to managing health care costs and Medicare surcharges," Sharon Carson, retirement strategist at J.P. Morgan Asset Management, said during a recent webcast to unveil the company's 2020 Guide to Retirement.

"As the economic and legislative environment continues to evolve, those nearing retirement, and their advisers, now more than ever need to have a firm understanding of the various decisions that must be made in order to comfortably reach the retirement finish line," added Katherine Roy, chief retirement strategist at J.P. Morgan Asset Management.

MARY BETH FRANKLIN

ONRETIREMENT

"The guide aims to provide an objective framework to enable informed planning conversations by analyzing the most pressing issues impacting retirement."

Ms. Carson focused on the impact of rising health care costs in retirement. She noted that total health care costs for a typical 65-year-old in 2020 will be about $5,300, including Medicare and Medigap premiums and deductibles, plus vision, dental and hearing costs not covered by Medicare. Over the next 30 years, those costs are expected to triple, to more than $16,000 in current dollars for a 95-year-old in 2050.

"Given variations in health care cost inflation from year to year, it may be prudent to assume an annual health care inflation of 6%, which may require growth as well as current income from your portfolio in retirement," the J.P. Morgan guide cautioned. Ms. Roy noted that that estimate of future health care inflation is a slight reduction from last year's recommended 6.5% annual rate due to smaller increases in Medicare costs.

KEY POINTS

- Total medical costs for a typical 65-year-old in 2020 will be about $5,300.
- Those costs are expected to triple over the next 30 years, to more than $16,000.

PREMIUMS TIED TO INCOME

Many higher income retirees are shocked at how high their monthly Medicare premiums are — well above the standard premiums — because premiums are tied to income.

Medicare high-income surcharges, officially known as income-related monthly adjustment amounts or IRMAA, are based on the modified adjusted gross income reported on the most recent federal tax return. MAGI includes adjusted gross income plus any tax-exempt interest from municipal bonds — a popular investment vehicle for many retirees. In 2020, premiums are based on 2018 tax returns.

In 2020, individuals with income of $87,000 or less, and married couples with joint incomes of $174,000 or less, pay the standard Medicare premiums. But those whose incomes exceed the threshold by even $1 pay more. There are five high-income tiers that can boost annual Medicare premiums from an additional $840 per year per person to an additional $5,000 or more per year, per person, virtually doubling annual Medicare costs for some retirees with very high income.

Because the thresholds for Medicare surcharges for singles are half the thresholds for married couples, survivors can be hit particularly hard by high Medicare costs following the death of a spouse, Carson noted.

ROTH ACCOUNTS

For example, a married couple with a joint income of $220,000 would be in the second IRMAA bracket in 2020, paying an extra $2,101 per person in annual Medicare premiums. But if one spouse died, that same $220,000 annual income would place the surviving spouse in the next-to-highest IRMAA bracket, subjecting the survivor to $4,657 in extra Medicare costs.

Consequently, this could be a good time for clients to consider converting some assets in traditional individual retirement accounts to Roth accounts, paying income taxes on the converted amounts at current low tax rates. Individual income tax brackets, which were reduced by the Tax Cut and Jobs Act of 2017, are scheduled to expire at the end of 2025.

In addition, the SECURE Act increased the age at which individuals must begin taking required minimum distributions from 70½ to 72, giving some clients more time to convert retirement assets to a Roth before RMDs begin.

"Managing taxes over a lifetime requires a balance of your current and future tax pictures," the 2020 retirement guide noted. "Make income tax diversification a priority to have more flexibility and control in retirement."

In general, J.P. Morgan recommends contributing to a Roth account early in your career and shifting to tax-deferred retirement accounts as your income increases. During peak earning years, workers with substantial assets in tax-deferred accounts should contribute to a Roth 401(k), if available, because there are no income restrictions on contributions. Finally, consider a Roth conversion during lower income retirement years if future RMDs are likely to push you into a higher tax bracket.

(Questions about new Social Security rules? Find the answers in my ebook at InvestmentNews.com/mbfebook.)

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Congress can do more for retirement accounts

Congress passed a massive relief package last month, but while every major industry had its hand out, there wasn't much talk about aiding those with retirement accounts.

IRAALERT
ED SLOTT

These funds represent people's life savings and have often taken them decades to accumulate, one paycheck at a time. But this group has no lobby in Washington.

Many industries are rightfully claiming that their losses are no fault of their own, but those who are saving for retirement or who are already retired can make that same claim.

Congress included the "usual suspects" of retirement relief in a hasty copy-and-paste approach, taking relief provisions from previous disaster bills and repurposing them for the coronavirus crisis. Those include penalty-free retirement distributions and plan-loan repayment relief.

But those provisions are not nearly enough. It seems clear no effort was made to protect retirement accounts.

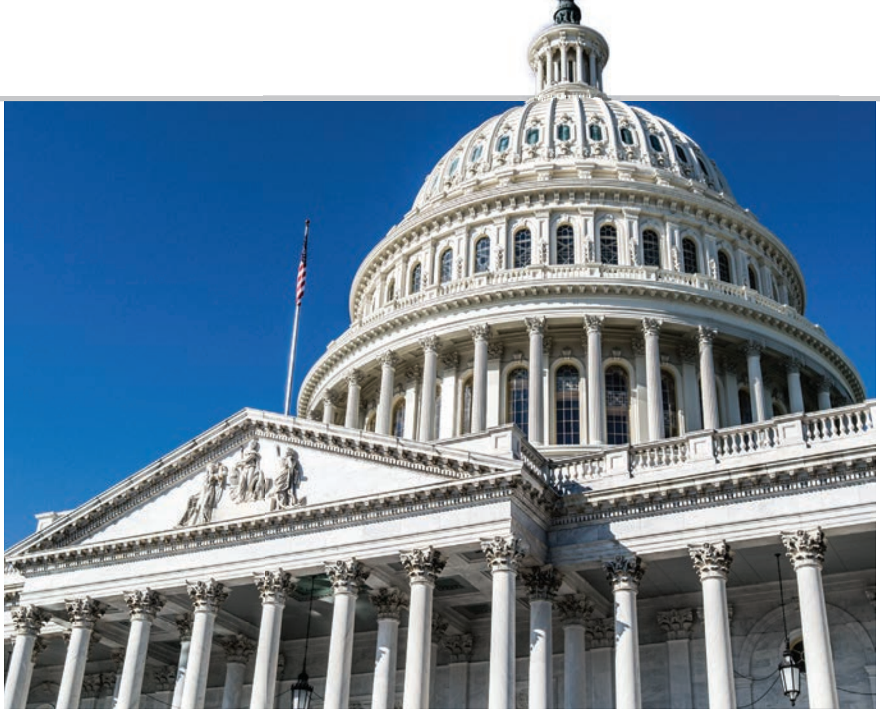
Here are some additional ideas that Congress should consider.

2020 ROTH CONVERSIONS

In the 2017 Tax Cuts and Jobs Act, Congress eliminated recharacterizations of Roth conversions because they didn't like the idea of profiting from hindsight. But now we are way beyond hindsight. This is a market decline that no one could have predicted.

Now it's about Congress being able to help people who saw chunks of their converted funds vanish if they converted even a few weeks ago. Market swings are baked into the Roth conversion decision, but nothing like this carnage.

At a minimum, Congress should allow anyone who con-



verted in 2020 to undo those conversions now, so they are not stuck with a tax bill on value that was wiped away almost instantly.

BOOST IRA CONTRIBUTION LIMITS

Congress should retroactively (to cover 2019) increase the limits on contributions and catch-up contributions to IRAs and Roth IRAs to match those on 401(k)s and other company plans. So much value has been lost in such a short time that this would give a boost to those nearing retirement who have the funds to contribute more when the market is down. This would cost the government nothing (except for the tax break) since the funds are coming from taxpayers.

For 2019, for example, this would raise the IRA contribution limit for those age 50 or over from $7,000 to $25,000. And given the new extension of the deadline for both tax returns and IRA contributions, until July 15, people would have more time to increase their 2019 IRA contributions.

TAX-FREE WITHDRAWALS

Yes, tax-free. Providing relief from the 10% penalty is good, as is the ability to avoid taxes on the amount withdrawn if the money is repaid within three years. But it's not enough. How many of the people who are strapped enough to have to borrow from their retirement accounts will be able to repay the money within three years?

On March 20, the Wall Street Journal floated the idea of tax-free retirement withdrawals, and I think it's a good one. This is the retirement bailout people need. The Journal suggested a cap of $10,000, but it could be even more.

$25K
PROPOSED IRA CONTRIBUTION LIMIT INCREASE

The article made sensible financial points, making the case that forgiving the tax (and penalty) would cost the government much less than sending out one-time checks to people, because providing this kind of real retirement relief would come from people's own retirement money, not from the government. The only cost to the government here would be to relieve the tax and penalty.

Congress may consider this a giveaway, but it's only the tax that's the freebie, as opposed to the bailouts with almost no strings attached that Congress is considering for big business. This is a way to tap funds for emergencies, with people able to use 100% of the funds without worrying about owing tax later.

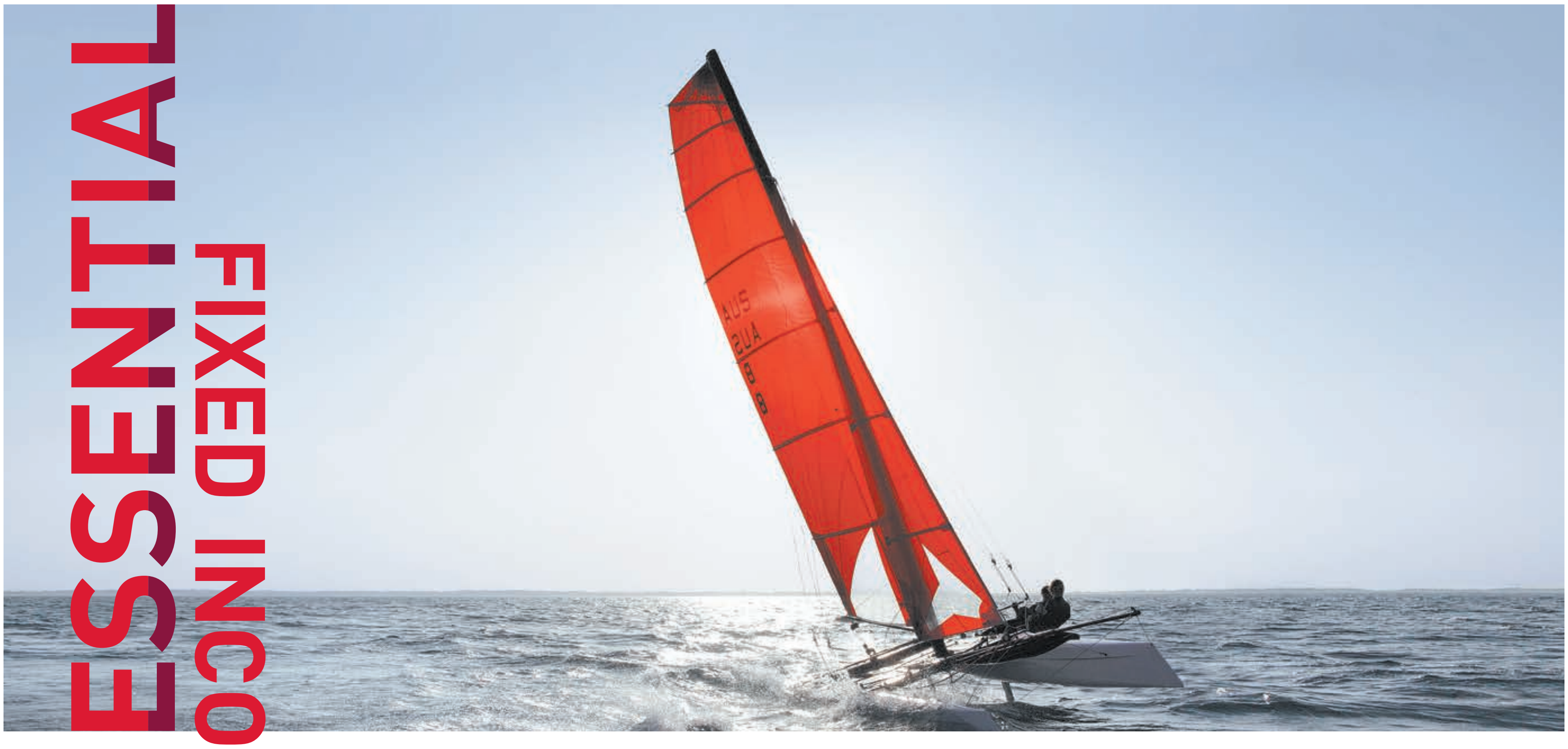
NO RMDs – FOR LIFE

Fortunately, the relief package eliminates required minimum distributions for 2020. This year's RMDs are based on the larger IRA balances that existed on Dec. 31. But I would go further and eliminate lifetime RMDs altogether.

Uncle Sam won't have to wait long for the tax money anyway now that the SECURE Act has limited the payout period for most inherited IRA funds to 10 years after death because of the elimination of the stretch IRA. There's no need to force those funds out now during times of economic uncertainty. Eliminating lifetime RMDs would also remove the complexity of calculating and monitoring RMDs, relieving seniors of this unnecessary burden.

People with retirement accounts need a helping hand, just like big business, and they need action now!

For more information on Ed Slott, Ed Slott's 2-Day IRA Workshop and Ed Slott's Elite IRA Advisor Group, please visit www.IRAhelp.com



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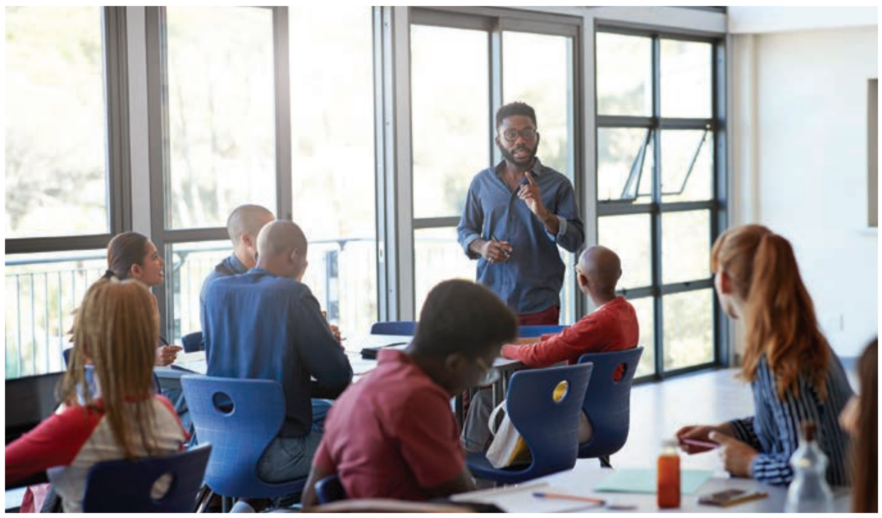
Personal finance classes still spotty in U.S.

BY MARK SCHOEFF JR.



THE ECONOMIC DEVASTATION created by the COVID-19 outbreak highlights a vulnerability many Americans have in their financial lives – the lack of an emergency fund.

Establishing such a cash reserve is among the principles taught in financial literacy courses. Advocates for increasing the availability of financial education in high school are using the coronavirus outbreak to help make their point.

"For middle-income and upper middle-income families, this is a teachable moment," said Billy Hensley, chief executive of the National Endowment for Financial Education.

The pandemic comes at a time when other changes in the economy are already increasing stress on personal finances, such as the move from defined-benefit to defined-contribution retirement plans, the rise of the gig economy, increasing credit card debt and declining credit scores.

"When a black swan event hits, it's all amplified, and people become more financially strained," said Nan Morrison, chief executive at the Council for Economic Education. "This is yet another event where there's a crisis, and we discover again that people don't have financial resources."

Morrison's organization tracks the extent to which financial literacy is taught at the state level. As of early this year, 21 states require high school students to take personal finance course work. That represents a net increase of four states since the last survey in 2018.

Twenty-five states require a course in economics, an increase of three since 2018. Five states do not have personal finance learning requirements.

"You have to wonder why it is we're still not thinking of personal finance as an important element of children's education," Morrison said.

BREAKTHROUGHS IN TWO STATES

Last year, there were a couple of breakthroughs, according to the CEE report. In North Carolina, the legislature approved a bill that required high school students to take a full-year course in economics and personal finance to graduate.

In Florida, the state legislature approved a bill mandating that all high schools offer personal financial literacy as a one-semester elective.

The Florida law came after about six years of lobbying.

Charlie Fitzgerald III, a principal at Moisand Fitzgerald Tamayo in Orlando and a member of Florida FPA, was one of the investment advisers advocating for the bill at the Florida statehouse.

"As financial planners, we get it," Fitzgerald said of financial literacy. "We see the benefits of smart money decisions. We see the consequences of bad money decisions. You've got to start this education before young people go into the adult world."

CALIFORNIA LAGS

California is one state where the struggle to beef up financial literacy in high schools continues.

A bill introduced in February would require the integration of a financial literacy program into an economics course. There is bipartisan interest in the measure, but the road to approval will likely be arduous.

But the best way to ensure financial literacy is to require a stand-alone course in the subject, according to the NEFC's Hensley. Only six states do so.

"A lot of things out there are financial information," Hensley said. "But that's not financial education that makes you the CFO of your life."

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Pandemic makes improving financial literacy more important than ever

Our world has drastically changed over the last few weeks as the coronavirus disrupted the economy. That just makes the work of improving Americans' financial awareness and financial literacy all the more important as we start National Financial Literacy Month in April.

GUESTBLOG
VALENTINO SABUCO

As you may know, 10,000 Americans reach age 65 daily, and many are on track to run out of money long before the end of their lives. Many families are burdened with large amounts of student loans or other forms of debt, and more than half of U.S. adults do not have an up-to-date financial, estate and gift plan to protect themselves and their families

This creates a significant opportunity for you to advance your business by attracting clients, while helping to grow a stronger economy.

THE MASTER PLAN

Managing personal finances today is more complicated, yet more important than ever. We are living longer, but saving proportionately less. We feel less secure in our jobs, homes and overall outlooks than previous generations did. We watch helplessly as our money evaporates as a result of the exorbitant costs of housing, taxes, education, health care and life's too many unexpected events.

To address this epidemic of financial illiteracy, 12 years ago we began to recognize organizations and their management, as well as individuals, championing improving financial awareness and financial literacy. We unite them with other groups and the news media to focus these resources into the Improving Financial Awareness & Financial Literacy Movement, which works to create media blitzes of personal finance content for two campaigns: Financial Literacy Month in April and Estate & Gift Planning Awareness Month in October.

STEPS TO TAKE

Here are ways you can support the movement.

- Give clients a financial literacy quiz.
- Place editorial content about financial, estate and gift planning and investments on your website, get it into newsletter, and promote it via social media and radio, TV and web-based shows and ads.
- Add an 'Improving Financial Awareness & Financial Literacy Page' to your website.
- Host, present or participate in webinars or seminars built around investing and financial, estate and gift planning.
- Circulate materials on the movement to your colleagues and encourage them to support these events.

WHO BENEFITS?

Everyone benefits from a stronger, financially sound economy. Significantly improving financial awareness and financial literacy will have a major positive impact on health care, education, agriculture and food supply, economic empowerment and jobs, while encouraging peace, reduced violence and so much more.

Valentino Sabuco is executive director of The Financial Awareness Foundation, a 501(c)(3) nonprofit whose mission is to help solve the financial illiteracy epidemic.

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The global economic impact of COVID-19 will take time to unravel. But the effect the virus is having on how advisers run their daily practices is coming into focus.

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AMERICAN CENTURY

CONTINUED FROM PAGE 6

eryone, they had no reservations with us going out the door," Rosenberg said.

During the first 15 minutes of trading last Thursday, American Century Focused Dynamic Growth (FDG) and American Century Focused Large Cap Value (FLV), each traded 101 shares.

The stock market volatility in response to the fast-spreading coronavirus has the S&P 500 Index down nearly 24% from the start of the year. That kind of volatility is generally seen as an opportunity for active managers to navigate around trouble spots.

"In times of volatility, active management can really shine, because active management is more about owning the right securities," Rosenberg said. "Who knows how long this will last. We could be in this stage a month or the entire year, but we think it's good to give investors a choice."

NAVIGATING CHOPPY MARKETS

As an example of how active management can navigate these choppy markets, the American Century Focused Dynamic Growth mutual fund (ACFOX), which employs a strategy similar to the Dynamic nontransparent ETF, is down just 10.5% from the start of the year, or less than half the decline of the S&P 500.

The general concept of a nontransparent active ETF is to put an ETF wrapper around an actively managed strategy without disclosing the underlying holdings on a daily basis, as all other ETFs do. But each nontransparent ETF structure that has passed SEC scrutiny so far is unique in the way it provides enough portfolio transparency and guidance to keep market-makers engaged for the sake of liquidity.

In most cases, the underlying holdings will be disclosed quarterly, which is the way active mutual funds report their holdings. In that sense, these products are part active mutual fund and part ETF.

"The launch of these active equity ETFs has been long awaited by the ETF industry and it gives American Century the chance to showcase its management skills in tax-efficient products that investors have been gravitating to," said Todd Rosenbluth, director of mutual fund and ETF research at CFRA.

"We think those investors that favor stock selection will not have much concern about the limited holdings transparency and will consider them if they have a favorable view on American Century," Mr. Rosenbluth said. "Yet those that want low-cost index-based products will ignore these as they do many other new launches."

"THE LAUNCH OF THESE ACTIVE EQUITY ETFs HAS BEEN LONG AWAITED."

TODD ROSENBLUTH, DIRECTOR OF MUTUAL FUND AND ETF RESEARCH, CFRA

On the cost front, the Dynamic Growth ETF charges 45 basis points, and the Large Cap Value ETF charges 42 basis points.

BUILDING THE TEAM

Acknowledging the importance of maintaining the kind of tax efficiency that ETF investors have come to expect, American Century has named Rene Casis, the head of the ETF portfolio management team, as part of the management team for each of the new funds.

The Dynamic Growth ETF is also led by Keith Lee and Michael Li. The Large Cap Value ETF portfolio leadership includes Kevin Toney and Phil Davidson.

The asset management industry has been talking up nontransparent ETFs as the best of both worlds because they will offer access to tested active portfolio management at lower fees and without the tax inefficiencies that plague mutual funds.

Through mid-March, at least two dozen asset managers had signed licensing agreements with firms approved to offer nontransparent ETFs. But financial advisers, the largest consumers of ETFs, are barely paying attention so far.

A 2019 survey of more than 150 financial advisers by Cerulli Associates found that less than 16% plan to allocate client assets to nontransparent ETFs during the first year they're on the market, while 31% said they would not use them. More than 35% of respondents said it would depend on the details and structure of the products.

Time will tell if advisers are ready to reconsider and start taking a fresh look at the asset management industry's latest wrapper.

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STATE REGULATORS

CONTINUED FROM PAGE 6

their best judgment and protect their employees, their customers and their firms," Pieciak said.

BATTLING FRAUD

The virus outbreak has state regulators on the lookout for scams related to COVID-19.

"That does worry me, and it will take additional effort from us to try to counter that," said Pieciak, who, along with the general counsel, is one of two employees still coming into the Vermont office.

Enforcement operations can continue efficiently over the phone, via email or through other digital means, according to Gerold. Such activity had been increasing before the conornavirus outbreak.

"The time of investigators being in the field four out of five days a week is past," he said. "It hasn't been in place for a number of years."

State regulators oversee investment advisers who have less than $100 million in assets under management, while the SEC regulates those that are bigger. States also regulate brokerages that operate within their jurisdiction.

As the coronavirus continues to force regulatory staff members out of their offices, they may get used to the new normal, Borg said.

"I'm afraid that once this is over, no one will want to come back to work," he said.

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WITHDRAWALS

CONTINUED FROM PAGE 4

bates on such transactions could total $10 million to $20 million among its DC plan clients. The company will approve such credits through Sept. 30, according to its announcement.

Voya has also rolled out videos addressing relief under the Cares Act and is making financial professionals available via phone to plan participants, the company stated.

EARLY ACCESS TO ASSETS

The retirement plan industry supported expanding early access to 401(k) assets, with individual companies and trade groups lobbying Congress to include such provisions.

Advisers agree that retirement accounts represent the only financial resources for some people who have no other funds set aside for emergencies. However, they are cautioning people about taking money from their retirement savings unless it's absolutely necessary, especially in the current market.

"Given the extreme and unprecedented situation around the globe right now, and the financial and other strains placed on the shoulders of many workers, we support efforts to enable temporary increased access to retirement funds," Alison Borland, executive vice president of wealth solutions and strategy at Alight Solutions, said in a statement. "That said, pulling funds out of the depressed market right now increases the likelihood that any future recovery will not benefit the worker."

Plan providers should communicate the full range of options available to workers, such as other types of loans and financial counseling, Borland said.

Another asset manager, T. Rowe Price, has begun allowing plans to opt for the early distributions available through the Cares Act, which are distinct from traditional hardship withdrawals in that they do not trigger a 10% penalty, a "Once a plan sponsor has opted into the service, participants receive a message, either digitally or via print, notifying them of this option," the spokesperson said in an email. "We understand that these are unprecedented times and that many participants may need these distributions and have no other options."

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CAMBRIDGE

CONTINUED FROM PAGE 5

under administration," a Cambridge spokesperson, Cindy Schaus, wrote in an email.

An Advisor Group spokesperson, Joseph Kuo, did not respond to a request for comment by press time.

Based in Irvine, Calif., Cooper McManus has about two dozen offices of reps and advisers under its umbrella across the country, according to the company's website. The firm's most recent Form ADV, on file with the Securities and Exchange Commission, reports that Cooper McManus has $989 million in client advisory assets, with about two-thirds held in custody at TD Ameritrade Clearing and the remainder at Fidelity's National Financial Services.

$989M

VALUE OF CLIENT ADVISORY ASSETS AT COOPER MCMANUS

Advisor Group has seen some large groups of financial advisers walk out the door recently. Last fall, LPL Financial reeled in three teams with close to $1.5 billion in client assets from Advisor Group broker-dealers.

GROSS DEALER CONCESSION

Cooper McManus generates annual total revenues, known as gross dealer concession, of $15 million, Cooper said in an interview last Friday. Advisers representing about 90% of that amount have committed to moving to Cambridge.

Owned by private equity manager Reverence Capital Partners, Advisor Group recently finished its acquisition of Ladenburg Thalmann Financial Services Inc., a network of broker-dealers that includes Securities America.

"We were 21 years with Securities America," Cooper said. "With private equity [owners] coming in, I became extremely cynical about promises of no changes. No disruptions to service seemed a stretch."

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SCAMMERS

CONTINUED FROM PAGE 5

into thinking the pandemic is stopping or somehow changing your Social Security payments, but that is not true. Don't be fooled."

Individuals who receive calls, emails or other communications claiming to be from the Treasury Department and offering COVID-19 related grants or economic impact payments in exchange for personal financial information or for an advance fee or charge of any kind, including the purchase of gift cards, should not respond, Gail S. Ennis, inspector general at the Social Security Administration, warned in a companion statement. "These are scams," she said.

Separately, the Department of Health and Human Services Office of Inspector General alerted the public about other fraud schemes related to COVID-19. For example, scammers are offering COVID-19 tests to Medicare beneficiaries in exchange for personal details, including Medicare information. However, the services are unapproved and illegitimate.

LONG WAIT TIMES

The uptick in COVID-19-related scams and questions about how Social Security beneficiaries can receive their federal rebate payments of up to $1,200 per person has triggered a flood of phone calls to the Social Security hotline (800-772-1213), resulting in unusually long wait times.

In a statement, the Social Security Administration said the Department of the Treasury will soon provide information about economic impact payments under the recently enacted law, the Coronavirus Aid, Relief, and Economic Security Act, or Cares Act.

"Treasury, not Social Security, will be making direct payments to eligible people," according to the agency's press release. "Please do not call Social Security about these payments as the agency does not have information to share." Payments will be deposited directly into the same accounts where individuals receive their Social Security benefits.

NEW PHONE HOURS

To allow its available agents to provide better phone coverage, the agency is temporarily changing the hours of its national 800 number starting Tuesday. The hours will now be from 8:00 a.m. to 5:30 p.m. local time, instead of the prior hours of 7:00 a.m. to 7:00 p.m. local time.

The agency is experiencing longer than normal wait times on the 800 number and asked the public to remain patient, use its online services or call their local office. Local offices are closed to the public but are available by phone. People can find their local field office phone number by accessing the Field Office Locator.

Visit the agency's COVID-19 web page for important information and updates.

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REG BI DEADLINE

CONTINUED FROM PAGE 4

the Reg BI deadline.

"I'm a little surprised, honestly," Karen Barr, chief executive of the Investment Adviser Association, said of the SEC's decision. "We had asked the staff to provide more time for Form CRS implementation under the circumstances, and we are disappointed no adjustment was made to the deadline."

"WE ARE DISAPPOINTED NO ADJUSTMENT WAS MADE TO THE DEADLINE."

KAREN BARR, CHIEF EXECUTIVE, INVESTMENT ADVISER ASSOCIATION

In his statement, Clayton promoted the investor-protection aspects of Reg BI and said they must be put in place on schedule. He also said firms "have made considerable progress" in adjusting their business practices, changing their policies and procedures and aligning their operations to meet Reg BI and Form CRS mandates.

"Based on that engagement — and because the continued implementation of these conduct and transparency initiatives, individually and collectively, will significantly benefit Main Street investors — we believe that the June 30, 2020, compliance date for Reg BI and other requirements, including the requirement to file and begin delivering Form CRS, remains appropriate," Clayton said.

He said firms that have trouble complying with the Reg BI deadline because of operational challenges due to the coronavirus pandemic should contact the SEC.

"I expect that the commission and the staff will take the firm-specific effects of such unforeseen circumstances (and related operational constraints and resource needs) into account in our examination and enforcement efforts," he said.

RISK ALERTS

The SEC will issue two risk alerts in coming days to provide additional information to brokers and investment advisers. One will focus on the scope and content of initial Reg BI examinations. The other will focus on Form CRS.

"We have been advising our members all along to prepare for this," Barr said of the deadline remaining in place. "Everyone is going to make their best good-faith effort to do it."

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