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The 20 Most Influential Women to Watch in 2016
Pages 4-16

The Women's Issue

///'s First Lifetime Achievement Award
Page 3

Lazetta Rainey Braxton

Alexandra Armstrong

COMPENSATION
The biggest pay gaps in the advice business
Page 17

C SUITE
Sheryl Garrett on Obama's shout-out
Page 18

MUTUAL FUNDS
Why so few female portfolio managers?
Page 20

MY STORY
Mary Jo White on women's progress
Page 24

MIKE MORGAN PHOTOGRAPHY

FROM THE PUBLISHER

A celebration of achievement

WELCOME TO "THE WOMEN'S ISSUE," our first ever issue devoted to a single subject.

The majority of this issue focuses on our 20 Women to Watch and the recipient of our inaugural Lifetime Achievement Award, Alexandra Armstrong.

It's hard to believe that it was only four months ago that we put out a call for nominations for our Women to Watch list. We were looking to recognize female advisers and executives who have elevated the financial advice industry in some way.

We were confident there would be plenty of submissions, but we had no idea just how big that response would be. With more than 400 nominations, we clearly had a difficult task to whittle it down to just 20 honorees.



Suzanne Siracuse

Many names you will recognize. Others you may not. But all of these women are fabulous role models for other women already in the business, as well as those thinking about joining the industry.

I hope when you read their profiles you will understand why they made the list!

While selecting 20 honorees for our Women to Watch list was difficult, picking just one to receive our first ever Lifetime Achievement Award was not. Alexandra Armstrong represents all the qualities we were looking for among our Women to Watch ... and then some. She is a trailblazer. She is tenacious, a forward thinker with guts, spunk and just the right amount of attitude. Not only that, she is generous with her time, helping others and supporting the many causes she is associated with, including that Foundation for Financial Planning.

Conversations with friends and family

In putting together the story on Alex, which can be found on Page 3, as well as a tribute video on our website (InvestmentNews.com/armstrong), we had the privilege of speaking with many of her friends, family members and colleagues about her journey as a woman in the financial advice business. Those conversations only served to reinforce our decision that Alex is the perfect choice for our inaugural Lifetime Achievement Award.

If you want to be part of honoring Alex and all of our Women to Watch honorees, I invite you to attend our half-day Women in Financial Services leadership summit, sponsored by the Investment Program Association, followed by the awards ceremony, on March 16 in New York City. I hope to see many firms there as a show of support for the advancement of women in financial services. Visit InvestmentNews.com/leader for more details.

All of us at *InvestmentNews* are grateful for the opportunity to share the stories and experiences of the many dynamic, diverse and determined women who are part of the financial advice industry.

ON THE WEB

For expanded coverage of the Women to Watch honorees and Lifetime Achievement Award winner Alexandra Armstrong, including video interviews, visit InvestmentNews.com/watch.



CONTENTS

3

Alexandra Armstrong: IN's first annual Lifetime Achievement Award winner.

4-16

Women to Watch: 20 of the most influential women in the financial advice industry.

17

The Pay Gap: It's not as bad as you may think

18

C Suite: It took Sheryl Garrett 11 years before she hit her stride in the advice business.

20

Mutual Funds: Gender diversity improves performance, but there are still too few female portfolio managers.

21

My Story: Finra's Susan Axelrod on creating a work-life balance.

23

Investment Strategies: Kathleen McQuiggan on why investing in women can yield huge payoffs.

24

My Story: SEC's Mary Jo White discusses how the role of women has evolved in the workforce.

25

Laying down the law: Female representatives have taken a lead role in financial advice issues in Congress.

26

Mary Beth Franklin: New rules will make it hard for women to maximize their Social Security benefits.

28

Mentoring: The relationship between a veteran adviser and her young protégé is paying dividends for both of them.

Going independent: Women have the same pressures as men when they launch their own RIA – and some that men don't have to worry about.

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LIFETIME ACHIEVEMENT AWARD

An industry pioneer and role model

By Liz Skinner

ALEXANDRA ARMSTRONG has spent 40 years encouraging women to embrace financial planning as a career or as the pathway to financial security.

The iconic founder and chairwoman of Armstrong Fleming & Moore Inc. has helped foster the growth of financial planning into a bona fide profession. Colleagues, mentees, clients and others in the business say she has done it all with her trademark humility, generosity and resolve.

"When people call me an icon I'm embarrassed, and I sort of look behind me to see who they're talking about," Ms. Armstrong said in a recent interview in her Washington, D.C., offices.

In recognition of her accomplishments, Ms. Armstrong is the first recipient of *InvestmentNews*' Lifetime Achievement Award, which will be given annually to a veteran female financial adviser.

Ms. Armstrong, 76, launched a career in financial planning before the profession itself had gotten off the ground. In 1977, she was the first person in Washington, and one of the first women in the nation, to become a certified financial planner.

She sought what was then a new designation because she saw it as the first step on a path to offering clients comprehensive financial planning, not just portfolio advice. She's long recognized how important such

Continued on Page 27



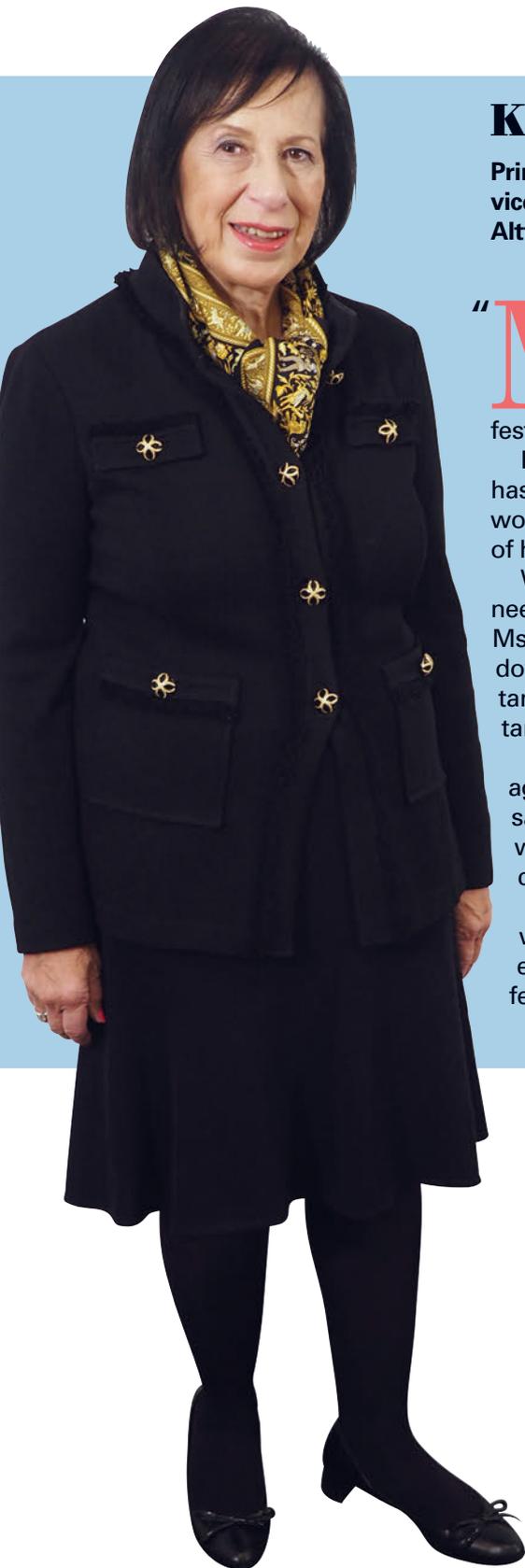
ALEXANDRA ARMSTRONG

WOMEN to WATCH

InvestmentNews' inaugural Women to Watch list recognizes 20 women in the industry who have demonstrated success, leadership, ability to effect change, a willingness to help other female professionals and community service.

The honorees were chosen by an InvestmentNews selection committee.

All profiles were written by **Deborah Nason**.



Karen Altfest

Principal adviser and executive vice president of client relations, Altfest Personal Wealth Management

"My focus on women is why I come to work every day," said Karen Altfest, principal adviser with Altfest Personal Wealth Management.

In her 29 years as an adviser, she has become a devoted advocate for women, especially widows. About 60% of her clients are women.

What do women need to do? "You need to be your own spokesperson," Ms. Altfest said. "A lot of it comes down to ruffling feathers. It's important to stay focused on what is important to you."

Commenting on the small percentage of women financial advisers, she said, "It's still a male-dominated world, and women don't feel as welcome, as sure of themselves."

"But the field taps into a lot of women's skills, like communication, empathy and multitasking," Ms. Altfest added.

Deena Katz

Associate professor, Texas Tech University; Chairman, Evensky & Katz / Foldes Financial Wealth Management

Professor Deena Katz of Texas Tech University has bravely followed her inspirations throughout her 40 years in the financial world.

After Ms. Katz's father died at a young age, her mother encouraged her to take care of herself financially. She took that advice to heart and has been on a mission to bring that encouragement to as many people as possible, especially women.

In the late '80s, Ms. Katz bought into a practice in Florida, Evensky & Katz. In no time, she was in charge and changed the practice model over to the still unheard of fee-only concept.

Ten years ago, she joined Texas Tech and used her expertise to expand and enhance the CFP curriculum. She has insisted on a strong focus on ethics. "Our responsibility is to the people, not to their money," Ms. Katz said.



“

What I love about my work is that I can help shape the adviser atmosphere.

”

Amy Webber

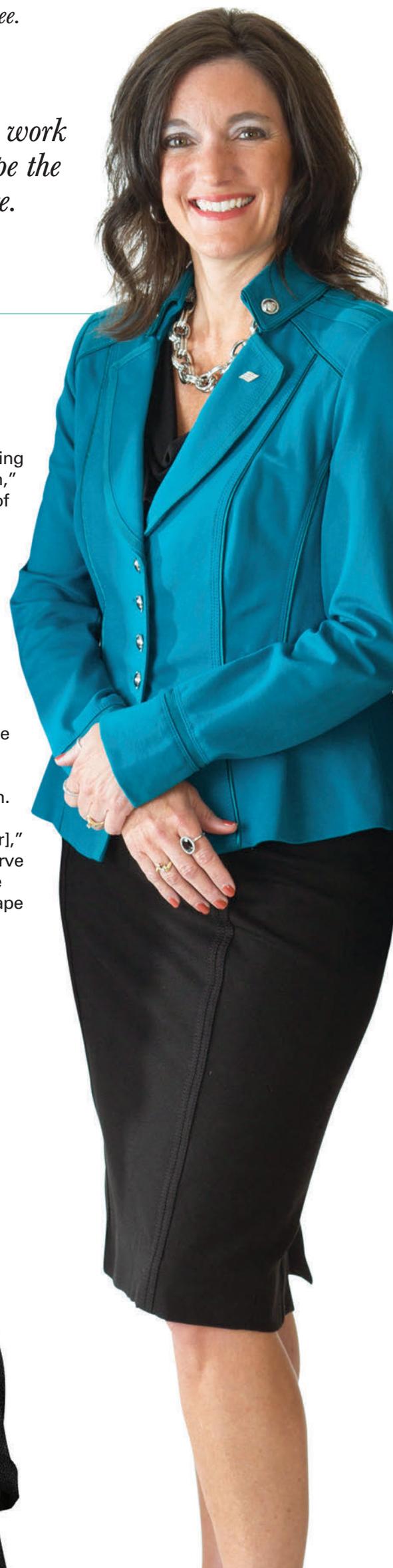
Amy Webber

President, Cambridge Investment Research Inc.

"I've been given the gift of leading a purpose-driven organization," said Amy Webber, president of Cambridge Investment Research Inc. "My purpose is to come in every day and make a difference in the lives of our advisers, their clients and our employees."

She has been making that difference through her leadership of special Cambridge initiatives that focus specifically on women and the upcoming generations, including the the New Century Council, the Next Step internship program and the Cambridge Women Advisors Forum.

"I considered being an adviser many times [over my 28-year career]," Ms. Webber said, "but I chose to serve those who serve others. What I love about my work is that I can help shape the adviser atmosphere."



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WOMEN to WATCH



Karen L. DeRose

President and managing partner,
DeRose Financial Planning Group

This has been a great career," said Karen L. DeRose, managing partner and founder of Chicago-based DeRose Financial Planning Group, affiliated with Lincoln Financial Advisors. "I'm at the point now I want to give back and mentor."

Her father was in the insurance business and played an outsized role in her life because Ms. DeRose's mother died when she was just 7 years old.

She went to work with her father in 1997. Three years later, she switched to financial planning. In 2012, her son Anthony joined her. "Working with my father and working with my son — I'm so proud," she said.

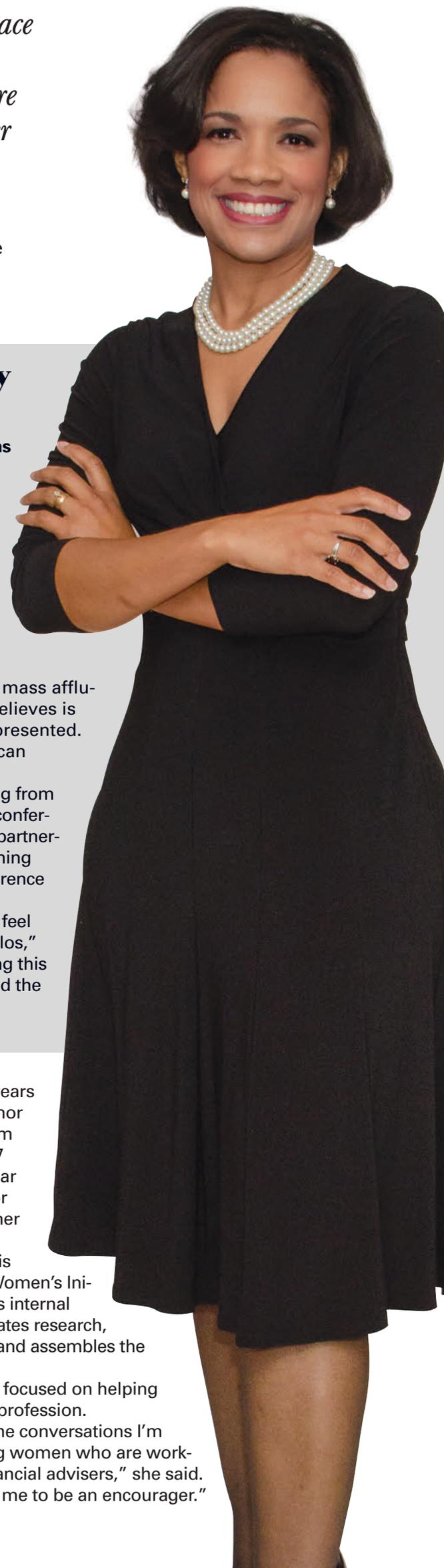
Ms. DeRose, a big believer in mentoring, co-founded a group within Lincoln called WISE (Women Inspiring Supporting and Educating).

"We wanted a place to share best practices, inspire women to enter the industry and to provide education to female clients," she said.

"It's of great importance to have male and female teams and multigenerational teams," she said. "I see it in my own practice, and it's so wonderful!"

“
*We wanted a place
to share best
practices, inspire
women to enter
the industry.*
”

Karen L. DeRose



Lazetta Rainey Braxton

Founder, Financial Fountains

Lazetta Rainey Braxton is founder of Financial Fountains in Baltimore and president of the Association of African American Financial Advisors, popularly known as Quad-A.

Her practice focuses on mass affluent clients, a market she believes is underserved and underrepresented. Half of her clientele is African American.

Ms. Braxton is still buzzing from Quad-A's inaugural annual conference, held in September in partnership with the Financial Planning Association's national conference and its diversity initiative.

"Many of my colleagues feel isolated, like they work in silos," Ms. Braxton said. "By having this momentum, we've identified the lone torch bearers."

After more than 20 years as an adviser, Eleanor Blayney retired from her practice in 2007 and began a new chapter a year later as consumer advocate for the Certified Financial Planner Board of Standards.

One of her main roles is promoting the board's Women's Initiative. As the program's internal manager, she coordinates research, distills the findings and assembles the advisory council.

Her writing has focused on helping women enter the profession.

"I'm proud of the conversations I'm having with young women who are working to become financial advisers," she said. "It's a privilege for me to be an encourager."

Eleanor Blayney

Consumer advocate, CFP Board



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WOMEN to WATCH

“
*I've been told more often in
my career that I can't do
something than I can.*
”

Lisa Cregan



Heather Ettinger

Managing partner,
Fairport Asset Management

Heather Ettinger is managing partner of Fairport Asset Management in Cleveland, a firm she has been with since 1987.

What is she most proud of? “Being able to connect with other women nationally to advance the agenda for women as clients and as financial advisers,” Ms. Ettinger said.

Her agenda is two-fold: broadening the understanding of women as clients and recruiting and promoting women as advisers.

To that end, Ms. Ettinger has made significant contributions through her leadership in two landmark studies, sponsored by the Family Wealth Advisors Council.

The first one, conducted in 2011, “showed statistically that you cannot treat all women the same,” because women have diverse priorities, she said.

The second study, in 2015, focused on breadwinner women and identified social and community pressures on women to downplay their careers.

Lisa Cregan

Managing director, mid-Atlantic regional director,
Morgan Stanley Wealth Management

Battling my way over the last 30 years, I learned not to judge myself against others, just against myself,” said Lisa Cregan, mid-Atlantic regional director for Morgan Stanley Wealth Management. “I’ve been told more often in my career that I can’t do something than I can.”

She has been glad to pave the way for other women, and said the industry needs to reposition itself in order to attract female advisers.

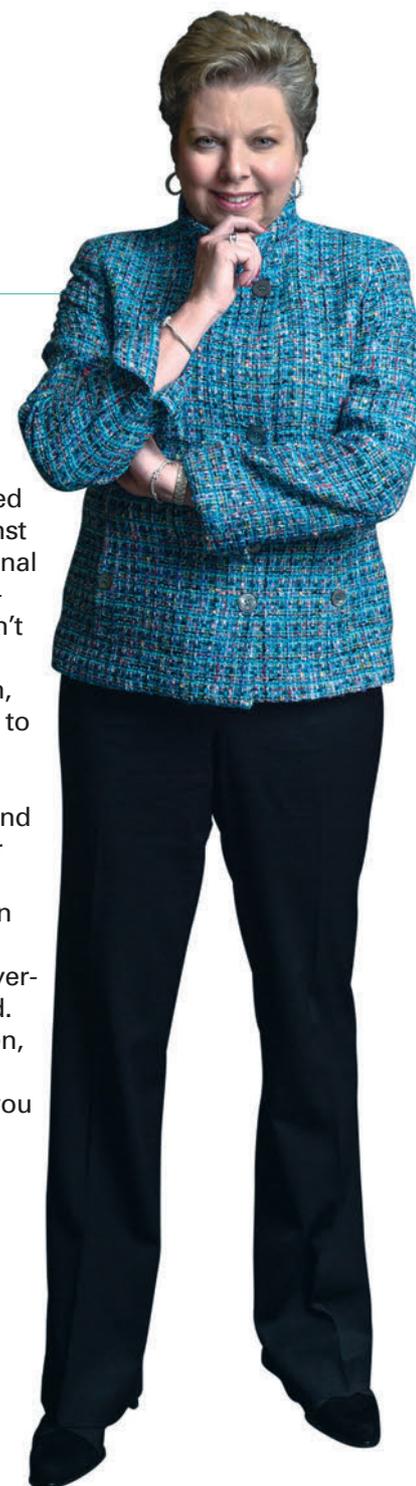
“It used to be a testosterone sale to scare people away,” she said. The pitch was “there are long hours and a low success rate, but if you do well, you can run your own business.”

But the mindset of the industry has been changing in recent years, she said.

“With a greater emphasis on teams, the need for diversity on those teams became obvious,” Ms. Cregan said.

Being a financial adviser is an ideal career for women, she said.

“You can build a team and once you’re successful, you can manage what your day looks like,” she said. “You can shape the job around your life.”



Erica McGinnis

President and CEO, AIG Advisor Group

The key to my success,” said Erica McGinnis, president and CEO, AIG Advisor Group, “is that I’ve always raised my hand and always said yes. Even when I was afraid, I couldn’t pass up an opportunity.”

She has faced her fears and made others notice her.

“My dad and my husband ... have been role models and mentors and, early on, forced me to speak up and ask for a raise,” she said.

Ms. McGinnis said another reason for her success is her willingness to get onstage and speak.

One of the showcases for her speaking talents is AIG’s annual conference for female advisers, the W Forum. The growth and enthusiasm for the event impressed Ms. McGinnis and, deciding it was time for a “women’s movement,” she launched the Women FORWARD program three years ago.

Four areas of focus are growth (business or personal), recruiting female advisers, giving back and working with female clients.



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leaders of
InvestmentNews'
Women to Watch.**

**With special
recognition to:**

Deena Katz, Evensky & Katz/Foldes Financial Wealth Management

Elissa Buie, Yeske Buie

Geeta Aiyer, Boston Common Asset Management

Heather R. Ettinger, Fairport Asset Management

Karen C. Altfest, Altfest Personal Wealth Management

Marjorie L. Fox, FJY Financial

Rebecca Pomeroy, Moss Adams Wealth Advisors LLC

Amy L. Webber, Cambridge Investment Research, Inc.

Erica McGinnis, AIG Advisor Group

Marie Chandoha, Charles Schwab Investment Management

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WOMEN to WATCH



Racquel Oden

Managing director, head of adviser strategy and development, Merrill Lynch Wealth Management

What I love about my work is the impact I can have on this industry," said Racquel Oden, head of adviser strategy and development for Merrill Lynch Wealth Management. "I'm creating the next generation of advisers."

She certainly is, as she oversees the hiring of about 1,500 adviser trainees per year, as well as the coaching and development of Merrill's 14,000 advisers.

A word her admirers frequently use to describe her is "innovative."

About a year and a half ago, Ms. Oden introduced the Team Financial Advisor program, which focused on recruiting millennials and women, and changed how new hires begin their careers at the firm.

Formerly, new advisers had to build their businesses on their own, with compensation based on monthly numbers. In the new approach, newcomers join an existing practice within Merrill and receive compensation based on annual numbers.

The changes have not only tripled the retention rate of new advisers, they have helped established advisers with succession planning.

"I challenge myself to think about this business differently," Ms. Oden said. "Taking risk is a norm for me."

“
After 20 years in institutional equity sales, I embraced my personal P/E ratio. Not price-earnings — but puke-excitement ratio.
”

Kathleen McQuiggan

Kathleen McQuiggan

Senior vice president of global women's strategies, Pax World Management

Kathleen McQuiggan took a risk and changed her career path six years ago. Then things happened fast.

"After 20 years in institutional equity sales [at Goldman Sachs], I embraced my personal P/E ratio. Not price-earnings — but puke-excitement ratio," Ms. McQuiggan said.

Leaving Goldman Sachs was one of the hardest decisions she ever made, but she saw an opportunity to make a bigger difference.

In 2010, Ms. McQuiggan met Joe Keefe, the chief executive of Pax World Management, a mutual fund company, and started consulting on the firm's gender diversity initiatives.

Pax has partnered with Sallie Krawcheck, a wealth management veteran, to form the Pax Ellevest Global Women's Index Fund, which draws from approximately 400 companies from the MSCI World index and ranks them on the percentage of women in various leadership capacities.



Mary Mack

President and head of Wells Fargo Advisors

Mary Mack, president and head of Wells Fargo Advisors, has had an exemplary and varied career, with decades of leadership in the financial industry. She serves as a high-level, high-visibility role model, and generously shares her insights with others.

Advising young women is especially close to Ms. Mack's heart, as she has three daughters.

"I talk to a lot of young women getting to critical points in life and they ask, 'How can we make this work?'" she said.

"I've been through three mergers," Ms. Mack said. "I've had to bob and weave and find another job myself."

She shares the tips for success and resilience she's learned through personal experience and trial and error.

"Be flexible and be willing to reinvent yourself," Ms. Mack said. "The first time is the hardest. Embrace the change. Look for opportunities to raise your hand. Be a part of the change, not a victim of it."



Congratulations on all that you've achieved

Fidelity Investments congratulates these distinguished leaders as recognized by *InvestmentNews*:

Women to Watch

Heather R. Ettinger, Managing Partner, Fairport Asset Management

Marjorie L. Fox, Partner & Senior Financial Advisor, FJY Financial

Erica McGinnis, President & CEO, AIG Advisor Group

Rebecca Pomeroy, CEO, Moss Adams Wealth Advisors

Amy Webber, President, Cambridge Investment Research

Lifetime Achievement Award

Alexandra Armstrong, Chairman, Armstrong Fleming & Moore

Your leadership, drive, and willingness to share your insights continue to have a lasting impact on our industry.



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InvestmentNews reviewed nominees' eligibility for the list based on the following criteria: demonstrated success and leadership in the financial advisory industry; ability or power to effect change in the industry; willingness to share expertise with others in the field, including serving as a mentor or role model to other female professionals in the industry; and community contributions.

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WOMEN to WATCH



Geeta Aiyer

President and founder of
Boston Common Asset Management

Geeta Aiyer, president and founder of Boston Common Asset Management, has been a pioneer in the socially conscious investing field since 1988.

Several points of pride she cited from her career include creating data and metrics on the field 25 years ago that proved investors can use a diversified portfolio with credible performance records in this space and can use their voices as engaged shareholders.

In 1994, she decided to start her own firm based on socially conscious principles.

"I couldn't convince others [to practice this way], so I had to do it myself. I was in my 30s, so I felt I had the time to fail, but then still be employable."

The firm was so successful it was purchased by a bank, and she spun out on her own again at the end of 2002 to found Boston Common.

"We've tried to build an organization that's consistent with this pursuit. It's not just a business, we've offset carbon and our firm is diverse, with 80% owned and led by women."



“
*Developing other
people is good for
business.*
”

Rebecca Pomeroy

Rebecca Pomeroy

CEO, Moss Adams Wealth Advisors

Rebecca Pomeroy, chief executive of Moss Adams Wealth Advisors, has been helped along the way and she wants to pass the torch to others. She began her Moss Adams career in the management consulting division in 1997, at age 22, and joined the wealth advisers division 11 years later.

Starting with research and analysis helped her understand the structure of this profession, Ms. Pomeroy said.

At the beginning of her career, Ms. Pomeroy worked with someone who had a lot of confidence in her ability to deliver.

"That's part of the reason I feel obligated and empowered to help others," she said.

"You don't have to be Mother Teresa," she added. "It's not completely altruistic. My success reflected on my mentor. Developing other people is good for business."

Efforts to help women at Moss Adams include the Forum W program, which focuses on recruiting and retaining more women and developing them into leaders. The firm also has a leadership conference and provides education and mentoring.

Elissa Buie

CEO, Yeske Buie

Elissa Buie is chief executive of Yeske Buie, a bicoastal practice in Vienna, Va. and San Francisco. An adviser for more than 30 years, she has played important roles in the development of both planners and the profession.

As president of the Institute of Certified Financial Planners, she helped bring about its merger with the International Association for Financial Planning in 1999 to create the Financial Planning Association.

For more than a decade, she has served as dean of the FPA's residency program, a week-long gig for newly certified financial planners. Ms. Buie has considered herself the program's "torchbearer" since its inception in 1998.

In 2013, Ms. Buie was awarded the P. Kemp Fain Jr. Award, a lifetime achievement award given by the FPA.

"I'm very proud of this recognition," she said. "But my tagline has become, 'I'm not dead yet!'"





Congratulations!

On behalf of IPA's Women's Initiatives Network (WIN), we would like to congratulate these exceptional women who have been nominated for the InvestmentNews Women to Watch Award.

Geeta Aiyer

Boston Common Asset Management

Karen C. Altfest

Altfest Personal Wealth Management

Candace Bahr

Bahr Group, WIFE.org

Eleanor Blayney

Certified Financial Planner Board of Standards (CFP Board)

Elissa Buie

Yeske Buie

Marie Chandoha

Charles Schwab Investment Management

Lisa M. Cregan

Morgan Stanley

Karen L. DeRose

DeRose Financial Planning Group

Heather R. Ettinger

Fairport Asset Management

Marjorie L. Fox

FJY Financial, LLC

Kate Healy

TD Ameritrade Institutional

Deena Katz

Texas Tech University

Mary Mack

Wells Fargo Advisors

Erica McGinnis

AIG Advisor Group

Kathleen McQuiggan

Pax World Investments

Racquel Oden

Merrill Lynch Wealth Management

Rebecca Pomeroy

Moss Adams Wealth Advisors LLC

Lazetta Rainey Braxton

Financial Fountains

Winnie Sun

Sun Group Wealth Partners

Amy Webber

Cambridge Investment Research, Inc.

We also would like to congratulate Alexandra Armstrong, Chairman of Armstrong, Fleming & Moore Inc., the first Women To Watch Lifetime Achievement Award recipient.

Join us for the Leadership Forum and Awards Luncheon on March 16, 2016 at the Hilton New York Midtown. For more information visit <http://www.investmentnews.com/w2w> or call 212-210-0430.

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WOMEN to WATCH

Candace Bahr

Co-founder and managing partner, Bahr Investment Group



financial planner Ginita Wall, decided to create the Women's Institute for Financial Education.

The all-volunteer institute is a 501(c)3 dedicated to women's financial independence. Its services include a website; free monthly newsletters; occasional lectures and seminars; and nationwide money clubs,

which follow a financial education curriculum and provide emotional support.

In addition, WIFE offers its flagship program, Second Saturday, geared toward women contemplating divorce or in the early stages of one. The program includes an attorney, a therapist and a financial adviser, all volunteers, who educate and

answer questions.

There have been about 10,000 participants over the last 26 years.

Second Saturday now is being rolled out nationally. The program is currently in 110 territories across the U.S., each managed by a workshop leader, usually a financial adviser. The leader pays a fee to WIFE for ongoing support

and resources, such as a comprehensive instruction guide that covers marketing, curriculum, volunteer recruitment and follow-up activities.

"I wanted to create a legacy," Ms. Bahr said. "The institute has given me a sense of purpose and the drive to stay in this business. It's a way to give back on a deep level."

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Variable annuities are long-term, tax-deferred investments designed for retirement that will fluctuate in value. It allows for a fixed or variable stream of income through a process called annuitization and also provides a variable rate of return based on the performance of the underlying investments, which are subject to investment risk, including possible loss of principal. A variable annuity is a contract between the owner and an insurance company and has fees and limitations that include mortality and expense, administrative fees, contract fees and the expense of the underlying investment options. Some death benefits may be available at an additional cost and the cost of an option may exceed the benefit paid under the option. Any early withdrawals will decrease the death benefit and contract value. If withdrawals are taken before age 59 1/2, a 10% early withdrawal federal tax, in addition to ordinary income taxes, may apply. Guarantees are subject to the claims-paying ability of the issuing insurance company.

“

I wanted to create a legacy. The institute has given me a sense of purpose.

”

Candace Bahr, owner of Bahr Investment Group, an LPL Financial-affiliated firm in Carlsbad, Calif., has made a profound impact over her 35-year career not only on her clients, but also on thousands of women across the U.S.

About 26 years ago, some of her divorced and widowed clients approached her asking about a resource for financial education. Ms. Bahr, looking for a place that was noncommercial and safe, found none and, with co-founder and

WOMEN to WATCH

Kate Healy

Managing director,
institutional marketing,
TD Ameritrade Institutional

Kate Healy, managing director of institutional marketing for TD Ameritrade Institutional, is a happy camper.

"I don't work. I have the best job in the world," she said. "I have a phenomenal team, and I love that I feel like I'm making an impact on the profession."

Ms. Healy has been able to create programs to help develop the next generation of advisers and support female advisers.

Her NextGen initiative has several elements: scholarships

for four-year financial planning programs, including some geared toward diverse students; grants to colleges to enhance their financial planning curricula; a conference that allows students and program directors to network with advisers; and the RIA Intern Network, including tools for advisers and training and job resources for students.

She's excited to watch the progress.

"We're seeing increasing numbers of people entering the school programs and more interactions with program directors at more schools," she said.

Ms. Healy also developed a women's leadership initiative that educates advisers on the needs of female investors

“
I want to help other women find their paths in the financial planning industry.
”

through webinars and conference sessions. The initiative also supports and builds the pipeline of female advisers by sponsoring women's networking events and informal mentoring.

"In the beginning of my career, I had many women peers. But as I started moving up, I noticed there were not as many," she said. "I want to help other women find their paths in the financial planning industry."

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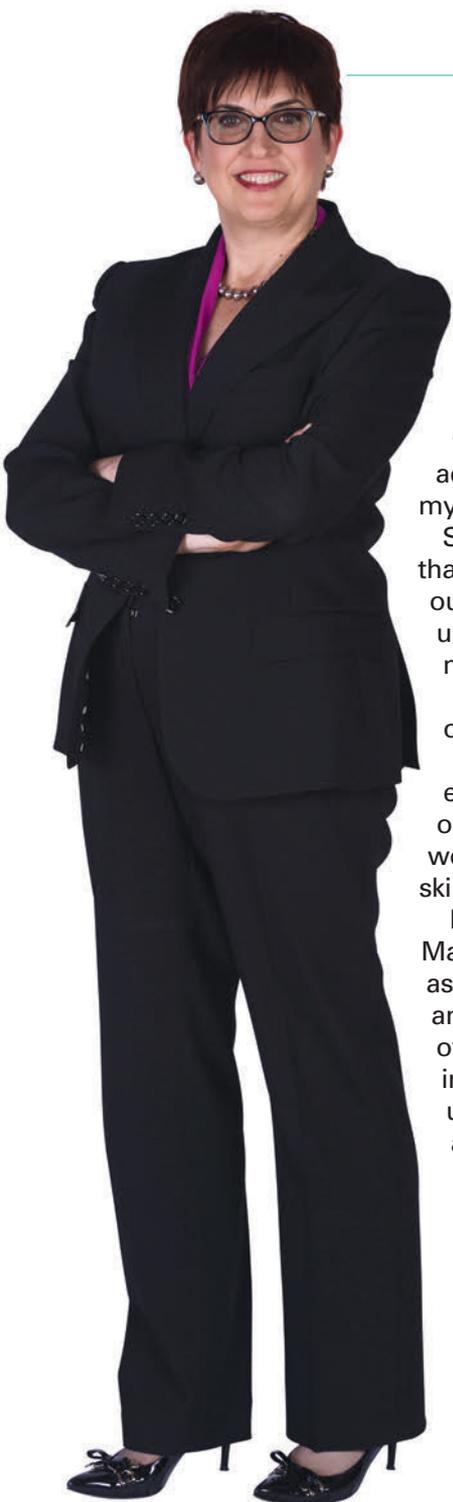
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WOMEN to WATCH



Marie Chandoha

President and CEO, Charles Schwab Investment Management Inc.

What I'm most proud of," said Marie Chandoha, president and CEO at Charles Schwab Investment Management Inc., "is that I built out a lot of teams. Seeing the people in my organizations advance and become leaders sends shivers up my spine."

She has been in financial services for more than 30 years, with a number of firms, starting out on the Wall Street trading floor and moving up the ranks to run the bond research department at Credit Suisse for 10 years.

In 1997, Ms. Chandoha changed the direction of her career to work in portfolio management.

Understanding the hurdles women employees face, she has sponsored training sessions on topics such as unconscious bias in the workplace and negotiation and communication skills for women.

In her five years leading Schwab Investment Management, she has taken big initiatives such as recruiting top talent, reorganizing the governance structure, implementing independent oversight teams and improving technology infrastructure. During her tenure, core products have grown to more than \$109 billion in assets under management from \$42 billion.

“
Seeing the people in my organizations ... become leaders sends shivers up my spine.
”

Marie Chandoha

Winnie Sun

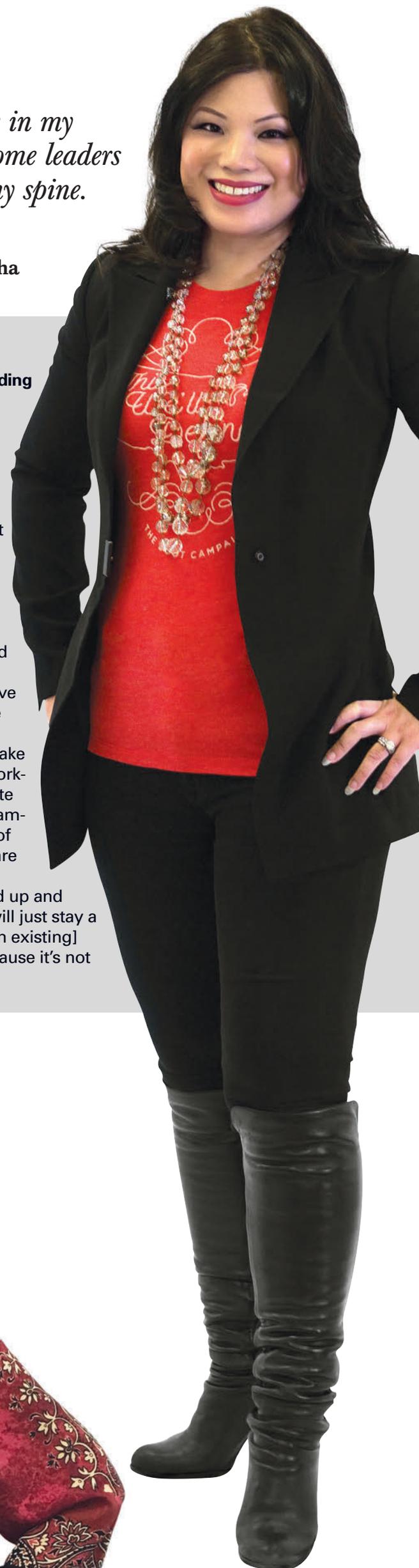
Managing director and founding partner, Sun Group Wealth Partners

Ask Winnie Sun what she's most proud of, and she'll say, without hesitation, "a good work-life balance." Ms. Sun is the managing director and founding partner of Sun Group Wealth Partners.

"I run a successful firm and have three kids, age 6 and under," she said. "I get to leave early and I have an incredible team."

Ms. Sun was moved to make a difference in the lives of workers and their ability to educate their children by starting a campaign to encourage the use of corporate 529 plans, which are hosted by employers.

"If someone doesn't stand up and make a big deal about it, it will just stay a good idea," she said. "It's [an existing] solution we're not using because it's not accessible."



Marjorie Fox

Co-founder and principal, FJY Financial

Marjorie Fox, co-founder and principal of FJY Financial, has found much to be proud of over her 30 years in the industry. Some highlights:

Making a break, 10 years ago, to start a practice: "Despite being the reluctant entrepreneur and rainmaker, leaping off into the unknown."

Putting staff and clients ahead of her own interests: "You don't get through bear markets and a startup practice with clients and staff if you don't love what you do," she said.

An amicable partner departure in 2014: "We all vowed to make it work. We didn't have a tug-of-war with clients. We presented our cases to them and they saw us walk the talk."

Looking ahead, Ms. Fox plans to continue sharing best practices with the broader community, beating the drum for diverse firms, and increasing access to pro bono advice and financial education.



Pay inequity relatively less in advice

By Liz Skinner

THE GAP BETWEEN what women and men make for doing the same job is a blight on most professions in America. In financial advice, however, pay inequity between the sexes is relatively slim.

Pay data for financial advisers collected by *InvestmentNews* show that female advisers who are not owners earn a median 86 cents

for every dollar a male adviser earns. While that's not equality, it beats the median 79 cents that women earn in the U.S. for every dollar a man receives, according to the Bureau of Labor Statistics.

Nationally, women in management and financial operations typically have an even larger pay gap, a median of 74 cents for every dollar a male brings home.

Within the advice industry, the pay gap shrinks even further when the data account for the specific advisory level of the professional and how many years he or she has worked in the industry. In that accounting, female advisers typically earn 90 cents or more for each dollar a male adviser does, the *InvestmentNews* survey found.

'Not too surprised'

"I'm not too surprised by that from [registered investment advisers]," said Martine Lellis, chief operating officer of Sullivan Bruyette Speros & Blayney. "If you are building a business based on fiduciary duty, that

mindset is applicable to putting employees' interests first, too."

And compensation for non-RIA advisers is likely to be tied to production, with formulas that would be based on sales, not one's sex, she said.

The 2015 *InvestmentNews* Adviser Compensation and Staffing Study, based on interviews of 3,300 individuals at 363 independent advisory firms, found that among professionals in the lead adviser role, men with eight to 10 years' experience earn a median of \$136,167 per year in total compensation, about 5% greater than the \$129,500 a comparable woman earns. With 20 to 30 years' experience, the gap for lead advisers is about 6%, with men earning \$187,065 and women earning a median of \$176,145.

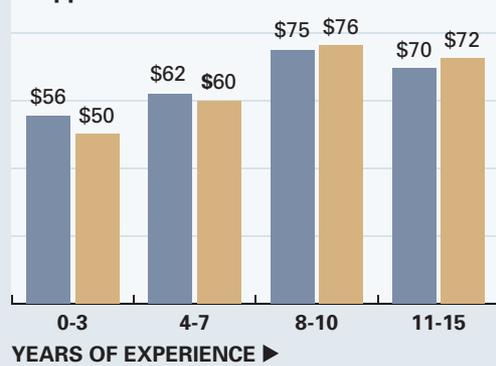
At the next level down, service adviser, women actually averaged higher median compensation than men — \$66,000 to \$60,000 — during the first three years in the role. At the 16-20 year mark, the two are nearly identical at \$99,000.

At the third level, support adviser,

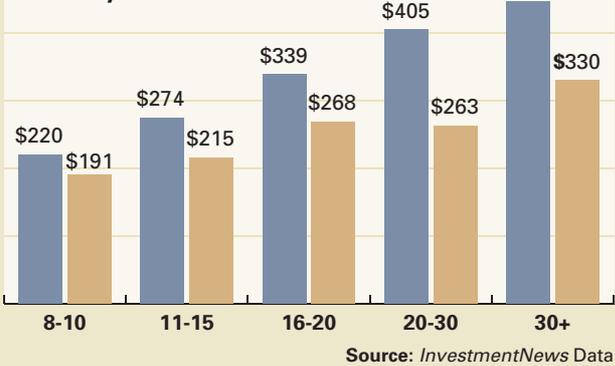
Gender gap

Total compensation by gender, \$ in thousands

Support adviser



Advisory owner



Source: InvestmentNews Data

women begin with about a 9% shortfall, but after the third year, the salary difference narrows to 3%. At the eight- to 10-year level, female support advisers earn more, a median \$76,250, to \$75,000 for men. The median disparity is even greater at 11 to 15 years: Women make \$72,370 to a man's \$69,500.

"Advisers are doing an excellent job of using an objective pay scale for advisers," said Matt Sirinides, senior research analyst at *InvestmentNews*.

A discouraging turn

But the statistics take a discouraging turn when it comes to compensation among advisory firm owners.

There is a large disparity, and it seems to be greater the longer one has been in the industry.

Among owners with eight to 10 years' experience, men make about 14% more than women, but that gap nearly doubles by the time the owners have 30 years or more of experience, the *InvestmentNews* data showed. Male owners with 30-plus years earn an average \$445,750, compared with \$329,624 for female owners with the same experience level.

Women may be getting a smaller portion of profits at advisory firms because they became owners in the firm later than their male partners, Ms. Lellis said.

"That may just be a symptom of how the business started, mostly by men," she said.

There also may be operational differences to blame for this, said Angie Herbers, co-founder and chief executive of Kaleido. Female advisory firm owners tend to do what "feels right" as opposed to following good business principles, she said.

"They are more giving to the clients and often overserve the client base," she said. "The bottom line is women need to take the 'emotion' out of running their business."

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Management insights

THE C SUITE

from Sheryl Garrett

When in doubt, step up to the plate

By Liz Skinner

SHERYL GARRETT loves financial planning now, but it took 11 years' working in the industry for the passion to bloom. The founder of the Garrett Planning Network first spent a couple of years as a broker, where she learned she hated selling products. After a few more years learning the planning ropes as an assistant and several more as an adviser, she realized her calling.

Ms. Garrett, 53, wanted to provide holistic planning services to any client who needed the help, and to do so in an affordable way. Of course, in an industry that grew up squarely focused on serving the wealthy, that's no easy task.

Despite making early mistakes — such as not charging for meetings — she created a successful hourly financial planning firm for the average person in 1998. She quickly attracted a squadron of copycat advisers and parlayed them into the Garrett Planning Network 15 years ago. It now has about 300 members.

Ms. Garrett, who is married with a 5-year-old daughter, speaks excitedly and at length about the importance of making impartial financial advice accessible to all. But ask her to recall the day President Barack Obama mentioned her eight times in a 20-minute address about fiduciary advice and she's nearly speechless

from the wonder of the moment. It still gives her goose bumps.

Liz Skinner: *When was the first time you were in a leadership role?*

Sheryl Garrett: My first big leadership role occurred when I was 22. I had joined a family business, working in a private business school. After I was there for three months, the director of the school, who was buying the business from the family, was hauled off in handcuffs, and I took his job. I was suddenly the director. It was trial by fire.

LS: *What did you take away from that?*

SG: That sometimes you just have to buck up and step up to the plate when there is no other obvious option. I had to learn how to sell, as well as learn the business and the aspects of what our program involved. I was so nervous. I spent a



lot of time with Zig Ziglar tapes, trying to learn sales and recognize that if you have a good product, it sells itself, and you just have to let people know it's a good product. It was very uncomfortable, but it showed me something that I have now said to myself thousands of times, "that which does not break us makes us stronger."

LS: *How did you get into financial planning?*

SG: I was a Money magazine junkie at age 19. I really wanted to know all this, but I didn't know that people did this for a living. Then I came across this charismatic lady Sylvia Porter [author of "Sylvia Porter's Money Book: How to Earn It, Spend It, Save It, Invest It, Borrow

It and Use It to Better Your Life" (Doubleday, 1975)]. She was very popular at these events and she was vibrant and beaming and people liked to talk to her. When I left the business college, I started interviewing with financial services firms and ended up with four offers. I selected IDS, which is Ameriprise now, because it had the best training pro-

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gram. It also offered a salary for one year, so I thought that at least I would be able to pay my bills while I'm learning. I thought maybe I would grow out of the extreme sickness I felt every day at the notion of making 100 cold calls, but I just couldn't bring myself to do it. I wanted to do the work but I didn't want to have to sell to people. I kept running into people who needed advice about their mortgage, or a savings account, and I couldn't help them. Actually I did, but I couldn't earn any money by helping them. I had taxable income of about \$800 my second year at IDS.

LS: How did you make it out of there?

SG: My district manager encouraged me to go to networking events and I got involved with the Business and Professional Women's Association and the American Business Women's Association. I met a host of women in different professions and backgrounds, and they embraced me and made me feel welcome. Without that kind of nurturing, I don't know if I could have held myself together. I ended up being BPW chapter president by age 26. I also got involved with the International Association for Financial Planning, a predecessor to the Financial Planning Association, and served as president of that at age 32. I also started looking for a new job and began the certified-financial-planner program because I felt like I didn't know enough to really do the right thing for people. Then I got a call from Wayne Henry, a fee-only adviser in Kansas City, Mo., who was looking for an assistant planner.

It was a godsend. I got to see comprehensive, holistic planning.

LS: Was Wayne Henry a mentor, and did you have any others?

SG: Yes, from him I learned that the art of financial planning was to think comprehensively and focus on what people need from you. He was more of a family office, working for two dozen families. Wayne had great integrity, great care for clients and a great work-life balance. He always puts people first. We could only work with a limited number of clients because they needed such detailed service. Here I realized I wanted to bring that level of quality and comprehensive thinking and objectivity to all clients.

In 1995 I teamed up with Kathleen Stepp, whom I met through the IAFP. She had a fee-only practice and she had just made the first Worth 500 adviser list and her phone was ringing off the hook. I bought into her practice and we became 50-50 partners. Before doing that I had actually tried to leave the industry and I had made an offer to buy a resort. But it fell through and I joined Kathy. From her I learned to have a backbone. She taught me how to present the fee quote without cringing and to stick to my knitting and not try to be all things to all people. Here I realized my knitting was to work with everyday Americans.

LS: When did you head out on your own?

SG: I opened my own firm on April Fools' Day in 1998, and after 11 years in the industry, I fell in love with what I was doing. I finally

found the right fit for me, where I could tailor the services that a client needed most urgently and make it fit within their budget. I worked with a lot of new investors and middle-income folks, and those who didn't want to turn over control of their portfolio to someone else. I started

“I want my team to feel like owners. One thing I'm moving into by the end of the year is transferring ownership shares.”

dressing casually, because I felt like the client and I needed to get intimate as quickly as possible.

LS: How did the network come to be?

SG: I was working with clients on an hourly, as-needed basis, and I told a few people in the industry what I was doing. I received some industry press and started getting inquiries from advisers and getting prospective-client inquiries. Many advisers contacted me and said they wanted to know how I was doing this, because it was something they would really like to do, but had heard that it couldn't be done. Within the first year we had close to 50 people in the network. I made lots of mistakes when I opened my prac-

tice, and I felt that if I could share the mistakes I made, and how I would do things differently, maybe I could save somebody from that same heartache.

LS: What were the biggest mistakes you made early on?

SG: I didn't charge for the actual one to two hours of meeting time when clients came in because I was afraid that people wouldn't sit down and relax and absorb our conversation if they were worried about every minute costing more. I was afraid they would be clock-watchers. I also didn't charge enough per hour. Bob Veres [now publisher of Inside Information] got ahold of me after about a year and asked how my business was going. I told him I had nearly a 100% close rate and he told me immediately that I wasn't charging enough. Those two mistakes cost me tens of thousands of dollars the first year.

LS: How do you describe your leadership style?

SG: Share, engage, inspire and then get out of the way. I want to share with my team, try to engage them on why I think it's important, inspire them to pick up the mantle and run with it, and get out of the way. My father always told me to hire people who are smarter than I am. I didn't really appreciate it until many years later.

LS: What kind of culture are you trying to build?

SG: I want my team to feel like owners. One thing I'm moving into by the end of the year is transferring ownership shares. I will still retain the

majority of ownership shares, but my current staff has been invaluable. I have been blessed to attract great people. I like to think it's the mission and what we do that is the all-empowering part. I have learned that the wisdom of the group is always better than my mind alone. Not only do I have my staff, I have the member advisory board.

LS: The advisory board is made up of other hourly planners who are part of the network?

SG: Yes, nine people serve on the board for three-year terms. Today I am the sole owner, but I try not to make any important decisions unilaterally. I reach out and share what I'm thinking about and ask others what they think. We have a virtual staff call twice a week with our team and then our member adviser board has a conference call once a month.

I want to have as many viewpoints as possible because there's a lot of people with a vested interest in what we do.

LS: President Barack Obama called you out as a model for other planners in a speech earlier this year. What did it feel like to have that recognition from the leader of the free world?

SG: It felt surreal. I'm still going, "Wow." I have watched the YouTube video multiple times and every time I watch it I'm still, "Wow." To have financial planning recognized and me, I get goose bumps just talking about it. It still hasn't sunk in and I don't know if it ever will.

lskinmer@investmentnews.com
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Blending Mars, Venus can energize a fund

By Jeff Benjamin

IF THERE'S ONE THING that can definitively be said about female mutual fund managers it is that they are rare. The financial services industry has always been represented mostly by men, but the portfolio management area stands out as an extreme example of gender imbalance.

And while even the strongest proponents of improved gender

equality are not yet proposing investment screens based on the sex of a fund manager, the limited data available suggest gender diversity can produce better performance results.

An analysis earlier this year by Morningstar Inc. found that, across broad categories, mutual funds managed by both women and men averaged equal or better returns than funds managed singularly by women or men.

"There are all kinds of interesting theories about why it is the case, but it appears that mixed-gender [portfolio management] teams tend to generate better performance," said Laura Lutton, a Morningstar analyst and one of the founding members of the company's women's initiative, which is designed to look at ways to help advance the careers of women at Morningstar.

"One of the main takeaways of

the research was that the more diverse the ideas, the better you will do," she added. "I think that's a call

“There are challenges in bringing in more diverse candidates.”

Pamela Tynan
Portfolio manager
Vanguard

for more money management firms to look at their own diversity efforts."

Granted, the study samples in the Morningstar report are small because there aren't that many women managing mutual funds.

Of the 7,700 named portfolio managers of U.S. open-end mutual funds, just 699, or 9.4%, are women.

The imbalance is even more extreme when viewed from the perspective of assets managed by women, which shows female fund managers exclusively run just 1.9% of the more than \$12.6 trillion in mutual fund assets.

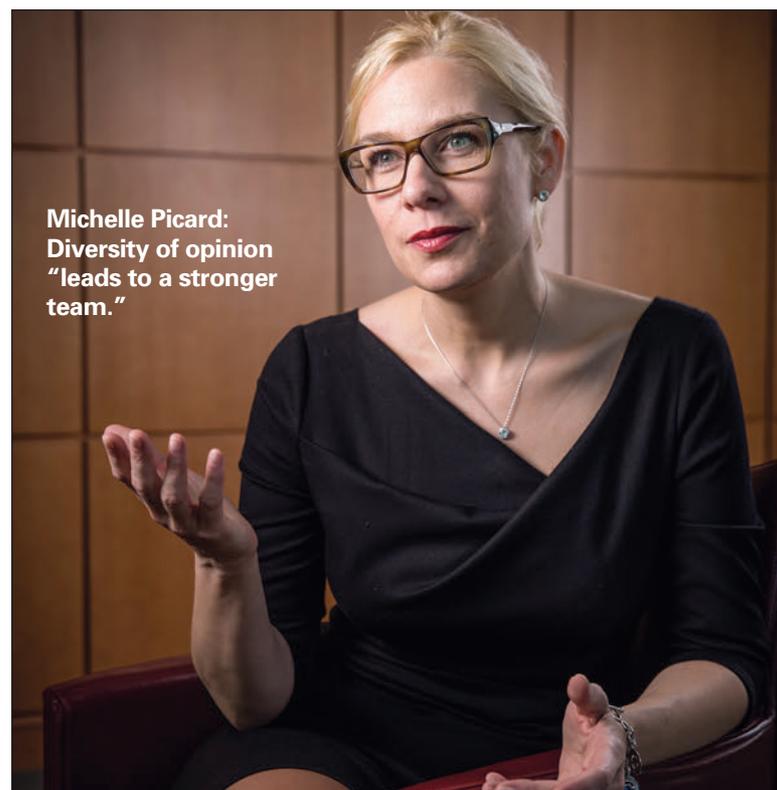
Hard to compare

In some categories, the numbers don't even produce performance comparisons. For both allocation and alternative fund categories, for example, there are no female managers with 10-year track records.

But an analysis of all U.S. open-end mutual funds shows that the average three-year category rank of funds managed by women is the 50th percentile, just behind the 49th-percentile rank for both funds managed by men and those managed by both genders.

The average five-year category percentile ranks are 47% for funds managed by both men and women, 49% for men and 58% for women. The average 10-year category rank is 44th percentile for funds with male and female managers working together, 47th for funds managed by men, and 57th for funds managed by women.

Across the asset management industry there are lots of examples of



Michelle Picard:
Diversity of opinion
"leads to a stronger team."

efforts to increase gender diversity.

At The Vanguard Group, veteran portfolio manager Pamela Tynan works on the company's Women in Leadership Success initiative, which started at the corporate level and has been expended to include the investment management group.

"There are challenges in bringing in more diverse candidates, because sometimes women don't necessarily apply, or they don't feel they will be successful," Ms. Tynan said.

"Women are often concerned with what their success rate might be because they don't have a lot of role models."

Ms. Tynan, who has worked at Vanguard for 33 years, including 25 as a portfolio manager, added that some of the roadblocks women face involve general personality traits common in women and men.

"Women do have a tendency to opt out, because they feel they don't

Continued on Page 26

thankful

adj \ 'thankful \

Synonyms: delighted, happy, joyous, pleased

Continuity Partners Group congratulates the **2015 Women to Watch** honorees. We are thankful for your commitment to the financial services industry and wish you continued success.

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Finding a job you love is what matters

My professional life started on Wall Street – a male-dominated environment that has evolved a lot over the course of my career – and that has shaped who I am personally and professionally.

In the summer of 1987, after my first year of law school, I began working at the New York Stock Exchange as an intern in the enforcement division, and I loved it. I rejoined NYSE as a staff attorney after I graduated, and I started at the perfect time. There were many other young lawyers, and the energy, the work, and the mission were the perfect fit for me.

But while the early part of my career was largely enjoyable and satisfying, it wasn't always easy. I was handling cases of trading-specialist and floor broker misconduct, insider-trading and sales practice violations, among others, and I was coming up against expert defense teams when I was just a junior lawyer. And there were times when I'd be the only woman in the room, and it was a struggle not to be self-conscious about that.

As I grew and as my thinking matured, I realized I was just a professional doing her job to the fullest extent of her abilities. I soon came to understand – and appreciate as a regulator – that there are consequences for actions, particularly in an industry that demands close oversight for it to thrive and grow.

“There were times when I'd be the only woman in the room.”

When I was the only woman in the room, I learned not to let that change my personality and how I present myself; and now, I don't even think about it. In fact, I find that being a woman can make me a stronger, more compassionate leader. I care deeply about my team and about their lives outside of the office and their families, and I find that helps foster an environment where my team is highly engaged both personally and professionally.

But I didn't achieve success in a vacuum. I had a number of mentors who played a key role in my career. My mentors – Bill Johnston and Cathy Kinney at NYSE, and Rick Ketchum at NYSE and now the Financial Industry Regulatory Authority Inc. – were role models and people from whom I learned a lot.

My ability to navigate and thrive in this environment, though, had earlier roots. I played field hockey, basketball and softball throughout high school, and captained a number of teams. That helped me develop leadership skills at a young age. And my passion for sports didn't end when I left the field. I'm a big fan of the Mets, Jets and the Knicks (all heart-breakers), which always served me well in male-dominated meetings.

When I had kids – Jake and Kyle,

MY STORY

Susan F. Axelrod



two great boys who are now in college – I was confronted with new hurdles at a time when flexible work arrangements did not exist and when there

were no remote conference calls.

Many days, I felt I could do better at the day job while also calling on myself to do better on the homefront. A difficult position, but after talking and comparing notes with many very accomplished working women, I knew I was not alone. While trying to find a balance was a challenge, what kept me going was my love for my family and my passion for the work that I was doing to keep investors and the market safe.

While perfection is elusive, what you learn is that you have to do the best you can. Your job is a vital outlet

for energy and productivity, and a means to earn a living, but it is your family that will always be there for you, so you have to be there for them. I know I wouldn't be where I am without my husband, Fred, who has his own challenging job as an anesthesiologist and who has always been very supportive of me and our boys and is very involved with our family.

There was once a time during my career at Finra when I skipped an important business dinner in Washington, D.C., to fly home for a school event. I took the first flight out the next morning and prayed for no mechani-

cal or weather issues so I could be there for a key meeting. I made the choice that while my career is very important, being there for my family matters the most.

In the end, what really matters in your work life is finding something that you love. If you don't love your job, it becomes a burden, but if you love it, it becomes a great career and it makes everything else – the struggle to balance, the early morning flights to do it all – worth it.

Susan F. Axelrod is executive vice president, regulatory operations at the Financial Industry Regulatory Authority Inc.

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Investing in women a worthy strategy

Gender equality has garnered significant attention in the investment community – and our society as a whole – in recent months. The #HeForShe campaign continues to gain steam, companies like Google and Intel are pledging significant capital to address workforce diversity, and new gender lens investment vehicles are being launched.

It is becoming clear that businesses that ignore what women can bring to the table are handicapping themselves and will eventually fall behind in the emerging global economy. Conversely, those businesses that invest in and empower women will have the advantage. Many investors believe that the latter will be stronger companies and better long-term investments.

The case for investing in women is truly compelling – improved operational and financial performance; increased innovation, better problem solving and group performance, and

“Businesses that ignore what women can bring to the table are handicapping themselves and will eventually fall behind.”

enhanced company reputation are just some of the positive outcomes of gender equality in the workplace. Investing in women can provide huge payoffs for businesses and the larger economy.

So how can financial advisers put this strategy into practice and begin to invest with a gender lens? The concept of “gender lens investing” is still an emerging discipline and we are seeing firms approach it in a variety of ways. The three primary methods that we have seen advisers use include:

Creating a gender lens impact portfolio. A good example of this approach is the women’s inclusion portfolio developed by Veris Wealth Partners. Veris created a gender lens portfolio at the request of a high-net-worth client who is evenly divided among index funds, public stocks and bonds, and direct, private-equity-like investments using a gender lens. We have also seen nonprofit women’s organizations take a mission-aligned approach and invest their endowments in a gender lens or “impact” portfolio.

Using gender lens products in specific asset classes in a more mainstream portfolio. For example, we are seeing advisers who are looking for international exposure use our Pax Ellevest Global Women’s Index Fund (PXWEX) in their international bucket, or the Breckenridge Capital Gender overlay strategy as part of their fixed-income allocation, or the U.S. Trust Women & Girls equality strategy in the all-cap-core allocation.

INVESTMENT STRATEGIES

Kathleen McQuiggan



Thematically using a gender lens product in a client’s existing portfolio. Different products play different roles in an overall

portfolio, and integrating products that are using a gender lens is a way to enhance a portfolio, not limit it. For clients who express interest in gender equality and advancing women’s leadership, advisers can recommend owning one of the products in the gender lens investing landscape as a thematic idea for their portfolios.

Regardless of which approach you take, it is important to remember that investing is about more than asset allocation and style boxes. It is about helping your clients achieve their goals and understand-

ing what matters to them. And those goals often extend beyond just financial returns. Today’s investors, particularly women, want to use the power of their money to make a positive impact, and they want their investments to be closely aligned with what matters to them. In fact, a study from the Center for Talent Innovation found that 88% of women want to invest in organizations that promote social well-being and 77% want to invest in organizations with diversity in leadership.

Incorporating a gender lens strategy into a portfolio can be a powerful way to help clients achieve their

goals – both financial and social.

If the recent Impact Investing with a Gender Lens Conference is any indication, this strategy is continuing to gain momentum. The invitation-only event in Denver attracted more than 200 advisers, investors and thought leaders to discuss the latest strategies for investing with a gender lens. The key takeaway: Investing in women is smart business – and it is here to stay.

Kathleen McQuiggan is senior vice president of global women’s strategies for Pax World Management and managing director of Pax Ellevest Management.

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On the shoulders of our predecessors

Growing up, I was very grateful to my older brother for teaching me how to throw a baseball. Although girls were not allowed to play Little League, no one on the playground could accuse me of "throwing like a girl." This was, of course, decades before that phrase evolved to be a compliment.

Much like that phrase, the role of women in the workplace has evolved in recent decades. More than 40 years ago, my law school class was only 17% women. Now, women comprise nearly half of law school graduates.

I have had the privilege to be the first woman in a number of positions. I was the first, and so far only, woman to serve as the U.S. Attorney

MY STORY

Mary Jo White



for the Southern District of New York. As part of my duties, I was chair of the Attorney General's Advisory Committee under Attorney General Janet Reno – a group of about 15 U.S. Attorneys from around the country.

The year was 1993. For the first

time in my career, I was in a high-powered setting where women outnumbered men. Eventually, I realized how dramatically different meetings were when women outnumbered men. Women were the ones who spoke freely and forcefully advocated their ideas, while men seemed more reticent about expressing their views. Because women are still usually outnumbered in professional settings, it is easy to forget what a difference numbers can make in our performance, careers and job satisfaction.

Throughout my career, I have tried to be proactive in expanding the roles and numbers of qualified women. I believe it is our duty as women to support one another and push each other

forward. But we also need the help of men in positions of leadership. In the late 1970s, I was a young prosecutor in the Manhattan U.S. Attorney's office. The U.S. Attorney decided to fill half the openings with well-qualified women. His decision changed the face of federal prosecutors in New York and made a huge difference in the professional success and stature of women in the legal profession.

Many of the women he hired eventually formed "an old girls' network." We look out for the next generation and offer advice. From that network came judges, general counsels of major companies, U.S. Attorneys and other senior leaders. You cannot crack the glass ceiling alone – when you reach that ceiling,

you are standing on the shoulders of those who came before you. At the Securities and Exchange Commission, I am happy to say I am not the first woman to be chair. I am, in fact, the third. That is progress.

I recently became a grandmother, and I am excited my granddaughter will grow up in a world where this kind of progress preceded her. A world where she can play Little League, where throwing like a girl is a good thing and where her path will be a little bit smoother because of the generations of women who came before her.

And she will know there is not anything she cannot do or become.

Mary Jo White is chairwoman of the Securities and Exchange Commission.

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Women lawmakers key in adviser issues

By Mark Schoeff Jr.

WHILE THE financial advice industry is still dominated by men, female lawmakers play an outsized role in policymaking that affects advisers.

"Women are at the forefront of investor protection and consumer protection debates in Congress," said Marilyn Mohrman-Gillis, managing director of public policy and communications at

the Certified Financial Planner Board of Standards Inc.

Although they make up only about 20% of Congress, women are concentrated heavily in battles over adviser oversight as well as a Department of Labor proposal to raise advice standards for retirement accounts.

The House recently approved a bill by Rep. Ann Wagner, R-Mo., that would halt the DOL rule.

In her official bio, Ms. Wagner notes the significant presence of broker-dealers in the St. Louis area she represents. The headquarters of Edward Jones, Scottrade, Stifel Financial and Wells Fargo Advisors amount to "one of the largest clusters of brokerage firms and personnel outside New York," she pointed out.

Almost every Democrat stood against Ms. Wagner's measure,

thanks in part to the leadership of Rep. Maxine Waters, D-Calif.

On the other side of the Capitol, Sen. Elizabeth Warren, D-Mass., has been a leading proponent of the DOL rule. Ms. Warren became an authority on bankruptcy as a professor at Harvard Law School. She chaired the oversight panel for the Troubled Asset Relief Program and championed the creation of the Consumer Financial Protection Bureau.

Her colleague, Sen. Susan Collins, R-Maine, pushed this summer for an amendment to prevent funding for finalization or implementation of a DOL fiduciary rule. The so-called rider could be attached to an omnibus spending bill that must be

approved by Dec. 11 to keep the government running. Meanwhile, Sen. Barbara Mikulski, D-Md., promised

“There’s a lot more work to be done.”

Amy Webber, Cambridge Investment

recently that Democrats will oppose “poison-pill riders.”

When she’s not fighting Ms. Wagner’s bill, Ms. Waters is one of the leading advocates for strengthening the Securities and Exchange Commission’s oversight of advisers. In previous Congresses, she wrote a bill that would allow the agency to charge advisers user fees to fund

their examinations.

There is room, however, for bipartisanship when it comes to adviser issues. Ms. Collins and Sen. Claire McCaskill, D-Mo., introduced legislation in October to give financial professionals more leeway in reporting suspected predatory activity against older clients.

The percentage of women in Congress is roughly equal to their proportion in the advice sector. Both numbers need to go up, said Amy Webber, president of Cambridge Investment Research. “An 80/20 split on the Hill tells me there’s a lot more work to be done,” she said.

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Social Security changes sting women

Social Security benefits play a critical role in retirement income security for many American women. Given their longer life expectancy and the increasing divorce rate among older couples, women are more likely to spend their final years alone.

In 2013, Social Security represented nearly half of all income for unmarried women, including widows age 65 or older, according to the Social Security Administration. More than 80% of retired women currently collecting Social Security took benefits early, locking in a lifetime of lower payments,

Mary Beth Franklin

according to a new Nationwide Retirement Institute survey. And nearly a quarter of them said if they could do it over again, they would

have held out for a bigger benefit.

"Women in general have to be prepared to live longer and often have to do so with less savings," said Shawn Britt, director of advanced consulting for Nationwide Financial Services. "This makes maximizing Social Security benefits extremely important."

But new rules limiting Social Security claiming strategies in 2016 and beyond could make it more difficult for many women to maximize their benefits in the future.

One of the new restrictions on spousal benefits affects married women and divorced spouses. Another new rule will eliminate the ability of single people to request a lump sum payout of benefits. But widowed individuals who are entitled to both retirement benefits on their own earnings record and a benefit as a surviving spouse will continue to have the option to claim one type of benefit first and switch to the other later if it would result in a bigger benefit.

Currently, married or qualified divorced spouses who are entitled to both their own retirement benefits

and spousal benefits can elect to collect just spousal benefits when they wait until their full retirement age of 66 to claim Social Security. A spousal benefit is worth half of their mate's or ex-mate's full retirement age benefit amount. In the meantime, their own retirement benefit would accrue delayed retirement credits worth 8% per year up to age 70, when they can switch to their own larger benefit.

But under new Social Security rules included in the Bipartisan Budget Act of 2015, the ability to temporarily claim just spousal benefits is being phased out.

Married people or divorced spouses who are 62 or older by the end of 2015 will retain the right to claim only spousal benefits at age 66, assuming their spouse has filed for benefits. Divorced spouses who were married at least 10 years and currently are single are independently entitled to Social Security benefits on an ex's earnings record, even if that ex has not yet claimed benefits, as long as the couple has been divorced at least two years.

But married individuals or divorced spouses younger than 62 by the end of 2015 will no longer be able to collect only spousal benefits. When they claim Social Security they will be paid the higher of their two benefits.

Another major rule change involves the claiming strategy known as "file and suspend" that allows a worker who is full retirement age or older to claim Social Security and immediately suspend his or her benefits. Currently, filing for benefits can trigger auxiliary benefits for a spouse or minor dependent child while the worker's own benefit continues to grow by 8% per year up to age 70.

Those 66 or older can still request to file and suspend their benefits under existing rules by April 30, 2016. But new requests to file and suspend on or after May 1 will be subject to new rules that prohibit any benefits being paid to family members while a worker's benefit is suspended.

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Mary Beth Franklin is a certified financial planner.

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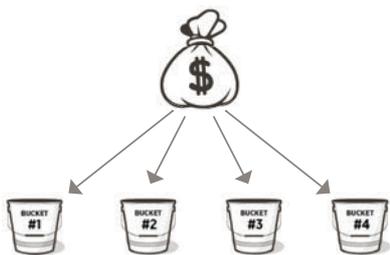
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Female fund managers

Continued from Page 20

have all the qualifications needed," she said. "If there are 10 requirements listed for a posted job opening, the female might not apply because she doesn't think she has all the qualifications, but the male will say, 'I've got five of them, so I'm good to go.'"

Michelle Picard, a portfolio manager at Henderson Geneva Capital Management, leads ongoing efforts to bring more women into the portfolio management ranks.

"I certainly have been aware that there aren't that many women portfolio managers, but I don't know what part of it is self-selecting because there are not enough role models in place versus some other factors," she said. "A few years ago we started an internship program, and I'm very focused on having equal numbers of men and women on that team, but it takes extra effort and commitment."

Ms. Picard is among those who believe the industry is missing a real opportunity by not making the extra effort to improve diversity in the asset management ranks.

"We've always valued diversity of opinion because we believe that leads to a stronger team," she said.

Lags other professions

But when it comes to portfolio management, women appear to be lagging way behind some other professions. For example, women make up 33% of lawyers, 37% of doctors, and 63% of accountants and auditors.

"I'm actually surprised that there aren't more women in the asset management field, when you consider that performance is rewarded so objectively," said Bonnie Baha, who manages \$4 billion at DoubleLine Capital.

On the issue of balancing work and family life, Ms. Baha said culture matters.

"I think the tone has to be set at the top, and there is so much more sensitivity to that these days," she said. "Here at DoubleLine, [founder] Jeffrey

Gundlach sets the tone by doing things like sometimes leaving early to go spend some time with his daughter."

Beyond generalizations, it would be difficult to quantify what makes a female portfolio manager better or worse than a male one. But generalizations, and even comments bordering on stereotypes, are plentiful.

"What matters most are the skills and capabilities of the individual, but

“Women are probably a little more comfortable being intuitive.”

Bonnie Baha
Portfolio manager
DoubleLine Capital

women are probably a little more comfortable being intuitive, and sometimes that's your best investment tool," Ms. Baha said. "Men have a tendency to look at everything analytically; letting math do your work for you."

She credits her intuition for the decision to get out of Lehman Brothers debt before it collapsed during the financial crisis.

"What tipped me off was finding out the Fed was trying to engineer a sale of Lehman Brothers to a foreign bank, not a domestic bank," she said. "I figured that was a bad sign, but if I had only considered the financials, I would not have sold it."

The scarcity of female portfolio managers makes using their funds somewhat difficult for advisers.

As a financial adviser, Kristi Sullivan, owner of Sullivan Financial Planning, said screening funds for female portfolio managers "would limit me too much."

"But I do see a lot of studies that

show women, in general, are better investors because they don't react as much to market gyrations, and they are more likely to stick to a plan because they don't feel like they have to beat their neighbors," she said.

Tish Gray, wealth planning adviser at Sagemark Consulting, a division of Lincoln Financial Advisors, has a few female clients who will only work with female teams for all their professional relationships.

Ms. Gray, who participates in Lincoln Financial's Women Inspiring Supporting and Educating initiative, doesn't believe in going to extremes to work with female managers.

"I think the number of women fund managers should be increased and, everything being equal, I'd love to be able to give women my business. But I also want to give my clients the best investments they can get," she said.

Lara Magnusen, portfolio manager and head portfolio strategist at Altegris, sees female portfolio managers as necessary to the success of a modern asset management firm. But she acknowledges that many women play a central role in their families.

"When I graduated from college in 1999 I never thought I'd be the only woman on an investment committee, or one of just a few women at investment conferences," she said. "I haven't seen an evolution toward more women in this business, and I honestly don't see it getting any better."

Ms. Magnusen, who has young children, said, "The only way to see more female participation as portfolio managers is to have sheer gumption by women, and I also think you need more organizations where you have that flexibility and support."

The upshot is gender and race shouldn't factor in, she said.

"I wouldn't invest in a fund just because it was run by a woman," Ms. Magnusen said.

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An industry pioneer

Continued from Page 3

guidance can be, especially for women, having watched her own mother struggle with finances after her father died when she was eight.

Ms. Armstrong, a Washington native, personally has mentored dozens of young women over four decades in the industry and inspired countless more through speeches and other activities that position her as a role model in a business dominated by men.

She has long been a vocal proponent of what an "ideal career" financial planning is for women. Early on, though, she said she had to get used to being the only woman in the room at industry gatherings.

Chauvinism not an issue

She said chauvinism from male colleagues, which some see as a reason many women steer clear of the financial

non-family partner at Julia M. Walsh & Sons brokerage.

"Both these women were doing quite well in the 1960s, so it didn't occur to me that I couldn't succeed as a financial planner or adviser," Ms. Armstrong said.

The importance of participating in industry and community development was something these two mentors, both of whom are now deceased, imparted to Ms. Armstrong.

One of her "life-changing" volunteer roles came as a board member for the organization that preceded today's Financial Planning Association. After seven years, she retired from the group in 1987 as its first, and only, female chair.

"It was a lot of pressure because I knew the spotlight was on me," she said of being chairwoman. "It was a wonderful opportunity and it really changed my life because it gave the national scope,

first lunch together discussing the profession and its opportunities for women, Ms. Mariano said.

Ms. Armstrong, whose firm manages \$860 million in assets for 475 clients, has always focused on helping other women, especially widows.

"My mom was a widow at 48 and we had to make our way without a lot of money," she said. "From an early age I knew the problems that a widow would encounter."

In 1993, Ms. Armstrong co-wrote a book with psychologist Mary Donahue called, "On Your Own: A Widow's Passage to Emotional and Financial Well-Being" (Dearborn Trade Publishing). She wrote the book because she felt the advice she offered widows often wasn't being followed because women in this state of grief weren't really absorbing her words.

A book, she reasoned, would give them a resource they could read a chapter at a time. It's been a hit. The fifth edition came out in 2011.

'Measured and strategic'

Linda Rabbit became one of Ms. Armstrong's first clients in the early 1980s. A friend recommended Ms. Armstrong when she was divorcing and had a "modest pot of money" that she needed to ensure would pay for the education of her two children.

"I knew nothing about money," said Ms. Rabbit, who today is chief executive of a \$300 million construction company and is still a client.

She immediately liked Ms. Armstrong's "measured and strategic" approach to investing, and appreciated the financial education Ms. Armstrong delivered along with her advice. The two are close friends today, often traveling together with their husbands.

Ms. Armstrong is married to Washington estate-planning attorney Jerry McCoy, whom she met when a client needed extra help with charitable planning, his specialty. Mr. McCoy said it wasn't until after they were married that he realized the significance of his wife's contribution to the financial planning profession.

"People regularly stop her in the hallway at conferences to tell her how a speech she gave long ago inspired them to get into the business," Mr. McCoy said proudly.

Ms. Armstrong said meeting Mr. McCoy two decades ago changed her. "My firm was my family for 20 years," Ms. Armstrong said. "Meeting Jerry has made all the difference in the world. People have said it made me less intense than I was before."

She faced a frightening reminder of the importance of their relationship in 2013, when Mr. McCoy fell in a New York City hotel and sustained a brain injury that nearly took his life.

He endured brain surgery, three months in the hospital and many more months of recovery at home. Ms. Armstrong rarely left her husband's side during this period, spending much less time than usual at her office.

The experience, according to Ms. Armstrong, put things in perspective and caused her to begin thinking more seriously about succession planning. Since then, she's trimmed her hours at the office, spends more time with her husband at their Florida home and is slowly introducing her clients to the firm's other planners.

"It's hard to let go of this career; it's very rewarding," she said. "People keep saying, 'Thank you for what you've done for me,' so it's hard to let go."

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Alexandra Armstrong:
On a magazine cover
in 1983 with the headline,
Financial planners:
How to find the right one.

services industry, wasn't an issue for her.

Instead, Ms. Armstrong said, she encountered at least a few men along her career path "who had strong women in their own backgrounds and respected someone who was trying to do something different."

Financial adviser LeCount Davis, the nation's first black CFP and founder of the Association of African American Financial Advisors, said Ms. Armstrong played a vital role in helping him keep his advisory business on track and pursue his goal of encouraging more diversity in the business.

She guided him from the start and helped him keep up his spirits for the past several decades, he said. He recalled standing alone at his first CFP meeting in 1978 as other members came in and greeted colleagues.

'Good Samaritan'

"Alex was the only person who came up to me and welcomed me that day, and she's been helping me ever since," Mr. Davis said. "She's my Good Samaritan."

Armstrong Fleming & Moore principal Mary Moore said Ms. Armstrong has been a role model for her and many other female advisers. She also described Ms. Armstrong's altruistic character.

"She is prolific in her generosity and wanting to do good for everyone," Ms. Moore said.

Ms. Armstrong was inspired to start her own firm in 1983 after working for a decade with Julia Walsh and Gail Winslow at securities firm Ferris & Co. — where they were breaking ground as women in the mostly male brokerage business — and six more years as the only

rather than looking at it just from Washington, D.C."

She also served as the only female chair of the Boy Scouts National Capital Area Council, as president of the National Association of Women Business Owners and as chairwoman of the Foundation for Financial Planning, and still

“She is prolific in her generosity and wanting to do good.”

Mary Moore

Principal

Armstrong Fleming & Moore

plays a role in some of these and other organizations.

A graduate of Newton College of the Sacred Heart, which is now part of Boston College, she received the Award of Excellence in Commerce from Boston College Alumni Association. Her high school, Stone Ridge School of the Sacred Heart, awarded her the Alumni of the Year award in 1994. Years later, that recognition caught the attention of Lauren Mariano, then a sophomore, who is now one of her latest mentees.

"I was inspired by her story of entering the industry when it was just emerging," Ms. Mariano said. "I felt like I had a connection to her, like we were coming from the same place."

She wrote a letter to Ms. Armstrong and found herself with a mentor, and eventually an internship at the firm. Ms. Armstrong spent hours over their

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Mentor encouraged adviser's adventure

By Mark Schoeff Jr.

WHEN CHRISTINE DAMICO graduated from college, she immediately started her first job at an advisory firm. Before taking her next professional step four years later, she wanted to veer off the career path briefly and travel overseas.

She wound up spending three months in South Africa volunteer-

ing on a wildlife reserve, and another month touring Central Europe and Vietnam. She might not have embarked on the enriching adventure if it weren't for encouragement from her mentor, Lisa A.K. Kirchenbauer.

At the time, Ms. Damico, who is now 27, had just finished a four-year financial planning residency at Cornerstone Wealth Advisors. She was worried about how her four-month break would be perceived by her next employer. That's when Ms. Kirchenbauer's advice made the difference.

"One of the things that Lisa said that I'll never forget is, 'How can you encourage your own clients to live the life they want, if you're not willing to do it yourself?'" Ms. Damico said.

Ms. Damico first met Ms. Kirchenbauer, president of Omega Wealth Management, in 2012 at a Financial Planning Association Retreat in Scottsdale, Ariz. They were connected by Jon Guyton, Ms. Damico's supervisor at Cornerstone, because Ms. Damico had an interest in financial life planning, an area in which Ms. Kirchenbauer specializes.

Understanding goals

Financial life planning revolves around understanding clients' goals and building a plan that integrates

their values, vision and wealth.

As Ms. Damico was wavering about her international sojourn, Ms. Kirchenbauer encouraged her to practice what financial life planning preaches. That guidance helped calm any fears Ms. Damico had about how her colleagues or bosses at her next firm would react to her taking a substantial break from the work world.

"She's an adviser; she's a business owner," Ms. Damico said of Ms. Kirchenbauer. "She appreciates the time I'm taking. She's saying it's OK to do it."

The trip helped Ms. Damico understand herself better, Ms. Kirchenbauer, 52, said.

"Had she not gone on that sabbatical and done some of the things she's done, I'm not sure she would have as much clarity about what was important in her life and what she wanted to continue to bring into her life," Ms. Kirchenbauer said.

Ms. Damico's travels also gave her experiences that help her build rapport during planning sessions.

"She can be a bit of a role model or inspiration for clients," Ms. Kirchenbauer said.

The job that Ms. Damico started after her journey was as a client advisor at Glassman Wealth Services in



Lisa A.K. Kirchenbauer and Christine Damico: The two share an interest in financial life planning.

Vienna, Va. That put her in the same metropolitan area – Washington – as Ms. Kirchenbauer, whose firm is located in Arlington, Va.

Now, instead of checking in with each other on Skype or at conferences, as they had to do when Ms. Damico was at Cornerstone in Minneapolis,

they can get together for lunch.

Two-way street

Proximity is not the only thing that has changed in the relationship. It's also become a two-way street, with Ms. Damico helping Ms. Kirchenbauer develop young plan-

ners at the latter's firm.

Ms. Kirchenbauer has hired three recent graduates of Virginia Tech, Ms. Damico's alma mater. Earlier this fall, Ms. Damico visited Ms. Kirchenbauer's office to talk to them.

"She's been able to help me sort of understand how best to support and mentor the young folks I have here," Ms. Kirchenbauer said.

Ms. Damico is happy to have a chance to contribute to Ms. Kirchenbauer's efforts.

"That's a great feeling to give back to Lisa when for the last couple of years, she's been the one helping me," Ms. Damico said.

As a young woman in a field dominated by men, Ms. Damico continues to look to Ms. Kirchenbauer for advice on how to establish herself, especially with older male clients.

"Every time you have an interaction with them, show them you are competent," Ms. Damico said as an example of coaching she's received from Ms. Kirchenbauer. "Don't be afraid to speak up in meetings. Eventually with time, that confidence will come in terms of the client feeling comfortable working with you."

For Ms. Kirchenbauer, being a Sherpa for Ms. Damico has been fulfilling – not only because she sees mentoring as "part of my life mission" but also because she's motivated to help other women gain a foothold in investment advice.

"It feels important to me to put some energy and support into a young woman planner," she said.

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RIA firms have room for more women

By Bruce Kelly

WOMEN WHO HAVE LEFT Wall Street to launch their own independent registered investment advisory firms offer similar reasons that men give for making the move. Like men, they desire more control over their businesses; they are far more comfortable working for clients as a fiduciary and earning a fee than as a broker generating a commission

by selling products; and they don't want to be boxed in by a wirehouse's limited offerings of products and services.

But women who have gone independent in the financial advice industry have had experiences and made decisions that male advisers probably could not imagine. Those include waiting for children to grow up a bit before leaving a wirehouse to start a career at an RIA; mentoring younger women on the balance of career and family; and dealing with the hurdle of starting careers in the male-dominated cultures of Wall Street banks and wirehouses.

"I like choices, and I don't like people penning me into a corner," said Barbara Hudock, founder and chief executive of Hudock Capital Group. She left Merrill Lynch in 2001 after two decades, and moved to an independent-broker-dealer network. In 2009, she started the RIA.

"When you worked at a wirehouse, it felt like you were able to help our clients in spite of back-office rules," Ms. Hudock said. "I got frus-

trated being told, 'You can't do that; and it wasn't for compliance issues but costs and other reasons.'"

'Tough to balance'

"The business is very difficult for women who have families. It's tough to balance everything," said Lori Van Dusen, who left Smith Barney in 2008 and eventually opened her own firm, LVW Advisors, where she is CEO. "Being an adviser gives you a degree of flexibility you don't have if you are in management at a big bank or brokerage firm. But it would have been difficult to do what I'm doing today when my kids were smaller."

"I had a manager at Morgan Stanley who literally told me to my face that men make better brokers and women make better assistants," said Debra Wetherby, founder and CEO of Wetherby Asset Management. She left Morgan Stanley and launched her firm in 1990. "That was almost 30 years ago. I said, 'I'm sorry you feel that way because I'm a broker, and I'm not going to be an assistant.'"

Female registered investment advisers and industry consultants interviewed for this article cited standard estimates that women make up 15% to 20% of the financial advice industry. That means there is certainly ample room for growth, they said.

"Study after study demonstrates that diversity is a strong net positive for an organization," said David DeVoe, managing partner of DeVoe & Co., a consulting firm for wealth managers and RIAs. "But given the fact that women are half of the investing population, coupled with research showing women have different priorities and decision-making processes related to wealth management, the case can be made that half of the adviser population should be women."

"Women make investment decisions differently from men, and data show women advisers are in a better position to help women investors best achieve goals and objectives," Mr. DeVoe said. "Women are more focused on the security of their assets and wealth. Men have a greater focus on gaining alpha and increasing the value of assets."

The differences between men and women are becoming better understood. According to a recent white paper by The Vanguard Group, which examined gender differences in participants in defined contribution plans, women across all income levels save at rates that are between 7% and 16% higher than men's.

Women are far more likely to hold a target date fund and trade one-third less frequently than men, according to Vanguard. The paper also challenges the notion that women investors are more averse to risk. While women's exposure to stocks is on par with that of men, "female participants skew

“The business is very difficult for women who have families.”

Lori Van Dusen
Chief executive
LVW Advisors

towards less-concentrated risk," according to Vanguard. "Women are less likely to hold employer stock and more likely to hold balanced investment allocations."

Such investor tendencies are in the wheelhouse of female advisers, Ms. Wetherby said.

"I think women are natural caretakers and part of our job as a fiduciary is to take care of clients," she said. "I think that would be an old-fashioned notion if that's all we asked of the staff. I ask it of my male advisers as well as the women. The men on my team also have a high degree of

emotional intelligence. I don't think that's unique to women. I just think it's more naturally present."

"I spend a lot of time mentoring women, five calls a month," Ms. Van Dusen said. "I think that's my obligation and responsibility."

The questions in those conversations focus on children, family and work, she said. "How do you balance all that and do this? If you're a woman [adviser] with a family, it's very hard."

'Real opportunity'

Those mentoring sessions also focus on questions all advisers would ask, said Ms. Van Dusen. How to develop new business and how to differentiate yourself are two common themes, she said.

"The RIA industry is still pretty young and my hope is we get more women in the industry," Ms. Wetherby said. "You need both perspectives. My [chief operating officer] is male, and I really need his more 'process' way of thinking. And my approach is more values-based."

"There is a real opportunity for women to work as advisers," she said. "I'm a total believer in the independent, RIA model. There are good people across the industry, but a business based on selling product has too many inherent conflicts."

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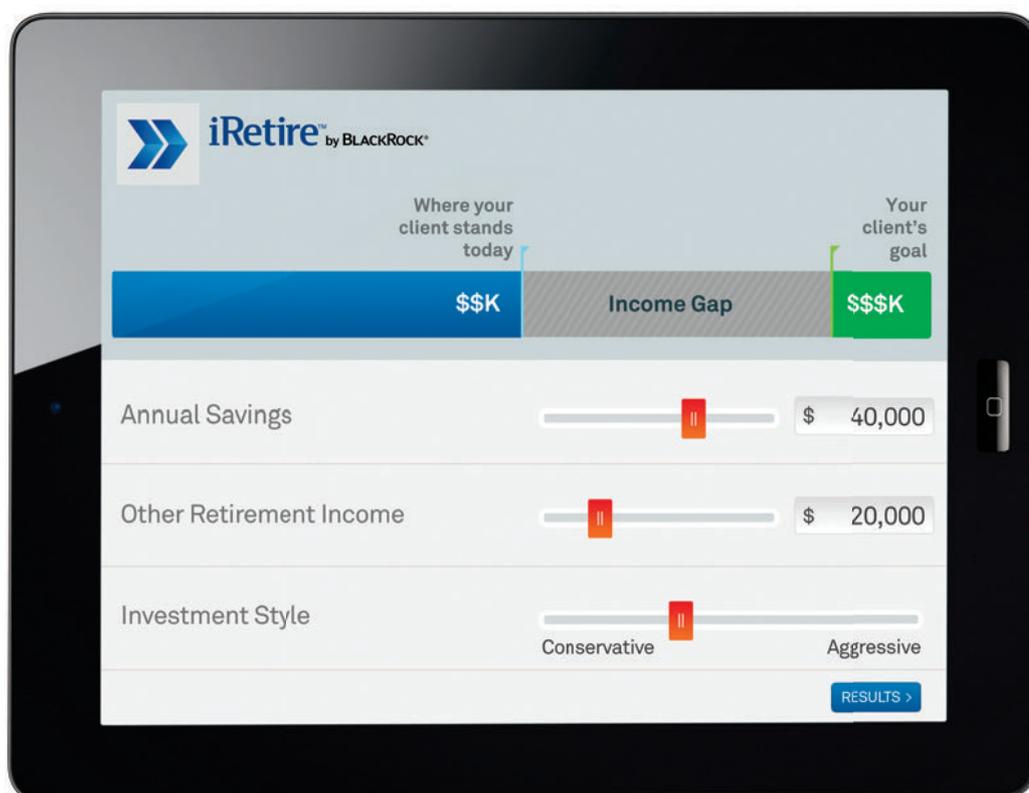
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