



The Key To A Successful Broker/Dealer Transition

Raising the BAR of Excellence to Serve You Better

Securities and investment advisory services offered through Cetera Advisor Networks LLC, member FINRA/SIPC. Cetera is under separate ownership from any other named entity.
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An Introduction

BAR Financial, LLC is an independently owned and managed financial services firm that partners with independent financial advisors and financial institutions who desire to grow their brokerage and advisory business more efficiently. We offer tangible support through a team of local professionals who provide practice management, advanced training and business coaching. In our promise to offer top business-building solutions to our advisors, we have selected Cetera Advisor Networks LLC, formerly Financial Network Investment Corporation, member FINRA/SIPC, as our Broker/Dealer. Cetera Advisor Networks, one of the leading independently managed Broker/Dealers in the nation, is dedicated to providing local support teams to their advisors. BAR Financial is that support. We are one of the largest and most successful regions of Cetera Advisor Networks, and the link connecting advisors to Cetera Advisor Networks.

At BAR Financial, we provide cutting edge knowledge, resources and solutions backed by over 160 years of front line experience that enable our advisors to reach their vision of ultimate success and prosperity. We believe that independence means giving you the freedom to choose your course, while giving you the tools necessary to thrive.

At BAR Financial you are independent but you are not alone. Industry veterans and top producers willingly share their expertise with you. In addition, you have access to the deep institutional resources of our Broker/Dealer, Cetera Advisor Networks, and its parent company Cetera Financial Group. Through a team of local specialists, we provide professional development and practice management to nearly 400 financial professionals. Our service means comprehensive training and systematized approaches, due diligence, OSJ compliance, distinctive marketing, non-proprietary selling, superior advisory platform and technology to make doing business easier.

BAR Financial, LLC At A Glance

- BAR Financial currently services nearly 400 registered representatives and advisors across the country
- BAR Financial is a privately owned company, with all three Partners actively working in the organization
- Our Broker/Dealer of choice, Cetera Advisor Networks, has a structure unique to the industry where it is composed of regions, each independently owned and managed. Cetera Advisor Networks is registered in all 50 states and Puerto Rico.
- We offer extended corporate hours to efficiently serve each time zone
- BAR Financial currently maintains an 11 to 1 representative-to-staff ratio (one of the lowest in the industry)*
- BAR Financial has five offices across the country solely focused on representative support and development
- Our local BAR Financial offices will be your first point of contact for all customer service needs.
- We offer a product-neutral environment. We have no mandates or sales quotas so advisors can always choose investments that are in their clients' best interest.

*As of 2.6.2013

Before You Commit To A New Broker/Dealer

As you begin this process we encourage you to do your homework. We encourage all financial professionals who are evaluating BAR Financial and Cetera Advisor Networks as an independent Broker/Dealer to do the following:

Conduct Phone Interviews

This is typically the first interaction that most financial professionals have with a Broker/Dealer. We strongly recommend talking to multiple people at the Broker/Dealer. You will get a feel for the atmosphere, the service and, most of all, learn about the organization from those on the front lines who ultimately would be working for you.

Call Your Peers

Ask the Broker/Dealer for the contact information of a few of their current financial professionals who would be willing to spend time with you discussing the pros and cons of the Broker/Dealer. We also encourage you to find advisors on your own, through Internet searches or wholesaler contacts, who are associates with the Broker/Dealer. Look for representatives with varying years with the firm, years in the business and in production. This will give you a good feel for their relationship with the firm and what your future relationship may be like.

Call Wholesalers

Some of your most trusted relationships are with product wholesalers of products you offer your clients. Call them for insight into the Broker/Dealers you are evaluating. They generally have heard stories or have a direct relationship with the Broker/Dealer you are considering.

Visit The Regional and Home Offices

When evaluating a Broker/Dealer, be sure to visit the local regional office where you will have the opportunity to speak with your local Regional Sales Manager, Operations Team and OSJ Manager. You may also want to consider visiting the Home Office to meet with key decision makers and see first-hand the back office that will be supporting your practice.

Strength of the Broker/Dealer

It is important to make sure the Broker/Dealer has sufficient capital in order to effectively invest in your business. Be sure their Net Capital is more than required to meet the standards set by the industry. You are looking for a culture of careful research, thorough due diligence, and assiduous risk management. By finding a Broker/Dealer that meets these standards, you will be able to focus on deepening your relationships with your clients.

Request Printed Material

Printed material isn't everything, but it is an important aspect. You are looking for breadth and depth of the material as well as the quality. Quality of material may give you insight regarding the professionalism of the Broker/Dealer and their ability to support you and your business. A Broker/Dealer should help you look professional to your clients.

Things To Know About Broker/Dealers

A clear understanding of the different types of Broker/Dealers is essential. Whether you are looking to change your Broker/Dealer affiliation immediately or in the future, take the time to review the four most common Broker/Dealer models before you commit. Each type of Broker/Dealer focuses on different aspects of affiliation. Within each of the types listed below, there are two distinct kinds of Broker/Dealers: full-service and discount. A full-service Broker/Dealer firm typically spends more time with the investor to identify his/her needs and charges higher fees or commissions. Discount Broker/Dealers offer less expensive, but limited services, such as simply buying or selling securities.

Large National Firms

Large national firms rely on well-established brands and extensive recruiting programs to maintain a network of 2,000 -10,000 financial professionals. These include wirehouses and the larger bank owned Broker/Dealers.

Independent Firms

These Broker/Dealers are either owned by an insurance company or operate strictly as independents. These firms are often focused on personalized service for the investment professional.

Boutique Firms

Boutique firms focus on recruiting investment professionals with a second business line, such as CPAs, tax professionals, property and casualty insurance and banks.

Insurance Firms

Life insurance firms focus on supporting investment businesses of affiliated agents. The agents primary business is insurance, while securities are often an added value for clients.

BAR Financial's Broker/Dealer of choice, Cetera Advisor Networks, is unique to the industry as it satisfies the characteristics of multiple types of firms. Cetera Advisor Networks is a large national, independent firm that is flexible enough to also cater to individuals seeking a boutique firm atmosphere.

Legal & Compliance Issues To Consider

With the ever-changing regulatory world in which we live, there are many legal issues to consider when changing Broker/Dealers. A best practice is to review your current Broker/Dealer contract with an attorney to evaluate the potential restrictive clauses that may apply. Some of the most common are listed below:

Understanding Confidentiality, Nonsolicitation and Noncompete Agreements and Clauses

Business owners are typically concerned about protecting their brand, name, territory, affiliations, employees, customer lists, technology, amongst a host of other items that may give them a competitive advantage in their industry. To protect these valuable items, companies often require their employees to sign a written employment agreement, or severance agreement that includes: a confidentiality clause, non-solicitation clause, and in some cases a non-compete clause. As with all contracts and agreements, before they are signed it is important for both the employer and the employee to clearly understand what is being presented and whether it's enforceable.

If you are insurance licensed, there is the potential that your current firm may restrict you reappointing with certain insurance companies for a specific period of time.

Privacy Policy

Be sure to review the Privacy Policy sent to clients by your current firm. This will have an impact on what information you are allowed to take with you when leaving your current Broker/Dealer. With Regulation S-P and the protection of customer data so critical, there are strict restrictions as to the information that you can use in transferring your business to a new Broker/Dealer. Prior to joining a new Broker/Dealer, you should familiarize yourself with your current firm's privacy policy and the type of language it presents.

Contracts

In addition to reviewing your contracts for a non-solicitation/non-compete clause, there are other items to be reviewed as well. One of the most important is to understand how long your current firm is obligated to pay you commission/advisor fees once you submit your resignation. This often ranges from 0 - 90+ days. Other items include potential fees associated with resignation and returning company materials. It is a best practice to review your current contract with your attorney.

Account Transfers

With federal regulations becoming more restrictive regarding client information, there have been many recent rule changes regarding account transfers. The block transfer of directly held securities business (mutual funds, variable annuities, etc.) has become limited due to these new regulations. Typically, the forms listed below are required for the following account transfers:

- *Brokerage Account Transfer*: Account Information Form, ACAT form, a copy of the client's account statement and any additional documents related to that specific account (Trust Documents, IRA adoption agreements, Margin agreements, etc.)
- *Directly Held Accounts*: Account Information Form, Change of Broker/Dealer form

Legal & Compliance Issues To Consider Continued

Account Transfers Continued

- *Fee Based Accounts:* Account Information Form, Advisory Agreement, ADV Part 2a & 2b (if applicable), the custodian's account opening and transfer documents (paperwork requirements may differ depending on the custodian).
- *Approved Products:* Be sure to check the firm's approved product list to be sure all products you use are approved. Also, consider whether or not any of your products are proprietary in nature. In either case, these may not be available for new sales or continued servicing.

Outside Business Activities

Broker/Dealers are required to supervise your outside business activity. In the process of affiliation you will be asked to fill out an initial notice. We suggest the Broker/Dealer reviews activities even if you question the need to report them.

CRD & Background Issues

Each Broker/Dealer is required to review your CRD and criminal background prior to affiliation. Make sure to review issues that may be in your CRD with your prospective firm, which is required to run background checks for regulatory purposes. Also, be aware that some firms choose to run credit checks during this process as well. Be prepared to provide a written explanation regarding any issues on your CRD or credit check.

Compliance Related Items

We're in the OSJ business, so you don't have to be. Our local compliance and OSJ relief help you focus on servicing your clients. BAR Financial and our Broker/Dealer uphold an industry reputation for strict adherence to compliance. We have deep roots in the regulatory industry and understand the impact legal and regulatory issues have on your business. Strong regulatory backgrounds, combined with the high professional credentials of our management team, give us a strategic edge in working with you.

Advertising/Marketing Material: The Broker/Dealer is required to review advertising prior to first use. During the pre-affiliation process, you should have the compliance department review materials used with your clients. We recommend you have letterhead, business cards, social media profiles, websites, and marketing materials reviewed and pre-approved pending an active rep number during the licensing process.

- *Correspondence:* While it is not required for pre-approval, make sure to understand what is considered correspondence, as Broker/Dealers may have differing opinions on this subject. Cetera Advisor Networks does not require pre-approval for correspondence to 24 or less individuals.

- *Forms:* Obtain copies of Broker/Dealers' forms used most often; such as account information forms, change of Broker/Dealer forms and required disclosures. A basic understanding of the forms is important prior to making a decision.

Legal & Compliance Issues To Consider Continued

Email & Social Media

As email, Twitter, LinkedIn, Facebook and other online tools continue to play a bigger part in advisor correspondence and marketing, the Broker/Dealer is required to have a monitoring system in place. The majority of firms use an outside vendor to capture and retain communications and there is a requirement to register. Some firms charge for this and some do not.

Resignation

Check your current and prospective Broker/Dealer contracts to be sure you understand the resignation process. For example, some Broker/Dealers may choose to U-5 a rep as soon as they receive a resignation letter, while others may allow you to resign at a future date. Also, some Broker/Dealers may not pay any further commissions while others may hold commissions up to 30 days to allow fees and debit balances to be settled. Make sure all paperwork is ready for your new firm so that you can be affiliated immediately.

Note: In the event you have been out of the industry for a period of time and are looking to re-affiliate, it is customary to complete a business plan. You may also be required to complete FINRA Regulatory Continuing education if you are not current.

Business Related Issues To Consider

Doing Business As (DBA)

Some Broker/Dealers allow DBAs and some do not. An example of a DBA may be Excellent Financial Services (which offers securities and investment advisory services through Cetera Advisor Networks LLC). Cetera Advisor Networks offers the choice and feels this is a necessity in order to help you develop brand equity and awareness in your marketplace. This may also help create a business with more value as you plan for succession. If you choose to use a DBA, please note that you will be required to include certain disclosures in your correspondence and marketing.

Office Space

The location of an office is important to any business. Most independent representatives absorb the cost of maintaining office space. Some Broker/Dealers may allow a representative to work from a home office, while others do not. In most cases your office may be required to be registered as a sales branch.

Taxes

Most independent representatives are not considered employees and therefore receive a 1099 for commissions received. Be aware that if you are moving from an employee-based model to an independent model, you are required to file taxes differently. Consult your CPA on the requirements of an independent contractor.

Staff

If your business requires staff support, you must be aware that independent Broker/Dealers are not involved in staffing their independent offices. One thing that sets independent Broker/Dealers apart is the training and support they provide to your staff, including webinars and assistant training courses. As a value added service some Broker/Dealers will train your assistants to help support your productivity. At BAR Financial, we offer regularly scheduled webinars and conference calls in order to assist in training your staff so that you can focus on your own practice.

Training

While most independent Broker/Dealers look for representatives who have been in the business a fair amount of time, training is still important. Evaluate the programs offered by various Broker/Dealers. Take the time to review agendas from previous regional, national and top-producer conferences, as well as the webinars and practice management sessions they host during the year.



BAR Financial's experienced team of professionals is committed to providing you with the knowledge and resources necessary for the prosperity of your business. BAR Academy offers tangible solutions on the local and national level further enhance your efforts and help grow your practice.

Business Related Issues To Consider Continued

BAR Academy's Customized Advisor Offerings

Training Modules	
New Representative Induction Trainings - FID/FAD	Compliance & Paperwork
Client Review Process	Docupace Rep Training
Client Tiered Services	Product Awareness
Advisory	Prospecting & Marketing
Financial Planning	SmartWorks/Technology
Insurance Review	

In Person Meetings	
Annual Kick Off	Annual Sales & Compliance Conference
Quarterly Meetings (Regional)	Special Topic Meetings
Annual Business & Goal Planning	Business/Gap Analysis
Succession Planning	

Conference Calls & Webinars	
Monthly Sales Assistant Call	Monthly Annuity Call
Leadership Council	Technology Trainings
Special Topic Trainings	Docupace Trainings
Monthly Marketing Webinar (provided by Cetera)	

Marketing Material

In your review of a Broker/Dealer, it is a good idea to review its pre-approved marketing material and its relationships with marketing companies. This can be a huge benefit in time saved developing material, as well as a cost savings. Many Broker/Dealers have marketing arrangements that provide significant discounts on a number of good marketing organizations and offerings. Again, it is important to see printed material so that you can experience the look, feel and professionalism of your potential new Broker/Dealer.

BAR Financial provides customized marketing solutions through dedicated local support and expertise. Our Marketing Director can assist advisors with brand guidance and development, graphic design services, personal website set up, timely client seminars and events and much more – at no additional charge.

Customized Marketing Offerings	
Brand Guidance & Development	Graphic Design Services
Personal Website Set Up	Timely Client Events & Seminars
Targeted Marketing Campaigns	Newsletters
Direct Mail Campaigns	Social Media Training & Coaching

Fees & Commissions

A 90% payout is not always 90%. Some firms quote higher payouts and have a number of fixed costs they pass on to the representatives. Others maintain a competitive payout with fewer fixed costs. Be sure to understand how each dollar of commission is paid and what fees you will be charged as well as any hair-cuts. The spectrum is wide, so make sure you understand what you are paying for and why.

Registration Fees

Being registered with the appropriate regulatory institutions is an integral part of your business. Fees to expect on the regulator side include: FINRA (registration, personal assessment, fidelity bond), state registration, U-4 registration and IARD registration (if you are advisor-licensed). It will be necessary to pay all new registration fees when affiliating with your new Broker/Dealer. Unfortunately, fees are not pro-rated, so you may want to be cautious with regards to the timing of your transition in order to prevent being assessed the annual renewal fees shortly after your affiliation.

Errors & Omissions Insurance (E&O)

Most firms require that you have E&O insurance to protect your practice. As our society becomes more litigious, E&O coverage has become of the utmost importance. A couple key points in E&O policies are the amount of coverage per event and aggregate for the policy year; the cost of the policy and what products are covered. For example, many policies do not cover tenant in common investments. However, the Broker/Dealer may not think to inform you prior to affiliation and before it is needed. Make sure the firm's policy covers all of your business needs. A strong E&O policy not only protects the advisor, but also helps to protect the firm's highly coveted net capital which in turn helps to make the firm more financially sound. This is not an area to cut corners.

Continuing Education (CE)

FINRA requires all advisors to complete both Firm Element CE as well as Regulatory Element CE to remain actively registered. Most firms provide an online system of courses to satisfy the Firm Element requirement and charge for using this system. Regulatory Element is provided by FINRA at a national testing facility.

Affiliation Fees

Affiliation fees may cover such items as technology, SEC B&R and trading systems. Some firms require you to purchase certain technology packages for your practice. Cetera Advisor Networks does not require you to purchase technology packages for your practice, but we do provide discounts in many of the leading technology programs in the industry. Review the technology offered by the Broker/Dealer to understand any costs or potential savings.

Account Fees

Account fees differ between most firms. Examples of these charges would be ACAT fees, ticket charges, account inactivity fees, etc. It is a good idea to request a list of potential fees/charges for both your clients and yourself as the representative from your prospective Broker/Dealer. Also familiarize yourself with the brokerage account termination fees at your current firm.

Fees & Commissions Continued

Commissions

Because each firm's commission structure is a little different, be sure to review the payout grid as well as when and how commissions/advisory fees are paid. Cetera Advisor Networks pays commissions each Thursday and advisory fees monthly.

Products & Services

Personal relationships are the key to the success of your practice. It is vital that your Broker/Dealer provide the robust products and services that will allow you to implement customized plans for your clients. It is important to understand the products and services that the Broker/Dealer you are reviewing provides. You may be offering products through your current Broker/Dealer that the new Broker/Dealer does not have a selling agreement with. Be sure to review the Broker/Dealer's approved product list and find out how flexible it is in reviewing and adding new products.

Product Availability

Some firms have a larger product menu than others. Reviewing this ahead of time helps eliminate surprises during the transition process. Be aware, if you are coming from a captive relationship you may have access to "proprietary" products not accessible by other Broker/Dealers.

Cetera Advisor Networks offers a product-neutral environment. There are no mandates or sales quotas so advisors can always choose investments that are in their clients' best interests. With a wide array of investments for clients that meet the full range of suitability requirements, we are constantly looking for new products to suit the needs of our affiliated financial advisors and help them broaden their house of investment solutions. From packaged products, fixed income through a choice of three trading desks, trust services, and cash management to advisory products, insurance, alternative investments and more, you can choose from a variety of products that can strengthen any client relationship by meeting their unique needs.

Research

Many advisors are accustomed to certain research providers, whether it be Morningstar, S&P or another. Be sure to review the potential Broker/Dealer's research solutions and pricing.

We believe that the most valuable asset within our product offerings is the research and due diligence that goes into its selection. Our internal Due Diligence team draws on their extensive industry experience to ensure not only that the disclosure of current and potential risk complies with their high standards, but that each product carries strong economic merit. Each alternative investment they review, including private equity and non-registered investments, hedge funds, managed futures, oil and gas, real estate, and more, meets their high standards for managing risk and protecting your reputation.

Clearing Firms & Custodians

One of the most difficult parts of any transition is learning new systems. Changing to a firm that uses a familiar clearing firm or custodian may help to minimize the learning curve.

BAR Financial's local support team is involved in every aspect of daily brokerage operations. In addition, our Broker/Dealer's Operations team makes it easier for you to execute your client investment strategies. In addition, Operations services can be completed within SmartWorksSM or NetX360TM 24 hours a day, 7 days a week.

Our relationship with Pershing LLC, a Bank of New York Mellon company, streamlines your trade processing, clearing, and recordkeeping, as well as delivering accurate and timely client statements.

Products & Services Continued

Training & Events

Many advisors are clamoring for product knowledge. Be sure to understand the types of events and speakers that are available at the potential Broker/Dealer. Cetera Advisor Networks hosts a national conference, regional conferences, practice management webinars, focus groups, conference calls, a top producer event, assistant training and also provides an informative newsletter.



BAR Academy is a comprehensive business building and coaching program. Through our professional education and development programs, e-learning and a variety of meetings, you will have unlimited opportunities to learn how to manage your business more efficiently. Our experience and knowledge aim to build your business and help you achieve even better results.

The comprehensive suite of solutions we offer is designed to meet your unique needs regardless of the stage of your career. Whether you are growing a new practice, desire to refine an established business or you are ready to plan for a smooth succession, we have the right programs to assist you.

Communications

Take the time to review the Broker/Dealer communications. Examples include email, websites, newsletters and webinars. Communication is very important to your practice because it helps you to be up-to-date with any changes in the financial industry and the Broker/Dealer.

Stay in touch with your clients. Consider the types of communication provided to you by the Broker/Dealer to use with your clients. Cetera Advisor Networks provides a wide variety of client friendly Market Commentaries, bulletins and white papers. We have developed several programs with industry leading professions, including Peter Montoya.

Consolidated Statements

With so many products and services available, it can be time consuming to review your various client accounts. Ask the Broker/Dealer if it has a system for consolidated reporting. This could be a tremendous time saver, although there is typically a cost associated with this. (Cetera Advisor Networks uses Albridge Solutions as well as SmartWorks, our intranet site, for consolidated statements and reporting.)

Advisory Solutions

The industry has made a large shift in recent years to fee-based business. If your practice has as well, this is a key area to review with the Broker/Dealer and its RIA. There are several types of advisory business models, such as advisor directed portfolio management with and without discretion, turnkey programs, "third party" asset management programs and financial planning for a fee. Review what is required by the RIA to engage in these activities and make sure to evaluate the tools provided by the RIA. Review due diligence, performance reporting, billing and modeling for each of the platforms available.

What To Expect At Cetera Advisor Networks & BAR Financial

With change can come apprehension. At BAR Financial we have helped many advisors successfully transition. You can expect a dedicated transition team to guide you through this process.

We will sit down with you and strategically plan your transition. We will discuss the feasibility of using a dedicated employee to personally help you through transition as well as hiring temporary support staff. This will enable you to continue focusing on your client relationships and minimize disruption to your business. We will take the time to ensure that all of the details are completed. We will ensure our Advertising Review department has reviewed and given you pre-approval pending an active rep number to all of your essential business items including, business cards, letterhead, announcement letter for clients, etc. We will work with you and any applicable staff to be sure you become familiar with any required paperwork so that you can begin business the day your transition is complete. Our experience in transitions has made it possible to ensure a streamlined process. You will partake in the following steps to ensure a smooth transition and to take advantage of the unique opportunities a transition provides:

- During your transition, you will send out forms asking clients to help you transition their assets to your new Broker/Dealer. Many advisors take this opportunity to meet with their top clients to discuss new products and services they will be able to offer. This has allowed advisors to capture more assets and is a great way to get updated information.
- The media is your friend. Write and distribute a press release to inform people of your move to a top notch Broker/Dealer. Consider placing 'tombstone' ads with both community and industry publications.
- This is an excellent opportunity to refine your book of business. Some advisors have used the change as a reason to trim/sell the bottom 10-20 percent of their book. This allows them to spend more time servicing their top clients and creating new relationships.
- Define your book of business. Advisors who take the time to review their book often find trends that may help them redefine their target market.

At BAR Financial, It's All About YOU!

For over 20 years, BAR Financial professionals have been helping investment representatives reach their vision of success by locally supporting them with tools and tangible solutions. Here are some of the benefits that will help secure your business in the future:

- Ability to increase your personal net worth:
 - Own your book of business
 - No non-compete agreement
- Freedom and control in providing objective client advice:
 - No proprietary product quotas
 - No production quotas
- Individual, production driven payout structure:
 - Same schedule on all products
 - No account size differentiation
- Non-employee status protects you from the risk of:
 - Management changes
 - Corporate mergers/buy-outs
 - Force reduction
 - Office closings
 - Payout restructures
- Succession Planning:

As a financial advisor with a growing business, oftentimes you don't have a moment to think about planning for your future while you advise your clients'. Leave that planning to BAR Financial. With the help of our Broker/Dealer we can help you prepare a successor, execute your transition and create a plan for your practice to minimize disruption for your employees and clients.

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Our Broker/Dealer, Cetera Advisor Networks, has a structure unique to the industry where it is composed of regions, each independently owned and managed. BAR Financial is one of the largest and most successful regions of Cetera Advisor Networks. We are owned and managed by three Partners, who are also Regional Directors of Cetera Advisor Networks. For over 20 years, BAR Financial has helped develop relationships in nearly 100 financial institutions nationwide and has grown to include nearly 400 financial professionals.