



**ROCKWOOD** WEALTH MANAGEMENT

# Important Considerations Regarding Wealth Managers

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With certainty, we can say that in this temporary economic cycle you will find your peers, family, and friends heavy with concern regarding the current state of their investments and their financial security. Difficult times like these bring about the prudent inclination to evaluate the nature of relationships with trusted advisors.

Unfortunately, only a small proportion of these advisors are Registered Investment Advisors adhering to a fiduciary standard. Most financial advisors have opted to affiliate with “Broker-Dealers” and are held to a lower standard of care. They make recommendations outside the context of a comprehensive financial plan and only need to follow the “suitability” standard. This standard does not require this type of advisor to place the interest of its clients ahead of its own and often places the welfare of the broker-dealer ahead of the client.



The result is that investors struggle to access unbiased information upon which they can base investment decisions. In our view, the financial services industry at large has not represented itself with a great deal of integrity in matters relating to conflicts of interest and fees paid by investors to many brokerage firms. We feel this behavior has led to the existence of a great deal of mistrust brought about by a lack of transparency and disclosure.

We choose to work with our clients in a consultative manner, alongside an expert advisory network made up of their personal accountants, attorneys, lenders, insurers, and others to ensure a comprehensive and well-vetted approach to their best interests. We can easily look beyond the boundaries of our own firm for solutions, and often do to best fulfill our clients’ goals.

We firmly believe that maintaining a Fee-Only practice is the most ethically responsible means to accomplishing our clients’ goals and strengthening client relationships. For this reason our financial advisors offer no proprietary products, accept no commissions, and recommend only low-cost, tax-efficient financial instruments. A Fee-Only planner is one who, in all circumstances, is compensated solely by the client. We do not receive rebates, awards, finder’s fees, kick-backs, bonuses, or any form of compensation from others that would tarnish the pure objectivity of our counseling. Fee-Only is more than a description of compensation; it dictates that our interests are naturally aligned with our clients’ best interests.

We think it’s critically important for investors to understand the significant difference between Independent **Fee-Only** Wealth Managers like Triton Wealth Management and **Fee-Based** advisors who are affiliated with a Broker-Dealer. It’s likely that many of your clients are in Fee-based relationships with firms like Merrill Lynch, Wachovia, Morgan Stanley, Raymond James, Ameriprise, and UBS to name a few. While some advisors of these firms may claim independence, we find that the relationships are fraught with conflicts of interest. Specifically, the advisor may receive compensation and bonuses based upon how much of a certain type of product they place into client accounts. The same broker that maintains a fee-based account for a client can also sell that same client high-cost annuities with commissions that can range higher than 10%. Is that really in your best interests?

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We thought you might find the following helpful in recognizing the distinctions between advisory relationships:

	Fee-Only	Fee-Based
<b>Financial Advisor's Role</b>	Certified Financial Planner™ has a fiduciary responsibility to give advice in clients' best interests	Advisor may or may not have credentials; gives advice based on guidelines established by their broker-dealer
	↓	↓
<b>Financial Advisor's Function</b>	Provides objective financial planning advice in the client's best interest	May sell products: (annuities, mutual funds, wrap accounts, insurance, etc.)
	↓	↓
<b>Investment Management Solutions</b>	Low-cost, tax-efficient investment solutions - lower costs and expenses increase your returns	Due to broker dealer relationship investments typically have higher costs and expenses which reduce your returns
	↓	↓
<b>Advisor's Compensation</b>	Can only be compensated directly from the client; no bonuses, quotas, or sales goals	Compensated from their broker dealer; may receive bonuses based on total amount of product placed or client cross-sell success

What we find, nearly without exception, is that the type of investment advice rendered is a result of the nature of the advisory relationship. In fact, with a trained eye, one can briefly glance at the holdings in a portfolio and instantly know how the advisor is compensated. Advisors that are compensated for product placements, types of accounts opened, or frequency of transactions, give advice that supports those self-interests. The result is amateurish "investment advice" that does not help the client achieve his or her goals.

Regrettably, there exists no defining standard in the financial services industry analogous to what we see in the professions of accounting, law and medicine. You expect your attorney to have a law degree and your surgeon to be board certified. No such requirement exists in the sales culture of the financial services industry and many "advisors" lack advanced degrees and professional certification.

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Our advisors have graduate degrees in business and have earned the CERTIFIED FINANCIAL PLANNER™ designation. As a firm, we are dedicated members of the National Association of Personal Financial Advisors (NAPFA) an organization in which Fee-Only financial planners are required to further enhance their professional skills.

## **Firm Background and Philosophy**

Rockwood Wealth Management is a wealth management firm based in New Hope, Pennsylvania and Annapolis, Maryland. A commitment to a client-centric practice and unwavering integrity in all of our endeavors ensures that our clients' best interests are always our best interests. We specialize in working with high-net worth clients, helping them to streamline their financial affairs while offering high-level expertise for asset management, tax & financial planning, risk management, private banking and estate planning.

Rockwood offers a disciplined and process driven approach to helping our clients accomplish what is most important to them. We provide a meaningful, consistent relationship with an advisor who knows you, your values, your family and what is truly important to you in life.

We look forward to the prospect of developing our relationship with you and finding ways to better serve your best interests.

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## About the Advisors at Rockwood

### **Brian D. Booth**

Brian D. Booth is the Managing Member of Rockwood Wealth Management. He has twenty years of experience in personal wealth management where he focused exclusively in the areas of asset management, financial and estate planning, private banking, trust and fiduciary matters.

Brian has a Masters of International Business from the Edinburgh Business School, UK and received his Bachelor of Arts from Rutgers University. He has been a CERTIFIED FINANCIAL PLANNER™ (CFP®) practitioner since 1994 and became Certified Trust & Financial Advisor (CTFA) in 1996. He is member of National Association of Personal Financial Advisors (NAPFA), the Philadelphia Estate Planning Council, the Bucks County Estate Planning Council and the Institute of Certified Financial Planners. He is also President Emeritus of the Princeton Committee on Foreign Relations and a member of the Union League of Philadelphia.

### **John R. Augenblick**

John R. Augenblick is committed to the development and growth of Fee-Only comprehensive financial planning as an active member of the National Association of Personal Financial Advisors. With expertise well respected in the community, he writes a finance column for the Bucks County Herald independent newspaper and serves on the board of directors of Team Capital Bank. John works with his local community by volunteering his time as a member of the Finance Committee for the New-Hope Solebury School District.

John graduated from the United States Naval Academy with distinction, earning a degree in Systems Engineering. While teaching engineering at the United States Naval Academy, John earned his MBA at Johns Hopkins University where he focused his studies on portfolio development, investment analysis, and corporate management. John is a CERTIFIED FINANCIAL PLANNER™ practitioner and has earned a Certificate in Financial Planning from Florida State University.

### **Thaddeus (Ted) N. Toal, Jr.**

Ted is a senior partner of Rockwood Wealth Management and runs the Annapolis, MD office. Dissatisfied with the level of client care in the broker-dealer/commission model, Ted became a fierce client advocate and adopted a Fee-Only business model as he launched an independent firm, Toal & Associates. Today he is an active member of the National Association of Personal Financial Advisors and the Institute of Certified Financial Planners.

Ted, a CERTIFIED FINANCIAL PLANNER™ practitioner, graduated from Towson University with a Bachelor of Science degree and received his Certificate in Financial Planning from Florida State University's Center for Professional Development.