



Financial Services Industry Questions

What is an Independent Broker Dealer? (Examples of: Raymond James, LPL, Ameriprise Financial)

- A financial services company that buys and sells securities for their own accounts or on behalf of clients.
- Broker-Dealers are regulated under the Securities Exchange Act by the Securities Exchange Commission (SEC), a division of the US government and some additional authority is delegated to the Financial Industry Regulatory Authority (FINRA).
- Financial Advisors may be employees or independent contractors (similar to a franchise model).
- Financial Advisors are referred to as “Registered Representatives” and earn commissions through the sale of securities and products.

What is a Registered Investment Advisor (RIA)? (Examples: Mid Atlantic Financial Management, United Capital)

- A financial services company that provides financial and investment advice for a fee. The advice may be in the form of asset management and/or financial planning.
- RIAs are registered with and regulated by the SEC and in each State in which they conduct business with clients.
- Financial Advisors may be independent contractors, employees, or own their own RIA.
- Financial Advisors are referred to as “Investment Advisor Representatives” (IAR) and most if not all their earnings come from advice fees. They do not take commissions from variable annuities, variable life insurance, or securities. However, they can offer solutions such as: fee-only variable annuities, fixed and indexed variable annuities, disability insurance, long term care insurance, whole and term life insurance, health insurance, property and casualty insurance.

How do Broker Dealers and Registered Investment Advisors (RIAs) differ?

- The most distinguishing factors are that Broker Dealers take commissions, trade for their own accounts, and often engage in the lending of borrowing against the securities they buy for their own accounts and/or clients. RIAs are fee-only, meaning they do not charge or take commissions on the sale of securities or variable products. In addition, the RIA affiliates with one or more custodians whom segregate client assets and hold in trust, or lock-box. Client assets are not lent or borrowed against.
- An RIA has a “fiduciary duty” to clients; meaning that they have an obligation to provide proper investment advice and always act in the best interests of clients, upheld by law. While this sounds like a “no brainer” with Non-RIA models, the advisor is held to a lower “suitability” standard. As such, the investments made on behalf of the client must be suitable for the client when they are purchased. The fiduciary standard is more onerous.





Financial Services Company Questions

Who is Mid Atlantic Capital Group?

- A financial services parent company headquartered in Pittsburgh, PA with locations in Sacramento CA, Chicago IL, and Pierre SD. For more than 25 years, Mid Atlantic has supported investment professionals and financial organizations by offering a broad spectrum of financial products, technology, and support services.
- Visit www.macg.com for more information.

Who is Mid Atlantic Financial Management (MAFM)?

- A subsidiary of Mid Atlantic Capital Group and SEC Registered Investment Advisor (RIA).
- Provides fee-only financial advice and asset management platforms.

Who is Mid Atlantic Trust Company (MATC)?

- A subsidiary of Mid Atlantic Capital Group, Inc. MATC is a non-depository trust company regulated by the South Dakota Department of Banking whose role is to process and monitor account settlement, prepare and provide account statements, and maintain custody (safekeeping) of your account holdings and administers over \$40 billion in assets.

Who is National Financial Services, LLC (NFS)?

- NFS is a custodian of Fidelity Investments Company (Fidelity) whose role is also to provide a broad spectrum of financial products, technology, and support services, chief among those, the clearing and custody of account assets. NFS has more than 35 years of experience and administers over \$1.5 trillion in assets

Why did Tempus Advisory Group contract with Mid Atlantic Financial Management (MAFM)?

- An important duty for any advisor is to continually monitor the industry and evaluate the options available to provide advice, service, technology, investments, and tools. Unlike the traditional and outmoded Broker-Dealer model, MAFM offers an independent, fee-only platform, which includes access to best-in-class tools, investment managers, and affiliates for custody (safeguarding client assets). As such, sometimes an advisor determines it is necessary to affiliate with a new company to ensure that excellent service, operations, compliance oversight and technology are in place.
- Access to Internal Operational Efficiencies & Personal Relationships through their superior services and technology that enhance the client service experience, not to mention the geographic proximity!
- Freedom of Choice: we have the ability to utilize the best-in-class tools and technology to enhance the advice and service we provide and are not beholden to Broker-Dealer propriety tools/technology
 - o Interactive Financial Planning which contains client dash boards and real-time goal tracking.
 - o Portfolio performance reporting that is streamlined and easy to understand.
 - o Enhanced risk management tools designed to keep portfolios aligned to your specific risk tolerance.
 - o Simplified Mobile App for Account Viewing, Direct Deposit and electronic check deposit. Checks often post in the account the same day!

