XYZ Investment Services, Inc.

Request for Proposal

January 2019

# Company Information

## Present a brief overview of your organization to include:

* + 1. The company's full legal name and address
       1. Company name:
       2. Street address:
       3. City, state, zip code:
       4. Phone number:
       5. Fax number:
       6. Web address:
       7. Name of CEO:
    2. A brief history of the firm, including the date and state of its incorporation, its ownership structure, and a description of any affiliated companies.
    3. Total amount of assets under management:
    4. Total number of financial institutions served:
    5. How many programs do you have in each of these three program models: Dual vs. Managed vs. Independent (Independent Advisors rent space in the Financial Institution)?
    6. Total number of registered representatives, investment advisor representatives, and/or insurance agents:

## Provide your company mission, vision and overall strategy.

## Provide a detailed explanation of sanctions, warnings, fines, penalties, or other administrative actions taken against the company or any of its affiliates by any governmental, quasi-governmental, or self-regulatory body such as the SEC, FINRA, or any state securities/insurance regulator during the past five (5) years.

## Describe your company's future direction and how this will benefit our partnership.

## How many employees, excluding financial advisors, are employed by your firm?

## Provide detail of Service Level Agreements applicable to our potential partnership.

## Provide your audited annual financial statements.

# Experience with Financial Institutions

## Provide a description of your experience of participating in partnership with banking institutions including:

* + 1. The total number of current banking institutions that have partnerships with your company.
    2. The number of years in which your company has been affiliating with banking institutions to provide investment services to their customers.

## Product Mix

* + 1. Provide a breakdown of 2016 revenues by broad product categories; mutual funds, annuities (fixed, indexed, and variable, stocks, fixed income, and managed money.

# Products and Third-Party Service Providers

## Describe in as much detail as possible your Vendor Due Diligence process along with your assessment of their risk level.

* + 1. Describe your company's process for responding to requests for new selling agreements and/or product approvals.
    2. What is the process for evaluating new products?
    3. What is your on-going due diligence process for products already being offered?

1. B) Please provide a list of your approved packaged products. (mutual funds, annuities, UITs, etc.)
2. C) List your current fee-based platforms.

## What support do you provide to Advisors to help them transition to fee-based business model as well as transitioning clients from a commission-based to a fee-based model?

## What third-party services do you partner with to deliver any marketing, processing, technology, etc., services to institutions? Please provide a list of your partners and the service each provides.

## How do you support the institution’s Board of Directors in meeting their responsibility to approve your non-deposit investment and insurance product list?

## How often do you provide a due diligence report of your approved product list?

## Do you work with a bond desk and do they proactively work with advisors and give daily email of current bond offerings?

## Do you maintain a Product Desk (separate from a ‘Sales Desk)? What kind of product support is available to the institution and its Advisors?

## Do you offer trust services? Please describe.

# Support Services

## General Services

* + 1. Describe the general support services your company will provide including a complete staff/organizational chart of your company's departments that will provide this support.

## Brokerage Services

* + 1. Provide the name(s) of the clearing firm(s) used by your company, along with the date on which each such relationship was initiated. How long have you been working with them? How are clearing problems resolved?
    2. Describe your clearing process, as well as the service quality standards and performance guarantees your company maintains regarding the clearing of customer trades.
    3. When processing a transaction, does the system convey to the rep (or assistant) all the required paperwork associated with that specific transaction (including when a switch form or additional disclosure documents are needed)?
    4. Generally, describe the requirements of your account-opening processes for different types of accounts, including standard brokerage accounts, directly-held mutual funds, and annuities, including the funding of all accounts.
    5. Do you offer an online discount brokerage platform to clients? If Yes, please explain.
    6. Do you offer separately managed accounts? If so, please provide detail.
    7. Describe the tools and services (investment research, benchmarking and performance reporting tools, model portfolios, etc.) your company offers to its investment advisor representatives and the fees charged for these tools and services, if any.
    8. Describe your electronic account opening capabilities?
    9. Do you have e-signature capabilities? If so, for which accounts?
    10. What is your road map to attract and onboard younger demographic audiences who are more focused on interacting with advisors through mobile and social platforms?

## Accounting and Commission Services

* + 1. Do you provide customers with consolidated account statements (paper and online), including brokerage positions, mutual fund holdings, and annuity positions?
    2. Please provide a copy of a sample monthly report to an investment client for a brokerage accounts and all managed accounts.
    3. What are your management information reporting capabilities (levels of detail available)? How do you capture/report information on reps covering multiple locations? Do you have ad-hoc reporting tools available?
    4. What types of account reporting are available? Will we be able to sort by registration, rep, location, fund, What is the end of the month closing process? Describe the reporting process that is delivered or available to program management, institution executive leadership, and accounting and financial advisors? How do you assist the payroll process in a dual-employee arrangement? What services and support do you provide?

## Marketing and Business Support Services

* + 1. Describe the types of marketing support services your company provides to its member firms, including assistance with advertising, contact lead support, training on new products and services, etc. Describe the process for obtaining approval for marketing/advertisements developed by member firms.
    2. What are the national and/or regional conference support programs and award trips to sales representatives, and what are the qualifying criteria?
    3. Describe your policy on social media advertising/participation.

## Legal and Compliance Services

* + 1. Describe the organization of your compliance department.
    2. Describe in detail how your firm will comply with the Department of Labor’s pending Fiduciary Rule (DOL).
    3. How do you manage representatives' e-mail review? Which e-mail systems are approved for use? What costs, if any, are associated with this functionality?
    4. Describe your company's requirements for record retention.
    5. What is your requirement to register a branch (e.g., hub and spoke or any branch with regular schedules are registered?)
    6. Are there any other separate charges for compliance activities?

# Technology

## Indicate the primary operating system used by your company and describe any plans you have in place to update or improve the operating system or any of your primary platforms or databases.

## What is your current level of integration to allow brokerage clients access to their investment and insurance positions within the bank’s core technology?

## Describe the tools and services the financial institution's employed representatives and advisors will be able to utilize as a result of being linked to your company's system, including the ability to access client account information, template forms, product and market information, educational materials, etc.

## Describe the customer relationship management (CRM) system currently used by your company and indicate how it is integrated with your primary operating system.

## How are documents imaged (including notes and third party information)? Are the images easily and quickly accessible so all financial advisors, managers and support staff can view them on your system? Are imaging systems available to financial advisors and their support staff? If so, is there any cost?

## Detail all aspects of your organization's capability to download customer activity to the institution’s core system.

## Are you SSAE-16 or equivalent certified? (Please provide copy of certification.)

## Provide a complete list of all fees (E&O premiums, technology fees, bench fees, ticket charges, licensing fees, etc.) that the company may deduct from the compensation due to our financial institution and the basis for calculating these fees.

## Provide a complete list of all fees (transaction fees, service fees, termination fees, etc.) The company may charge to our financial institution's customers and the basis for calculating these fees.

## What technology tools are included at no additional cost?

* + 1. Do you have a "menu of tools" available for our financial institution to purchase? If so, provide description and cost (i.e. Morningstar).

## Please include a copy of the brochure and agenda for the most recent company sponsored registered representative conference and/or recognition program.

# Recruitment and Training

## Does your broker/dealer help with the recruitment of new financial advisors? If so, are there any costs for this service?

## Please describe training programs for advisors (new hires and ongoing development), support staff, program management and financial institution management. What types of training and who covers the costs?

## Describe programs/tools available to train financial institution employees about investment activities and to encourage referrals of bank customers to the representatives.

## Detail your FINRA firm element continuing education program for representatives.

## How do you support Advisors who want to pursue professional designations such as CFP, CRPC, CWC, etc.?