

Who's the Fairest of Them All? A Comparative Analysis of Financial Advisor Compensation Models

by John H. Robinson

Executive Summary

- There are three primary modes by which investors pay for financial advice: commissions, asset-based fees, and flat fees. This paper examines the economic incentives at work in each and suggests that the debate over which model is "fairest" is flawed because all three models contain incentives that can lead to conflicts of interest and each may also represent an optimal choice for certain investor circumstances.
- The recent trend away from commissions in favor of fee-only planning may not represent a best-practice model for the profession. Alternatively, the ideal compensation platform may be one that incorporates all three models.
- While conflicts of interest in the commission model are seemingly obvious, data exist to suggest that the impact of these conflicts may be overstated and that the commission model may have a cost advantage for some investors.
- A clear advantage of asset-based fees is that advisor compensation is tied to performance. Still, conflicts in this model may arise from inherent disincentives to recommend strategies that lead clients to reduce assets under management, even if such strategies are in the clients' best interests.
- The flat-fee model is the only one that truly allows the client to pay for broad-based financial planning guidance that is not merely incidental to the investment plan. Nonetheless, shirking and over-billing are potential conflicts of interest that arise under this model.
- There is little evidence to suggest that regulatory differences lead fee-based advisors to be either more qualified or to act more ethically than commission-based advisors; however, the fee-based models are clearly superior with respect to fiduciary disclosure requirements. It can be argued that regulatory inequality denigrates the commission model's credibility.

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"Incentives are the cornerstone of modern life. And understanding them—or, often, ferreting them out—is the key to solving just about any riddle, from violent crime to sports cheating to online dating."

—Steven D. Leavitt and Stephen J. Dubner, [*Freakonomics*](#)

Retail investors obtain personalized financial guidance from a variety of sources, including national and regional brokerage firms, registered investment advisory firms (RIAs), and independent financial planners. Depending on the source, there are essentially three ways investors pay for financial guidance: commissions, asset-based fees, and flat fees (such as retainers and hourly fees). Over the past decade or so, as the investment industry has evolved from its sales-oriented origins toward a financial planning orientation, the traditional commission model has come under increasing fire for the seemingly obvious conflict of interest that commission-based sales create between the financial advisor¹ and the investor. As a result of this criticism, there has been a major shift away from transactional compensation toward asset-based fees, and, to a lesser extent, toward flat-fee planning—the rationale being that fee-based compensation better aligns advisor and investor interests. In fact, some advisors have adopted an almost moralistic position in advocating the exclusive use of either of the fee-based models. This position is regularly echoed in both the mainstream media and in academic financial journals. So vocal is the fee-only movement that there has been very little formal discussion of limitations associated with either of the fee-based models or comparative analyses of the merits or disadvantages of all three models relative to each other. But are the two fee-based models always better for the investor? This paper addresses this question by ferreting out and examining some of the underlying economic incentives at work in all three models and by identifying those that may create advisor/investor conflicts. The analysis concludes that all three models contain incentives

that align advisor and client objectives, and which can create significant conflicts of interest. This somewhat controversial finding has at least three important implications.

1. No single compensation model ensures investors that the advice they receive will be entirely unbiased and objective.
2. Since all three models have limitations, the financial planning community should think carefully about promoting fee-only planning as a best-practices model for the profession.
3. Since each model may also be an optimal choice for certain sets of investor circumstances, the "fairest" compensation platform may be one that offers investors the ability to choose from all three models.

The Commission Model

Despite the widespread migration toward fee-based compensation models, thousands of Series 7 registered financial advisors at hundreds of broker/dealers nationwide still provide commission-based guidance.² Commission-based advisors are regulated by the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934 and by various self-regulatory agencies, most notably the National Association of Securities Dealers (NASD).

As noted above, the primary criticism of the commission model stems from the obvious problem that the advisor's economic incentives appear to be, at best, detached from or, at worst, in direct conflict with the interests of the investor. This conflict arises from the simple fact that the advisor receives a commission regardless of whether the investments recommended succeed or fail and because the commission model creates an economic incentive for the advisor to steer investors toward products that pay the highest commissions, even if those products are not necessarily best suited for the investor. Further, advisors may have an incentive to generate transactions purely for the sake of generating income for themselves rather than for the benefit of the client. As such, detractors of the commission model suggest that the quality of financial guidance dispensed from commission-based advisors should be viewed with skepticism and should be discounted relative to that of fee-based advisors.

As straightforward and as convincing as these criticisms of the commission model may seem, an objective comparison of the three models requires us to look beyond the obvious and to consider whether there are any underlying incentives or circumstances that might actually make the commission-based model a better choice for certain investors than the fee-based models. Specifically, we must ask whether the conflict-of-interest argument accurately reflects the behavior of financial advisors.

Commission-based advisors contend that, in reality, their interests are far more aligned with investors than one might think. From their perspective, the financial services industry is a crowded and competitive place, and attracting new clients is more difficult than ever. If one accepts the assumption that investors will eventually leave advisors who abuse their trust, then commission-based advisors may indeed have an incentive to forgo short-term gratification from commission maximization in order to keep investors happy over the long run so that they will continue to generate revenue and refer other investors.

Similarly, commission-based advisors also argue that they do not have an incentive to steer clients disproportionately toward investments with high upfront commissions because such investments tend to be "one-shot deals" (that is, the advisor may not get paid again). Allocating client assets entirely to these products would mean that the advisor must constantly be prospecting for new investors.

Although such an economic defense is likely to be met with skepticism from the fee-only camp, there is evidence to support the commission-based advisor's position, and to suggest that the conflict-of-interest criticism surrounding the commission model may indeed be overly simplistic. If commission-based advisors truly have a greater economic incentive to put their interests ahead of investors, then one would expect commission-based

advisors to have higher returns on assets (ROA) than their fee-based counterparts. In fact, the opposite is true—and by a rather wide margin. Industry data regularly report that the average ROA for brokers is below .75 percent, while the average ROA for independent RIAs is approximately 1.3 percent and rising.³

Not only does this suggest that commission-based advisors as a group are not solely motivated to maximize commissions, it implies that the commission-based model may have a significant cost advantage over fee-based investing. Further, there is some evidence that contradicts the assertion that commission-based advisors tend to steer clients toward products with higher commissions. One example is the recent trend among brokerage advisors away from commission-based products toward non-advisory fee-based accounts. While this trend has been at the center of a number of controversies, one major regulatory concern surrounding these accounts has been the issue of "reverse churning"—the notion being that commission-based advisors are shifting relatively inactive accounts into fee-based accounts in order to increase revenue. Thus, it appears that at least some commission-based advisors view fee-based planning as more lucrative than commission-based planning (that is, advisors may have an economic incentive, rather than solely a moral incentive, to migrate toward fee-based platforms). From this, one might also conclude that there are certain investor sets that would be better served—at least from a purely economic perspective—by the commission model. Intuitively, buy-and-hold stock portfolios, breakpoint-eligible mutual fund portfolios, static or laddered bond or certificate of deposit portfolios, and accounts with sizable cash balances are all examples of portfolios that might be better served under a commission-based model than a fee-based model. Similarly, assuming that the advisor has the proper qualifications, experience, and designations, a commission-based advisor might be a comparatively inexpensive resource for incidental, modular financial planning guidance.

The Asset-Based Fee Model

Financial advisors who are compensated for financial planning and investment advice via asset-based fees are registered as investment adviser representatives (IARs) under the Investment Advisers Act of 1940, and are required to hold the NASD's Series 65 registration. Depending on the total amount of client assets under management, registered investment advisory firms (RIAs) must be registered either with the SEC (RIAs with greater than \$25 million in client assets) or their state's securities regulator. Although most national and regional investment firms carry dual broker/dealer and RIA registrations, the strongest growth in the RIA arena in recent years has come from fee-only RIAs, which operate independently from any broker/dealer. Of the more than 10,000 SEC-registered RIAs (a group that includes hedge funds, institutional and global money managers, pension consultants, and mutual portfolio managers), it is estimated that more than 3,000 are small, independent firms engaged in providing financial planning services.⁴ The majority of the more than 13,000 state-registered RIAs fall into this category as well.⁵

The most vociferously touted benefit of the asset-based fee model is that it aligns the advisor's economic incentives with those of the investor. This seems intuitive because, under the asset-based fee model, the advisor is paid more if the portfolio value rises and less if the value falls. But are there disadvantages or conflicts of interests with the asset-based fee model, too? We've already discussed as one potential conflict the notion that some advisors might adopt this model in order to earn higher revenue streams for themselves than they would under the commission model. But are there others?

Again, we begin by examining the model's incentive structure. At first blush, it seems intuitive that advisor and client interests are always aligned under the asset-based fee model. But there are at least two scenarios in which advisor guidance under this model may be directly at odds with the interests of the client.

First, since the asset-based fee advisor is paid based on a percentage of assets under management, it can be argued that there is a strong disincentive to provide investment solutions that do not involve advisor management or that might reduce the amount of investor assets under management. For example, the asset-based fee advisor might be disinclined to advise investors to reduce debt or invest in assets such as real estate or art.⁶

Similarly, an asset-based fee advisor might be reluctant to recommend holding liquid assets that require little ongoing management, such as cash or static/laddered bond portfolios outside of the fee arrangement, even if it is in the investor's best interests to do so.

Second, since most asset-based fee advisors eschew commissions, it is reasonable to expect there to be a strong disinclination to recommend certain products such as life insurance, long-term care insurance, disability insurance, or certain annuity contracts that are only available on a commission basis, even if these products may be appropriate for the investor's circumstances. While it is unlikely that these scenarios would be considered a breach of fiduciary duty, the economic incentives in these examples indisputably place asset-based fee advisors' interests at odds with those of their clients.

From the investor's perspective, the notion that both the advisor and client benefit when asset values rise, and suffer when assets fall, is indeed a desirable attribute and is a distinct advantage of the asset-based fee model for certain investor circumstances. Intuitively, the model seems particularly well suited for long-term, growth-oriented investors who prefer a hands-off approach to investing (that is, advisor discretion) and for actively traded accounts. Managed accounts and wrap-fee no-load or load-waived mutual fund portfolios also seem to lend themselves well to this model.

As with the commission model, asset-based-fee advisors who incorporate financial planning guidance in their service offering may also add value to the relationship. But if these advisors promote fee-only planning, it follows that they should direct clients to other professionals to obtain certain commission-based insurance products that may be needed to address common life event risks, such as disability insurance, survivorship life insurance, and long-term care insurance.

The Flat-Fee Model

Incentives in the flat-rate model are difficult to analyze because fees are levied in multiple formats. Two of the most common formats are retainers and hourly billing. Retainers typically are billed quarterly and are often based on the client's net worth rather than portfolio value. Hourly fees tend to be levied by advisors hired to prepare a one-time plan or who are employed by clients who wish to concentrate on one or two specific issues (such as college funding, complex tax planning, or stock option analysis) rather than paying a steeper fee for comprehensive financial planning services.

Under the commission and asset-based fee models, the advisor is compensated specifically for investment advice, while all other planning guidance is effectively incidental to the relationship. In contrast, an undeniable benefit of the flat-fee model is that it truly allows the advisor to be compensated for financial planning advice. As such, flat-fee advisors argue that they can be entirely objective in their recommendations. For example, if a flat-fee advisor believes a client's portfolio is overweighted in securities and underweighted in real estate, he or she is free from conflicting economic incentives in recommending the allocation change. It is for this reason that some advisors regard the flat-fee model as ethically superior to the other compensation models.⁷ But is this model, as its proponents claim, truly free from conflicts of interest and is it truly the best choice for all investors?

Quantitative statistics, such as returns-on-assets data, are more ephemeral under the flat-fee practices because of the varied methods by which fee-based advisors charge for their services and the fact that flat-fee advisors still make up a relatively small portion of the overall marketplace. But some insight into the underlying economic incentives in the flat-fee model may be gleaned by analogy from examining issues of ethical contention that arise with compensation practices in the legal profession. In the practice of law, retainers and hourly billing are the most common billing methods among defense attorneys and transactional lawyers (contingency fees are more common among plaintiff attorneys). In the legal profession, a common criticism of retainers is that it creates an economic incentive for shirking (that is, to do as little work as possible to justify the fee). For example, a tobacco company may hire a prominent law firm on retainer to defend against individual plaintiff lawsuits. To maximize

profitability, the law firm may be inclined to assign the work to lower paid, less experienced associates or to use templates from previous cases. The same incentives likely apply to retainers in flat-fee advisory practices. Because asymmetries of knowledge exist, flat-fee advisors may have an incentive to overstate the amount of work they have done for clients.

Similarly, a controversial issue in the legal profession regarding hourly fees is the concept of "value billing." An attorney may have spent dozens of hours researching a particular issue. But once this research has been done once, it may be applied to the same type of case over and over again. Should the attorney bill the same number of hours for each subsequent client, or should he or she bill the actual time spent? By analogy, it may take an hourly planner dozens of hours to prepare a customized, comprehensive financial plan for a client. But once the basic template for the plan is in place, it may be possible to copy the format along with certain boilerplate explanations of concepts from one plan to the next. Thus, there may be an incentive to "pad" bills as an hourly practice becomes more systematized.

In addition, just as defense attorneys are paid regardless of whether they win or lose, a potential disadvantage of the flat-fee model is that advisors may be less accountable for their guidance, at least as it applies to the securities portion of the portfolio. Whereas both commission-based and asset-based advisors have a clear economic incentive to closely monitor investment portfolios, the incentive is less direct for flat-fee advisors. In this regard, the conflict-of-interest issue that arises with flat-fee advisors may be similar to the reverse churning issue with commission-based advisors who encourage clients to adopt non-advisory, asset-fee-based brokerage accounts. If a flat-fee advisor recommends few investment changes from one year to the next, the question may arise as to whether the lack of change is due to the belief that the portfolio remains sound or due to shirking on the part of the advisor.

Another potential disadvantage of the flat-fee model is cost, insofar as clients may be forced to pay more to implement a plan than they would under the other two models. For example, if the flat-fee advisor recommends certain products such as certificates of deposit, life insurance, or annuities, the client may be subject to the same commissions, expenses, or surrender periods as if they had not paid the advisor a fee. Conversely, as with fee-only asset-based advisors, flat-fee advisors may be inclined to avoid recommending certain commission-based products, even if these products might be the best tools to address a client's needs or risk exposure.

To summarize, the flat-fee model offers a clear advantage over the other two models by allowing advisors to be paid for comprehensive financial planning guidance instead of just for investment guidance. In doing so, it can be argued that advice under the flat-fee model may be more objective because advisors do not have an economic incentive to encourage clients to keep assets in securities portfolios. But the corollary of this thesis is that flat-fee advisors may be less accountable for investment performance and may have a greater incentive to shirk than advisors under the other two models. In addition, both flat-fee and fee-only asset-based advisors face challenging decisions with respect to recommending certain products that are only available on a commission basis.

Based on these findings, one could conclude that flat-fee planning is particularly well suited for people for whom objective comprehensive financial planning guidance is valued more highly than traditional investment planning. It may also be well suited for people who are seeking a one-time financial planning analysis or a second opinion on an existing plan. Hourly planning also seems to be a logical solution for people seeking guidance on one or two specific complex planning issues such as tax planning, college funding, executive compensation issues, or stock option analysis.

The Impact of Regulation on Advisor Incentives

Ostensibly, one of the primary purposes of regulation in the investment industry is to build public trust by using rulemaking and enforcement to create incentives for advisors to do what is right for their clients. Thus, a comparison of advisor compensation models would be incomplete without considering the impact of regulation on incentives under each of the three models.

Regulatory differences stem from the fact that Series 7-registered, commission-based advisors are governed by the Securities Exchange Act of 1934, while Series 65 IARs (both asset fee and flat fee) are governed by the Investment Advisers Act of 1940. Under the Securities Exchange Act, commission-based advisors are held only to a standard of suitability in their recommendations, while fee-based advisors are held to fiduciary standards that (1) require them to place the interests of the client first and (2) hold the advisor personally liable for breaches of fiduciary duty. The notion that fiduciary responsibility is a higher ethical standard than mere suitability has been central to the position of many fee-only proponents. But commission-based advisors counter that regulation has evolved considerably since 1934, and that there is no longer any practical difference between the two standards because the rules imposed by the NASD have become so stringent that they force advisors to act with integrity. Further, commission-based advisors argue that client assets may actually be safer in the broker/dealer environment than with an RIA because of SIPC (Securities Investor Protection Corporation) coverage and because of steep firm liability in the instance of fraud.

Thus, to continue our analysis requires investigating whether the client suitability/fiduciary difference truly creates an incentive for fee-only advisors to act more ethically than their commission-based counterparts, or whether the value of this difference has been exaggerated.

On the surface, the threat of personal liability under the 1940 act does not appear to be a significant deterrent to unethical behavior. There certainly are scores of examples of rogue brokers who have churned clients' accounts, engaged in unauthorized trading, failed to properly disclose risks and expenses, embezzled, and otherwise violated their clients' trust. On the other hand, there are abundant examples of fee-only advisors who have breached their fiduciary duty by receiving undisclosed commissions or kickbacks from sales of products such as index annuities, private equity schemes, limited partnerships, and viatical settlements, or who have defrauded their clients through complex Ponzi schemes. For every Frank Gruttadauria there appears to be a Bradford Bleidt.⁸

Contrary to popular perception, the Series 65 designation does not appear, in and of itself, to automatically confer a higher degree of ethical behavior on IARs. In fact, there is strong evidence to suggest that the deterrent incentive of the fiduciary liability threat is weak due to inadequate enforcement resources. In the mid- 1990s, then SEC chairman Arthur Leavitt famously quipped that, based on 81 SEC staffers and 22,500 RIAs, an advisor could expect to be audited once every 44 years. To address this oversight problem, Congress passed the National Securities Improvement Act of 1996. This law shifted oversight of all RIAs with under \$25 million in assets to the individual state securities commissioners. Although this law was embraced by the states and has been successful to a degree, today there are more than 10,000 SEC RIAs and more than 13,000 state regulated RIAs. In 2005, the SEC's Office of Compliance Inspections and Examinations (OCIE) conducted 1,530 examinations, of which 932 were "routine" audits.⁹ Based on these figures, an SEC RIA might expect to be audited once out of every ten years. Evidence of inadequate enforcement resources at the state level can be found in the comments of Consumer Federation of America director Barbara Roper who noted that "states are doing the best they can with grossly inadequate resources. In too many cases, however, their best still leaves investors dangerously vulnerable to fraud."¹⁰

Another important difference between the 1934 Securities Exchange Act and the 1940 Investment Advisers Act pertains to disclosure. Under the 1940 act, IARs are required to disclose all fees they will receive as compensation for their services. In contrast, disclosure rules under the 1934 act are considerably more abstruse. While commissions on stock trades are generally disclosed and sales charges on mutual funds must be disclosed via prospectus, advisor compensation on products such as bonds, CDs, annuities, and various insurance lines are generally opaque to investors.

While the aforementioned ROA statistics do not suggest that lack of disclosure has led to widespread abuse, the fact remains that it is possible for advisors to choose to recommend one product over another based on commission. Evidence that some advisors select products based on the commissions they pay is found in the way in which many products are marketed to them. For example, a full-page ad for a particular annuity contract in

the [November 2005](#) issue of the *Journal of Financial Planning* touts a 10 percent commission as a primary benefit of the product.

Although some commission-based advisors may be inclined to point out the recent controversies surrounding RIAs and the conflicts of interest arising from undisclosed hard- and soft-dollar fee arrangements, on balance, disclosure under the fee-based models seems more transparent than under the commission-based model. In terms of economic incentives, it can be reasonably inferred that if commission-based advisors were required to disclose the amount they were paid from the sale of each product, commissions on certain products would fall and commissions would generally become more level across product lines. In this regard, regulatory incentives seem to favor the two fee-based models.

Finally, there is a widely held perception that fee-based advisors are more qualified to provide financial planning guidance than commission-based advisors. But nothing in the 1940 act or the licensing criteria suggests that Series 65 holders are appreciably more qualified than Series 7 holders. In fact, according to a 2005 survey conducted by the College for Financial Planning, 56 percent of CFP certificants report receiving income from a combination of fees and commissions. Furthermore, according to the CFP Board, of the approximately 49,000 CFP certificants, 37 percent (18,500) are affiliated with the top 30 broker/dealers, insurance companies, and mutual fund companies. Thus, educational qualifications do not appear to weigh in as an advantage of one model over another.

Analysis Implications

To borrow a quotation from the best-selling book, [Freakonomics](#), by Steven D. Levitt and Stephen J. Dubner, "Morality, it could be argued, represents the way that people would like the world to work—whereas economics represents how it actually does work." With that in mind, this paper has sought to examine the economic incentives at work in the three major advisor compensation models in order to attempt to determine if one model is clearly a superior choice for investors. In doing so, we have found that economic incentives exist in all three models that can lead to conflicts between advisors' interests and those of their clients, and that each model has certain unique attributes that may make it the "fairest" choice for certain sets of investors.

The major implication of this finding is that, contrary to public opinion, the promotion of fee-only planning may not be a best practice for the industry. Alternatively, it is logical to conclude that a best-practice standard might be a platform that offers clients a choice of some combination of all three models. A further implication of this work is that professionals who wish to adopt the three-model platform must be dual-registered with both a broker/dealer and an RIA.

This comparative analysis also included an examination of incentives imposed by regulation under the three models. In doing so, surprisingly little evidence was found to suggest that fiduciary liability is effective in deterring fraud and creating higher ethical conduct among fee-based advisors. But a review of the literature reveals that there is indeed a widely held perception that fiduciary responsibility is a higher ethical standard than the suitability standard for commission-based advisors. This suggests that the credibility of commission-based advisors is being artificially denigrated by unbalanced regulation.

This perceived imbalance could be alleviated by adopting legislation that would apply the fiduciary standard to broker/dealers as well as to RIAs. To date, however, the brokerage industry has lobbied against this change, presumably out of fear that it would lead to increased liability. Interestingly, many individual commission-based advisors favor such a regulatory change because they believe it would help to level the competitive playing field. In a recent survey conducted by the Financial Planning Association, more than 86 percent of respondents who were wirehouse advisors indicated they would support the adoption of a fiduciary standard. More telling was the fact that there was little difference in support for the change between wirehouse advisors who hold the CFP certification and those who do not.¹¹

In terms of other major regulatory incentives, this paper finds that the more stringent compensation disclosure requirements under the Investment Advisers Act of 1940 favor the two fee-based models, and that a lack of transparency under the Securities Exchange Act of 1934 still fosters an environment where commission-based advisors have an incentive to choose products for their clients based on the commissions they receive rather than on the merits of the product for the client. It seems intuitively predictable that if commission-based advisors were required to disclose the amount of commission they receive on each transaction, commissions would fall and commissions would become more level across product lines. As long as such informational asymmetries regarding compensation are permitted to exist between advisors and their clients, the commission-based model may be viewed as inferior to the two fee-based models. Thus, while each of the three compensation models has its unique advantages and disadvantages, improved transparency and adoption of the fiduciary standard would go a long way toward improving the image of the commission-based model relative to asset-based and flat-fee models.

In summary, although the conclusions drawn from this comparative analysis of the incentives in each of the three major advisor compensation models may be viewed as controversial, particularly to staunch fee-only and flat-fee advocates, a primary purpose of this exercise has been to spur healthy debate on the subject. It is hoped that this paper will serve as a springboard for further discussion.

Endnotes

1. While it is understood that the term "adviser" refers specifically to investment adviser representatives (IARs) and the term "advisor" is used to refer broadly to all those offering investment guidance (that is, investment advisers and registered representatives collectively), due to the frequent references to both throughout this paper, "advisor" is generally used.
2. Although broker/dealers are permitted to offer fee-based compensation programs that are exempt from the Investment Advisers Act of 1940, the debate over the legitimacy of this practice is regarded as a separate issue and, as such, discussion of this topic has intentionally been omitted.
3. "Evolution Revolution 2005—A Profile of the Investment Adviser Profession," a report prepared by a joint collaboration of the Investment Adviser Association and National Regulatory Services.
4. "Evolution Revolution 2006—A Profile of the Investment Adviser Profession," a report prepared by a joint collaboration of the Investment Adviser Association and National Regulatory Services.
5. Ibid.
6. The same point could be raised with the commission model, though perhaps less so, since the commission advisor might benefit from a sales transaction, and he or she does not benefit from simply holding assets under management.
7. Nancy Opiela, "The Future of Fees," *Journal of Financial Planning*, [August 2006](#).
8. Frank Gruttadauria was a Cleveland-based broker for Lehman Brothers who embezzled millions of dollars from clients over a 15-year period. Bradford Bleidt was a Boston-based CFP certificant and RIA who defrauded millions of dollars from clients through a complex Ponzi scheme.
9. "Evolution Revolution 2006—A Profile of the Investment Adviser Profession," a report prepared by a joint collaboration of the Investment Adviser Association and National Regulatory Services.
10. Barbara Mallon, "Impact of the 1996 Reform Act on Investment Advisors," *The LawHost Online Law Journal*, 1998.
11. Duane Thompson, "Wirehouse Planners: FPA's Best-Kept Secret," *Journal of Financial Planning*, [July 2006](#).