



*Premier Wealth Advisors, Inc.*

LESS STRESS

MORE LIVING

**Los Angeles • Miami • Palm Springs • Boston • Las Vegas**

Objectivity – Integrity – Competence - Trust

## Engagement Standards and Description of Services

### **Mission Statement:**

Our mission is to empower our clients to achieve their lifetime goals through proactive and integrated financial planning and asset management. We strive to maintain the highest level of objectivity, accountability, integrity, education and professional competency. We offer our clients a fee-based compensation system, years of experience, and quality concierge level services.

## WELCOME

Welcome to the financial planning services of Premier Wealth Advisors, Inc. We believe in the value of comprehensive professional financial planning. It is one of the most powerful tools that financially successful people have used to organize, coordinate, and validate their financial objectives and life goals. It is also one of the best investments you can make in your future.

Financial planning requires a serious commitment from those desiring to improve their financial situation. To support this insightful work and achieve extraordinary results, these Engagement Standards are used to spell out the process and expectations for both the client and the advisor. They will help you get the most from the experience and help us work together with synergy to produce a result that will, if adhered to, alter your visions of the future and provide a roadmap to attaining your financial objectives.

Whether working on a periodic, continuous, or comprehensive basis, all of our work is completely fee-based. We are also distinctive in that we decline relationships that could impact our objectivity, for example, we neither pay nor receive referral fees.

### Financial Truisms

1. **To achieve the right answer, you must first ask the right question.**
2. **Information is not necessarily knowledge and it is not a substitute for wisdom, experience, and well-informed professional judgment.**
3. **A properly allocated portfolio should not be confused with one that is simply well diversified.**

## OUR DESIRED CLIENTELE

Most of our clients are affluent business owners, professionals, pre-retirees and retired individuals who desire ongoing professional assistance in the creation and implementation of strategies to reach their life goals, as they may exist now or develop in the future.

Our planning firm is recognized as one of the best in California. However, we realize that our service is not right for everyone. Over the years, we have found that our firm works most effectively with people who share some or all of the following characteristics:

-  An open mind and a willingness to creatively brainstorm with us - to engage in a continuing dialogue about the goals that drive their life values.
-  A willingness to make a shift in behavior if it furthers their long-term goals.
-  Recognition that we don't have all the answers, and that financial planning - like life - is really not an exact science.
-  A willingness to accept the investment returns offered by the market, recognizing that there is no fool-proof way to "beat the market" or achieve above-average performance.

 Sufficient trust in us and our advice that they commit to ignoring all financial “noise in the air” (CNBC, financial magazines, well-intended co-workers, friends, relatives, and neighbors).

 A desire to commit to ongoing financial planning that organizes their financial lives, and which uses their human and financial capital to create a result which helps them achieve their goals;

 A willingness to delegate unwanted work to a professional financial advocate on an ongoing basis.

 A willingness to refer other individuals who have a need for financial planning services to our offices for the same kind of help that they receive.

## **OUR EXPECTATIONS**

If you become a client of ours, we hope and expect you to be honest and forthcoming about your personal and professional goals, and about your current financial situation. The quality of our advice will depend on the quality of information that you provide to us.

We believe that terrific financial planning requires a commitment of time from you. If you choose to become a retainer client with PWA, your first planning year with us will include five to six meetings over a period of a year. You need to be willing to attend each of these meetings. We design these meetings to provide you with the knowledge and tools to make good decisions. These meetings also provide us with the necessary information to make appropriate recommendations. In subsequent years, one to two meetings is usually sufficient to update your financial picture.

We believe that a team approach to financial planning is the most successful for our clients. You will meet with each member of the Premier Wealth Advisors team during your initial year with us. Each member of our team commits to maintaining the highest level of professionalism and technical expertise for the benefit of our clients.

As time goes on, we expect you to keep us informed, as soon as possible, about important changes that will have a significant effect on your financial and personal life, such as marriage, new baby, any new major financial obligation, change of income, retirement, change of health, etc. We always ask also that you carefully review all communications and statements immediately and promptly report any errors to us and/or ask for clarification on anything that you do not understand.

We ask you to follow all of our advice to the best of your ability and to the extent that it is compatible with the goals you have given us, even when that requires personal sacrifice, changing a behavior pattern, or overcoming inner resistance.

## FINANCIAL PLANNING SERVICES

We provide financial planning on an hourly basis, and as a focused or a comprehensive financial plan. Hourly fees are generally limited to two hours and focused and comprehensive planning is provided on a set fee basis.

**Comprehensive Financial Planning** – This analysis is an in-depth study of the following areas: Cash flow, tax planning, retirement planning, estate planning, insurance planning, investment planning, and life goal planning. The comprehensive financial planning engagement will be conducted over 4-6 meetings depending on the complexity of the financial profile.

**Focused Financial Planning** – When a comprehensive financial plan is neither desired nor appropriate, we provide focused planning concentrating on no more than two aspects of the planning spectrum (see above). These engagements are conducted over 2-4 meetings, again depending on the complexity of the financial profile.

Most successful people have one thing in common: they want to get more out of their lives, and they don't want to spend their time doing things they aren't interested in or good at. We specialize in helping people make decisions that can contribute to significant positive changes in the future.

Recommendations, strategies, and management are made only after a thorough examination and evaluation of a client's financial situation. The specific reason or reasons that brought you here will probably be addressed first. As a part of that solution process, we will take a broader look at other aspects of your financial life. When we see potential issues, we will discuss them with you. We will discuss options, timelines, and ways to proceed with whatever option you choose.

The evaluation is broken down into several well-defined areas and all or a portion of them may be analyzed for you:

### **In the area of FINANCIAL LIFE PLANNING/GOALS, we can help you determine:**

- What money means to you.
- How you can use your money to make a life instead of your life to make money.
- How to live your life by design rather than by default.  
What the tangibles and intangibles are that you want your financial assets to provide you and your family.
- How life transitions will affect you and how you can proactively prepare for the financial challenges and opportunities that await you.
- Which financial goals and passions are realistic and achievable.

### **In the area of CASH FLOW PLANNING, we can help you determine:**

- The extent to which you are living within or beyond your income.
- How much you can safely spend and how much you need to save.
- How your current standard of living compares, for example, with what you might expect in

retirement, if you get out of debt, or after you put your children through college.

- How to easily track your budget.
- How to convert portfolio wealth to income in retirement.
- The answers to such miscellaneous questions as how can I automate routine financial transactions, should I pay insurance premiums annually or monthly, when is it preferable to arrange tax withholding on income instead of paying estimated tax payments throughout the year, and so forth.

***With cash flow planned well, day-to-day management of finances is easier, and it is more likely that you will reach your financial goals in a timely manner.***

**In the area of TAX PLANNING, we can:**

- Refer you to an accountant if you need one or work with your accountant if you already have one.
- Review your tax return each year to spot planning ideas visible to us because of what we know about the rest of your financial life.
- Provide summary tax data about your investments each year that makes the preparation of the annual tax return easier for you and likely more accurate.
- Inform you of changes in the tax law and discuss with you what the changes mean for your financial planning.
- Track cost basis data for portfolios that we manage.
- Assist with miscellaneous questions such as how to organize and how long to save financial papers, what expenses are tax deductible, and when to consult the accountant or attorney.

***With taxes planned well, it is more likely that you will pay the right amount of taxes and less likely that you will encounter a surprise tax liability.***

**In the area of ESTATE PLANNING, we can:**

- Refer you to an attorney when you need one or work with your attorney if you already have one.
- Assist with some of the personal decisions involved in estate planning.
- Compile data for your estate planning attorney and identify and summarize potential estate planning issues for your attorney's consideration.
- Go with you to the attorney's office or work with your attorney on your behalf.
- Alert you to changes in the law or in your own circumstances that make a visit with your attorney appropriate.
- Assist with the updating of titles and beneficiary designations as advised by your attorney.
- Outline the provisions of your estate documents on our database so that it is always available for our review.

***With estate documents well planned, it is more likely that your preferences with respect to both medical and financial affairs will be honored in the event of your incapacity or death.***

### **In the area of RETIREMENT PLANNING, we can:**

- Create a long-term tax and cash flow forecast that will pinpoint a probable lifestyle based on assets accumulated or amount of savings planned in pre-retirement years.
- Test the sufficiency of your retirement capital against your life expectancy and spending requirements.
- Help you select the best retirement pre-tax retirement program available to you.
- Perform multiple “what if” scenarios so that you can understand changes in assumptions over the long term.
- Help you determine an appropriate lifestyle goal for the future.

***With retirement planning thoroughly analyzed, you are more likely to achieve your long-term financial independence goals and avoid underfunding those important years.***

### **In the area of INSURANCE PLANNING, we can:**

- Identify potential gaps in your insurance coverage and show you how to close those gaps.
- Clarify your employee benefits package and specify what insurance coverage is needed to supplement that package.
- Tailor insurance recommendations to your needs so that you pay the right amount for the correct coverage.
- Alert you to changes in the industry or in your life that suggest a need to update insurance coverage.
- Plan for what to do when insurance coverage stops, for example, when you leave a job or change marital status.

***With insurance coverage well planned, you are better protected against the financial consequences of a major misfortune.***

### **In the area of INVESTMENT PLANNING, we can:**

- Characterize your current portfolio with respect to how well its risk and return characteristics match your circumstances and preferences, and how well costs have been minimized and diversification optimized.
- Specify the portfolio appropriate for your goals and circumstances and determine how to get from your current portfolio to our portfolio including specific investment purchases and sales (if this option is chosen).
- Identify portfolio strategies that minimize attempts to time the market or to guess which individual security or mutual fund will be the next hot performer.
- Implement suggested portfolio strategies.
- Provide access to investments not available to retail investors.
- Establish optimal allocation for retirement plans at work.
- Provide ongoing education about investments.
- Regularly monitor and rebalance the portfolio.
- Report portfolio performance each quarter and after our fees.

- Discuss portfolio questions with you as they arise.
- Coordinate investment strategy with tax planning and suggest specific investment ideas designed to reduce tax liability.
- Plan how to convert portfolio wealth to regular income in retirement.

***With investments well planned, you can be confident that personal wealth will grow in a manner that is appropriate and tax efficient for you.***

**In the area of INTERGENERATIONAL PLANNING, we can:**

- Help you decide whether, when, and how to talk with parents and children about financial issues.
- Provide financial education for your newly adult children.
- Be a resource to you for financial intergenerational questions that arise in your extended family.
- Assist you in raising financial questions with your extended family to the extent that you desire and help you to identify issues that could profitably be raised.

***With intergenerational issues well addressed, family relations and family wealth are enhanced.***

**OTHER ISSUES: We help clients with other concerns as they arise that are at all related to finances, for example:**

- Help a child get started on an investment program.
- Help you decide on an educational savings program.
- Brainstorm about prenuptial agreements.
- Plan job negotiations for a new position, a raise, or a layoff.
- Decide whether, when, and how to give adult children financial gifts.
- Tailor charitable gift strategies to personal values and tax status.

***Life is a lot more comfortable when you have an advisor to turn to whenever any issue in your life develops that even remotely impacts personal finances.***

All of these areas are important in helping you achieve personal financial success. Successful people need and value all aspects of financial planning. Our planning services include mathematical analysis and forecasting, professional evaluation and advice, specific recommendations, support, a structure for making decisions, and accountability--all so that we can enable people to make effective financial decisions, and to find ways to become more effective in their personal and business lives. Often people work with us to put issues into perspective, and to make important decisions that require professional analysis.

When it is not possible for our team to handle your concerns alone, we will call in outside professionals and monitor the relationship to ensure that the work done on your behalf is of the highest standards.

We generally recommend our clients engage us for a comprehensive financial plan that covers many of the items referenced on pages 3, 4, and 5 of this document.

## **INTEGRATED FINANCIAL SOLUTIONS**

If you have chosen our Integrated Financial Solutions service in the first year, we will work with you through a series of financial planning meetings that compose a comprehensive financial planning exercise. We strive to learn about you, your goals and your needs as well as provide you with the tools you need to make critical decisions about your financial life. You will receive written documentation after each planning meeting composed of meeting notes, analysis reports, recommendations, task assignments, and target completion dates.

Our goal is to answer every question and concern through an interactive process that links all the disparate aspects of your financial life into a comprehensive whole. Although we have a defined structure for the process, we strive to be sensitive to your needs and can rearrange the order of the meetings or add meetings that more closely adhere to your issues.

Jack Gelnak, JD, will be the lead planner for our retainer clients. Members of the PWA team meet prior to each meeting so that you benefit from our team's multiple talents and to ensure quality control and consistency throughout the process. The primary planner debriefs the other team members after each meeting so that we can assimilate changes throughout the process. We also work closely with your other professional advisors so that we can incorporate their talents where appropriate.

You can expect each meeting to last up to two hours. Our goal is to complete the planning meetings within three months and meet again at the six-month point. And finally, we hope these meetings will be enjoyable so ask questions, bring us family or vacation photographs, or share a good joke.

## **WHAT HAPPENS AFTER THE INITIAL "IFS" COMPREHENSIVE FINANCIAL PLANNING PROCESS IS COMPLETE AND IMPLEMENTED?**

Effective communication is critical to our ability to help you get the best possible results. The more effectively we can communicate, the more personalized your long-term plan will be. We provide the following ongoing services to maintain the initial benefits of financial planning and maintaining an investment portfolio that reflects your risk/return profile:

- *We review your portfolio quarterly, maintain research on individual investment components, and produce reports so you are fully aware of your portfolio's performance as well as tax related issues. We manage your discretionary or required distributions. If new money is invested, we take care to ensure it is invested in accordance with your Investment Policy Statement.*
- *Each year, we have a regularly scheduled meeting to revisit your goals and see if you*

*have been successful in making the desired changes in your life so that your money and your life are more successfully integrated. Are there any new action items for the coming year on which we can add insight or recommendations? Have any internal family or business events occurred that might trigger new or changes to your existing life/financial goals? Based on reasonable projections, are you on track to achieve your financial goals? Can anything be done to increase the success factors associated with accomplishing your goals?*

- If something important arises between our scheduled meetings, please call us with updated information, problems or questions. We ask that you inform us of your financial choices, before you make a decision, not after the fact. When you are an Integrated Financial Solutions client, you are free to meet with us when the need arises about any aspect of your financial life or that of your family's. Please call us during our office hours – 8:30a.m. to 5:30p.m., PST, Monday through Friday to schedule a teleconference or an in-person appointment.*
- We publish several newsletters and emails each quarter which are designed to help you stay abreast of important topics and what is going on, generally, in the financial world and how it might affect you. Reading them are, of course, optional, but we ask that, if you DO spend time reading about financial affairs, that you substitute our newsletter for any material (including financial talk shows and magazines and chat rooms) which provide tips on short-term financial moves or hot opportunities, or which provide coverage of hourly or daily “white noise” movements in the markets. In our experience, people who pay attention to the markets on anything, but an occasional basis have more trouble focusing on their most important goals than those who are able to tune out this white noise information.*

## **FEES AND TERMS: WHAT WE CHARGE FOR OUR SERVICES**

Financial planning is an investment. You are not just paying for the work we do; you are paying for the commitment you make to yourself to become financially independent and secure. This commitment extends into everyday life. The following service levels are available from our firm:

### **Financial Planning Services**

**Hourly Planning** – we have a two-hour minimum and the time is billed at \$450/hour for Primary Planner's time and \$150/hour for Staff Planner's time. Hourly planning is generally limited to one meeting with a two-hour minimum and is focused on narrow issues such as mortgage refinancing, real estate issues, etc. We also offer a “Savers” package with four hours of time for \$1500. The “Savers” package is paid for in advance as a retainer and may be used as selected by the client over an indefinite period of time.

**Financial Planning Engagements** - our fees are based on the complexity and breadth of the expected planning engagement. We start with a base fee of \$2,500 and calculate the total fee based on net worth, complexity, size, and number of financial issues. A staff planner who is supervised by the principal of the firm is responsible for conducting financial planning

engagements for all clients who do not qualify or desire our comprehensive financial planning and asset management retainer (IFS – Integrated Financial Solutions) service.

### **Integrated Financial Solutions (IFS) Retainer Services**

Asset Management & Ongoing Retainer (See page 7A for details on benefits and fees for both services). We deduct our Integrated Financial Solutions retainer from the accounts that we manage on your behalf. You will receive an invoice each quarter with a calculation showing how we arrived at your fee per your contract. This fee will be deducted from your account unless you prefer to pay it direct. This method of paying our fee allows us to keep the fees for our services as low as possible.

### **SUPPORTIVE TERMINATION: IS THERE A PROCEDURE TO END THIS BUSINESS RELATIONSHIP?**

Effective financial planning should be proactive, flexible, value-added, and enjoyable. If we ever stop enjoying or respecting one another, then our relationship needs evaluating. We reserve the right to end our working relationship at any time and extend that right to you as well.

### **INTRODUCTIONS: IS THERE A PROCEDURE FOR MAKING OTHER PEOPLE AWARE OF OUR FINANCIAL PLANNING SERVICES?**

Our organization works primarily with people who are referred to us by our existing clientele. If our planning experience has enabled you to generate the results you want in your life, then we encourage you to share your experience with others.

### **FINAL THOUGHTS: WHAT DOES THIS OWNER'S MANUAL DO FOR YOU?**

At the end of this document, we want to make sure that you are truly committed to the financial planning process. Therefore, we have attempted to make as clear as possible the range of our financial services. You agree to take 100% responsibility for understanding of and agreement with the information above. You understand our expectations of clients as well as our expectations of us. You also understand the importance of collaborating with us and agree to review our work together regularly.

We are confident that the careful reading of this document will allow you a deeper understanding of the benefits of financial planning and, in particular, the value of having a trusted financial advisor to your complete financial picture. If you have any questions, please call our office and speak to a financial advisor.