Relationship Summary: Additional Information

"Examples of Ways You Make Money and Conflicts of Interest"

When I act as your investment advisor, I have to act in your best interest and not put my interest ahead of yours. At the same time, the way I make money creates some conflicts with your interests. All compensation forms contain some inherent conflict:

Compensation Type	Your Possible Interest Conflict	Possible Advisor Conflict	My Take
Hourly Fee	Fewer hours means lower cost.	Padding hours means more revenue for the advisor.	I'm uncomfortable with "Clock-watching". My clients seem to agree.
Flat Fee	More advisor time and work means greater value for each dollar spent	Spending less time means greater account profitability. Desire to get a 'simple' plan may override necessity of getting the right plan.	Everyone knows costs up-front. Good work makes clients happy; bad work has them looking elsewhere.
Percentage based on account value	The more assets there are in your account, the more you pay in fees; however fee % declines as investment value increases.	Incentive to encourage investor to increase assets. Advisor loses income when a client withdraws assets to (example) pay-off a mortgage. This could affect advice given.	As a CFP® professional and as a Registered Investment Advisor (RIA), I am legally bound by a fiduciary standard. Success is not based on transactions, but on acquiring - and keeping - quality clients. Short-term thinking doesn't accomplish this goal.
Commission	In some financial products, can reduce the amount of money working for you. You want maximum dollars available to meet your goals.	Increased up-front compensation can lead an advisor to make recommendations based on revenue generated to meet production requirements or simply to make more money.	One of the reasons I became an independent advisor was to provide objective advice rather than to 'win the cruise'. As a CFP® professional and as a Registered Investment Advisor (RIA), I am legally bound by a fiduciary standard

My financial planning services are under a flat-fee arrangement, quoted in advance and investment advisory services are based on a percentage of account value. See my compensation structure at indfin.com/CRS/fees.

I routinely offer a written Fiduciary Oath to my clients. You should ask any advisor you are considering if they're willing to sign a fiduciary oath pledging to act in your best interest.

Research any firm you are considering. Go to FINRA's Broker Check site to check any firm you're considering. Just type the name into the second box to see if there are any regulatory histories.

A Registered Investment Advisor
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Jim Lorenzen is a CERTIFIED FINANCIAL PLANNER® professional and an Accredited Investment Fiduciary® serving private clients' wealth management needs since 1991. Jim is Founding Principal of **The Independent Financial Group**, a Registered Investment Advisor providing wealth management, retirement planning and investment advisory services to business owners and executives and their families seeking increased financial security and a roadmap to greater predictability.

Jim is licensed for insurance as an independent agent under California license 0C00742; background includes founding, building, and selling five successful businesses and international consulting; has been headline speaker at more than 500 national and international association and corporate conventions for clients such as Foster Grant, Hobie Cat, CapCities/ABC, H.R. Textron, Hearst Corporation, The National Management Association, the National Newspaper Association, and Cox Communications, as well as scores of state, regional, and national conventions; featured on American Airlines' *Sky Radio heard on more than 19,000 flights, as well as in The Wall Street Journal's SmartMoney magazine, The Profit Sharing Council of America's Insights; also published in the Journal of Compensation and Benefits, NASDAQ, and in scores of national and international association trade publications.*

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