

# *Financial Security by Design*

*Planning and Compliance for Individuals, Trusts and Estates*

Updated November 27, 2006

Dear Valued Customer,

This legal contract is intended to define our respective responsibilities. It protects you against arbitrary pricing and informs you about my firm's privacy and confidentiality policies.

**Initial Scope of Services.** \*\*\*\* Illustration Only \*\*\*\*

Understand the issues that led you to contact me. To put these in context, we will discuss your health, current income and resources, your future income and expenses, your financial aspirations, special needs (for a parent, perhaps) and insurance and your goals for the disposition of your estate.

Prepare a written report summarizing our discussion and responding to your concerns to the extent that I can without extended analysis or document review.

Recommend how follow-up issues might be addressed.

**Additional Services.** \*\*\*\* Illustration Only \*\*\*\*

I will review your investment portfolios and recommend changes as appropriate in light of your overall circumstances on a frequency that you determine.

I will assist you in other financial planning tasks as you direct on a frequency that you determine.

**Responsibilities.** You are responsible for the accuracy of your information, for approving the assumptions and for following through on my recommendations.

I am responsible for steering you towards realistic assumptions and for the accuracy of the analysis. I am not responsible for missed investment opportunities or extra costs or taxes if you do not provide me the information

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Certified Financial Planner™ - Enrolled Agent - Registered Investment Advisor

852 Acampo Drive, Lafayette, CA 94549-5040

(925) 299 - 0472    FAX (925) 299 - 0473    [lingane@post.harvard.edu](mailto:lingane@post.harvard.edu)    [www.lingane.com/tax](http://www.lingane.com/tax)

that I request or if your records are inaccurate or incomplete or if you fail to implement my recommendations.

**Disclaimer.** Financial planning is not an exact science. Results cannot be guaranteed because we don't know whether the underlying assumptions will be borne out by future events. Words like "largest," "best" and "maximum" are predicated on a specific set of assumptions and the actual results are likely to be better or worse than those forecast.

**Confidentiality, Conflict of Interest and Privilege.** You authorize me to use your information, including any information originally provided for tax preparation purposes, within the scope of this contract. "Information" is to be construed broadly and includes Social Security numbers which may have been included with your documents.

**Add, when this contract is executed by husband and wife or by California registered domestic partners:** You direct me to represent your common interests rather than what might be better for one or the other. You direct me to share information and recommendations with both of you and to accept direction from either of you. If there is any possibility of conflicting interests, each of you should be separately represented.

**Add when appropriate:** You authorize me to share information with \_\_\_\_\_ and to accept direction from you alone/from \_\_\_\_\_.

I will otherwise keep your information confidential indefinitely except where

- You authorize me in writing to share your information with another.
- Disclosure is required by law, by a court, by a regulatory agency such as the California Department of Corporations, or by the Certified Financial Planner Board of Standards pursuant to a disciplinary review process.

I will not use your information to support an unsolicited sales promotion.

Federal and California laws prohibit Enrolled Agents from sharing certain communications with the tax authorities without your permission.

This "privilege" is limited. It applies to tax planning but it probably does not apply to other aspects of financial planning. It applies when an Enrolled Agent represents your interests before the tax authorities but it does not apply to the information used to prepare your tax returns, in a criminal proceeding or in a proceeding which does not involve the tax authorities.

We agree that

- You will consult with an attorney before you share information with me if you have concerns that your actions might be construed as fraudulent or criminal or that privilege might be needed for some other reason.
- You will identify in writing those communications which are to be privileged.

- You will reimburse me for costs that I incur in defending your privilege, including fees for my own attorney, and to pay for my time at my highest professional rate.

**Prohibitions.** You specifically WITHHOLD any authority

- to buy or sell or take custody of your investments.

This prohibition remains in force even if you execute the limited power of attorney required by some financial firms before they will provide me information about your account.

- to sell or assign this contract to another firm without your consent.

**Compensation.** My fees include compensation for ordinary expenses. I will obtain your approval in advance for any extraordinary expenses.

Services are billed at the then current hourly rate unless we agree differently. The current rate is \$200/hour effective. I receive no income from products or referrals.

The estimated cost of the **Initial Services** is \$XXX. This is a non binding estimate and actual billings may be more or less.

Invoices not paid promptly are assessed a late fee.

**Term and Cancellation.** You have thirty days from the date shown above to accept this proposal.

This contract, when executed by both parties, supersedes any existing contract and expires one year from the date shown above. It may be canceled by either party upon written notice for any reason.

You may cancel within five business days of signing this contract without cost or obligation and with a full refund of any deposit. This grace period is intended to give you a chance to review the information about my business which is on file at the California Department of Corporations, (916) 445-7205, File 925-2769.

**Add when appropriate:** I am not registered with the agency overseeing investment advisers in your state because I have no physical presence in your state and because I have less than six customers in your state.

If you cancel for any reason after this grace period, you agree to compensate me for services rendered through the cancellation date and I agree to promptly refund all unearned fees in the event that your account shows a credit balance.

**Tax Engagements.** I prepare tax returns for individuals, trusts and estates but you are under no obligation to engage me for these services. Tax engagements require a separate contract.

**Acceptance.** If this letter accurately reflects your understanding of our future relationship, please sign and date below.

I appreciate your confidence in me. I look forward to assisting you towards financial security!

Sincerely,

Peter James Lingane

We wish to engage *Financial Security by Design*. We accept the conditions described above and acknowledge receipt of substitute Form ADV, Part II.

(signature) \_\_\_\_\_ (date) \_\_\_\_\_

(signature) \_\_\_\_\_ (date) \_\_\_\_\_