



# Accumulating Interest

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## INSIDE THIS ISSUE:

- A WORD FROM THE INVESTMENT DEPARTMENT: THE IMPORTANCE OF TITLING YOUR INVESTMENT ACCOUNTS
- A WORD FROM THE INVESTMENT DEPARTMENT: IS YOUR FINANCIAL ADVISOR A FIDUCIARY?
- EQUITY TRADING PRICE DROP
- B&C WELCOMES RYAN ALLAN GLUCKSMAN!
- B&C IN THE COMMUNITY
- SAVE THE DATE!
- EMPLOYEE FOR A CAUSE: CHIEF INVESTMENT OFFICER SEAN GULDI & RSVP ST. JOHNS

## THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

July 4  
Independence Day

September 2  
Labor Day

## CONTACT US

**P** : (904) 273-9850

**F** : (904) 273-6920

[www.BandCfinancial.com](http://www.BandCfinancial.com)

**THE BUTENSKY & COHEN BUILDING**  
110 PROFESSIONAL DRIVE  
PONTE VEDRA BEACH, FL 32082

### Office Hours:

Mon-Thurs 8:30am - 5:00pm  
Friday 8:30am - 4:00pm  
Sat-Sun CLOSED



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**Contact us:**

[info@bandcfinancial.com](mailto:info@bandcfinancial.com)

## The Importance of Titling Your Investment Accounts

by Sean Guldi, CFP®

Planning for one's inevitable death is something few (if any) people look forward to. In some cases, people scramble to get things in order when receiving the terrible news of a terminal cancer diagnosis. In other cases, people may have a plan that is several decades old and may or may not reflect their current wishes on how their estate is distributed when they are gone. We have seen instances of this with our own family, friends and clients. B&C Financial Advisors partners with our clients and other professionals with whom they work (CPA, estate planning attorney, etc.) to coordinate implementation of their estate plan including the proper titling of accounts. One area occasionally overlooked is titling of assets and beneficiary designations.

Wills are the bedrock of estate planning and one which people are most familiar. Images of handwritten notes on one's deathbed or families gathered around a lawyer to receive their bequest are often portrayed in books and movies. In its simplest form, the will is just that – the distribution of one's property after death. Probate, the process of distributing assets according to a will, can be a cumbersome and lengthy process. Some property is not necessarily subject to your will, and alternative account types can remove property from probate.

For instance, any asset with a beneficiary designation, such as retirement accounts (401(k)s, IRAs, ROTHs) and life insurance policies, are not required to go through the probate process. Other types of accounts with beneficiaries include Joint Tenants with Rights of Survivorship (JTWROS), and Tenants by the Entirety. The first allows for property to pass to the other joint tenants proportionate to their ownership (often husband and wife), the second is a title specific to a husband and wife and is only available in certain states.

Two other types of accounts that allow for property to pass outside of a will are Payable on Death (bank account) and Transfer on Death (brokerage account). These work in the same fashion as a retirement account: the property owner designates a beneficiary, and, upon their demise, the beneficiary receives property outright—not subject to wills, trusts or probate.

The last type of account titling is that of a trust. A trust is used to provide legal protection, ensure assets are distributed according to the grantor's wishes, and avoid probate.

In most instances, the beneficiary designation or trust establishment provide means for handling one's affairs in a more efficient manner than that of a will and the probate courts. Please consult with your estate planning attorney if you have questions about the titling of accounts.

# Is Your Financial Advisor a Fiduciary?

by Adam Oerther, CFP®

After writing an article about lessons to be learned from the Great Recession, I realized I missed the opportunity to shed light on a fascinating trend currently going on in the financial advisory industry—the shift toward fiduciary advice and investment management. This trend gained national attention back in 2016 with the introduction of the Department of Labor’s Fiduciary Rule, which mandated that all financial professionals must act in the best interest of their clients when working with retirement plans or providing retirement planning advice. While the rule was ultimately struck down in March of 2018, the story brought to light the fact that not all financial advisors are required to act in the best interest of their clients, particularly brokers who are paid commissions on the financial products they sell their clients (mutual funds, annuities, etc.).

## ***“What exactly is a fiduciary?”***

A fiduciary is a person or legal entity entrusted to manage the assets of another person or entity, and the fiduciary standard is the highest possible legal duty from one party to another, mandating that the fiduciary always put the other party’s interest before their own. One very common example of a fiduciary is the trustee of a trust, who has been appointed to hold and control assets on behalf of a beneficiary or beneficiaries. Other examples include corporate officers, attorneys, and the executor of a person’s estate. However, only some financial advisors are fiduciaries to their clients. This is important, because a fiduciary money manager follows what is known as the “prudent-person rule” (also known as the “prudent man rule”), which restricts the manager to only buying for his or her clients the types of investments a prudent person would buy for his or her own investment portfolio when seeking reasonable income and preservation of capital, and particularly speculative or risky investments must be avoided.



## ***“So, my financial advisor might not be giving me good advice?”***

Unfortunately, that could be the case. For advisors who get paid via commissions from product sales, they have an inherent conflict of interest, as their compensation is based on those sales, and they are often being told by upper management to push certain products to clients, which may or may not be appropriate for them. That being said, just because someone is not legally held to the standard of a fiduciary doesn’t automatically disqualify them from providing you good financial advice. There are plenty of financial advisors with good intentions who do their best to provide their clients with excellent financial advice. However, as we at B&C have seen many times in the past, this inherent conflict of interest can lead to an overly-complicated investment portfolio without a clear investment plan to go along with it.

(continued on the next page)

## Is Your Financial Advisor a Fiduciary? (cont'd)

### *“How can I tell if my financial advisor is a fiduciary?”*

Apart from directly asking the advisor if he or she is a fiduciary, one way to tell is by paying attention to the products they are recommending to you. For example, if a mutual fund has high fees and high commissions but has a lower-commission version of the same fund, someone without a fiduciary duty of care might recommend the higher-cost option, since it satisfies the looser suitability standard and would result in a higher commission for the advisor selling it to you. Another way to be sure you're working for a fiduciary is to work with a registered investment advisor (RIA). RIAs and their representatives are required to act as fiduciaries at all times. Also, working with a Certified Financial Planner<sup>TM</sup> ensures you are working with someone who has your best interest in mind, as these highly qualified financial planners are also bound by a fiduciary duty.

### *“You mentioned a suitability standard. How is that different than a fiduciary?”*

Brokers and other financial professionals, who often use the title “financial advisor,” are not fiduciaries, and they are subject to a suitability standard of care, which is less stringent than the fiduciary standard. The suitability standard simply requires an advisor to recommend products that are “appropriate” for the client, based on things like your age and risk tolerance. However, just because a product is appropriate doesn't mean the product aligns with your overall financial objectives. Think of it like buying a new outfit—suitability means the clothes simply fit you, and fiduciary means the outfit looks good on you as well.

### *“Is B&C a fiduciary?”*

Yes! In fact, our firm was founded over 20 years ago specifically to do away with the commission-based model—we wanted to rid ourselves of inherent conflicts of interest and “sit on the same side of the table” as our clients. We are a fee-only RIA, and it is actually illegal for any of our advisors to earn commissions from selling you any kind of financial product. We also have four Certified Financial Planners<sup>TM</sup> on staff to help you plan for your future and reach your financial goals, all while providing a unique investment management experience designed to preserve and grow your assets safely.

## Equity Trading Price Drop

B&C Financial Advisors has some exciting news to share!

In an effort to improve our client experience and ensure that you receive the best possible value from us, we have renegotiated our contract with Pershing. We are now proud to announce that, effective immediately, the cost of trading equities (the transaction fee you pay to Pershing when buying or selling a stock) has been decreased from a flat fee of \$10.00 to a flat fee of \$6.95. We were able to get Pershing to agree with this due to the growth we have experienced and we thank all of you for that.

Please feel free to contact your advisor or our office with any questions. We look forward to serving you for years to come.





## B&C Welcomes Ryan Allan Glucksman!

We are happy to announce that there is a new addition to the B&C family! CEO & President Allan Cohen, CFP®, and his family are thrilled that their daughter Crista, her husband Rob, and their son Jacob have added another happy and healthy baby to their family. Al and his wife Kathy welcomed their fourth grandchild, Ryan Allan Glucksman, on April 8th, 2019, weighing 7 pounds, 13 ounces. Please join us in congratulating Al and his family!



*Allan & Kathy Cohen with Ryan Allan Glucksman.*



*The happy parents, Crista & Rob Glucksman with their new son Ryan.*

## B&C in the Community

B&C's Executive Vice President Thomas Ellis and Investment Manager Adam Oerther had the opportunity this April to attend the DownSize St. Augustine Expo & Seminar. The event was a great way to talk with local seniors about the importance of preservation of capital asset management and how B&C Financial Advisors is equipped to help clients at all stages of life, including post-retirement. Thomas and Adam look forward to attending more informative community events in the future and helping more people invest in a good night's sleep.



## Save the Date!



Mark your calendars – the B&C Holiday Party is back by popular demand. We will be hosting our clients, friends and family on Thursday, December 5, 2019. Keep an eye out for more information in the next few months. We look forward to eating, drinking and celebrating with all of you.

Please contact Emma at [emma@bandcfinal.com](mailto:emma@bandcfinal.com) or (904) 273-9850 with questions.

## Employee for a Cause

### SEAN GULDI, CHIEF INVESTMENT OFFICER | RSVP ST. JOHNS

This quarter, we are shining our spotlight on one of our own - B&C's Chief Investment Officer Sean Guldi and a cause he is passionate about. Sean serves on the board of Teacher's Aid for Student Knowledge (TASK) St. John's County, which is responsible for promoting education in St. John's County through the Retired Senior Volunteer Program (RSVP).

Per Cheryl Freeman, Director of RSVP St. Johns, "The Retired and Senior Volunteer Program (RSVP) of St. Johns County recruits, places and recognizes volunteers 55 years of age and better to serve their community. Most of the 150-member volunteer group take part in mentoring and tutoring students in kindergarten – twelfth grade, or providing literacy enhancement to preschool students. More than 700 students receive services from RSVP volunteers each year, and volunteers take part in activities that are fulfilling and fun! Volunteers also help in one-time community volunteer activities, such as the St. Augustine Bed and Breakfast Tour of Inns, assistance with the Character Counts! Race, and organizing food baskets and coats for families in need. RSVP is funded federally through Senior Corps, and is sponsored locally by the St. Johns County School District."

For the past two years, Sean has been involved with TASK and RSVP, especially with their annual fundraising event, Chocolate & Beyond.

Featuring delicious foods from local culinary artisans, the event celebrated its 26th year in 2019. The event is not only a great way to raise money for all of the important activities RSVP participates in throughout the year, but it is also a sweet way to celebrate the accomplishments of the past year.

Are you interested in learning more about RSVP St. Johns' mission, donating or volunteering? Please visit their website at [www.rsvpstjohns.com](http://www.rsvpstjohns.com) to see more about what RSVP St. Johns does, photos from events and more.



*B&C Chief Investment Officer Sean Guldi (front row, center) at RSVP St. Johns' Chocolate & Beyond event.*



**Do you have a B&C client you'd like to spotlight for "Clients for a Cause"?  
Email [emma@bandcfinancial.com](mailto:emma@bandcfinancial.com) with your suggestions!**



# Keeping up with B&C



Chief Investment Officer Sean Galdi celebrated his birthday in April!



From left: Investment Managers Adam Howard & Jessica Schmidt, Chief Compliance Officer Jacque Bos & Investment Manager Adam Oerther honed their golf game together at Coastal Indoor Golf in Jacksonville Beach!

*"When you invest, you are buying a day that you don't have to work."*

*— Aya Laraya*



CEO Allan Cohen (second from right), his wife Kathy (far right) and his cousins and B&C clients Eliezer & Dorit Tokman enjoyed dinner together in Colmar, France.



Investment Manager Jessica Schmidt celebrated her birthday in May with lunch and a cake!



CCO Jacque Bos traveled to Oklahoma City to spend time with her grandchildren!



110 Professional Drive, Ste. 101  
Ponte Vedra Beach, FL 32082