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FINANCIAL CONSULTING GROUP

*Alphabet Soup...Stirred up by the Financial Industry*  
*March 18, 2010*

Have you ever been confused as to what your advisors credentials are, how they were achieved, or what type of criteria were used to get the “alphabet soup” you find in the financial industry? If you are shaking your head (I assume most of you are) well, you are not alone. In order to shine some light on this issue, my hope is to provide an understanding and clarification to investors so that they may have the knowledge to choose an advisor wisely according to their needs.

According to the Certified Financial Planner Board of Standards web site, the list of designations below are some recognized by the industry and are achieved through independent sources requiring continuing education and ongoing ethical standards. In addition, in order to apply for the final examination, some level of either college or graduate course work must have been completed. (For those professionals in our industry that are reading this, yes I know there are more titles that are independent)

**CERTIFIED FINANCIAL PLANNER™ (CFP®)** - certificants are individuals who have met CFP Board’s education, examination and experience requirements, have agreed to abide by the CFP® Board’s Code of Ethics and Professional Responsibility and who complete CFP Board’s biennial certification requirements, including continuing education, to use the certification marks. Certificants have passed a two-day ten hour exam.

**Chartered Financial Consultant (ChFC)** - is generally used by financial professionals-including accountants, attorneys, bankers, insurance agents and brokers, and securities representatives-who have earned the ChFC designation by completing The American College’s eight-course education program, met experience requirements and agreed to uphold a code of ethics.

**Chartered Financial Analyst® (CFA®)** - Holders of this designation are generally securities analysts, money managers and investment advisers who have completed the CFA program, a graduate-level, self-study curriculum and examination program for investment professionals that covers a broad range of investment topics. CFA charterholders are required to affirm their commitment to high ethical standards.

**Certified Investment Management Analyst<sup>SM</sup> (CIMA<sup>®</sup>)** – Offered through the Investment Management Consultants Association, the CIMA certification program is a credential designed specifically for financial professionals who want to attain a level of competency as an advanced investment consultant. The CIMA professional integrates a complex body of investment knowledge to provide objective investment advice and guidance to individuals and institutions. The CIMA certification program requires that candidates meet all eligibility requirements, including experience, education, examination, and ethics.

Now, if your current advisor does not hold any of the aforementioned- independently offered-titles it does not mean that he or she is incompetent in the services they are providing you. However, as a potential investor you should ask the person(s) who you have trusted your family's long term financial plan to what requirements were needed to achieve the current designation or title said person(s) have. For example, was it independently offered or internally through their own firm? Sometimes a title is awarded based on production alone. Unfortunately, I believe the lack of understanding regarding who awards designations and titles as well as the requirements for receiving them is what has lead to the publics' confusion as to what services and competence they are going to be provided when they initially meet with their financial person.

So, I think you should question any title or designation to find out how it was received and what it really means. To put an end to this confusion, I think the clarification needs to be more in line with other professional advice givers. For example, in the accounting industry you are either an accountant or have achieved your CPA designation. If you are an attorney, you have passed the Bar examination and are now a J.D. With these other industries, which make up a person's financial team, it is fairly simple and clear cut. No alphabet soup.

Disclosures:

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Date 3.2.2010

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