

Professional Affiliation Program:

Getting Started...



Professional
Affiliation
Program
LLC

Training Created By Financial Professionals
For Financial Professionals SM

Welcome

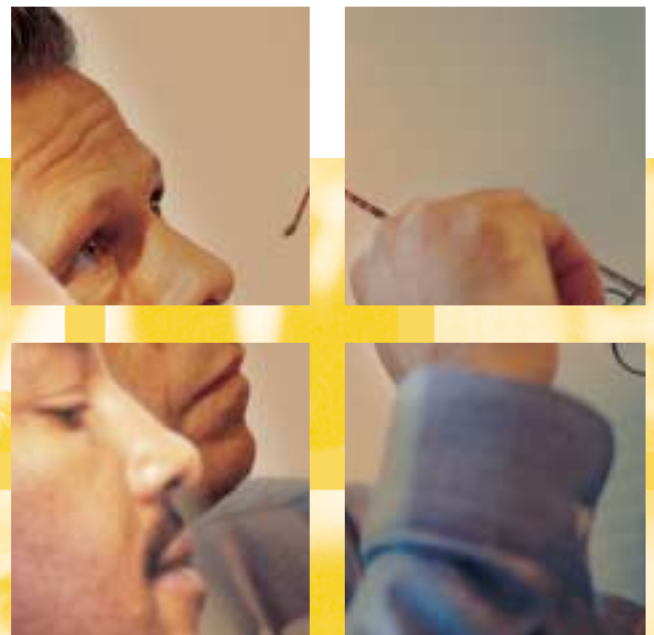
Thank you for your interest in an affiliation with Professional Affiliation Program, LLC. We believe this relationship can prove to be rewarding to you both financially and professionally.

Your desire to make financial services an integral part of your practice is well founded. Our Professional Affiliation Program offers you an unparalleled level of support. It allows you to provide complete and unbiased financial services to your clients. And it does so without expecting you to become an expert in all facets of the financial services industry.

As a CPA, you are in the best position to understand your clients' tax situation and address their financial needs in an appropriate manner. Through our mutual affiliation, your clients can benefit from your insight, coupled with our expertise in financial services. This creates an ideal environment to help them achieve their investment objectives.

Our program addresses the primary concerns you may have in developing a financial services business: time, expertise and experience. We provide you with experienced professionals who serve as extensions of your staff. These representatives have the necessary time and expertise to ensure that your financial services business will develop properly.

This booklet briefly covers the basics of the affiliation process, initial setup of your financial services entity, licensing, marketing material and back office organization. Your Professional Affiliation Program representative will provide you with your manual and guide you through each step of the process.



Affiliation Process

We recognize the importance of preserving quality and protecting your professional integrity throughout the business expansion process. We provide financial services business development through a comprehensive training program that empowers you, while at the same time giving you the experienced support you need.

Our program includes a proprietary business development method that enables you to control how you introduce services. This approach does not require you to become a sales person. Instead, you coordinate the needs of your clients with the experience of your Professional Affiliation Program team. You do this while adding to the equation your knowledge of your client's complete financial situation. Your presence at the implementation of any

financial services solutions will be of great value to your clients while adding no additional cost to them for the service.

The Professional Affiliation Program is a two-phased program that serves as a map for integrating financial services with your current practice.

Phase one is the start up phase. It addresses logistical, licensing and infrastructure issues that you may encounter. Phase two is development and implementation. It involves designing and monitoring your new business and determining the correct approach for introducing your new services to your clients.

the Professional Affiliation Program

Phase I - Start-up

Initial sign-up/orientation

A meeting will be scheduled upon receipt of your affiliation fee and signed affiliation agreement.

Establish your Professional Affiliation Program key representative

This is your key liaison between Professional Affiliation Program, LLC and your new financial services business. Although you will always have access to the entire Professional Affiliation Program knowledge base, this representative will act as an extension of your staff and initial point of contact.

Determine which partners will get licensed to offer financial services

the choice of who and how many of your accounting professionals get licensed is at your discretion.

Licensing/appointment

Your selected partners will need to acquire the study materials and test dates for broker-dealer licensing, RIA appointment and appropriate insurance licensing.

Financial services entity setup

You choose the type of entity you wish to set up (LLC, LLP, Inc., etc.). The appropriate filings and paperwork can be completed while the selected partners are testing for their securities licenses.

Orientation

Review the processing manual, methods of introducing your new services and any regulatory and compliance issues with your Professional Affiliation Program representative. After the orientation, you are ready to begin phase II.



Phase II - Development/ Implementation

Immediate client needs.

You and your Professional Affiliation Program representative should discuss the immediate needs that you are aware of within your practice. Typically, there is a pent up demand for financial services that requires immediate attention. One of your clients may have a large amount of funds available that must be invested if, for instance, they receive a distribution from their pension plan or sell their business.

The Professional Affiliation Program acknowledges this reality and allows time to address these immediate needs prior to the profiling of your practice.

Business development and planning

Meet with your Professional Affiliation Program representative to discuss your goals and profile the clients of your accounting practice. The profiling of your practice will help focus your initial efforts toward the clients who need your new services the most.

Implementation of services

Financial services are offered using a four-step process; analysis, presentation, implementation, and periodic review.



Licensing and Testing

Clients have several ways in which they can pay for the financial services you render: hourly, fixed fee, percent of assets or commission reimbursement. These alternatives give your clients flexibility, but it is necessary to be properly licensed and appointed in order to receive compensation for these services.

It is necessary to affiliate with a broker-dealer to receive commissions from securities. You should also be appointed with a registered investment advisor to receive fees for money management services. In order to offer insurance products you will need to be appointed by any insurance companies with which you do business.

Professional Affiliation Program, LLC uses Washington Square Securities, Inc. as its broker-dealer and registered investment advisor. Washington Square is a subsidiary of ING Group which is one of the largest integrated financial services firms in the world. In 1999, ING was ranked number 27 in Fortune's Global 500 list.

You begin your broker-dealer affiliation by completing a form U-4. If you are not licensed, this form serves as an application to test for a securities license. If you are already licensed to offer securities, you can use the U-4 to transfer any licenses to Washington Square. Our staff can assist you in the completion of this form.

Once you have affiliated with Washington Square the first exam you need to complete is the Series 7. This is the securities license that allows you to offer mutual funds, stocks and bonds.

You will need to take the Series 66 test after you complete your Series 7. This combination of licenses will enable you to work with your clients on both a fee and commission reimbursement basis. The Series 66 is the combined state securities law (Series 63) and Registered Investment Adviser representative (Series 65) exams.

Overview of Licenses:

Series 7 - General Securities Registered Representative.

This license will allow you to sell stocks, corporate bonds, rights, warrants, closed-end funds, REITs and other asset-backed securities, options, mutual funds, municipal and government securities and direct participation programs. You will have 6 hours to take the exam. Please keep in mind that to sell the variable insurance products, you will need to acquire the appropriate insurance licenses.

Series 63 - Uniform Securities Agent State Law Exam. *This exam covers the Uniform Securities Act of 1956 (and amendments) and provides guidelines for state registration of securities and defines fraudulent sales practices. Most states require the Series 63 as a condition of registration as a Registered Representative. You will have 1 hour to take the exam.*

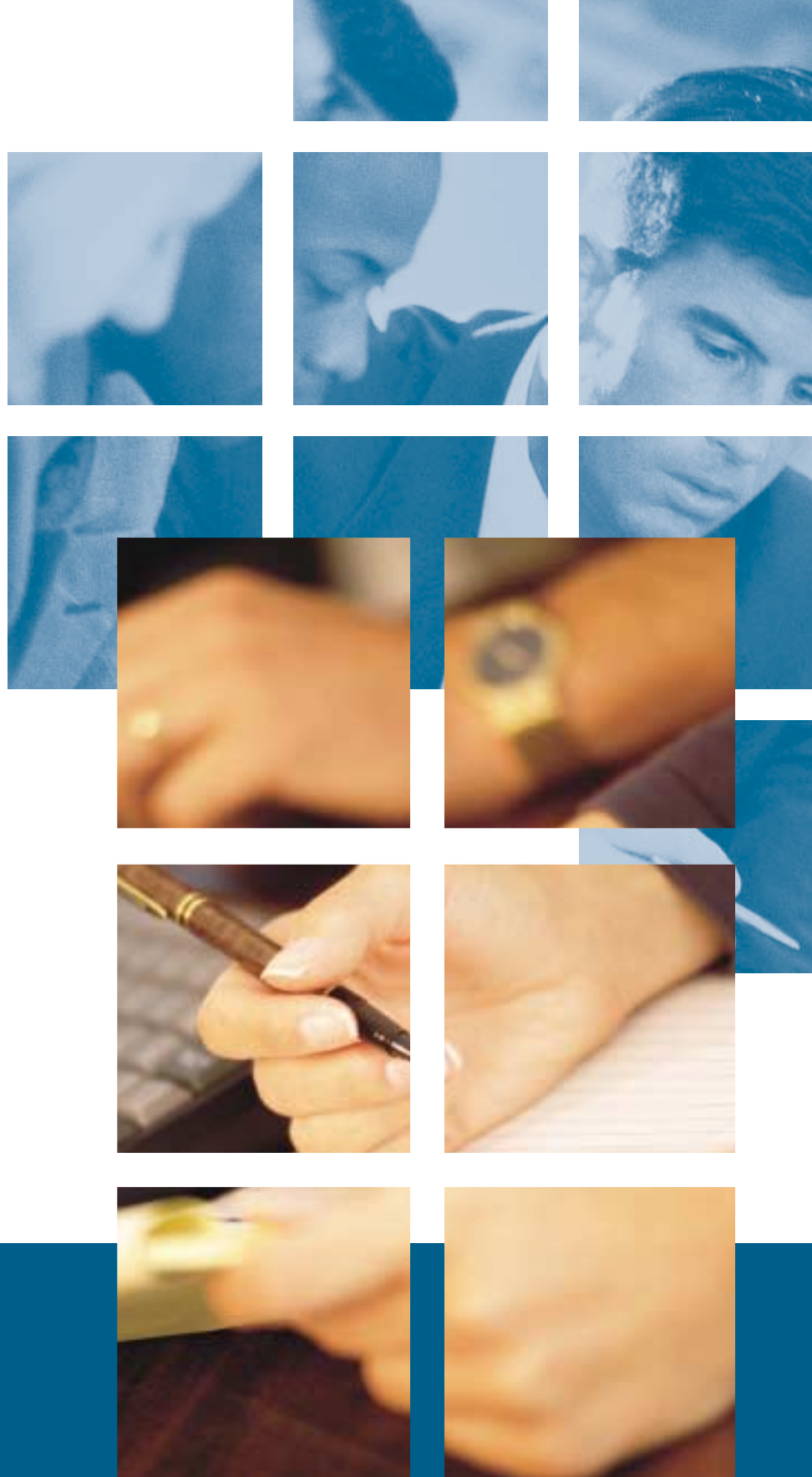
Series 66 - Uniform Combined State Law Exam. *If you choose to be compensated by management fees rather than, or in addition to, commissions, you must register as an Investment Advisor. The Series 65 is required by certain states for individuals who wish to act as Investment Advisors, and the Series 66 essentially combines the Series 63 and the Series 65. You will have 2 1/2 hours to take the exam.*

It may take you approximately one month to complete your licensing process. We can help you arrange for test dates and obtain study materials. We will also assist you with obtaining your insurance licenses to offer life, health, or variable securities solutions.

All of the fees for testing and study material are covered in the Professional Affiliation Program. We also will provide preparatory classroom sessions for these exams at no additional cost.

Life Insurance Exam.

This exam covers life, health, accident, and variable life insurance. You will have 3 1/2 hours to take the exam.



Setting up Your Financial Services Entity

We have developed our program to work within the ethical guidelines established by the AICPA, SEC and NASD. Ethics Rule 503 of the AICPA Professional Standards states that a CPA can accept commissions with the following caveats: You must disclose the fact that a commission is being received, and you cannot accept commissions for clients for whom you are performing attest functions.

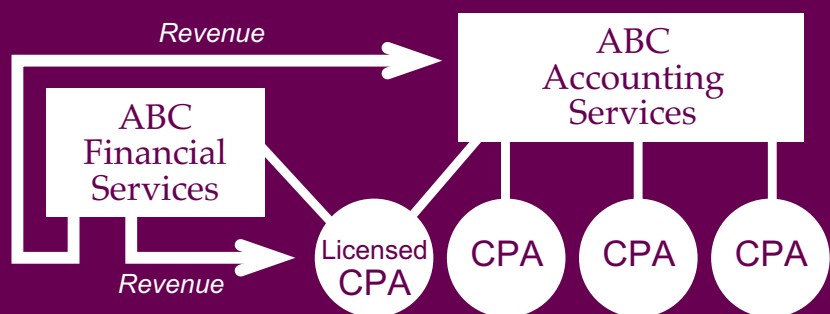
An effective way of disclosing the fact that you are receiving compensation is to set up a new entity from which you offer financial services. We will help you set up this new entity as part of our concierge level of service.

This initial setup includes a compliance overview, entity formation documents, back office functions (including proper record keeping, filing, and database management) as well as the acquisition of Errors and Omissions insurance for each registered partner.

Once you are licensed, you can offer financial services to your clients under the umbrella of the new entity. Through this new business you can potentially increase your income.

However, the NASD strictly prohibits sharing commissions or fees with unlicensed individuals. This means your unlicensed partners cannot be directly compensated for the business generated by you or other licensed partners.

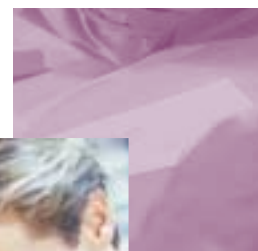
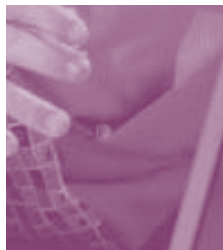
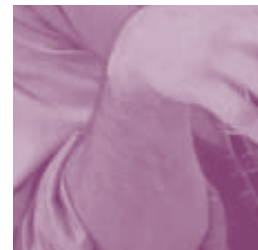
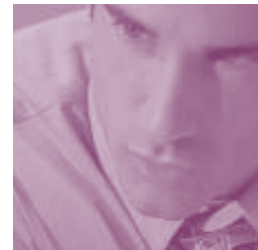
Entity Organization and Revenue Flow



Licensed individuals can receive direct compensation from the sale of financial services. Revenue can flow back to the accounting partnership in the form of facilities agreements, etc.

You can flow money back to your accounting partnership if you (as a licensed partner) choose to pay your financial services entity for the reasonable services and support you receive while performing your financial services business. The financial services entity can therefore pay your accounting practice for facilities, etc.

We can make available to you prototype administrative services and facilities agreements to aid in establishing these types of arrangements. You should consult your own legal counsel to assess the validity of these agreements, since laws vary in different states and situations.



Marketing Materials for your New Entity

After you are licensed, appointed and have established your new entity, you will need to let your clients know about the new services you are offering. Our program is truly full service in this respect.

We can design and provide you with an initial marketing package that includes letterhead, envelopes and business cards as well as a brochure that can help you introduce these new services. Our processing manual also contains sample letters that can be used in direct mailings to selected clients of your accounting practice.

Let's Get Started

Although the many aspects of offering financial services can seem daunting, rest assured that we offer complete support to you in every step of this process.

Your Professional Affiliation Program key representative will personally guide you through affiliation, testing and licensing, initial setup of your entity, introducing your new services, and client meetings and implementation of a solution. We provide you with the tools and experience you need to make your new financial services business an integral addition to your accounting practice.







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Training Created By Financial Professionals
For Financial Professionals

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