

# Five Star Professional Investment Professionals

Program Summary and Research Methodology



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## Program Summary and Research Methodology

### **Program Summary**

Five Star Professional conducts market-specific research throughout the U.S. and Canada to identify service professionals who provide quality services to their clients. Five Star Professional's programs are the largest and most widely published service professional award programs in North America, covering more than 40 major markets. Each Five Star Professional award winner list for each market is published in the market's leading city and regional magazine and/or business publication and on [fivestarpromotional.com](http://fivestarpromotional.com). Five Star award winners do not pay a fee to be included in the research or the final list of award winners.

### **Research Objective**

Our research objective is to develop a list of investment professionals in a given market that have shown a commitment to clients, demonstrate strong industry credentials and have been evaluated on the quality of their practice.

For the purposes of this program, investment professionals are defined as someone who provides important information and education on financial matters, assists in financial goal-setting, and helps an individual make intelligent investment decisions. Based on this definition, common examples of investment professionals are tax planning and accounting professionals, estate planning attorneys, insurance professionals, and financial consultants. This award is not given to investment advisor representatives (see [Wealth Manager Award methodology](#)). The list is not intended to be exhaustive.

To receive the Five Star Investment Professional award, a professional must satisfy 10 objective award criteria that are associated with professional excellence. The award process is conducted annually in each market.

### **Research Methodology**

The following steps define the process used to ensure that the research objective is met:

#### **A. Award Candidate Identification Process**

Award candidates are identified by one of two sources: (1) Peer and firm evaluations and/or (2) Consumer evaluations (Note: FINRA registered advisors cannot be nominated or evaluated by a consumer for the award). Self-nominations are not accepted.

##### **1. Define Research Geography**

Five Star Professional defines the relevant geographic area for the research.

##### **2. Solicit Evaluations**

Peers, firm, consumers are asked to evaluate one or more investment professionals they know who have an established practice, good client relationships and a strong reputation. Evaluations can be submitted by accessing Five Star Professional's web-based candidate evaluation system:

[www.fivestarpromotional.com/evaluate](http://www.fivestarpromotional.com/evaluate)

#### Peer Evaluations:

Each peer may evaluate up to six investment professionals. Nominators are required to self-identify by providing their name and contact information. Nominators are asked to rate the possible award candidate's overall reputation in the industry and indicate whether they would recommend them to a family member and/or friend.

#### Firm Evaluations:

A firm may evaluate up to 10% of its investment professionals in the market for consideration. Firms with fewer than 10 professionals in a market may nominate one award candidate. The firm representative submitting evaluations must provide their contact information. Nominators are asked to rate the possible award candidate's overall reputation in the industry and indicate whether they would recommend them to a family member and/or friend.

#### Consumer Evaluations:

Consumers may evaluate up to two investment professionals. Nominators are required to self-identify by providing their name and contact information. Nominators are asked to rate the possible award candidate on key attributes of service (1. integrity 2. communication 3. product/services 4. overall client satisfaction). Nominators must also indicate whether they would recommend them to a family member and/or friend. (Note: FINRA registered advisors cannot be nominated or evaluated by a consumer for the award.)

### 3. Collect Evaluations and Verify Validity

Five Star Professional's research staff reviews evaluations for completeness of required information and to guard against self-nomination. In the event of questions, research staff contacts the peer that submitted the evaluations.

### 4. Verify Award Candidate License and Contact Information

Each award candidate is matched to a license/registration number with the state or other regulatory body. Once found on the license/registration site, each investment professional's license status (active or non-active) and disciplinary history are noted. If no state licensure is required or reported, Five Star Professional will rely on the candidates submitted candidate award form responses to determine license status. Five Star Professional's research staff identifies contact information, using company and other directories.

### 5. Conduct Regulatory and Consumer Complaint Review

To ensure that award candidates are in good standing with a favorable regulatory history, regulatory reviews of reported complaints and disciplinary actions are conducted for each candidate.

Complaint data submitted through the evaluation process serves as an early alert system to unfiled consumer and and/or industry complaints and augments the regulatory review of reported complaints.

A favorable regulatory and complaint history is defined by Five Star Professional to mean that the professional has not:

- Been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine
- Had more than a total of three settled or pending customer complaints filed against them (excluding dismissed complaints) with any regulatory authority or through Five Star Professional's evaluation process

- Individually contributed to a financial settlement of a customer complaint
- Filed for personal bankruptcy
- Been convicted of a felony

Investment professionals who do not have a favorable regulatory history, based upon the criteria listed above, are removed from consideration.

Each professional who passes the Five Star regulatory and complaint history review must also attest that they meet the definition of favorable regulatory history, based upon the criteria listed above. This step occurs at the time the professional submits information about themselves and their practice (see item B).

## **B. Selection Process**

### 1. Collect Award Candidate Data

Five Star Professional sends each award candidate instructions to submit information about themselves and their practice, including specific data related to eligibility and selection criteria. Candidates are required to certify that the information they provide is accurate. Award candidates who satisfy the following 10 objective eligibility and evaluation criteria associated with professional excellence receive the Five Star Investment Professional award.

1. Credentialed with appropriate state or industry licensures.
2. Actively employed as a credentialed professional in the financial services industry for a minimum of three years.
3. Favorable regulatory and complaint history review.
4. Accepting new clients
5. One-year client retention rate
6. Five-year client retention rate
7. Number of client households served
8. Quality of practice based on recent personal production and performance (primary service specific criteria)
9. Education and professional designations/industry and board certifications
10. Pro Bono and community service work

The specific numeric values for some of the objective evaluation criteria are determined after the investment professionals have submitted their data forms. For example, Five Star Professional will determine the numeric requirement for the clients served evaluation criteria after the data forms have been received. This helps assure a final list that is appropriately sized for the market, and it also allows Five Star Professional to accommodate the varying levels of clients served by professionals in different regions of the country.

It is recognized that the data for a professional's five-year client retention rate may not be available. Therefore, submission of this data is optional and is only considered if provided. The one-year and five-year client retention rates are uniquely weighted based on market-specific submitted data to minimize the impact of non-submission.

## 2. Evaluate Award Candidates

Once the data forms are collected, award candidates are evaluated based on the 10 eligibility and evaluation criteria. Five Star Professional finalizes the preliminary list of Five Star Investment Professionals.

## 3. Award Winner Notification

Five Star Investment Professionals are notified of their inclusion on the final list of award winners.

### Award List Publication:

The contracting magazine publishes an article, prepared by Five Star Professional, which describes the evaluation process and determination of award winners, and presents the resulting list of Five Star Investment Professionals. Five Star Investment Professionals are typically listed in the magazine under their primary service. Five Star Investment Professionals are also listed on [fivestarprofessional.com](http://fivestarprofessional.com) for the duration of their award year.

Professionals do not pay a fee to be included in the research process or to be named a Five Star Investment Professional. In connection with publication of the article, professionals may elect to pay a fee to include a photo and certain profile information in the "profiles" section that accompanies the article. For additional fees, Five Star Professional will provide reprints of the section article and provide the accounting professional with strategies and tools for further publicizing being named a Five Investment Professional. A professional's purchase of a profile, reprints or other services does not influence Five Star Professional's determination of whether to include or exclude a particular professional from any list of Five Star Investment Professionals.