

WOW- bold move!

I wonder if this idea was floated by the wirehouses hoping not to pay future bonuses or smaller B/D hoping to be more competitive against the wirehouses. If this were truly a disclosure of potential conflict it would be buried in the fine print with all the other skeletons - requiring an advisor to verbally disclose is a bold attempt to make transitioning to a wirehouse unappealing to the advisor and the client.

Perhaps you should require wirehouses to disclose to clients when they cut advisor payouts thus incentivising them to look elsewhere? If add'l compensation induces conflict of interest doesn't reduced compensation?

"Dear valued client - we reduced your advisors compensation twice in two years and held out the smokey promise of deferred comp that vests in 7 years. He thought that was BS so he looked at other firms and compared compensation structures. Apparently we're less competitive now, we regret any inconvenience this causes you."

What of advisors who move to an independent firm - do they disclose the increased payout? Do they net that payout against cost?

Not sure how you guys/gals can be fair, balanced, and accurate at the same time.

PS, I empathize - the model as it stands sucks.

FYI - wirehouse will get around it anyway. They will say to the recruits "we can't give you a recruitment bonus w/o sending an irritating letter but we will pay you \$\$\$\$ for each new "envision plan" you initiate in the first two years." Broker will load and print 100 plans then 8 years later UBS will say "we can't give you a recruitment bonus but we'll pay you \$\$\$\$ for each FGA plan you initiate."