



## **FIVE STAR: Best in Client Satisfaction<sup>SM</sup> Wealth Manager Program**

### **Summary of Research Evaluation/Selection Methodology**

#### **Crescendo Business Services**

Crescendo Business Services LLC. (Crescendo), a Minneapolis, MN based company, working with city and regional magazines, presents the FIVE STAR: Best in Client Satisfaction award to professionals in many industries, and in many markets. This award is given to just 7% of all professionals within a specific industry and market area. As an independent third party, Crescendo gives the FIVE STAR award in order to assist consumers in selecting a service professional other consumers have indicated provide exceptional client satisfaction.

#### **Research - evaluation/selection methodology summary**

- The FIVE STAR Program and its research process adheres to the guidelines established within the Investment Advisors Act of 1940 regarding third-party recognition. For additional information regarding the SEC's guidelines, you may wish to reference the SEC's DALBAR and Investment Advisor Association No-Action Letters.
- We ask, by mail and by phone, up to 200,000 consumers and reader's of the magazine (depending on the market size) to evaluate "wealth managers" in the market area. Up to 10,000 financial service professionals (depending on the market size) are also asked to evaluate wealth managers in the market area. On the surveys, respondents are asked to evaluate only wealth managers whom they knew through personal experience, and to evaluate them based upon nine criteria: customer service, integrity, knowledge/expertise, communication, value for fee charged, meeting of financial objectives, post-sale service, quality of recommendations and overall satisfaction. Each respondent may evaluate up to three wealth managers.
- After the evaluation surveys are received each wealth manager receives a preliminary score based on their evaluations. Both favorable and unfavorable evaluations are incorporated into the evaluation score.
- Each wealth manager is reviewed for regulatory actions, civil judicial actions and customer complaints as reported by FINRA and other regulatory agencies.
- We then compile a list of the top scoring wealth managers – representing less than 7% of the wealth managers in the market – which we forward on to the Blue Ribbon Panel for review. Only wealth managers with five years of experience in the financial services industry are considered. The Blue Ribbon Panel is comprised of individuals from within the financial services industry. Each Blue Ribbon Panelist reviews a partial list of wealth managers and is asked to indicate which wealth managers they believe are undeserving of the best in client satisfaction distinction and to add wealth managers they believe are deserving, but are not on their partial list. Checks and balances are in place to avoid conflicts of interest; specifically, panelists remain anonymous, only receive a portion of the nominee list and, in most cases, cannot add or remove a wealth manager by themselves.
- Finally, the wealth managers who have made the list are required to certify that their license(s) has never been suspended or revoked by a regulating authority (e.g. FINRA or other regulatory agency) and that they have not had more than three customer complaints filed against them with a regulating authority where at least one complaint resulted in a settlement payment by them and they have been actively employed in the financial services industry for a minimum of five years. (1)

(1) This certification is part of the Business Contact Confirmation Form that wealth managers are required to fax back to Crescendo.

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## **Summary of Research Evaluation/Selection Methodology**

(cont.)

• Please remember the final list identifies precisely what the evaluation process is designed to do ... it identifies those wealth managers in the local market that scored highest in client satisfaction, of those wealth managers evaluated, based on extensive surveying of consumers and financial services professionals on nine client satisfaction criteria, based on our review of regulatory compliance history, and review of the list by a blue ribbon panel of industry experts. The list is not intended to be exhaustive – in fact the verbiage we use in the editorial is as follows:

*“Although this list will certainly be a useful tool for anyone looking for help in developing a financial plan or implementing aspects of their financial plan, it should not be considered exhaustive. Undoubtedly, there are many other excellent wealth managers who, for one reason or another, are not on this year’s list. But don’t be surprised to see them next year.”*

• The following additional declarations are included in the section editorial:

***As with any research or recognition program, it is important that we provide you the following declarations:***

- *The FIVE STAR Wealth Managers do not pay a fee to be included in the research or the final list of FIVE STAR: Best in Client Satisfaction Wealth Managers.*
- *The overall evaluation score of a wealth manager reflects an average of all respondents and may not be representative of any one client’s evaluation.*
- *The FIVE STAR Award is not indicative of the wealth manager’s future performance.*
- *Wealth managers may or may not use discretion in their practice and therefore may not manage their client’s assets.*
- *The inclusion of a wealth manager on the FIVE STAR Wealth Manager list should not be construed as an endorsement of the wealth manager by Crescendo Business Services or the magazine.*
- *Working with a FIVE STAR Wealth Manager or any wealth manager is no guarantee as to future investment success nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Crescendo in the future.*
- *The research process for the FIVE STAR: Best in Client Satisfaction Wealth Manager Program, managed by Quantitative Market Intelligence (QMI), incorporates a statistically valid sample in order to identify the wealth managers in the local market that score highest in client satisfaction. QMI does not include wealth managers on the list unless their score is statistically valid. The final list represents less than 7% of the wealth managers in the local market.*
- *For more information on the FIVE STAR Award and the research/selection methodology, go to:*  
*[fivestarprofessional.com/wmresearch](http://fivestarprofessional.com/wmresearch)*