

FIDUCIARY OATH  
PUTTING YOUR INTERESTS FIRST



I believe in placing your best interests first. Therefore, I am proud to commit to the following five fiduciary principles:

I will always put your best interests first.

I will act with prudence; that is, with the skill, care, diligence, and good judgment of a professional.

I will not mislead you, and I will provide conspicuous, full and fair disclosure of all important facts.

I will avoid conflicts of interest.

I will fully disclose and fairly manage, in your favor, any unavoidable conflicts.

Advisor Signature: Joshua A. Gallogly

Advisor Name: Joshua A. Gallogly

Date: 10 / 05 / 2021

# FEE-ONLY AGREEMENT

The definition of "fee-only" under NAPFA and the CFP Board is straightforward – if you can earn a commission by selling something in the financial services industry, you must disclose the commission and therefore cannot be fee-only. Any act of holding out as a fee-only advisor while ANY commissions are coming in constitutes a violation. NAPFA has allowed a 12-month transition, but the CFP Board does not.

Notably, the CFP Board expands this definition to include even the ability to earn a commission, including through a related party. So having a "separate" insurance agency relationship to which clients could be cross-referred, or a relationship with a broker-dealer, violates the fee-only requirement. Holding an insurance license is permitted as a fee-only advisor – as some states actually require an insurance license even just to give insurance advice – but being appointed with an insurance company to sell their products would violate the fee-only requirements. XYPN adopts the CFP definition of "fee-only."

Short term side hustle of real estate / insurance sales may seem attractive, but as Michael Kitces always reminds us: "never make long-term decisions based on short-term cash flow needs". If you need to work on a commissioned basis before making the transition to fee-only advising and XYPN that is your choice, but to be a member of XYPN and a fee-only advisor, the commissions have to end. Even just selling the rare one policy every few years is still a violation of being fee-only.

We at XYPN allow members to transition to fee-only, recognizing that some people may have had insurance or other commission-based relationships in the past, and that it takes time to transition. We allow for a 12 month transition.

## **As such, upon joining XYPN, Members:**

- 1) Must not sell any new products immediately as of joining (member requirement)
- 2) Must eliminate all trails within 12 months (member requirement)
- 3) Must not hold out as fee-only at ANY POINT (including during the 12 month period) while still receiving trails
- 4) Cannot be listed on the XYPN website as an XYPN advisor while still receiving ANY trails

If you decide to sell real estate or insurance during your tenure with XYPN, you will need to leave XYPN, NAPFA and notify the CFP Board. If you're under a 12 month contract with us, you agree to buyout the remaining portion of the contract.

Advisor Signature:  \_\_\_\_\_ Date: 10 / 05 / 2021 \_\_\_\_\_