

FOR IMMEDIATE RELEASE

What Should I Expect From My Financial Advisor in a Down Market?

SACRAMENTO, Calif., Jan. 31, 2008 -- There's an old saying in the financial service industry that financial advisors and financial planners earn their money in down markets when their clients' natural tendencies are to make emotional decisions that damage their financial futures.

Jack Waymire, co-founder of the Paladin Registry (<http://www.paladinregistry.com>) and author of "Who's Watching Your Money?" (ISBN 0471476994, John Wiley & Sons, 2003), said, "This saying is absolutely correct if the professional you are depending on is a real financial advisor. Too many so-called advisors are really sales representatives who are paid commissions to sell you products. Since they aren't paid a fee to help you achieve your goals, they disappear during down markets and reappear when conditions have improved."

Waymire observed, "Real financial advisors and financial planners should be educating you about down markets that occur every few years when excesses negatively impact the economy and company earnings. In the current case, the banking and mortgage industries combined to write an estimated trillion dollars of bad loans that Wall Street converted into securities called Collateralized Debt Obligations. We will be in a down market until this excess has worked its way through the economy and markets."

You should also expect your financial advisor to inject some discipline into your investment process to help you minimize the impact of emotional decision-making. When investors turn fearful, their natural reaction is to start selling investments that are declining in value. Your financial advisor should help you to make rational decisions and avoid emotional decisions that will reduce your future results.

Waymire added, "You should also expect your financial advisor or financial planner to keep you fully informed about the performance of your assets and your exposure to additional down-market risk. The more you know about what's happening to your assets and why, the more comfortable you are going to feel. And, we know from investor surveys that there is a substantial increase in fear when investors are not kept fully informed by readily accessible advisors."

Waymire also said, "You should expect your financial advisor or financial planner to be recommending adjustments to your portfolio. For example, there may be securities you've wanted to sell, but held back due to tax consequences. Or, there are investments you've wanted to buy, but their prices were too high. You may also have existing positions you have wanted to add to when prices were lower. A quality advisor will help you benefit from down markets by positioning your assets for future appreciation."

About Paladin Registry

Founded in 2003, Paladin is an information services company that provides free public services to consumers who use the services of financial advisors and financial planners.

The Registry educates consumers about financial professionals and provides ratings and documentation for criteria that impact their competence and ethics. You can learn more about Registry services by going to <http://www.paladinregistry.com>.

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