

## **FOR IMMEDIATE RELEASE**

### **When Financial Advisors Educate Consumers About Financial Advisors It's Like the Fox Guarding the Chicken Coop**

SACRAMENTO, Calif., Nov. 13, 2007 -- Most consumers learn about financial advisors from the same advisors who are trying to sell them investment and insurance products. Consumers hear what the advisors want them to hear, and information that negatively impacts the advisors' sales results is left out. A major financial risk is created when consumers make financial decisions that are impacted by advisor misrepresentation or omission. It's a big risk because advisors influence or control investment decisions that impact consumer security during their retirement years.

When Jack Waymire, co-founder of the Paladin Registry and author of "Who's Watching Your Money?" (ISBN 0471476994, John Wiley & Sons, 2003), was asked why so many consumers are deceived by advisors, he said, "Advisors use friendly personalities and sales techniques to develop relationships and gain the trust of consumers. When consumers like and trust someone they let their guards down and believe whatever they are told. Plus, our research showed most consumers have a hard time believing people they like and trust will take advantage of them for money. A frequent comment in our research was 'Not my advisor.' They didn't know the risk was impacting them."

More and more consumers are waking up to the fact that advisors are a major source of financial risk. With awareness comes increased knowledge, and most consumers are shocked when they find the financial services industry has no minimum standards for advisors. For example, they didn't know there are no minimum education or experience requirements to be an advisor, not even a high school diploma. They didn't know the minimum age to be an advisor is 18 and that convicted criminals can obtain securities licenses. It's unfortunate, but awareness usually occurs after consumers have lost a percentage of their assets and they determine the source of the problem was advisors who provided bad investment recommendations.

Waymire added, "The risk of bad advice impacts millions of consumers because the people they rely on for objective advice have a major conflict of interest. If they tell consumers the truth they risk losing thousands of dollars of commissions. If they misrepresent or omit information they make a lot of money. Too many advisors lose the ethical battle because they joined the industry to make a lot of money."

So where can consumers go to learn how to avoid the risk and consequences of bad financial advice? They can start by going to <http://www.paladinregistry.com> and clicking on the Information Center. Paladin is an expert on consumer/advisor relationships, is not a financial services company, and all of its services are free to consumers. Since 2004, more than one million consumers have used the Center to view its free webinars and articles about financial advisors and financial planners.

About Paladin Registry

Founded in 2003, Paladin Registry is a recognized expert on the relationships between consumers and financial advisors. The company provides several free, information-based services to consumers who use the services of financial advisors and financial planners. Registry content and services are based on extensive market research and more than three decades of industry experience. You can learn more about the Registry's consumer services by going to <http://www.paladinregistry.com>.

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