

10 Questions

Dan Moisand on Regulation, Professional Challenges, and FPA Retreat 2013

by Lance Ritchlin



WHO: Dan Moisand, CFP®

WHAT: Principal at Moisand Fitzgerald Tamayo LLC in Melbourne, Florida, national columnist, and former president of FPA.

WHAT'S ON HIS MIND: "The most frustrating thing is that too often, it is clear that Congress and the SEC forget that job No. 1 is protecting consumers, and not the financial services firms' ability to sell stuff to a very poorly informed public."



PODCAST: Check out our podcast with Moisand at www.FPAnet.org/Journal/Home/PodcastPage.

Dan Moisand, CFP®, is a principal at Moisand Fitzgerald Tamayo LLC in Melbourne, Florida. He received a bachelor of science degree in finance from Florida State University in 1989 and has been a practicing financial planner since 1991.

Moisand writes a column on professional issues for the *Journal of Financial Planning* and is the only two-time winner of the *Journal's* Call for Papers competition. A long-time FPA volunteer, he served five years on FPA's board of directors, including terms as president and chairman, and currently chairs the task force organizing FPA Retreat 2013, which will be held May 4–6, in Palm Springs, California. An internationally recognized speaker, in 2008, he was co-leader of a delegation of 50 financial planners visiting Russia and led a similar delegation to China in 2011 on behalf of FPA.

From 1999–2001, Moisand served on CFP Board's Board of Practice Standards and chaired the organization's Discipline and Ethics Commission in 2008. A frequent source for the national media, Moisand has been

profiled by various trade publications and named to numerous industry lists of top financial planners. The *Journal* interviewed Moisand as incoming FPA president in January 2006 and recently followed up with him on how he and the profession have changed since then.

1. Just over six years ago FPA won its lawsuit against the Securities and Exchange Commission over the SEC's broker-dealer exemption. How would you assess the impact of that victory today?

Relative to financial services in general, the financial planning profession is small. So I think the suit showed that good ideas can overcome big-money influences. The profession learned that it can have a voice. And I think that our success in standing up for the consumer gave the profession some energy for subsequent efforts, kind of like what the [Financial Planning] Coalition has been doing. So to me, the suit got the ball rolling a little bit and brought the profession's advocacy to a whole new level.

2. *In 2005, you said one of the biggest challenges in financial planning was helping the public find a competent, ethical planner in a crowded marketplace. But in your column in our January 2013 issue, you expressed similar concerns. Are we making progress?*

Compared to eight years ago, it's a little better because consumers are getting more savvy, but they shouldn't have to be savvy about these things. That column ... was about my frustration in finding a good planner for a faraway friend in an area where I didn't know anybody. I'm an expert, and I had to work to find a name I could forward on.

The regulators, they allow too many misleading statements and titles that suggest that the public is getting objective help or advice, when really, all they're getting is sold. I put it this way sometimes: the shepherd should not provide the wolves with sheep's clothing.

I know many terrific practitioners who are getting tired of being confused with the BS artists. So I'm hoping that firms will adapt because if they don't, they're going to lose these good people, just as they've been losing market share. So it's a little better, but much more could be done.

3. *You're chair of FPA's Retreat task force for 2013. Retreat traditionally has been a very different kind of a conference. What's the task force doing to make sure it keeps its edge?*

I love Retreat. The combination of cutting-edge material, the finest minds in the profession, in a relaxed, intimate environment, just can't be beat. I think what we're doing this year to—how'd you put it? Keep the edge, right? First we have a great theme: Change: Surviving It, Managing It, Creating It. Change is such a rich topic. We received far more good ideas than we could possibly

present. A nice problem to have. The second thing is we have a couple of keynoters with some good takes on change.

And third, I think Retreat's traditionally been a place where some new, sometimes way out-of-the-box material is introduced. And we've got a little of that going on also with some new takes on change-themed angles on aging, neuroscience, and even the flow arts. I'm not even sure what flow arts are, but the task force loved the idea. So we'll let Holly [presenter Holly Gillian Kindel] give that a shot. That's what Retreat's for—experimentation.

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4. *You were one of the youngest presidents of FPA. Now that you've had a few more years in the business, what insights can you share about integrating young planners into the profession?*

It's another area where we've made progress. There's plenty more to do, but there are career paths now ... and more are emerging, and that just wasn't the case, particularly when I got into the business.

But I don't think that had anything to do with me being a young president. I've got to give the credit to the early

leaders within the NexGen group. You know, people like Aaron Coates and Amanda Rock and Sabrina Lowell, Tara Scottino, Eric Hehman, Bill Winterberg, Mark Allen, Mike Anderson, Eric Keyes, Michael Kitces ... our current FPA president, Mike Branham. I'm sure I'm leaving out tons of people.

They sought a positive approach to bridging the gaps between the new and the experienced. All I did was advocate within FPA to support their efforts. And you can kind of see as their careers progress that they continue to innovate. A good example [is] the residency program that had been in place at Cornerstone [Cornerstone Wealth Advisors Inc.]—Branham and [Jonathan] Guyton. That's great stuff. (See the *Journal's* January 2013 10 Questions interview with Branham for more on Cornerstone's residency program.)

5. *You've been one of the most outspoken critics of a proposal to make FINRA the self-regulatory organization for the financial planning profession. What frustrates you most about the process? What do you wish people knew or understood better?*

The most frustrating thing is that too often, it is clear that Congress and the SEC forget that job No. 1 is protecting consumers, and not the financial services firms' ability to sell stuff to a very poorly informed public. I'm continually aggravated by that.

The law that is in place now with the Investment Advisers Act of 1940 is adequate to make things clear, because it gives an exemption from the adviser standards when the advice is incidental. If the SEC would actually enforce that, rather than allowing firms to imply their objectivity, their advice-giving, and redraw that clear line in the sand, we'd have a lot less confusion. But over the last 80 years, they've allowed largely the brokerage industry to continue to push and blur that line.

6. *What technology or software do you think has the greatest potential impact on financial planning?*

Well, technology can help practitioners be more efficient, and it can help make some things easier on clients. But generally, I think software is overrated in financial planning. Some packages crunch some of the numbers very well, and that can be helpful, but success comes from serving people, not numbers. Software does not really think. It does not possess wisdom. It doesn't care about people. And it's incapable of understanding humans as other humans do.

7. *Back in August 2002, the Journal of Financial Planning published the first of a couple of your award-winning papers, "The Urge to Merge," about your attempts to create an ensemble firm. If you could write that paper today, knowing what you know now, how might it be different, if at all?*

Not much would be different because the concepts are the same. You have to know your own limitations. You have to accept the differences between you and the people you work with. And you have to respect the talents of the people around you. You have to compromise. You have to want to work toward something bigger than yourself. You have to want to give up control and trust those to whom you feed it.

You have to commit. You cannot just try it and see how it goes. It is very much like a marriage in that way. If it's going to work, it requires mutual commitment toward a common cause.

8. *You've been a long-time member and supporter of FPA. What do you think about FPA's new strategic directive, to become the recognized and unquestioned professional membership resource and advocate for CFP professionals?*

I thought it already was all of that. This may surprise some people, but it really doesn't matter that much to me. It doesn't matter as much as whether the organizations I belong to help me do a better job for clients or help advance the profession.

I've devoted a lot of time and energy to FPA because that's where I had the opportunity to contribute to the advancement of the profession. But I've also been a very happy member of NAPFA [National Association of Personal Financial Advisors] for 13 years because it pushes for professionalism. And I've been pleased with my membership in the SFSP [Society of Financial Service Professionals] for about seven or so years because I get good info that I can use with clients. So, if these or other groups want to fight to be the top dog, God bless them, go for it. They'll just seek to innovate and it's going to help me, help my clients, and it's going to help the profession.

Holding the CFP [certification] out as a rallying point for the profession, I think today is as valid as ever. We've made a lot of progress; there are more CFPs than ever before. The organization is stronger. The public recognizes the marks as something meaningful, more than ever. So if there's more emphasis on that, I see it as helping to advance the profession, and obviously am very enthusiastic about that.

9. *I'm going to take you back to another column you wrote for the Journal in April 2012. You advocated for independent peer review. What do you think would be the ideal situation? Should such reviews be mandatory, voluntary, tied to regulation?*

I don't think there is an ideal situation at this point. I know that I have benefited from all the various forms of review that I've been exposed to as a person being reviewed, as a person doing the reviewing in a quality advice setting, and as a reviewer in a more regulatory

environment. Going through the process makes you sharper.

But when it comes to the practicalities of how, who, where, what resources to devote to such a thing, it's quite a blurry picture. So I'm not exactly sure whether that's something we're going to make any progress on any time soon.

10. *What's your greatest challenge personally as a financial planner? And how are you overcoming that? The flip side of that question is what's been your greatest achievement as a planner? And how have you celebrated that?*

The greatest challenge is helping clients find a balance between staying informed and being inundated with information. And it's gotten worse over the years with 24/7 digital media. It was particularly acute this year with the anxiety about the election, fiscal cliff, and stuff like that. So last year our firm established a motto: we are "a sanctuary from the noise." And before we put something out, we ask, "Is this adding something new and valuable? Or is it simply adding to the din?" And clients are responding very well to that.

But our educational process is morphing to adapt or to add conversations about how people take in news, and what they do with it, and how they emotionally respond to it, and some of the things they can do to try to keep from getting so wound up.

The only achievement that matters is that I believe my clients have been well-served. In 22 years, I don't even need one hand to count the number of times a client left due to dissatisfaction. And that's what this is all about. I'm not in this business to just write articles and complain about FINRA. My actual job is taking care of families and helping them make good decisions about their money. ■

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