



Dual Registration

IAR-Only

Hybrid

Traditional Representative

RIA-Only

Your Business, Your Way



COMMONWEALTH *financial network*

The right move is the last one you have to make. That's why Commonwealth is pleased to offer five different ways to affiliate—giving you the freedom and range of options to be exactly the kind of advisor you want to be, whatever choices you make along the way.

Choose Your Business Model

Pursue the model that fits your practice and your clients. All are powered by the right combination of infrastructure, people, and indispensable service you and your clients can rely on every day.

Traditional Representative	Participate in straight commission-based brokerage business.
Dual Registration	Take full advantage of our broker/dealer and investment adviser registrations to conduct your commission- and fee-based business, selecting from Commonwealth's wide array of commission-based products or our Preferred Portfolio Services® (PPS) programs, Wealth Management Consulting, and other advisory services, based on your clients' needs.
Hybrid	Maintain your commission-based revenue stream through our broker/dealer and conduct your advisory and planning business through your own Registered Investment Adviser (RIA).
IAR-Only (Corporate RIA)	Conduct an exclusively fee-based business as an Independent Adviser Representative (IAR) of Commonwealth—with access to the full array of investment choices your clients demand through our PPS and approved third-party platforms.
RIA-Only	Experience all the advantages of running your advisory and financial planning business through your own RIA, without the responsibilities of maintaining your own infrastructure. You create the fee structure that works for you and enjoy complete flexibility in how you market and run your business.

We'll Take Care of the Rest

Whatever path you choose, you can feel confident we've got you covered with flexible, holistic support that works for you both today and as your business evolves, including:

- **Fully integrated technology** that seamlessly incorporates everything you know that's important to your clients with how your firm operates, helping you forge deeper relationships
- **Practice management consulting** to provide guidance on staffing, marketing, succession planning, and more
- **Compliance** support and tools, or complete oversight and auditing, depending on your choice of affiliation

- **A seamless transition** supported by a firm-wide team of experts who are at your disposal
- **Advanced planning expertise** to help you provide solutions for clients with complex wealth and financial planning needs
- **Turnkey marketing support** ranging from customizable single-use communications to ongoing, value-add programs, all at your fingertips to help you build your brand and your business
- **Educational and top producer conferences** that have helped to set the standard in the industry and provide unparalleled development and networking opportunities
- **Research analysis and support** from our award-winning team to help you deliver the knowledge and guidance your clients expect

We recognize that where you are today may be different from where you see yourself going in the future. That’s why our range of models and infrastructure are designed to work for you now and as your business evolves.

We Stand Behind Our Infrastructure

Bringing it all together is a community of people who celebrate your individuality and share your vision for success. Our industry-leading 2.4:1 advisor-to-staff ratio means we’re here to provide support whenever you need it, so you can focus your time and energy on your practice and your clients. Direct access to experts at every level—including our 11 managing partners—ensures that your voice is heard and your needs are addressed. And a culture that has made us a Best Place to Work winner more than 30 times translates into staff who can deliver a better and more productive overall experience for you.

Models at a Glance

As you consider evolving along the spectrum of affiliation models, you may find that as you gain greater flexibility, you also may assume increased risks and responsibilities. The following provides a high-level side-by-side comparison by model. **Please note:** All members of a Commonwealth branch office generally will need to operate through an affiliation with Commonwealth.

	Traditional Representative	Dual Registration	Hybrid	Corporate RIA	RIA-Only
Business Requirements	Commonwealth standard production	Commonwealth standard production	\$50M in AUM	\$25M in AUM	\$50M in AUM
Revenue Type	Commissions	Fees and commissions	Fees and commissions	Fees	Fees
Revenue Sharing/Splits	May split with other Commonwealth RRs	May split advisory fees with other Commonwealth IARs	May split advisory fees within your own RIA	May split advisory fees with other Commonwealth IARs	May split advisory fees within your own RIA
12b-1 Fees	Paid to advisor	Paid to advisor or credited to client	Paid to advisor or credited to client	Not eligible	Not eligible
Payout	Up to 95%	Up to 95% on commissions; up to 98% on fees, less administrative fees	Up to 95% on commissions; 100% on fees, less administrative fees	Up to 100%, less administrative fees	100%, less administrative fees

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Administrative Fees	N/A	With our Growing Advisor Program (GAP), administration fees decline as assets increase.	Varies, depending on overall fee-based assets and specific business mix.	Varies, depending on overall fee-based assets and specific business mix.	Varies, depending on overall fee-based assets and specific business mix.
Registration Type	Commonwealth ensures appropriate state and FINRA registration.	Commonwealth ensures appropriate state, FINRA, and SEC registration.	For fee business, you must meet state and SEC RIA registration requirements. Commonwealth ensures appropriate FINRA and state registration.	Commonwealth ensures appropriate state and SEC registration under our RIA.	You must meet state and SEC registration requirements.
ADV Filing and Updates	Commonwealth's ADV is used to file with appropriate organizations.	Commonwealth's ADV is used to file with appropriate organizations.	For fee business, you must create your own ADV and file appropriately with state and/or SEC. For brokerage business, Commonwealth ensures appropriate FINRA and state registration.	Commonwealth's ADV is used to file with appropriate organizations.	You must create your own ADV and file appropriately with state and/or SEC.
Regulatory Audits	You are subject to Commonwealth, SEC, FINRA, and state audits; Commonwealth provides preparation support for outside audits.	You are subject to Commonwealth, SEC, FINRA, and state audits; Commonwealth provides preparation support for outside audits.	You are subject to Commonwealth, SEC, FINRA, and state audits on commission business, and Commonwealth and SEC audits on advisory business. Your RIA is subject to SEC and state audits, as applicable; Commonwealth provides preparation support.	You are subject to Commonwealth and SEC audits; Commonwealth provides preparation support for outside audits.	You are subject to SEC and state audits, as applicable, for which you are responsible for preparation.
Advisory Fiduciary Status	N/A	You and Commonwealth act as fiduciary for all advisory transactions.	Your RIA acts as fiduciary for all advisory services offered through your RIA.	You and Commonwealth act as fiduciary for all advisory transactions.	Your RIA acts as fiduciary for all transactions and all advisory services.
B/D Suitability	Commonwealth provides oversight for SEC, FINRA, and state suitability requirements.	Commonwealth provides oversight for SEC, FINRA, and state suitability requirements, as applicable.	Commonwealth provides oversight for SEC, FINRA, and state suitability requirements, as applicable.	N/A	N/A

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Regulatory & Compliance Oversight	<p>SEC, FINRA, and state registrations and oversight of your brokerage business through Commonwealth's B/D.</p> <p>Commonwealth's full compliance infrastructure at your disposal.</p>	<p>SEC, FINRA, and state registrations and oversight of your brokerage business through Commonwealth's B/D; SEC and state oversight and regulatory examinations through Commonwealth's RIA.</p> <p>Commonwealth's full compliance infrastructure at your disposal.</p>	<p>SEC, FINRA, and state registrations and oversight of your brokerage and RIA business through Commonwealth's B/D. Your RIA is subject to SEC, FINRA, or state oversight and regulatory examinations, as applicable.</p> <p>For your commission business: Commonwealth's full compliance infrastructure at your disposal.</p> <p>For your fee business: Access to in-house compliance experts for routine questions; surveillance reports that help you manage your regulatory compliance obligations; and referrals to third-party compliance consultants.</p>	<p>SEC oversight and SEC and state regulatory examinations through your association with Commonwealth's RIA.</p> <p>Commonwealth's full compliance infrastructure at your disposal.</p>	<p>Guidance only; no supervisory oversight of your RIA from Commonwealth. Commonwealth retains certain supervisory functions as B/D of record for client accounts. Your RIA is subject to SEC or state oversight and regulatory examinations, as applicable.</p> <p>Access to in-house compliance experts for routine questions; surveillance reports that help you manage your regulatory compliance obligations; and referrals to third-party compliance consultants.</p>
Liability Coverage	You are covered by Commonwealth's E&O insurance and Fidelity bond.	You are covered by Commonwealth's E&O insurance and Fidelity bond.	You are covered by Commonwealth's E&O insurance and Fidelity bond.	You are covered by Commonwealth's E&O insurance and Fidelity bond.	You must acquire your own E&O insurance and Fidelity bond coverage.

TAKE A STEP IN THE RIGHT DIRECTION

To discover a better way to build your independent business, call Andrew Daniels, managing principal, business development, or a member of the Field Development team at 866.462.3638, or send an e-mail to adaniels@commonwealth.com. For more information, please visit www.commonwealth.com.



Founded in 1979, Commonwealth Financial Network, member FINRA/SIPC, is the nation's largest privately held independent broker/dealer-RIA, with headquarters in Waltham, Massachusetts, and San Diego, California. The firm supports more than 1,650 independent advisors nationwide in serving their clients as registered representatives, investment adviser representatives, and registered investment advisers, as well as through hybrid service models.

Waltham Office
29 Sawyer Road
Waltham, MA 02453-3483
Toll-Free: 866.462.3638
Phone: 781.736.0700
Main Fax: 781.736.0793

San Diego Office
110 West A Street, Suite 1800
San Diego, CA 92101-3706
Toll-Free: 866.462.3638
Phone: 619.471.9700
Main Fax: 619.471.9701

commonwealth.com
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