

WHO IS YOUR TRUSTED CONTACT?

by Dominic Lucente

This vital investment account question should be answered sooner rather than later.

INVESTMENT FIRMS HAVE A NEW CLIENT SERVICE REQUIREMENT. They must now ask you if you would like to provide the name and information of a trusted contact.¹

You do not have to supply this information, but it is encouraged. The request is made with your best interest in mind – and to lower the risk of someone crooked attempting to make investment decisions on your behalf.¹

Why is setting up a trusted contact so important? While no one wants to think ill of someone they know and love, the reality is that seniors have lost an average of \$50,200 to someone they know. And studies have shown that almost half of all seniors aged 65 and older manage their own finances. Statistically speaking, if you fall within this age range, you could be vulnerable to scams.¹

THE TRUSTED CONTACT REQUEST IS A RESPONSE TO THIS REALITY. The Financial Industry Regulatory Authority (FINRA) now demands that investment firms make reasonable efforts to acquire the name and contact information of a person you trust. This person is someone that investment firms can contact if financial exploitation is suspected or they suspect the investor is suffering a notable cognitive decline.²

Investment firms may now put a hold on disbursements of cash or securities from accounts if they suspect the withdrawals or transactions amount to financial exploitation. In such circumstances, they are asked to get in touch with the investor, the trusted contact, and adult protective services or law enforcement agencies, if necessary.²

WHO SHOULD YOUR TRUSTED CONTACT BE? At first thought, the answer seems obvious: the person who you trust the most. Yes, that individual is probably the best choice – but keep some factors in mind.

Ideally, your trusted contact is financially savvy, or at the very least, financially literate. You may trust your spouse, your sibling, or one of your children more than you trust anyone else, but how much does that person know about investing and financial matters?

Your trusted contact should behave ethically and respect your privacy. This person may be given confidential information about your investments. Is there any chance that they, upon receiving such information, might behave in an unprincipled way?

It is encouraged that your family members know who your designated trusted contact is. That way, any family member who might be tempted to take advantage of you knows another family member is looking out with your best interest in mind, which may be an effective deterrent to elder financial abuse. It should be noted that the trusted contact may, optionally, be an attorney, a financial professional, or a CPA.¹

YOUR TRUSTED CONTACT IS YOUR ALLY. If you are being exploited financially or could be at risk of such exploitation, that person will be alerted and called to action.

As the old saying goes, money never builds character, it only reveals it. The character and morality of your trusted contact should not waver upon assuming this responsibility. If given sensitive information about your brokerage accounts, that person should not sense an opportunity.

Now is the perfect time to name your trusted contact. Choose your contact wisely.

Dominic may be reached at 603.645.8131
or Dominic.lucente@LPL.com
Dlucente.com

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment. Financial planning offered through Northeast Planning Associates, Inc. (NPA) a registered investment adviser. Securities and advisory services offered through LPL Financial, a registered investment adviser and member FINRA/SIPC. Insurance products offered through NPA, LPL Financial, or its licensed affiliates. The Credit Union, NPA and LPL Financial are unaffiliated.

Citations.

1 - CNBC, September 27, 2019

2 - FINRA, March 4, 2020

With You From Start To Finish...



... and Every Step Along the Way

WHETHER YOU'RE BUILDING A FAMILY, SAVING FOR YOUR CHILDREN'S EDUCATION, STRATEGIZING CARE FOR AGING PARENTS, OR PLANNING FOR A NEARING RETIREMENT, WE CAN HELP YOU CREATE A FINANCIAL PLAN TAILORED TO YOUR UNIQUE REQUIREMENTS AND DREAMS.

It's never too early, it's never too late.

CONTACT US TO START PLANNING TODAY!



Dominic M. Lucente, CFP®, RFC®

CERTIFIED FINANCIAL PLANNER™
NORTHEAST PLANNING ASSOCIATES, INC.

425 Hooksett Road · Manchester, NH 03104
(603) 645-8131
dlucente@northeastplanning.com
www.dominiclucente.com



Financial planning offered through Northeast Planning Associates, Inc. (NPA), a registered investment adviser. Securities and advisory services offered through LPL Financial, a registered investment adviser and member FINRA/SIPC. Insurance products offered through NPA, LPL Financial or its licensed affiliates. The Credit Union, NPA and LPL Financial are not affiliated. 18-174

Not NCUA Insured | No Credit Union Guarantee | May Lose Value

QUOTE FOR THE DAY

“To reach a port we must sail, sometimes with the wind, and sometimes against it. But we must not drift or lie at anchor.”

Oliver Wendell Holmes

Keep Your
Important Papers
Safe



ADAMS LOCK & SAFE

130 Hall Street Concord, NH
www.adamslock.com

(603) 224-1652

Green Cord Wood

\$ 225.00 per Cord

Cut/Split/Delivered



J and M Morse Trucking LLC
Henniker, NH.

603-428-3423

Servicing the area since 1986