



Associated Advisor

Pre-Agreement Due Diligence

Prior to signing an agreement, associated advisor candidates must partner with Fragasso Financial Advisors to review their business and ensure that their model is a good fit for both organizations. This process includes, but is not limited to, the following items:

Book of Business

Prior to signing an agreement, there should be a thorough understanding of the construction of the potential associated advisor's book of business. Although account size is of no concern, a book heavily laden with brokerage requires more operational onboarding, as we have no choice but to re-paper unless the advisor is currently with Private Client Services (PCS). There is also concern if an advisor is not committed to the advisory business.

Compliance Review, Reputational Review and Background Check

The associated advisor will complete required paperwork in order to facilitate a complete review of the advisor's compliance history, background check and reputational review. This review will be conducted by the chief compliance officer and human resource manager. The compliance review will consist of a review of the advisor's U-4 and FINRA BrokerCheck report, as well as any information available from any and all regulatory bodies. Association with Fragasso Financial Advisors is subject to PCS approval.

Factfinding Meeting

Associated advisor will provide Fragasso's operations manager with a list of current systems they are using. The operations manager will provide a brief overview of the technology we are offering and go over the resources that are available. When applicable, the associated advisor and operations manager will review the accessibility of data and if it is possible to migrate the advisor's data into Fragasso Financial Advisors' technology systems. If it is possible, the operations manager will work with the advisor to perform the data extraction and migrate the data into Fragasso's systems.

Review TD Ameritrade (TD)/Private Client Services (PCS) Technology Requirements

The operations manager will review the technology requirements for PCS & TD Ameritrade with the associated advisor and their technical representative. The advisor will be able to ask any questions they may have regarding the required hardware/software. The operations manager will provide the requirements for Global Relay and the steps required to journal their email. Once the advisor's compliance setup is complete and an agreement has been signed, the associated advisor's technical representative will receive step-by-step

instructions from PCS to complete the Global Relay configuration.

- **Scanners** - TD does not have a specific list of scanners that will work. The scanner needs to be Twain compatible and can scan checks in duplex mode (front and back). The scanner should not be an all-in-one (multi-function) scanner, flat bed, or a network scanner. The profile they're using on the computer connected to the scanner should have admin permissions. The computer should be a windows computer (not a MAC). Technically any scanner meeting the above criteria should work.

TD has specifically tested the following models and can verify they work.

- HP Scanjet Professional 2000
- HP Scanjet Professional 1000
- Brother DSmobile 720d (MUST INSTALL DRIVER FROM DISK IT COMES WITH AND SETUP THE DSMOBILE CAPTURE SOFTWARE TO WORK)
- **Workstations (desktops, laptops)**
 - Windows devices - Windows 8 or higher starting 2020
 - Device Encryption – whole disk encryption
 - Antivirus – zero-day protection, automatic updates
 - Authentication – Local account or networked, inactivity lockout after 10 minutes, forced password change every 45 days
- **Mobile devices (phones, tablets)**
 - Secure lock – pin lock, fingerprint lock
 - Encryption – Androids (device encryption enabled), iPhone (architecture built-in with pin lock), Surface tablet (same as workstations)
 - Antivirus – 3rd party antivirus
- **Systems**
 - Secure email – secure email system required for sending secure emails containing PII data to client email addresses, email to/from PCS is automatically secure using TLS
 - Email archiving – PCS archives email with Global Relay for FINRA requirements, additional archiving permitted – check for approval on system
 - Cloud storage – Microsoft approved for use, Google (GSuite account, data must be in U.S. data centers), Amazon AWS (data must be in U.S. data centers), other cloud storage check for approval on use
- **Networks**
 - LAN networks – router or firewall hardware required
 - Wireless – secure, no broadcast suggested
- **Physical equipment security**
 - Servers, Network hardware – locked server room or closet, secure data center

Multi-Custodial Consideration

The associated advisor will discuss the scope of business that will be pursued and a decision as to whether that business requires a brokerage broker/dealer or an advisory custodian or both will be determined.

Custodian and Broker/Dealer

For compliance reasons, Fragasso Financial Advisors' requirement will be to use Private Client Services as the brokerage custodian. Fragasso Financial Advisors preference will be to use TD Ameritrade Institutional as the advisory custodian; however, there may be enough reason to maintain the associated advisor's current custodian relationship. If existing custodian relationships will be maintained, the advisor will provide introductions and coordination.

Retirement Plan Services

- The Retirement Plan Services team will meet with the potential associated advisor to discuss services
- The advisor will provide plan documents, TPA and recordkeeping provider agreements, and fund lineup for each plan.
 1. Review plan documents to understand how the plan is designed
 2. Review provider agreements to determine advisor compensation & fiduciary status
 3. Review fund lineup