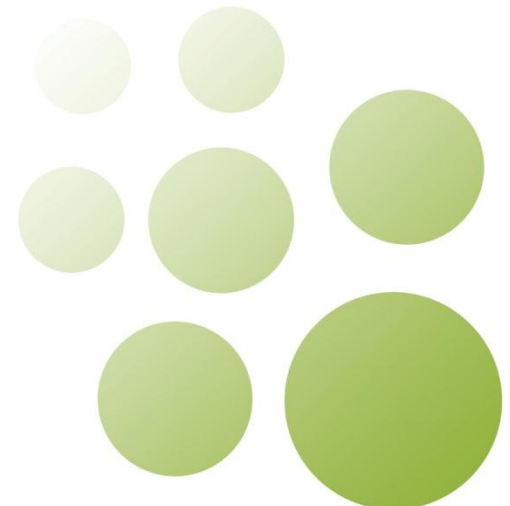




# CPAs as Financial Advisors<sup>®</sup>

**John Azodi, CPA**  
Registered Representative



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## *Why add investments & insurance to your CPA business?*

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It's important to know why you want to add investments and insurance to your practice. Following, were some of my reasons.

*Why I decided to add investments & insurance to my CPA business:*

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Lack of communication between the CPA and the broker.

## *Why I decided to add investments & insurance to my CPA business:*

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The introduction of the Roth IRA in 1998. The Roth IRA could be used as a new tax efficient retirement savings plan & even a short-term savings plan.

*Why I decided to add investments & insurance to my CPA business:*

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The introduction of the new Simple IRA Plan.

*Why I decided to add investments & insurance to my CPA business:*

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Increase of contribution limits on SEP/IRA & Profit Sharing Plans.

## *Why I decided to add investments & insurance to my CPA business:*

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I wanted to add more revenue to my business after tax season, as well as stabilize my revenue throughout the year.

## *Why I decided to add investments & insurance to my CPA business:*

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Now list your reasons for wanting to provide investments & insurance to your clients:

- 1.
- 2.
- 3.



# *Concerns*

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Is it a conflict-of-interest to do both taxes and financial planning?

# *Concerns*

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I don't want to be responsible for losing clients' retirement funds.

# *Consequences*

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- Possible change in business focus.
- Finding a way to keep up with the training and education.

# ***Business Model Options***

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1. Fee-based only
2. Managed money
3. Commission-based
4. Combinations of Managed Money & Commissions
5. Insurance products only
6. Insurance products and securities

# ***Business Model Options***

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## **Fee-based only**

- You could become a  
Certified Financial Planner™ professional
- Visit [www.cfp.net](http://www.cfp.net) for more information  
OR
- Series 65

# ***Business Model Options***

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## **Managed money**

- Investment Adviser Representative (IAR)
- Required to take Series 65 (Uniform Investment Adviser Law examination)
- Become your own RIA or work with a Registered Investment Adviser(RIA) Firm
- Visit [www.finra.org](http://www.finra.org) for more information

# ***Business Model Options***

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## **Commission-based**

- Series 63 (Uniform Securities Agent State law Examination)

AND

- Series 6 (Investment Company Products/Variable Contract Limited Representative)

OR

- Series 7 (General Securities Representative)

# ***Business Model Options***

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## **Commission-based (continued)**

- You must use a Broker/Dealer
- Visit [www.finra.org](http://www.finra.org) for more information



# ***Business Model Options***

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## **Combinations of Managed Money & Commissions**

- Series 66 (Uniformed Combined State Law Examinations)

AND

- Series 7 (General Securities Representative)
- Visit [www.finra.org](http://www.finra.org) for more information

OR

- Series 65 and Series 6

# ***Business Model Options***

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## **Insurance Licensing**

- Life
- Life & Health
- Life & Variable Products

# ***Business Model Options***

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## **Life**

- Can sell
  - Life Insurance
    - Term
    - Whole life
    - Universal life
    - Index universal (some Broker/Dealers require series 6 or 7)
  - Fixed annuities
  - Fixed index annuities (some Broker/Dealers require series 6 or 7)

# ***Business Model Options***

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## **Life & Health**

- Allows you to sell everything that falls under life insurance, plus:
  - Health insurance
  - Long-term care insurance

# ***Business Model Options***

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## **Life & Variable Products**

Everything under Life plus,

- Variable Annuities (need series 6 or 7)
- Variable Life

# *The Results*

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## ■ In my case

### ■ Current revenue:

- Around 80% from investments & insurance.
- Only 20% from taxes and limited accounting fees.

# The Results

1998	147,794	0	100.00%	0.00%
1999	142,754	90,403	61.23%	38.77%
2000	162,978	171,091	48.79%	51.21%
2001	192,652	142,467	57.49%	42.51%
2002	235,163	113,951	67.36%	32.64%
2003	246,115	107,319	69.64%	30.36%
2004	272,009	312,554	46.53%	53.47%
2005 *	234,528	604,114	27.97%	72.03%
2006	86,292	615,574	12.29%	87.71%
2007	101,264	548,675	15.58%	84.42%
2008 **	82,620	466,421	15.05%	84.95%
2009	98,425	498,980	16.48%	83.52%
2010	121,087	459,414	79.15%	20.85%
2011	130,633	538,895	80.48%	19.52%

\* Sold Part of CPA (business clients) in

October of 2005, but Kept tax clients

\*\* Sold Pension Services in January of 2008

Before 2006 based on net revenue, after 2006 based on Gross Revenue


# *The Secret*

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You must spend the time during tax season to prospect & gather assets.



# *Next Step*

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**For personal coaching, mentoring or to help you design a program that works for you during tax season, contact:**

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## Questions & Answers Evaluations, CPE Certificate

See you in  
Iowa, August 28-31  
or  
Kansas City, October 23-26

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