

financial INSIGHT

A QUARTERLY PUBLICATION FOR PREFERRED CLIENTS OF D.A. DAVIDSON & CO., DAVIDSON INVESTMENT ADVISORS AND DAVIDSON TRUST CO.

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A new 'Choice' for investors



We at D.A. Davidson & Co. are providing an additional “Choice” for you. We are offering a new investment account called the D.A. Davidson Choice Account, which is an investment advisory account in which the fees cover advisory services and transaction costs. Importantly, you, the client, retain full authority for effecting any security transaction. That’s why our industry calls this a “non-discretionary” account, or an account in which you have not given another party the authority to direct any transactions.

We created this new account in recognition of specific client desires. First, many clients prefer to be charged an asset-based fee rather than paying a commission for each transaction. Secondly, and importantly, many client relationships involve continuing advice on a wide variety of wealth management issues. Our clients value not only specific investment advice but also advice that covers related areas, such as retirement planning, estate plans, education plans, trusts and insurance needs.

Recent court rulings have stated that if fees are charged or advice is given beyond the advice that relates strictly to a security transaction, such an account is then deemed to fall into the investment advisory realm and under the purview of the

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Advisory accounts require an ongoing duty to furnish clients on a personal basis competent, unbiased and continuous advice regarding the sound management of their investments.



Investment Advisers Act of 1940. Other fee-in-lieu-of-commission accounts, such as our Preference Account, will not be allowed after September 2007.

There are important distinctions between a broker/dealer account and an advisory account. Advisory accounts require an ongoing duty to furnish clients on a personal basis competent, unbiased and continuous advice regarding the sound management of their investments. Of course, this sounds just like the services you currently receive from your D.A. Davidson Financial Consultant. An advisory account merely codifies the duty.

We are excited about our expanded offerings. We believe in ensuring our clients have options for both the method in which they pay for services and for the variety of services and advice available.

The D.A. Davidson Choice Account is a great option for investors who:

- ❖ *want to be charged a single asset-based fee for their account rather than transaction-based commissions;*
- ❖ *seek ongoing investment advice as to portfolio construction and composition;*
- ❖ *will actively participate in periodic reviews of their individual circumstances, goals and portfolio performance;*
- ❖ *seek wealth management advice on a wide variety of issues;*
- ❖ *may desire comprehensive financial planning; or*
- ❖ *choose to remain actively engaged in the implementation of all investment recommendations rather than delegating this authority to others.*

If you are interested in exploring all that the D.A. Davidson Choice Account can offer you and your family, please call your Financial Consultant. You just might make the choice to engage in a new way of doing business.

— *Jim Searles, CFP®*, Senior Vice President, Director of Professional Development & Product Management



D.A. Davidson & Co. soon will be announcing a partnership with the National Park Foundation to promote electronic delivery of D.A. Davidson statements, confirms and other paper documents. Please watch for details in your next statement.