

# What is a Registered Investment Advisor?



Financial  
Investments  
Associates, LLC

Sound strategies for client-sensitive investment alternatives

## What is a Registered Investment Adviser (RIA)?

Financial Investments Associates, LLC is a State of Florida Registered Investment Adviser. All investment adviser companies are required to register with the U.S. Securities and Exchange Commission (SEC) and/or the State(s) in which the firm conducts business activities. The registration is called a Form ADV and it is comprised of two parts. ADV Part I provides basic information about the advisory business and ADV Part II explains the level of services, how fees are derived, and explanations on past events that may affect the public's decision to work with the particular firm. Every registered investment adviser must provide a copy of its Form ADV Part II to each client at the point of service and one every year thereafter.

## How do the services of a Registered Investment Adviser (RIA) differ from those of a brokerage firm?

Registered Investment Advisers are in the business of providing investment advice and their work is regulated by the federal Investment Advisors Act of 1940. In contrast, brokerage firms are primarily in the financial product sales and distribution business. Broker dealers, in turn, are regulated by the Securities Act of 1933 and other laws, but none requires any to work with their clients' ultimate benefit in mind. In simple terms, broker dealers are not obligated to work in a fiduciary capacity while a registered investment adviser has the legal obligation to work in a fiduciary capacity, always with the clients' best interest in mind. In summary, registered investment advisers have a higher level of responsibility than brokerage firms. Generally, RIA management fees are based on the client's total amount of assets under management (AUM) rather than the brokerage model that is tied to the sale and distribution of financial products.