

Michael P. Hanley, Inc. Company Backgrounder

Company Overview

Headquartered in Walnut Creek, CA, Michael P. Hanley, Inc. is the company overseeing operations for MPH Asset Management Co., a Independent Advisor Representative (IAR) for KMS Financial Services, Inc. of Seattle, WA a member firm of (FINRA and SIPC member & CRD #235862) for all investment accounts.

Michael P. Hanley, Inc. is also life insurance, annuity and disability licensed (California Corporate Insurance license #0683322) and is primarily in the business of selling insurance products. MPH Asset Management Co. focuses on the business of designing, implementing and monitoring investment accounts. Securities are offered through KMS Financial Services, Inc. member FINRA and SIPC. Mr. Hanley is securities licensed in CA, AK, CT, DE, ID, MI, & VA. His insurance license covers CA, VA, TX, AZ, NV, AK, CT, ID & MI.

This private company, established in 1968 by Michael Philip Hanley, President and Chief Executive Officer, focuses on the all areas of the investment supervisory industry: Portfolio design, implementation and management, plus Life Insurance/annuities for those over 50+.

The firm's substantial experience yields sage financial solutions for a varied client mix, among them: individuals (includes trusts, estates, 401(k) plans and IRAs of individuals and their family members), high-net worth individuals, pension and profit-sharing plans, and corporations and other businesses.

Vision and Mission

The company's goal is to make money for their clients in an ethical and responsible manner, through well-established, as well as innovative investment strategies and solutions that meet each client's financial objectives, while ensuring sustained growth for all three dimensions of the business.

From the start Michael Hanley imparted this purpose to his employees and affiliates and has run MPH according to this vision: For both clients and potential clients alike, financial integrity and suitability are the standards to which every potential solution (and company recommended) are held..

With Mr. Hanley's vision firmly in place, MPH and its advisors avoid shortcuts and take the necessary steps to help clients find the right answers for their particular situation. As such, the company acts as a fee-based advisor to ensure efforts are concentrated on analyzing each account so as to determine the most cost effective, long term arrangement for each client. This focus on following best practices and developing trust is fundamental to the successful and lasting relationships formed with clients. On occasion and depending upon the client situation, a commission may prove to be less costly thus is used instead of a fee.

Fiduciary Responsibility

MPH maintains a Code of Ethics that addresses the firm's fiduciary responsibility and establishes rules and standards of conduct designed to guide, direct and govern the professional activities of employees and affiliates. The Code also provides specific procedures designed to reduce the potential for conflicts of interest, which employees must follow when engaging in personal investing activities.

MPH also provides clients a copy of the Privacy Policy on an annual basis, which provides information on how MPH uses and maintains confidential client non-public information. In addition, all prospective clients are given a copy of the Privacy Policy.

Besides requiring advisors to either demonstrate technical competency through accredited studies or by achieving industry recognized licensing requirements and experience, they are also required to perform

due diligence and utilize many sources of public information, including financial news and research materials, as well as resources provided through affiliates.

Clients receive account statements and an annual review of their account, if applicable. Asset management clients receive a summary report monthly, and a more detailed report quarterly, which provides weighted returns. Clients are encouraged to meet with advisors quarterly to review in person the information contained on the report.

Asset Management

Asset management services are based on understanding a client's goals, time frames, risk profile and liquidity needs. For new clients, a risk assessment and confidential life expectancy report are always completed first to ensure all suggested investments comprise a solid, specific strategy. Only then is the investment side of the equation considered. In addition third-party rating tools (including Morningstar, Bloomberg, Thompson Reuters and S&P) are used as part of designing recommendations for the portfolio.

For ongoing accounts, adjustments are made if investments do not perform as projected, including changing to a new management company, ETF (Exchange Traded Fund), or stock better suited to the portfolio. If none can be found, proceeds will be transferred to cash temporarily. With each new holding, clients receive a Morningstar and/or S&P analysis that will provide insight into the new holding. All portfolios will contain stocks, mutual funds and/or ETFs. Current assets under management (AUM) at MPH is \$30 million+ for over 110 accounts. KMS has (AUM) of \$39 billion with 315 representatives plus 75 registered sales assistants in all 50 states.

Life Insurance at 50+

A comprehensive audit for life insurance at 50+, looks closely at all variables that may affect a client's situation to ensure the policy remains competitive, as 50 is often the age at which people see changes that can lower the premiums of their policies.

Variables such as higher rates of accumulated cash, a general improvement in mortality rates, or more personal changes that have taken place since the policy's inception are all taken into account. These are considered along with a risk assessment and confidential life expectancy report and what the minimum payment would be to the client when reaching age 100, among other factors.