

**Certification Report for Merrithew & Thorsten, Inc.**

**Corporate status (if applicable):**

<b>State of Incorporation:</b>	California
<b>Date of Incorporation/Filing:</b>	01/17/2001
<b>Current Status:</b>	Active

*Information current as of February 24, 2010.*

**Licensing status (if applicable):**

**SEC**

<b>IARD/CRD Number:</b>	133563
<b>SEC Number:</b>	801-63848
<b>SEC Effective Date:</b>	08/16/2005
<b>Date of Latest Filing:</b>	03/23/2009
<b>States Registered In (if any):</b>	CA
<b>Disciplinary Action (if any):</b>	None

*Information current as of February 24, 2010.*

**Wealth Management Industry Benchmark Performance:**

	<b>Industry Benchmark</b>	<b>Firm Data</b>	<b>Firm Score</b>
<b>Number of Clients</b>	180	120	Below
<b>Number of Advisors</b>	3	2	Below
<b>Client to Advisor Ratio</b>	68:1	60:1	Above
<b>Client Retention Rate</b>	98%	97%	Below
<b>Number of Advanced Certifications</b>	3	5	Above
<b>Assets Under Management</b>	\$100,000,000	\$50,000,000	Below
<b>Assets Under Management Per Client</b>	\$600,000	\$417,000	Below
<b>Years of Experience</b>	23	44	Above

*Information current as of February 24, 2010.*

## **Explanation of Industry Benchmark Criteria:**

**Years of Experience of Advisor/Firm:** This criterion measures the number of years of experience the advisor/firm has. While experience is not a guarantee of past or future success, we generally find that more experienced advisors/firms, by virtue of their time in the industry, have developed a deeper understanding of their clients' needs, and, therefore, may be more responsive to client needs.

**Number of Advisors (in the firm):** This is a quantitative measure of the number of advisors in a given firm. There is no correct number here; however, this data becomes more important in some of the other metrics that we evaluate.

**Number of Clients:** This is a quantitative measure of the number of clients that the advisor/firm has. Again, there is no correct number here. This data becomes more important in some of the other metrics that we evaluate.

**Client to Advisor Ratio:** This is critical. If the advisor/firm has too many clients compared with too few advisors, client care may suffer. A general rule-of-thumb that we use is that the advisor/firm should have a client to advisor ratio of no more than 100:1.

**Client Retention Rate:** This is also critical. If the advisor/firm is losing more than 5% of its clients per year, something is amiss.

**Number of Advanced Certifications Held:** There are more than 50,000 individuals that hold the Certified Financial Planner (CFP®) designation. However, there are numerous other advanced certifications in the industry. Common among those include Chartered Financial Analyst (CFA), Chartered Financial Consultant (ChFC®), Personal Financial Specialist (PFS) and Chartered Life Underwriter (CLU). We use this to assess training and educational levels of the advisor/firm.

**Assets Under Management:** This is another quantitative measure of how much money the advisor/firm has under management.

**Average Assets Under Management Per Client:** This is a useful metric in determining the average client relationship. We use this to understand the advisor/firm's client "sweet spot".