

# Potter Fiduciary Services, Inc.

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## MATERIALS IN SUPPORT OF EXPANDING QUALIFICATIONS UNDER HB 3129

03/15/2013

I am appearing at this hearing to request consideration for recognition of the Certified Trust and Financial Advisor (CTFA) designation as qualification for court appointment as Conservator in Oregon. I am a private fiduciary and accept court appointments as personal representative, conservator and trustee. My experience includes thirteen years as a paralegal at Stoel Rives administering estates, trusts and conservatorships; ten years as a trust officer for U.S. Bank and Bank of America; and four years as a private fiduciary. My qualifications include a bachelor degree and holding the CTFA designation since 1998. Attached is a copy of my professional biography.

Conservators are appointed by Oregon courts to protect the assets of the protected person. The courts appoint banks, trust companies, professional fiduciaries and non-professionals to fulfill this responsibility. Banks and trust companies are excluded from the requirements of professional fiduciary as defined in ORS125, presumably because banks and trust departments are recognized providers of professional financial asset management services. Banks and trust companies hire trust officers with CTFA designations because that designation is recognized by the wealth management community as proof that the holder possesses the necessary qualifications to administer trusts, estates, agency accounts and conservatorships. There are rigorous qualifications to earn the CTFA designation which are described on the attached handout from the American Bankers Assn. Institute of Certified Bankers.

Trust officers are responsible for administration of account loads averaging 100 or more accounts, including conservatorships. A large portion of their clients are elderly persons who do not have family or friends who can or will manage their assets and personal affairs effectively. Often, care issues arise for which the trust company must act: trust officers frequently seek court appointment of professional guardians if the care of a vulnerable client is in need of protection. As a trust officer and as a private fiduciary, I have worked with court appointed guardians and have also hired geriatric case managers and care provider agencies when the need arose. I am known as a strong patient advocate even though I do not accept court appointments as guardian.

During my years of experience, I estimate that I have been responsible for more than fifty conservatorships in Oregon. I currently serve as an Oregon conservator in four cases, two of which hold complex and/or significant financial assets for which my financial background has enabled me to provide valuable service. My experience, along with having maintained the CTFA designation for fifteen years, makes me uniquely qualified to serve as a conservator in Oregon.

Respectfully submitted,

POTTER FIDUCIARY SERVICES, INC.



Connie Potter, President

# About the CTFA

By earning this designation, you document your knowledge, experience, performance and commitment to professional ethics through a scientifically verifiable process. This documentation becomes the credential that employers, clients and peers can use to measure your value in meeting their needs.

The CTFA certification is designed to:

- establish a recognized standard of knowledge and competency for the trust and wealth advisory field.
- formally recognize those who meet these standards.
- provide employers and clients with a tool to identify skilled, knowledgeable professionals.
- support the benefits of professional continuing education and development.

Who should pursue CTFA certification

- Wealth managers
- Investment officers
- Trust officers
- Financial planners
- Trust tax specialists
- Private bankers
- Trust administrators

Knowledge Areas

- Fiduciary and Trust Activities
- Financial Planning
- Tax Law and Planning
- Investment Management
- Ethics

## Eligibility requirements

You must meet the following prerequisites to qualify to take the CTFA certification examination:

### 1. Professional Experience and Education

- A minimum of three years of experience in wealth management, as well as completion of an ICB-approved personal trust training program or
- Five years of experience in wealth management and a bachelor's degree or
- Ten years of experience in wealth management.

### 2. Professional Reference

One letter of recommendation from your manager attesting to your qualifications for certification, including your wealth management experience and your ethical character.

### 3. Ethics Statement

Each candidate must sign ICB's Professional Code of Ethics statement.

### 4. Application

You must complete and submit the application. You are required to have met the eligibility requirements by the time you submit your application.

## Maintenance requirements

To maintain your CTFA in good standing, you must adhere to ICB's Professional Code of Ethics, pay an annual fee and complete 45 credits of continuing education every three years, with a minimum of six hours in each of the following four knowledge areas:

- Fiduciary and Trust Activities
- Tax Law and Planning
- Financial Planning
- Investment Management

In addition you are required to complete three continuing education credits in Ethics.



INSTITUTE OF CERTIFIED BANKERS

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To learn more, call 1-800-BANKERS or visit [aba.com/ICB](http://aba.com/ICB).

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## CTFA Examination Outline

The knowledge areas below are the basis for the Certified Trust and Financial Advisor (CTFA) examination. These knowledge areas were derived from a job analysis study and were validated by the CTFA Advisory Board. Post-certification programs that address these knowledge areas are eligible for CTFA continuing education credits through the Institute of Certified Bankers.

### I. Fiduciary & Trust Activities (25%)

- A. Nature and Characteristics of Account Relationship
  - 1. Trusts
  - 2. Estates
  - 3. Guardianships/Conservatorships
  - 4. Custodians
  - 5. Powers of Attorney
  - 6. Agencies
- B. Formal Requisites of Establishing Account
  - 1. Written Agreements or Documents
  - 2. Trust Situs
  - 3. Acceptance of Fiduciary Appointment
  - 4. Disclaiming of Interest
- C. Fiduciary Responsibilities
  - 1. Powers
  - 2. Duties
  - 3. Uniform Acts/Codes
  - 4. Safekeeping of Assets
  - 5. Environmental Issues
- D. Investment Responsibilities
  - 1. Investment Powers
  - 2. Investment Types & Restrictions
  - 3. Sale/Retention by Bank of Its Own Holding Company Securities
  - 4. Prudent Investor
- E. Receipts, Payments and Distributions
  - 1. Duty in Making Payments or Distributions
  - 2. Deviation from Trust Terms in Making Payments or Distributions
  - 3. Uniform Principal &

- Income Act
- F. Accounting and Compensation
  - 1. Duty to Keep Records
  - 2. Duty to Furnish Information to Beneficiaries
  - 3. Duty to Render Court Accounting
  - 4. Fiduciary Compensation
- G. Alteration or Termination of the Trust
  - 1. Power to Change Terms
  - 2. Power to Revoke or Terminate
- H. Regulatory/Compliance
  - 1. Due Diligence
  - 2. Know Your Customer
  - 3. Privacy Issues
  - 4. Bank Secrecy Act
  - 5. OCC Regulation 9
  - 6. Securities Laws
  - 7. Gramm-Leach-Bliley Act

### II. Financial Planning (25%)

- A. Personal Finance
  - 1. Time Value of Money Principles
  - 2. Statement of Assets and Liabilities
  - 3. Cash Flow Management
  - 4. Debt Management
  - 5. Investment Planning
  - 6. Education Planning
  - 7. Health Care & Disability Planning
- B. Retirement
  - 1. Capital Sufficiency
  - 2. Investment Strategies
  - 3. Wealth Accumulation & Distribution
  - 4. Social Security & Other

- Programs
- 5. IRAs
- 6. Qualified and non-Qualified Plans
- C. Insurance
  - 1. Life Insurance
  - 2. Long Term Care Insurance
  - 3. Disability
  - 4. Annuities
  - 5. Health Insurance
  - 6. Property/Casualty Insurance
  - 7. Insurance Company, Product, and Intermediary Selection Criteria
- D. Transfer Assistance
  - 1. Wealth Transfer During Lifetime
  - 2. The Flow of Property at Death
  - 3. The Cost of Transferring Property
  - 4. Planning Documents
  - 5. Planning Considerations
  - 6. Charitable Giving Strategies
  - 7. Business Succession Planning
- E. Financial Modeling
  - 1. Risk Assessment
  - 2. Asset Allocation

### III. Tax Law & Planning (25%)

- A. Income Tax
  - 1. Individuals
  - 2. Fiduciaries
  - 3. Charitable Trusts, Private Foundations, and Split Interest Trusts
  - 4. Business
- B. Transfer Tax
  - 1. Gift Tax

2. Estate Tax
3. Generation-Skipping Transfers (GST)

#### **IV. Investment Management (20%)**

##### **A. Economics and Markets**

1. Gross Domestic Product
2. Interest Rates
3. Inflation & Employment
4. Government Fiscal Policy
5. Monetary Policy
6. International Influences
7. Market Operations

##### **B. Portfolio Management**

###### **Theories and Concepts**

1. Modern Portfolio Theory
2. Equity Investment Management Approaches
3. Fixed Income Investment Management Approaches
4. Hedging Strategies
5. Risk Management
6. Total Return

##### **C. Types of Investments**

1. Stock Selection/Analysis
2. Fixed Income Selection/Analysis
3. Convertible Securities
4. Mutual Funds
5. Common Trust Funds
6. Closely-Held Businesses
7. Real Estate & Farms
8. Foreign
9. Alternatives
10. Exchange Funds
11. Stock Options
12. ETFs
13. Oil, Gas & Minerals

##### **D. Client Objectives & Constraints**

1. Investment Objectives
2. Risk Tolerance
3. Time Horizons
4. Tax Considerations
5. Current vs Future Objectives
6. Investment Restrictions & Preferences
7. Asset Allocation

##### **E. Performance Measurement**

1. Time-Weighted vs. Dollar-Weighted

2. Risk Adjusted
3. Benchmarks & Indices

#### **V. Ethics (5%)**

##### **A. Advisory**

1. Unauthorized Practice of Law
2. Conflict of Interest
3. Confidentiality
4. Undue Influence
5. Related Parties

##### **B. Fiduciary**

1. Duty of Loyalty
2. Breach of Trust
3. Trust Officer as Beneficiary
4. Personal Liability
5. Self Dealing
6. Gifts to/from Clients & Vendors

##### **C. Business Development**

1. Business Solicitation
2. Compensation Arrangements

##### **D. Investment**

1. General
2. Insider Information
3. Equal Treatment of Accounts
4. Directed Brokerage
5. Soft Dollar Commitments
6. Prudent Investor Standard
7. Disclosures

##### **E. Other**

1. Relationship with Other Professionals



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Connie Potter is President of Potter Fiduciary Services, Inc., a private fiduciary service company operating in Portland and Southwest Washington founded in 2009. The firm accepts appointments as trustee, personal representative, conservator, agent for fiduciary and attorney-in-fact. It also provides consulting services to individuals who are planning for themselves or a family member who has special needs or who is in transition, enabling them to confront altered circumstances and make informed and timely choices.

Before founding Potter Fiduciary Services, Ms. Potter served for ten years as a Vice President and Trust Officer for two national banks, U.S. Bank and U.S. Trust Bank of America. During her years as a trust officer, Ms. Potter was responsible for the administration of complex trusts, estates, conservatorships and charitable foundations holding assets totaling \$500,000 to \$150 million in residential, commercial and farm properties and the stock and bond markets. She also provided estate planning services to private bank clients and acted as project manager in implementing client decisions through a team of internal and external partners and asset managers.

Ms. Potter was previously a paralegal for the Portland law firm of Stoel Rives, LLP, for thirteen years, where she was responsible for administering trusts, estates and conservatorships for high net worth clients, and for preparing transfer tax returns and fiduciary and individual income tax returns. She has strong technical skills and knowledge of state and federal laws and statutes relating to trust and estate administration and taxation.

Ms. Potter is known among her clients and referral sources as a professional who is personally invested in helping her clients and beneficiaries. She works with them to identify and implement their goals and objectives while considering their available resources and the structure of the governing document.

Potter is a prior board member for the Estate Planning Council for Southwest Washington and is a current member of that council. She is also a member of the Estate Planning Council for Portland, Oregon.

**Education:**

Bachelor of Science, Portland State University;  
Certified Trust & Financial Advisor, Institute of Certified Bankers