

Casey Mullooly: What's the diagnosis, doc? Keep watching to find out. Welcome back to the Mullooly Asset Show. I'm your host, Casey Mullooly, back here with you for episode 288. We've got an interesting one here for you. It was announced just about 10 days ago that Vanguard and American Express have announced a partnership where American Express users will receive points if they sign up for Vanguard Personal Advisor Services. The end customer retail investors will pay Vanguard Personal Advisor Services 50 basis points and American Express will receive an undisclosed cut of that.

Casey Mullooly: Basically, it sounds like American Express and Vanguard have created some sort of sales funnel which doesn't really make you feel all warm and fuzzy because the companies are at two opposite ends of the spectrum, when you think about it. American Express is associated with high end luxury type goods where Vanguard is associated with ... Their funds are dirt cheap, they cost next to nothing and that's really attracted the mom-and-pop buy and hold type investors, which has given Vanguard a really strong brand image when it comes to retail investors.

Casey Mullooly: A quote from the article which was on riabiz.com, we'll link it up in the show notes. The quote was, while Buckley, Vanguard's CEO, seeks access, Amex seeks to buy Vanguard's trust. This was a direct quote from American Express' chairman and CEO. American Express seeks to buy Vanguard's trust, which begs the question, can you buy trust? Is trust for sale? It seems like a pretty untrustworthy thing for someone's trust or a company's trust to be on sale but, hey, who am I to say? The article goes on to describe how Vanguard Personal Advisor Services will charge 50 basis points for investors and the investors can schedule up to one phone financial planning conversation with someone who works in a call center in Arizona.

Casey Mullooly: This is if you have under \$100,000 invested with them, which this begs another question. Do you want your financial plan, something you base your life on, to be slapped together by someone in a call center who's never met you before and you can only talk to him once per year? Hmm. Let me ask you this. Would a doctor prescribe you medicine without getting to know your problems and understanding your situation and making a diagnosis and probably sending you for lab tests? No way, because that would be malpractice. We believe in spending time upfront and throughout the relationship, getting to understand an investor's goals and wishes and getting to understand the ins and outs of their life.

Casey Mullooly: We view financial planning as more of a living, breathing relationship than a stale 30 page document that's going to change every six months. We believe in building and maintaining relationships along the way. That's where the real value of financial planning lies, not in being able to make one call per year to a call center to someone you've never met before.

Casey Mullooly: Some things to think about here, definitely from Episode 288. We'll let you chew on that and we'll be back with you for Episode 289 next week.