

# James D. Hiles

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## Educational Background

### **Bucknell University, 1983, Bachelor of Arts in Economics**

#### Courses:

Economic Principles and Problems  
Resources and the Environment  
Intermediate Microeconomics  
Intermediate Macroeconomics  
Intermediate Political Economy  
Political Economy of Media and Advertising  
Globalization and Its Implications  
Money and Financial Institutions  
History of Economic Thought  
Industrial Organization Economics

#### Extra-Curricular activities:

Bucknell Varsity Football, 4 years  
Phi Gamma Delta Fraternity

### **Northern Virginia College, 1984. Post Graduate Course FIN 108, Principles of Securities Investment**

Introduction to the fundamentals of the security investment process. Reviews the investment strategy associated with various types of stock orders, discusses the fundamental and technical approaches to common stock analysis, and examines bond and preferred stock pricing mechanisms. Also reviews the unique aspects of derivative security, mutual fund, real estate, and limited partnership investments.

Major topics to be included:

- A. Analysis of risk-return factors inherent in every investment
- B. A study of the investment environment including the economy and the mechanics of capital markets
- C. Common stock analysis: Fundamental analysis, Efficient Market Theory, Technical Analysis, Valuation Models
- D. Bond analysis: systematic risk (interest rate risk), unsystematic risk (company risk), and bond valuation models
- E. Preferred stock
- F. Portfolio Analysis: Portfolio Selection

- G. Mutual Funds
- H. Real estate and limited partnerships

## **Designations**

### **Chartered Life Underwriter (CLU), awarded by the American College, Bryn Mawr, Pa, 1992**

#### HS 311 Fundamentals of Insurance Planning:

Covers basic concepts in risk management and insurance, insurance industry operations, legal principles pertaining to this industry, and regulation of insurers. Examines social insurance, life insurance and annuities, medical and disability income insurance, long-term care insurance and personal property and liability insurance. Concludes with an overview of commercial property and liability insurance and a case study.

#### HS 323 Individual Life Insurance:

Focuses on life insurance policies and annuities available for the personal needs of individuals and their use in financial planning. Covers individual insurance products, insurance reserves regulation, and the organization, operations, and investments of insurance companies.

#### HS 324 Life Insurance Law:

Examines legal rights and obligations of the policy owner and the insurance company, the disputes between the insured and insurers are resolved and general principles of the judicial process. Covers legal aspects of life insurance, including basic principles of contract law; policy provisions and the incontestable clause; assignments, ownership rights and creditor rights; beneficiary designations and disposition of proceeds; the law of agency; and advertising and privacy issues.

#### HS 330 Fundamentals of Estate Planning:

Covers various aspects of estate and gift tax planning, including: nature, valuation transfer, administration and taxation of property; gratuitous transfers of property outright or with trusts, wills and power of appointment; use of the marital deduction; valuation of assets; buy-sell agreements; client interview/fact finding; ethical standards; and development of personal estate plans

#### HS 331 Planning for Business Owners and Professionals:

Focuses on tax and legal aspects of organizing a business; compensation planning for the business owner; business succession planning; buy-sell agreements; estate planning and estate freezing techniques; methods for transferring a family business; lifetime disposition of a business interest.

#### HS321 Income Taxation:

The course examines the federal income tax system with particular reference to the taxation of individuals. Concepts covered include: gross income, exclusions from gross income; deductions; tax credits; capital gains and losses; taxation of life insurance; taxation of annuities; and entity taxation of partnerships, LLC's, corporations, and proprietorships.

#### HS 326 Planning for Retirement Needs:

This course focuses on selecting the right retirement plan for the business and on individual retirement planning. Covers: qualified plans, SEPs, SIMPLEs and 403(b) plans; nonqualified deferred compensation plans; practical knowledge needed for choosing the best retirement plan, especially for the small business, and designing a plan that will meet a client's needs; and individual retirement planning including IRAs and Roth IRAs, Social Security benefits, saving for retirement and planning for retirement plan distributions.

HS 328 Investments:

This course covers various aspects of the principles of investments and their application to financial planning. Topics include: risk analysis, risk and return computations; risk reduction through diversification; expected returns of various investments; nature of securities markets and investment companies; tax issues in investing; issues in the practice of portfolio management; and examples of ethical and practical investment considerations.

## **Chartered Financial Consultant (ChFC), awarded from the American College, 1994**

### **Multi-year member of Financial Services Professionals (currently inactive)**

Required courses:

HS 300 Financial Planning: Process and Environment:

This course provides an overview of the financial planning process, including the role and responsibilities of a financial planner along with analytical tools to aid in financial decision-making. Topics include: communication techniques, ethics, education planning and funding, time-value-of-money concepts, financial planning applications, regulatory issues, and legal and economic environment for financial planning.

HS 311 Fundamentals of Insurance Planning:

Focuses on tax and legal aspects of organizing a business; compensation planning for the business owner; business succession planning; buy-sell agreements; estate planning and estate freezing techniques; methods for transferring a family business; lifetime disposition of a business interest.

HS 321 Income Taxation:

The course examines the federal income tax system with particular reference to the taxation of individuals. Concepts covered include: gross income, exclusions from gross income; deductions; tax credits; capital gains and losses; taxation of life insurance; taxation of annuities; and entity taxation of partnerships, LLCs, corporations, and proprietorships.

HS 326 Planning for Retirement Needs:

This course focuses on selecting the right retirement plan for the business and on individual retirement planning. Covers: qualified plans, SEPs, SIMPLEs and 403(b) plans; nonqualified deferred compensation plans; practical knowledge needed for choosing the best retirement plan, especially for the small business, and designing a plan that will meet a client's needs; and individual retirement planning

including IRAs and Roth IRAs, Social Security benefits, saving for retirement and planning for retirement plan distributions.

#### HS 328 Investments:

This course covers various aspects of the principles of investments and their application to financial planning. Topics include: risk analysis, risk and return computations; risk reduction through diversification; expected returns of various investments; nature of securities markets and investment companies; tax issues in investing; issues in the practice of portfolio management; and examples of ethical and practical investment considerations.

#### HS 330 Fundamentals of Estate Planning:

This course provides a basic understanding of the estate and gift tax system, including strategies of estate planning. Covers various aspects of estate and gift tax planning, including: nature, valuation transfer, administration, and taxation of property; gratuitous transfers of property outright or with trusts, wills and powers of appointment; use of the marital deduction; valuation of assets; buy-sell agreements; client interview/fact finding; ethical standards; and development of personal estate plans.

#### HS 333 Personal Financial Planning: Comp. Case Analysis:

This course applies students' knowledge and skill set in personal financial planning techniques to a comprehensive case study. Students will integrate into a prioritized comprehensive financial plan the core financial planning disciplines of: retirement, investment, risk management, income tax, employee benefits; and general principles.

#### HS 314 Applications in Financial Planning I:

This is one of two Chartered Financial Consultant® (ChFC) courses that examines the challenges of modern financial planning. Up-to-date content and compelling case studies provide students with a complex yet comprehensive understanding of financial planning in these important areas, such as: aiding divorcees and blended families, financial planning for families with special needs, and serving non-traditional families and LGBT clients.

#### HS 319 Applications in Financial Planning II:

This is the final financial planning training course in the ChFC® curriculum. Applications in Financial Planning II covers contemporary financial planning challenges through a series of modern case studies, including: unique challenges associated with modern retirement income portfolios; and hands-on application of behavioral finance, ethics, and estate planning.

## **Certified Financial Planner (CFP), awarded from the College of Financial Planning, 1994**

## **Multi-year member of International Association of Financial Planning (currently inactive)**

The CFP® certification process, administered by CFP Board, identifies to the public that those individuals who have been authorized to use the CFP® certification marks in the U.S. have met rigorous

professional standards and have agreed to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence when dealing with clients.

### Courses and Sections:

#### Professional Conduct and Regulation

- CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct
- CFP Board's Financial Planning Practice Standards
- CFP Board's Disciplinary Rules and Procedures
- Function, purpose, and regulation of financial institutions
- Financial services regulations and requirements
- Consumer protection laws
- Fiduciary

#### General Principles of Financial Planning

- Financial planning process
- Financial statements
- Cash flow management
- Financing strategies
- Economic concepts
- Time value of money concepts and calculations
- Client and planner attitudes, values, biases and behavioral finance
- Principles of communication and counseling
- Debt management

#### C. Education Planning

- Education needs analysis
- Education savings vehicles
- Financial aid
- Gift/income tax strategies
- Education financing

#### D. Risk Management and Insurance Planning

- Principles of risk and insurance
- Analysis and evaluation of risk exposures
- Health insurance and health care cost management (individual)
- Disability income insurance (individual)
- Long-term care insurance (individual)
- Annuities
- Life insurance (individual)
- Business uses of insurance
- Insurance needs analysis
- Insurance policy and company selection
- Property and casualty insurance

#### E. Investment Planning

- Characteristics, uses and taxation of investment vehicles
- Types of investment risk
- Quantitative investment concepts
- Measures of investment returns
- Asset allocation and portfolio diversification
- Bond and stock valuation concepts
- Portfolio development and analysis
- Investment strategies
- Alternative investments

#### F. Tax Planning

- Fundamental tax law
- Income tax fundamentals and calculations
- Characteristics and income taxation of business entities
- Income taxation of trusts and estates
- Alternative minimum tax (AMT)
- Tax reduction/ management techniques
- Tax consequences of property transactions
- Passive activity and at-risk rules
- Tax implications of special circumstances
- Charitable/philanthropic contributions and deductions

#### G. Retirement Savings and Income Planning

- Retirement needs analysis
- Social Security and Medicare
- Medicaid
- Types of retirement plans
- Qualified plan rules and options
- Other tax-advantaged retirement plans
- Regulatory considerations
- Key factors affecting plan selection for businesses
- Distribution rules and taxation
- Retirement income and distribution strategies
- Business succession planning

#### H. Estate Planning

- Characteristics and consequences of property titling
- Strategies to transfer property
- Estate planning documents
- Gift and estate tax compliance and tax calculation
- Sources for estate liquidity
- Types, features, and taxation of trusts
- Marital deduction
- Intra -family and other business transfer techniques
- Postmortem estate planning techniques
- Estate planning for non-traditional relationships

## **Accredited Estate Planner<sup>®</sup> Designation (AEP) granted by National Association of Estate Planning Counselors; awarded 1996**

NAEPC boasts over 260 member estate planning councils and provides services to their estimated 29,000 individual members. In addition, the association has nearly 1,800 active Accredited Estate Planner<sup>®</sup> designees with representation in nearly every state of the country. Our professionals are typically within the accounting, insurance, legal, trust services, or financial planning fields, all with a focus on estate planning. Other professionals are admitted to estate planning councils as their bylaws dictate.

Awarded by the National Association of Estate Planners & Councils to recognized estate planning professionals who meet special requirements of education, experience, knowledge, professional reputation, and character, the AEP<sup>®</sup> designation helps both clients and colleagues understand your belief in, and dedication to, the team concept of estate planning.

The Accredited Estate Planner<sup>®</sup> designation is available to attorneys, Chartered Life Underwriters<sup>®</sup>, Certified Public Accountants, Certified Trust and Financial Advisors, Chartered Financial Consultants<sup>®</sup>, and Certified Financial Planners<sup>®</sup> who are actively engaged in estate planning, meet stringent qualifications at the time of application, and commit to ongoing continuing education and recertification requirements.

## **Certified Fund Specialist (CFS), The Institute of Fund Specialists, awarded 1991**

The CFS designation program at IBF is an intermediate -to -advanced course on mutual funds, ETS, REIT's, closed-end funds, and similar investments. You will learn about advanced topics in fund analysis and selection, asset allocation, and portfolio construction. In addition, the student gain sophisticated investment strategies for risk management, taxes, and estate planning.

### CFS Learning Objectives

- Show clients how any investment can be easily understood and categorized
- Learn what value stock sectors outperform their growth counterparts
- Understand valuation numbers to determine when equities are fairly valued
- See why gold, oil, and other commodities have become poor investments
- Calculate the one measurement that can be universally used to measure all risk
- Explain when indexing should be used and when active management is best
- Discover effective substitutes for money market and high-yield bond funds

# Master of Science in Financial Services, The Science of Planning awarded from the American College

The Master of Science in Financial Services (MSFS) provides the tools needed to work effectively with high-net-worth clients and how to better integrate ethical considerations into the financial planning process. Become an expert in the wealth accumulation process. Gain a better understanding of how to work with business owners to develop compensation, succession planning and retirement strategies and how to guide individuals in the areas of tax minimization, retirement planning, and estate planning.

## Courses

### Financial Statements and Business Valuation Analysis (GS 803) (Residency I)

Residency course. The first part of this course teaches students the "language of business" — accounting. It deals with understanding and analyzing financial statements to evaluate the financial stability and performance of a company. The second part of this course provides students with the knowledge of the fundamentals of equity valuation.

### MSFS Case Study Project (GS 807) (Residency II)

Residency course. This course requires the student to develop a comprehensive solution to a financial planning case. The case materials are introduced online. Students are expected to complete both a comprehensive financial plan and an executive summary.

### Issues in Advanced Retirement Planning (GS 808) (Residency II)

Residency course. This course addresses current issues relevant to helping clients save for retirement and ensure that adequate retirement income lasts a lifetime. The first day focuses on the retirement savings issues including the retirement savings crisis, determining retirement needs, motivating clients to save, and maximizing savings through tax strategies. Day two primarily addresses the issue of choosing an appropriate retirement income strategy but also addresses a very practical issue, when to claim Social Security benefits.

### Security Analysis and Portfolio Management (GS 811) (Required)

Studies two decision processes: setting the optimal asset-allocation mix (using modern portfolio theory) and analyzing and selecting securities within the asset class. While focusing primarily on the first, briefly reviews security analysis models, capital markets and historic risk/return aspects. Presents theory/practice of identifying optimal allocation of wealth among various asset classes. Presents techniques for quantifying expected risk and return for individual asset classes and portfolios; evaluating portfolio performance; portfolio distribution; applying the dividend discount model; and using options, futures and other investments.

### Qualified Retirement Plans (GS 814) (Required)

Course covers qualified defined-contribution and defined-benefits plans, as well as similar arrangements, such as SEPs, SIMPLEs, 457 plans and 403(b) plans. Planning issues are emphasized, with a particular focus on the use of plans in small, closely held businesses. The course includes discussion of the more sophisticated strategies for the small business including ESOPs, 401(k) plans, age-weighted and cross-tested plans and fully insured 412(i) plans, as well as a detailed discussion of life insurance as a qualified plan investment and the tax treatment of retirement plan distributions. The course culminates with the analysis of a comprehensive case study.

#### Advanced Estate Planning (GS 815) (Required)

An advanced gift and estate planning course, which presents an overview of basic gift, estate and generation-skipping transfer tax law and tax computation processes. GS 815 also discusses the ownership and taxation of transfers of property during lifetime and at death in addition to marital, charitable giving, and life insurance planning. Family business entity planning and buy-sell agreements are also addressed in the course.

#### Mutual Funds: Analysis, Allocation, & Performance (GS 819) (Required)

Prerequisite: GS 811 (Security Analysis and Portfolio Management). Provides a basic understanding of the concepts, sources of information and fee structure of mutual fund investing. Presents modern portfolio theory, which utilizes mutual funds as asset classes, and explains how computer-based decision tools support the allocation decision across a pre-qualified set of mutual funds. Focuses on recent empirical evidence regarding performance evaluation and risk characteristics used in pre-qualifying mutual funds for investment.

#### Ethics and Human Values (GS 831) (Residency I)

Residency course. Approaches ethics and human values from the particular perspective of the ethical responsibilities assumed by the financial services professional. This course considers the specific ethical situations encountered by financial services practitioners. Discusses and evaluates responses to these situations in terms of their adherence to ethical principles, such as integrity, justice and fairness and responsibility. Draws on insights from the fields of social psychology and behavioral ethics to investigate obstacles to good decision making that occur at the social and individual level. Considers ways to overcome these obstacles and ensure that behavior aligns with ethical principles.

#### Building & Managing Financial Advisory Practice (GS 840) (Elective)

This course encompasses the concepts of improving the operational efficiency and profitability of a financial advisory practice. The approach used in this course focuses on two major areas: how to increase recurring revenue, profit, and repeatable processes; and how to structure the practice in such a way that it can be sold for maximum profit, if applicable. The course concentrates on the eight essential business and operational disciplines: client acquisition, client management, the consultative sales/planning process, case development, time management, communication, education, and financial management. The final project for this course is a comprehensive business plan containing each of the disciplines, with a focus on increasing the value of the practice.

#### Executive Compensation (GS 842) (Required)

Covers executive compensation plans, emphasizing owner-employees of closely held businesses. Focuses on design of cash and bonus compensation, stock options and other forms of compensation with restricted property; life insurance, including split-dollar plans and other death benefits; nonqualified deferred compensation; health and disability plans; and various fringe benefits. Covers plan installation, financing and administration, as well as ERISA, tax, including sections 280G and 409A and other legal and accounting compliance issues. The course culminates with the analysis of a comprehensive case study.