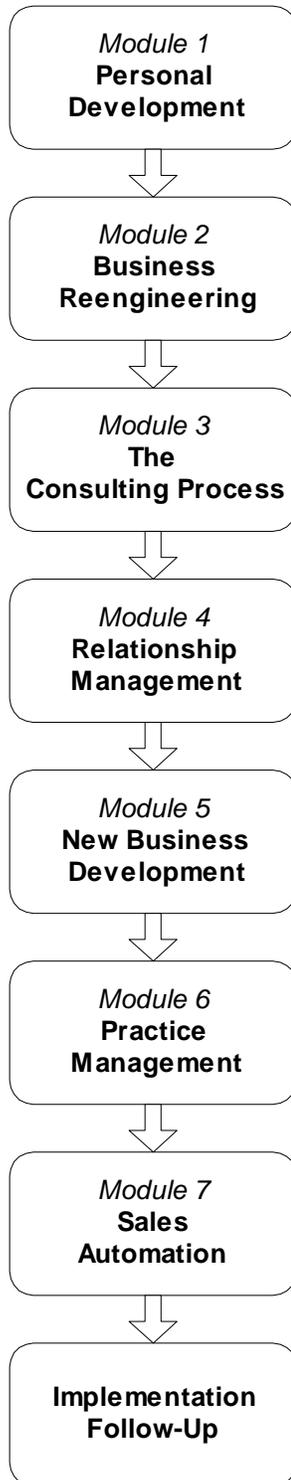


# THE PARAGON SYSTEM™

## PROGRAM AGENDA

### PHASE 1: COACHING



1. Increasing Your Personal Effectiveness - Part I
2. Increasing Your Personal Effectiveness - Part II

3. Defining Your Vision
4. Reengineering Your Business

5. Investment Planning & Policy Development
6. Asset Allocation
7. Manager Search & Selection
8. Performance Measurement

9. Building Lasting Relationships
10. Developing A Service Strategy

11. Developing Your Marketing Campaigns
12. Designing Your Action Plans
13. Designing Your Sales Presentations

14. Developing An Effective Organization
15. Managing The Growth Of Your Business

16. Using Your Sales Automation System  
*Software Training in Atlanta*

### PHASE 2: IMPLEMENTATION

- Implementing Your Systems
- Measuring Your Success
- Documenting The Results



# THE PARAGON SYSTEM™

## PROGRAM OVERVIEW

### What is The Paragon System™?

The Paragon System™ is a unique program designed to help investment professionals build and manage a fee-based consulting practice<sup>1</sup>. A *paragon* is a model of excellence, or perfection. A *system* is a collection of elements that work together to produce a consistent and predictable result. In The Paragon System™, the elements are **methodology**, **technology** and **coaching**. The result is what many investment professionals want today– **the ability to build and manage their fee-based business more effectively**.

### The Methodology

At the heart of The Paragon System™ is a **methodology** for building and managing a successful consulting practice. The benefit of using a methodology is that it allows you to **manage the critical functions** of your business more effectively. In a consulting practice, these functions include **marketing**, **operations** and **client service**. In The Paragon System™, the “operations” function consists of a 10-step process called *Total Portfolio Planning*. This process was designed exclusively for the program.

### The Technology

The methodology described above is **leveraged** through a powerful **technology** known as a **relational database**. This state-of-the-art software program enables consultants to **manage their work flow** more efficiently. It also allows them to **automate** many of the **communication** and **marketing** activities in their business. The software operates in a *PC* environment and is available in a *single-user* or *network* configuration. The database used in The Paragon System™ has been highly **customized**. It is also designed to **compliment** most of the consulting tools that are available today, including asset allocation programs, manager databases and performance measurement software.

### The Coaching

The third element of The Paragon System™ is personal business **coaching**. This is one of the most **important** elements of the program. Coaching is delivered through a series of **one-on-one coaching calls**. The purpose of these calls is to keep consultants **focused** and to ensure that they see tangible **results** in their business. Your personal coach a **highly-qualified** individual who understands the consulting process and knows how to build and manage a successful consulting practice.

## How does The Paragon System™ work?

In many respects, The Paragon System™ is like a **franchise**. When someone buys a franchise, they are basically **investing** in a **turn-key** system for operating a certain type of business. *Franchisees* typically pay an up-front fee, which gives them the right to own and operate the business. They also pay the *franchiser* a percentage of sales as long as they own the franchise. Users of The Paragon System™ do not actually *buy* a business and they do not have to give up a percentage of their sales. Instead, they agree to pay an **annual licensing fee** which gives them the right to use the *methodology, technology and coaching* described above.

## Why would I want to use a “turn-key” system for running my business?

Fair question. For some people, the term *turn-key* has a negative connotation. This might be because they had a bad experience with a “turn-key” system in the past or they don’t like the idea of using a “one size fits all” approach. It is difficult to say why a particular system did not work well for you in the past. There are, however, several things you should know about The Paragon System™. First, this program was designed for **successful** investment professionals who are **committed** to using the **consulting process**. It is *not* designed for the typical broker and will not work for those who are mainly interested in doing transaction business. For this reason, user licenses for The Paragon System™ are only issued to **qualified consultants**. You should also know that, even though The Paragon System™ is a turn-key system, it is extremely **flexible**. It can even be **customized** to meet the specific needs of a particular user. Finally, remember that a *system* is a collection of elements that work together to produce a consistent and predictable result. Without a system in place, it is virtually impossible to **maximize** the results in *any* business.

## What is a “qualified” consultant?

A qualified consultant is someone who is **serious** about building a fee-based practice and **committed** to using the consulting process when working with clients. In order to become a licensed user of The Paragon System™, consultants must also meet **one, or more**, of the following requirements:

- Annual *gross* production of \$500,000+ (latest calendar/fiscal year)
- Annual *consulting* fees of \$100,000+ (*not* including 12B-1 fees)
- Chartered Financial Analyst
- Certified Investment Management Analyst (or in-house equivalent)
- Certified Investment Management Consultant
- Certified Financial Planner

In order to *remain* qualified, consultants must also be willing to sign and abide by The Paragon System™ **User’s Agreement** and pay the annual licensing fee.

## How much is the licensing fee for The Paragon System™?

The *basic* licensing fee for the **first year** is **\$10,000\***. The first year's fee includes:

- ✓ One complete set of **system manuals**
  - 📖 User's Guide
  - 📖 Operations Manual
  - 📖 Relationship Marketing System
  - 📖 Marketing Plan
  - 📖 Presentations Book (flip chart style)
- ✓ A one year, *single-user* license for the **relational database**
- ✓ Complete **installation support** by telephone or modem
- ✓ One week of **user training** for two people (in Atlanta)
- ✓ One year of personal business **coaching** (6 bi-weekly + 9 monthly calls)
- ✓ One year of **technical support** (up to 12 hours by telephone or modem)

The *annual* licensing fee **after** the first year is **\$2,400\***. The annual fee includes:

- ✓ **Upgrades** for all system and software components
- ✓ A one year license for the **relational database**
- ✓ One year of personal business **coaching** (12 *monthly* calls)

*\*Please note that all figures are in U.S. dollars.*

## Do you offer any type of group discount?

Yes, there are actually two options available to those who are interested in becoming licensed users of The Paragon System™: **Personal Coaching** and **Group Coaching**.

Under the **Personal Coaching** option, licensed users receive **one-on-one** coaching as part of their overall service package. This option is for consultants who prefer **highly personalized** service and are willing to pay a slight premium for it. This would include consultants who are members of a partnership; have three, or more, people working in their practice or are doing, at least, \$1 million per year in gross production.

Under the **Group Coaching** option, licensed users receive their coaching on **group calls** with four other consultants (total of five consultants per call). In order to qualify for group coaching, five (5) qualified consultants from the **same firm** must apply to become licensed users of The Paragon System™ at the **same time**. One of the advantages of group coaching is that consultants learn from their peers by sharing ideas and experiences with each other. It also provides consultants with an economical way to become licensed users of The Paragon System™.

### What is not included in the licensing fee?

The licensing fee does *not* include:

- ✓ Computer **hardware**, such as personal computers, printers and networks
- ✓ Computer **software** such as word processing, graphics, spreadsheets, etc.
- ✓ Consulting **tools** such as asset allocation software, manager databases, etc.
- ✓ **Long-distance** charges for coaching and technical support calls
- ✓ **Travel expenses** to/from user training

### Is it possible to have The Paragon System™ customized for my business?

Yes, we will be happy to customize The Paragon System™ for your business. Listed below are some of the **customization options** that are available:

- |   |         |                 |
|---|---------|-----------------|
| <input type="checkbox"/> 5-user network upgrade             | \$1,500 | one-time charge |
| <input type="checkbox"/> Additional user training (1-week)  | \$750   | per person      |
| <input type="checkbox"/> Extra set of system manuals        | \$500   | per set         |
| <input type="checkbox"/> System/database customization      | \$150   | per hour        |
| <input type="checkbox"/> On-site coaching/technical support | \$150   | per hour        |
| <input type="checkbox"/> Additional coaching calls          | \$100   | per hour        |
| <input type="checkbox"/> Additional technical support       | \$100   | per hour        |

### What are the computer requirements for using The Paragon System™?

In order to take full advantage of the The Paragon System™, consultants should own or have access to the following computer equipment in their office:

TECHNOLOGY	MINIMUM REQUIREMENTS	RECOMMENDED
<b>Hardware</b>		
Personal computer	IBM compatible w/ 486 processor	Pentium 100, or higher
Printer	Black & white laser jet	Color printer (additional)
Network	Not required	Peer-to-peer LAN
Modem	Not required	28.8 kbs modem, or higher
<b>Software</b>		
Operating system	Windows 3.1 or Windows NT	Windows95 or NT 4.0
General software	MS Word 6.0	MS Office 95
Consulting tools	Access to all consulting tools including asset allocation, manager d-base and performance measurement software	Consulting tools <i>owned personally</i> by consultant to provide greater control
Communication	Not required	Norton PC Anywhere
Internet access and electronic mail	Not required	WEB browser w/ direct access and personal e-mail address

## Will The Paragon System™ database work on my company computer?

The Paragon System™ database *should* work on your company computer. However, most firms discourage (or prohibit) their employees from loading their own software onto their work stations. There are several good reasons for this including, potential hardware or software conflicts, lack of system resources (memory or disk space) and various compliance issues. In order to avoid the hassle and potential problems that can arise from trying to use your firm's computers, we highly recommend that you invest in your own equipment if you haven't already done so. This will provide you with greater **flexibility** in your business. It will also ensure that your system works properly.

## Do you offer any flexible payment plans for The Paragon System™?

Great question! We realize that the investment required to become a licensed user of The Paragon System™ is a substantial commitment for some consultants. For this reason, we offer a number of payment plans.

<b>LICENSING FEE (first year)</b>		
	<b><i>Fee</i></b>	<b><i>Payment Terms</i></b>
<b>Plan A</b> PERSONAL GROUP	\$10,000 + customization options \$7,500 + customization options	Full payment at time of acceptance as a licensed user
<b>Plan B</b> PERSONAL GROUP	\$11,000 + customization options \$8,250 + customization options	25% deposit at time of acceptance as a licensed user + 3 additional payments* at 30-60-90 days after acceptance
<b>Plan C</b> PERSONAL GROUP	\$12,000 + customization options \$9,000 + customization options	25% deposit at time of acceptance as a licensed user + 11 additional payments* at the beginning of months 2-12

<b>ANNUAL LICENSING FEE** (after first year)</b>		
	<b><i>Fee</i></b>	<b><i>Payment Terms</i></b>
<b>Plan A</b> PERSONAL GROUP	\$2,400 + customization options \$1,800 + customization options	Full payment on, or before, each anniversary date of the licensed user
<b>Plan B</b> PERSONAL GROUP	\$3,000 + customization options \$2,400 + customization options	25% deposit on, or before, each anniversary date of the licensed user + 3 additional payments* at 30-60-90 days after renewal
<b>Plan C</b> PERSONAL GROUP	\$3,600 + customization options \$3,000 + customization options	25% deposit on, or before, each anniversary date of the licensed user + 11 additional payments* at the beginning of months 2-12

\* Please note that all *additional payments* must be made by pre-authorized bank draft or credit card charge. All figures are in U.S. dollars.

\*\* Also, please note that, under the Group Coaching option, users may switch to Personal Coaching after the first year by paying the annual licensing fee listed above under the Personal Coaching option.

## Do you offer any member discounts to users of The Paragon System™?

Yes, we do. Licensed users of The Paragon System™, who are also members of certain industry organizations and associations, are entitled to receive a **50% discount** when purchasing a **network upgrade** for their relational database. Organizations that qualify for this discount include:

- The Association of Investment Management & Research (AIMR)
- The Investment Management Consultants Association (IMCA)
- The Institute of Investment Management Consultants (IIMC)
- The International Association of Financial Planners (IAFP)

## What is the next step if I am interested in becoming a licensed user?

If you are interested in becoming a licensed user of The Paragon System™, the next step is to complete and submit a **New User Application** to Paragon Resources, Inc. along with your **application fee**. Once we receive your completed application, we will send you a comprehensive **evaluation kit** which contains additional information about The Paragon System™. At that time, we will also call to schedule a **one-hour consultation** with you to assess your business needs and help you determine if The Paragon System™ is right for you.

## Is there anything else I should know?

Yes, just one thing. We want you to know that we **appreciate** your taking the time to consider The Paragon System™. If you are interested in learning more about this unique program, we would welcome the opportunity to speak with you personally. If not, we hope that you will pass this information on to someone you think could benefit from the program. **Thank you very much!**

