

Diminished Capacity Policy

Effective July 1, 2023

Background

The Massachusetts Securities Division, which regulates Massachusetts-registered investment advisors, requests that advisors have a policy regarding Diminished Capacity of Clients. The purpose of the policy is to address the potential harm to a Client in the event of a Client's diminished decision-making capacity or mental impairment. This policy may be helpful if a Client is an unwitting victim of fraud or malfeasance.

Goals

1. Maintain Client privacy and authority.
2. Provide a basis for a discussion with the Client about potentially harmful consequences of a Client action or decision.
3. Provide Clients with a way to designate, change, and remove a Trusted Contact for Diminished Capacity.
4. Define the purpose of the Trusted Contact and the type of information that would be shared.
5. Inform Clients that Waypoint may contact the Massachusetts Securities Division in a situation where criminal fraud is suspected.
6. Define the limits of Waypoint's responsibility in a situation of potential diminished capacity.

Implementation / Procedures

1. Communicate this policy with existing Clients and each new Client.
2. Provide each Client with a form to name, change, or remove a Trusted Contact. Clients are encouraged to name a Trusted Contact for Diminished Capacity, but it is not required.
3. Procedure in the event of a concern regarding diminished capacity:
 - a. Waypoint will discuss the concern with the Client in at least one conversation, possibly more.
 - b. If the concern is not satisfied in that conversation(s), Waypoint will ask for a joint conversation with the Client and the Trusted Contact(s).
 - c. If the Client declines to have a joint conversation, Waypoint will inform the Client if Waypoint intends to contact the Trusted Contact. If the client asks Waypoint NOT to contact the Trusted Contact, no contact will be initiated by Waypoint.
 - d. If Waypoint contacts the Trust Contact, the events related to the concern will be shared. If the Client does not participate in the conversation, the Trusted Contact(s) will be advised to contact the Client regarding Waypoint's concerns.

- d. If Waypoint suspects that criminal fraud may be underway, Waypoint may contact the Massachusetts Securities Division and provide relevant details.
- e. Waypoint will create a written record of events related to discussions regarding diminished capacity and provide it to the client and/or regulatory and legal authorities if requested.
- f. If the client has named more than one Trusted Contact, Waypoint will contact one or more if necessary.

Limitations

Waypoint is not responsible for fraud or malfeasance committed against a client, whether or not Waypoint had concerns regarding diminished capacity of the Client, and regardless of any actions taken by Waypoint in accordance with this policy.

The designated Trusted Contact(s) have no legal authority to take action on Client accounts, nor will Waypoint take direction from the Trusted Contact. The sole purpose of the Trusted Contact for Diminished Capacity is to be informed of a potentially harmful situation as a result of diminished capacity.

Example Situations Which May Raise Concern

Examples of situations in which Waypoint might be concerned about diminished capacity:

- Client contacts Waypoint asking for a very large unusual withdrawal of cash. Clients are not expected or required to explain reasons for the withdrawal of a large amount of cash, but they often do talk about how they will use the funds.
- Client requests that an individual account be made a joint account with a new person in their life, a person not previously mentioned by Client, whether a family member or not.
- Client requests an account beneficiary change involving a new person in their life, a person not previously mentioned by Client.
- Client exhibits unusual memory loss, irregular decision-making, or altered communications.

Information Shared with Trusted Contact

- Event(s) that triggered concern of possible diminished capacity of Client by Waypoint. Reasons why those events were of concern.
- Waypoint will not share account balance amounts or other account characteristics.

Trusted Contact Form For Use in Situations of Potential Diminished Capacity

Purpose

This form enables a Client to authorize Waypoint Financial Planning LLC to contact one or more people designated as a Trusted Contact(s) in the event that Waypoint becomes concerned about potential harm to the Client in a situation of diminished capacity. Waypoint's policy governs the use of this information.

Client

Name of Client: _____

Name of Co-Client: _____

Co-clients are assumed to be Trusted Contacts for each other unless explicitly removed below in this form.

Trusted Contact for Diminished Capacity - 1

Action:

- Designate New Trusted Contact
- Change Information for This Existing Trusted Contact
- Remove This Trusted Contact

Name of Trusted Contact: _____

Phone Number of Trusted Contact: _____ (replaces existing, if any)

Email Address of Trusted Contact: _____ (replaces existing, if any)

Mailing Address of Trusted Contact: _____ (replaces existing, if any)

Trusted Contact for Diminished Capacity - 2

Action:

- Name New Trusted Contact
- Change Information for Existing Trusted Contact
- Remove Trusted Contact

Name of Trusted Contact: _____

Phone Number of Trusted Contact: _____ (replaces existing, if any)

Email Address of Trusted Contact: _____ (replaces existing, if any)

Mailing Address of Trusted Contact: _____ (replaces existing, if any)

Trusted Contact for Diminished Capacity - 3

Action:

- Name New Trusted Contact
- Change Information for Existing Trusted Contact
- Remove Trusted Contact

Name of Trusted Contact: _____

Phone Number of Trusted Contact: _____ (replaces existing, if any)

Email Address of Trusted Contact: _____ (replaces existing, if any)

Mailing Address of Trusted Contact: _____ (replaces existing, if any)

Signatures

I / We wish to make the changes above regarding Trusted Contact(s) for Diminished Capacity, for use by Waypoint Financial Planning LLC in accordance with the attached policy.

Client

Date

Co-Client

Date