



CFA INSTITUTE

ETHICS IN PRACTICE: To Refer or Not Refer?

CASE STUDY

Raphael, an investment adviser for Enright Financial Solutions (EFS), enters into an understanding with a friend who is a lawyer regarding the referral of clients. Raphael will refer EFS clients needing legal services to the lawyer in return for the lawyer recommending clients needing financial advisory services to Raphael and EFS. This arrangement is

- A. acceptable because there are no payments involved.
- B. acceptable as long as the lawyer discloses the arrangement to the clients he refers to Raphael.
- C. acceptable as long as EFS is aware of Raphael's agreement with the lawyer.
- D. unacceptable.

