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Financial Services Advisory, Inc. Acquires Dolan Financial Corporation

Rockville, Maryland – April 28, 2020 – Financial Services Advisory, Inc., with offices in Rockville, MD and Ft. Myers, FL, has acquired Dolan Financial Corporation (DFC), a 35-year-old financial advisory firm based in Silver Spring, MD. Finalizing the deal amidst a national pandemic added a new dimension, explains FSA president James E. Joseph, CFP®. “Essentially, we acquired new clients and new employees who have never set foot in our offices. Client outreach and employee training have been completed remotely and have gone well, paying off our investment in cloud-based technology,” he said.

“We still have gift baskets waiting at the office for our new team members. Hopefully, they will be able to receive them next month, or I may lay them on their doorsteps personally,” he said.

Facilitating the acquisition, which officially closed on April 1, 2020, were similar investment approaches and the use of Charles Schwab and Co., Inc. as custodian by both firms. FSA and DFC utilize conservative active investment approaches that focus on moving clients out of declining equity markets and reinvesting as markets stabilize and trend upward. “At FSA, our approach includes an exit strategy called the **FSA Safety Net**® which is designed to help protect client assets during falling markets,” Joseph said. DFC also used a tactical investment approach to limit risk. By mid-March, the two systems were nearly 100% cash.

“As our systems signaled increasing market risk, the first CDC guidelines came out, and we began preparing to have staff work remotely from their homes,” Joseph said. On March 30, the state of Maryland issued a statewide stay-home order and FSA made the change official. When the acquisition closed April 1, remote training began with DFC team members. One month later, FSA has retained both clients and employees of DFC, and the firm is beginning to incrementally reinvest client portfolios in equities.

Dolan Financial Corporation was founded in May 1985 by John F. Dolan, CFP®, president and investment advisor representative of the firm. At the close of the acquisition, the firm had approximately \$60 million in assets under management.

Financial Services Advisory, Inc. was co-founded in 1982 by David R. Petersen, CFP®. Petersen continues to serve as Chief Compliance Officer and to work with clients providing financial and investment advice. FSA assets under management are in excess of \$640 million.

The investment approaches of both firms were influenced by the bear market of 1981-1982 when the S&P 500 Index dropped over 20% from its prior high. From that erosion of client portfolios came the belief that minimizing losses is the best route to financial success, a philosophy FSA has followed since 1982 in its approach to investment management. While the strategy is vulnerable to quick reversals in market direction, minimizing losses over the long run has produced competitive returns while providing clients with a smoother journey and the ability to stay with the investment approach for the long run, which is essential to investing success, Joseph explained.

“One ongoing argument is whether it is timing the market or time in the market that matters most,” Joseph said. “Our experience shows that the real question is can the individual stick with the investment approach for the long run? Bear markets happen with much greater frequency than financial theory indicates and when client losses are too great, they don’t stick around for the rebound. Both DFC and FSA have clients who have invested with us for over 35 years. That is the real path to financial success.”

Financial Advisory Services, Inc. is located on the web at www.FSAinvest.com and serves clients throughout the U.S. Offices are at One Church Street, Suite 901, Rockville, MD 20850 and 5237 Summerlin Commons Boulevard, Fort Myers, FL 33907. For more information, contact the firm’s offices at 301-949-7300.