**CUSTOMER REGISTRATION AND IDENTIFICATION. DATA TO BE RECORDED**

* Each account is associated to a unique customer. The account can be created by an advisor on behalf of the customer. The advisor has access to the account as well
* The advisor must register himself before creating any customer account. Each advisor works for an RIA or Wealth management firm. Both RIA and advisor must be registered
* RIA could be identified by EIN, license number (name, state of operation, address and contact info nice to have)
* Each advisor is identified by name, FINRA number and RIA, (email and phone number to be added)
* One RIA can have multiple advisors working for them. Each advisor can work with multiple Savvly customers
* Each customer is identified by Name, sex at birth, SSN and birthdate. We will have to collect additional info like email, phone, address
* We will need a secure access for advisors that can look at the account of every customer they are managing. Also a master account at firm level to see all the advisors and all the clients that have Savvly
* We will need a secure access for every customer that will be able to see his/her own account

*Low priority*

* Advisors can leave firms or customers can leave/change the RIA so we have to allow change of advisors and the possibility to exclude the RIA if the customer decides to go alone

**SAVVLY CLIENT PROSPECT**

* Prospect can be created with just a client name and RIA
* We will need a table that tracks prospects for each RIA and contact points (send email, track contact, etc.) to be defined with the user interface guys

**SAVVLY PURCHASE: MINIMUM DATA TO RECORD**

* A registered customer (of whom we know already sex and birthdate) selects an amount, a payout age and an underlying ETF fund (we will provide initially a limited set of ETF choices)
* A document is created for Docusign / emailing (for the time being we will have a dummy while waiting for the document redacted by the lawyers)
* The date of Savvly purchase is recorded as soon as the contract is signed
* The money is transferred to savvly custodian after the purchase, most likely via ACATS (if the money doesn’t arrive within 30 days the contract and the savvly account is voided).
* Once the money is transferred
  + A sign up fee is taken out and transferred to the bank account of Savvly (from 0 to 2% depending on channel and distribution agreements)
  + With the remaining 98-100%, ETF shares are bought and tracked
* The customer is part of a pool that includes all the amounts invested in the same underlying ETF
* The customer will have the possibility to add an additional amount

**SAVVLY CLIENT ACCOUNT DATA**

* The data identifying the account are
  + Client identification data
    - Name
    - SSN (encrypted)
    - Address and other data collected at the client registration
    - RIA that has sold the product (and all the data used for the RIA registration)
    - Status: dead or alive
  + Client investments (repeated for any investment)
    - Amount
    - Date of Sign Up
    - Link to the Signed contract
    - Date when amount is available and index fund is purchased
    - Selected ETF index fund
    - Corresponding pool
    - Number of shares purchased
    - Cash leftover position (*we might decide to assign fractional shares… tbd)*
* The data to be maintain and refresh periodically for each customer in each pool
  + Initial investment position
    - Market value of the purchased shares *(daily at closing)*
    - Dividends *(quarterly or whenever paid)* 
      * Dividend paid
        + *Amount*
        + *Date*
      * Management fees and costs
        + *Fees for Savvly*
        + *Fees for RIA*
        + *Fund administrator fees*
        + *Prime broker/custodian fees*
      * Tax paid on (dividends – fees&costs)
        + *(Corporate income rate, currently at 21%)*
      * Net dividend *(can be positive or negative if costs are higher than dividends)*
      * Cash position
  + Shares assigned and kept in the pool
    - Number of assigned shares *(shares are assigned, not physically transferred)*
      * *Fractional number allowed*
    - Market value of the assigned shares *(daily at closing)*

**POOL MANAGEMENT**

* Each underlying index fund is a segregated pool *(we are using the nickname Cocoon)*
  + There are no reassignments among different indexes.
  + A client can make multiple investments in separate pools
    - At the beginning we will have only one pool but going forward could be more
* The pool can receive money in two major ways
  + When someone dies
    - 95% of the shares are transferred to the corresponding pool(s) *(cocoons)*
    - 5% of the shares are liquidated and paid to Savvly
    - The death date and the number of shares transferred to the pool(s) are logged in the system
    - For each involved pool shares are virtually assigned to all the remaining pool participants using the Savvly reallocation algorithm
      * The share assignment is fractional with at least 4 digits
  + When someone surrenders and leaves Savvly
    - A percentage of the shares are transferred back to the client:
      * The lowest between 25% of the initial investment and the market value of the account *(to be confirmed… a place holder for us)*
    - 5% of the shares are liquidated and paid to Savvly
    - The remaining shares are transferred to the corresponding pools
    - The surrender date and the number of shares transferred to the pool(s) are logged in the system
    - The shares are virtually assigned to all the remaining pool participants using the Savvly reallocation algorithm
      * The share assignment is fractional with at least 4 digits
* Dividends of the shares in the pool are used to pay RIA fees, fund administration, savvly employees and expenses, etc.
  + Taxes on dividends to be paid after expenses
* When a client will reach payout age the shares will be transferred to him (after a 2% fee for Savvly). Client decision if he wants them liquidated and how many
  + *Not urgent as we will not accept payout ages below 5 years*

**TAX RULES**

* *Every year*: 21% corporate tax on dividends minus fees and expenses
* *At the distribution / withdrawal*: 21% corporate tax on market value appreciation of the initial investment *(the capital gain taxes on the reallocation will be paid by the clients after the distribution)*

**REALLOCATION RULES**

* See

**SIMULATION ENGINE**

* To be reviewed