

# fmg testimonials

## A Compliance-Based Framework for Client Testimonials for Broker-Dealers

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### Why This Matters Now

*Investor discovery, diligence, and trust formation increasingly happen online, often before a prospective client ever speaks with an advisor.*

- "Financial advisor near me" searches have spiked in the last year, with more than 1 million related searches each month on Google
- Google Search, local listings, and emerging answer-engine optimization (AEO) models frequently rely on first and third-party ratings as a signal of credibility
- As a result, testimonials and reviews have become baseline trust indicators, not optional marketing tactics.
- Firms employing dedicated testimonials strategies have seen improvements in local, organic and AI-driven search experiences and answer-engine optimization (AEO) prominence

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### A Changed Regulatory Landscape

*Testimonial use was historically constrained by diverging FINRA and SEC policies; with the introduction of the SEC Marketing Rule, there is now a framework for broader adoption at scale*

- FINRA has long addressed testimonials within its Communications with the Public framework under FINRA Rule 2210.
- In December 2020, the SEC adopted the modernized Investment Adviser Marketing Rule (Rule 206(4)-1), which formally permits the use of testimonials and endorsements subject to defined conditions.
- The updated rules provide advisors with more tools to market their offerings and the ability to provide potential investors with more information about what it is like to work with their firm

*"The technology used for communications has advanced, the expectations of investors seeking advisory services have changed, and the profiles of the investment advisory industry have diversified... The reforms will allow advisers to provide investors with useful information as they*

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*choose among investment advisers and advisory services, subject to conditions that are reasonably designed to prevent fraud."*

— SEC, *Investment Adviser Marketing, Adopting Release No. IA-5653 (Dec. 22, 2020)*

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## **The Importance of Documented Process**

*As testimonials became more common, regulators emphasized that the risk lies not in testimonials themselves, but in unmanaged or biased practices.*

- The SEC's first enforcement sweep (SEC release 2024-121) made it clear that testimonials themselves were not an issue, but firms must be able to demonstrate a compliant process from collection to review to display
  - The recent risk alert (dated Dec 16, 2025) highlighted common procedural errors such as failure to maintain (or follow) appropriate policies & procedures related to marketing content, failure to incorporate the required disclosures and improper use of compensation
  - This regulatory backdrop reinforces the need for standardized, auditable workflows, particularly in distributed advisor networks
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## **FINRA Perspective: Communications with the Public**

*FINRA's framework focuses on whether content constitutes a firm communication, including communications that may include testimonials.*

- FINRA Rule 2210 outlines the requirements governing advisor communication, with specific requirements for prior review of content prepared for retail investors
- Where testimonials are included in firm communications, these guidelines impose specific provisions designed to reduce the likelihood of misleading retail investors:
  - *(A) If any testimonial in a communication concerns a technical aspect of investing, the person making the testimonial must have the knowledge and experience to form a valid opinion.*
  - *(B) Retail communications or correspondence providing any testimonial concerning the investment advice or investment performance of a member or its products must prominently disclose the following:*

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*(i) The fact that the testimonial may not be representative of the experience of other customers.*

*(ii) The fact that the testimonial is no guarantee of future performance or success.*

*(iii) If more than \$100 in value is paid for the testimonial, the fact that it is a paid testimonial.*

- When determining whether or not content would be considered a communication with the public, FINRA often references two key concepts :
    - **Adoption:** When a firm explicitly or implicitly endorses third-party content (e.g., by sharing, liking, or highlighting it).
    - **Entanglement:** When a firm participates in the creation, editing, or direction of third-party content.
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## FINRA Notices and Social Media Guidance

*With the rise and increasing reliance on third-party review platforms, FINRA has issued clarifying guidance on how these platforms and their hosted content may be treated.*

Relevant themes from FINRA guidance include:

- Like the SEC, FINRA relies on tests of *entanglement* and *adoption* to determine whether content on a third-party platform may be attributable to a member firm.
  - FINRA has stated that firms are not responsible for unsolicited third-party commentary on interactive platforms, provided the firm has not adopted or become entangled with the content.
  - Responsibility arises when a firm:
    - Selectively highlights favorable comments
    - Removes or suppresses unfavorable comments
    - Responds in a manner that endorses the substance of the comment
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## Solicitation, Neutrality, and Regulatory Risk

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*FINRA rules do not prohibit the act of requesting feedback; risk is introduced when the process biases outcomes or results in firm adoption.*

Characteristics generally associated with lower regulatory risk include:

- Equal opportunity for all clients to provide feedback
- Neutral, non-leading requests for client input
- No compensation tied to providing feedback
- No firm editing, screening, or selective publication of third-party content
- Clear separation between internal review processes and public third-party platforms

Conversely, regulatory risk increases when firms:

- Solicit feedback only from satisfied clients
- Provide outcome-biased prompts
- Republish or promote third-party reviews as firm communications without review
- Lack the ability to demonstrate a consistent and unbiased process

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## **How FMG Testimonials Supports Broker-Dealers**

*FMG Testimonials is designed as compliance infrastructure supporting advisor growth while aligning with supervisory expectations.*

### **For Advisors**

- Enables consistent, neutral collection of client feedback
- Supports the development of a credible digital presence
- Integrates into existing marketing workflows with a seamless process across FMG Marketing and Website suites

### **For Home Office and Compliance Teams**

- Enables supervisors to standardize a process and associated language for testimonial solicitation
- Provides centralized visibility into testimonial activity
- Supports documented, start-to-finish workflows for testimonial requests
- Enables firm-defined review, approval, and usage standards
- Helps standardize advisor behavior across a distributed network
- Streamlines the collection and review process which makes testimonials sustainable at scale, a critical element in ensuring advisors aren't unknowingly encouraged to cherry-pick

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## Frequently Asked Questions

### **Does FMG Testimonials require advisors to collect Google Reviews?**

No. FMG Testimonials have optional integrations with Google Business Profiles which can be used to track GBP analytics, monitor unsolicited reviews, or, when approved by Compliance, to make it easier for advisors to re-share feedback to Google. Advisors cannot share feedback requests, including those with Google redirects, until they have been approved by compliance teams.

### **Can firms apply additional controls?**

Yes. FMG Testimonials is designed to support firm-specific supervisory requirements and approval workflows. Firms pre-approve feedback requests and testimonial-based marketing content before advisors or marketers can access them.

### **How does this differ from advisors independently asking for Google reviews?**

FMG Testimonials provides a documented, centralized, and neutral process which ensure compliance oversight, not one-off requests.

### **How can we ensure advisors are asking clients consistently, as opposed to just asking happy clients?**

Advisors can automate FMG Testimonials by connecting their CRM to trigger automated, pre-approved emails after client meetings. Alternatively, advisors can use pre-built FMG e-mail campaigns to send feedback requests to their full client base.

### **Will this create a compliance backlog of new content to be approved?**

FMG Testimonials has built-in, streamlined approval workflow. With easy filtering and batch approve options, compliance professionals can review, approve or reject batches of testimonials with just a few clicks.

## **Relevant notices regarding third-party content**

*The excerpts below are reproduced verbatim from relevant FINRA Regulatory Notices addressing third-party content, social media, and communications with the public, and are included for reference.*

**(Regulatory Notice 10-06)**

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*If a customer or other third party posts content on a social media site established by the firm or its personnel, does FINRA consider the third-party content to be the firm's communication with the public under Rule 2210?*

*As a general matter, FINRA does not treat posts by customers or other third parties as the firm's communication with the public subject to Rule 2210. Thus, the prior principal approval, content and filing requirements of Rule 2210 do not apply to these posts.*

*Under certain circumstances, however, third-party posts may become attributable to the firm. Whether third-party content is attributable to a firm depends on whether the firm has (1) involved itself in the preparation of the content or (2) explicitly or implicitly endorsed or approved the content.*

*The SEC has referred to circumstance (1) above as the "entanglement" theory (i.e., the firm or its personnel is entangled with the preparation of the third-party post) and (2) as the "adoption" theory (i.e., the firm or its personnel has adopted its content).<sup>14</sup> Although the SEC has employed these theories as a basis for a company's responsibility for third-party information that is hyperlinked to its Web site, a similar analysis would apply to third-party posts on a social media site established by the firm or its personnel.*

*For example, FINRA would consider such a third-party post to be a communication with the public by the firm or its personnel under the entanglement theory if the firm or its personnel paid for or otherwise was involved with the preparation of the content prior to posting. FINRA also would consider a third-party post to be a communication with the public by the firm or its personnel under the adoption theory if, after the content is posted, the firm or its personnel explicitly or implicitly endorses or approves the post.*

## **(Regulatory Notice 11-39)**

- Firms may not establish a link to any third-party site that the firm knows or has reason to know contains false or misleading content. A firm should not include a link on its website if there are any red flags that indicate the linked site contains false or misleading content. Additionally, a firm is responsible under NASD Rule 2210 for content on a linked thirdparty site if the firm has adopted or has become entangled with its content. For example, a firm may be deemed to have "adopted" third-party content if it indicates on its site that it endorses the content on the third-party site. A firm could be deemed to have become "entangled" with a third-party site if, for example, it participates in the development of the content on the third-party site.

## **(Regulatory Notice 17-18)**

**Q8:\*** Social networking websites may allow individuals who have connected to another user on the network to give an opinion of, or provide comments regarding, the user's professional

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capabilities. If the user is a registered representative who has established a business-related site on the social network that is supervised and retained by the broker-dealer, are these opinions or comments considered testimonials for purposes of FINRA's communications rule?\*

*A: FINRA does not regard unsolicited third-party opinions or comments posted on a social network to be communications of the broker-dealer or the representative for purposes of Rule 2210, including the requirements related to testimonials in paragraph (d)(6).\*

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*By liking or sharing the favorable comments, the representative has adopted them and they are subject to the communications rules, including the prohibition on misleading or incomplete statements or claims, the testimonial requirements noted above, and the supervision and recordkeeping rules.*