

REG BI Questionnaire for Mutual Funds, Variable Annuities & 529 Plan Purchases

(Must accompany every brokerage or direct investment of the above products, not just for new accounts, but, going forward, for every purchase executed through or using an Associated Person (AP) that is over \$1,000 in size)

Name of Customer: _____

Date of Presentation or Order Placement: _____

Associated Person (formerly known as Registered Representative) First Asset Financial Internal # _____

YES	NO	NA	(NA=Not Applicable)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Does the customer have a FAF new account form on file that is less than three years old <u>or</u> acct is held at HTS?
Please Complete:			Is the initial investment by the customer at this time or anticipated to be a: <input type="checkbox"/> Mutual Fund <input type="checkbox"/> Variable Annuity <input type="checkbox"/> 529 Plan <input type="checkbox"/> Other <input type="checkbox"/> Not Applicable
Complete:			Is the customer purchasing a: <input type="checkbox"/> Nonqualified Investment <input type="checkbox"/> Qualified Investment
Complete:			If a Qualified Investment, is this: <input type="checkbox"/> An initial investment in a new plan <input type="checkbox"/> A transfer or rollover from existing plan (DOL Form Required) <input type="checkbox"/> NA
Complete:			How is/was the prospectus delivered to the customer: <input type="checkbox"/> By the investment provider <input type="checkbox"/> By You <input type="checkbox"/> Other _____ <input type="checkbox"/> NA
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If the product has "share classes," were the share class options explained to the customer?
<input type="checkbox"/>	<input type="checkbox"/>		Do you feel that the proper decision was made regarding the share class given the anticipated holding time of the investment?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Was a letter of intent appropriate considering the circumstances & order completed with LOA instructions?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is this type of investment eligible for breakpoints? If no , skip the inset questions below.
			Yes No N/A <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Was a breakpoint considered on this purchase along with the customers other holdings for a totals of all eligible account values? <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Was a breakpoint applied if warranted?
<input type="checkbox"/>	<input type="checkbox"/>		Do you feel you provided a "full & fair" disclosure that included material commissions and costs, volatility, and the likely performance in a variety of market & economic conditions relating to this transaction?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Did you consider available alternatives, if any, in determining whether you have a reasonable basis for making the recommendation(s) you made to the customer?
Complete:			What other products did you consider, if any, prior to recommending product(s) to the customer? _____ <input type="checkbox"/> NONE or N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Did you actually present any of the alternate products in a presentation to the customer?
Please Complete:			The reason you presented this investment to the customer was: (mark all that apply) <input type="checkbox"/> It best met the stated customer investment objectives and risk tolerance <input type="checkbox"/> It offered the lowest cost to the customer on a long term basis <input type="checkbox"/> It had superior diversification <input type="checkbox"/> Customer familiar with the company as investments are held there currently so desired the same <input type="checkbox"/> The historical performance is superior compared to other products in the same category <input type="checkbox"/> It has a "protection" feature <input type="checkbox"/> It has tax advantage features <input type="checkbox"/> It had other features the customer desired <input type="checkbox"/> It had a "death benefit" feature <input type="checkbox"/> It had a "living benefit" feature <input type="checkbox"/> It had a "nursing home" benefit <input type="checkbox"/> It had lower M&A costs than comparison VAs <input type="checkbox"/> The minimums met the customer's investment <input type="checkbox"/> Able to obtain product at an older age

	<input type="checkbox"/> More flexible ownership options available <input type="checkbox"/> The reports were easier to understand <input type="checkbox"/> One product offered a "bonus" while others did not, yet had similar costs <input type="checkbox"/> One product had more investment options desired by the customer than the other options <input type="checkbox"/> Client preferred the investment management style over another <input type="checkbox"/> A VA that provided tax deferral that could not be obtained with a mutual fund <input type="checkbox"/> Additional insurance benefits available upon death not available with mutual funds <input type="checkbox"/> The death benefit has "step up" guarantee features or more favorable "step up" features <input type="checkbox"/> Variety of money managers available versus only one or a few management companies <input type="checkbox"/> A degree of market protection against a market decline offered in one product and not the other <input type="checkbox"/> Customer desired a shorter surrender charge period even though costs might be higher than a longer one <input type="checkbox"/> Customer wished to consolidate assets into current holdings or fewer holdings <input type="checkbox"/> Targeted or specialty mutual funds offered in one fund group and not the other <input type="checkbox"/> Customer saw advertisement and ask for investment by name <input type="checkbox"/> Other reason(s):
YES NO NA	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Did you disclose the conflicts of interest surrounding this investment?
<input type="checkbox"/> <input type="checkbox"/>	Do you feel that the introduction of this investment(s) puts your interest ahead of that of the customer?
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Have you received training on the investment product presented or have more than 5 years of experience with the product line?
<input type="checkbox"/> <input type="checkbox"/>	Will you receive any non-cash compensation from the sale of this product/investment?
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	If a mutual fund or variable annuity, does the application allow you to move funds for the customer by phone?
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Is the product application signed by the customer(s)?
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Is the product application signed by <i>YOU</i> , if necessary?
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Have you signed First Asset Account Application?
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	If sale was a 529 Plan and NOT the state plan of residence, was notice given regarding that a state tax advantage might have been available for an in-state 529 Plan?

Under Regulation Best Interest you are obligated to follow when providing recommendations for retail customers consisting of (1) **disclosure** (2) **care** (3) **conflict of interest disclosure** and (4) **compliance**, **therefore you are to:**

- Meet a professional standard of care when making investment recommendations
- Never put your financial interests ahead of your customer when making recommendations
- Avoid misleading statements about conflicts of interest, fees, and investments
- Follow policies to ensure that you give advice that is the customer's best interest
- Give your basic information about conflicts of interest, regarding recommendations, avoid misleading statements about conflicts of interest, fees and investments not charging any more than is reasonable for your services & providing basic information about conflicts of interest

Dear First Asset Financial Inc.,

I hereby declare that the above supplied information is accurate to the best of my knowledge and I will endeavor to meet the "Reg BI" standards above.

Signed:

X

Date: _____

Printed Last Name of Associated Person:

Principal Review Initials