

Relationships

The financial professional remains firmly rooted at the core of our business model.

Our relationship-driven strategy is the cornerstone of our success.

National Planning Holdings®
A network of four broker-dealers built to support the independent representative.



Technology

By automating labor-intensive aspects of their practice, NPH firms allow representatives to more efficiently manage client relationships and focus on asset gathering.

Our innovative technology solutions not only support success—they drive it.

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December 6, 2004

Two indie brokers set the standard in technology

National Planning, LPL rated the best in TowerGroup study

By Bruce Kelly

NEW YORK — Two independent broker-dealers with completely different business models are industry standouts because of how they have developed technology and delivered it to their registered representatives, according to a new report by TowerGroup, a Needham, Mass., research and consulting firm.

LPL Financial Services of Boston and San Diego, which is privately held and the biggest independent broker-dealer in the industry, and National Planning Holdings, a network of four broker-dealers and a subsidiary of Jackson National Life Insurance Co. of Lansing, Mich., are the standouts, according to the report.

Both have spent heavily on technology, including web-based systems for brokers and advisers, at a time when many parent companies haven't increased spending on technology, said Matt Schott, a senior analyst with TowerGroup.

In fact, LPL has spent more than \$140 million over the past six years

on new technology and the operations of its data center, according to his analysis. Over that time span, LPL has also created its own clearing operations and is self-clearing.

Back to front

National Planning Holdings started its effort to fund the conversion of its back office to front-office technology in 2000, Mr. Schott noted in his report. While the firm didn't disclose the initial cost, it had a team of 50 working to develop the various platforms for a combined 30 months.

What counted most was the willingness of both firms to invest in their own platforms for their brokers, Mr. Schott said in an interview.

"What stood out was the fact that at each of these firms, technology was an asset that they could have bought," he said. "They didn't buy it but invested in the firm."

The common dilemma for many independent broker-dealers, Mr. Schott said, was to decide whether to buy technology or build it. With high payouts to registered reps and low profit margins the industry norm,

firms often opt to buy technology

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exhaustive, since it is an outshoot of a

different research project and is an

analysis of about 10 broker-dealers.

Still, Mr. Schott's observations make

sense to some industry observers.

"Any firm that isn't building a plat-

form of that kind will have a hard

time attracting people, especially

wirehouse and regional[-firm] people," said Mitch Vigeveno, president

of Turning Point Inc., a recruiting

firm in Clearwater, Fla.

NPH is an industry standout for developing technology and delivering it to our representatives.

Results

NPH has become one of the nation's leading broker-dealer networks by developing strong relationships, providing superior service, and offering innovative technology solutions.

COMPANY					
	AIG ADVISOR GROUP	ING ADVISOR NETWORK	NATIONAL PLANNING HOLD.	PACIFIC SELECT DISTRIB.	AEGON USA
Headquarters	New York	Atlanta	Santa Monica, Calif.	Newport Beach, Calif.	Cedar Rapids, Iowa
Web site (www.)	algadvisorgroup.com	ingadvisors.com	jnl.com	pacificlife.com	aegon.com
Chief executive	Jay Wintrob	John Simmers	Shawn Dreffein	Gerald Robinson	Patrick Baird
Parent company	American International Group, Inc.	ING Groep N.V.	Jackson National Life/Prudential plc	Pacific Mutual Life Holding Co.	AEGON N.V.
Parent revenues	\$81.3 billion	\$87.2 billion	\$51.5 billion	\$4.7 billion	\$32.2 billion
B-D % of parent	1.0	0.6	0.7	5.1	0.5
B-D firms (year acquired)	SunAmerica Securities (1989), Royal Alliance Associates (1990), Advantage Capital Corp. (1996), FSC Securities Corp. (1997), Sentra Securities (1998), Spelman & Co. (1998)	Multi-Financial Securities Corp. (1997-1998), ING Financial Partners (1997-2000), Financial Network Inv. Corp. (2000)	National Planning Corp. (1998), SII Investments (1998), Investment Centers of America (2000), Invest Financial Corp. (2000)	Mutual Service Corp. (1985-87), United Planners' Financial Services of America (1988), Associated Securities Corp. (1997)	Inter Securities (1992), Transamerica Financial Advisors (1999)
Total B-D revenues	\$801,352,000	\$621,935,000	\$339,844,000	\$241,284,000	\$150,522,000
% change	(0.8)	(3.9)	16.2	7.3	(6.1)

REPS					
Total reps	7,289	7,403	3,187	2,547	3,622
% change	(10.9)	(6.9)	5.9	7.5	(1.3)
Producing reps	5,949	6,334	2,824	1,801	3,319
% change	(17.3)	(8.6)	4.0	14.3	1.5
Total payout	\$644,737,000	\$449,599,000	\$268,289,000	\$197,251,000	\$137,691,000
% change	(0.5)	(3.6)	14.9	6.3	(2.1)
Avg. rep payout	108,400	71,000	95,000	109,500	41,500
% change	20.3	5.5	10.5	(7.0)	(3.6)

PRODUCT REVENUES					
Total commission	\$568,380,000	\$442,756,000	\$285,825,000	\$185,588,000	\$137,206,000
% change	(1.1)	(3.3)	14.1	4.1	(6.5)
Mutual funds	235,942,000	123,933,000	96,490,000	79,093,000	38,256,000
% change	(8.3)	(9.5)	8.7	3.4	(3.2)
Securities	37,390,000	16,544,000	17,052,000	12,568,000	3,559,000
% change	(6.3)	(21.2)	30.4	13.5	(5.5)
Annuities	212,617,000	165,256,000	142,998,000	54,877,000	66,983,000
% change	4.6	6.5	18.3	15.2	(8.7)
Insurance	32,374,000	48,901,000	11,508,000	26,846,000	20,843,000
% change	(26.8)	(34.9)	(27.7)	(20.2)	(20.2)
Alternatives	50,057,000	88,122,000	17,777,000	12,204,000	7,565,000
% change	65.3	14.8	76.1	110.8	108.5
Total fee revenues	145,580,000	56,802,000	25,392,000	37,287,000	12,547,000
% change	1.1	(5.4)	85.5	(3.9)	0.3

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NETWORKS

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Headquarters	New York	Atlanta	Santa Monica, Calif.	Newport Beach, Calif.	Cedar Rapids, Iowa
Web site	algadvisorgroup.com	ingadvisors.com	jnl.com	pacificlife.com	aegonins.com
Chief Executive	Jay Wintrob	John Simmers	M. Shawn Dreffein	Gerald Robinson	Patrick Baird
Parent Company	American International Group	ING Groep N.V.	Jackson National Life/Prudential plc	Pacific Mutual Holding Co.	AEGON N.V.
Parent Revenues	\$81.3 billion*	\$115.3 billion	\$3.6 billion**	\$4.1 billion	\$38.6 billion
B-D % of Parent	1.1%	0.5%	11.3%	6.9%	0.5%
B-D Firms (year acquired)	SunAmerica Securities (1989), Royal Alliance Associates (1990), Advantage Capital Corp. (1996), FSC Securities Corp. (1997), Sentra Securities (1998), Spelman & Co. (1998)	Multi-Financial Securities Corp. (1997-98), ING Financial Partners (1997-2000), Financial Network Inv. Corp. (2000)	National Planning Corp. (1998), SII Investments (1998), Investment Centers of America (2000), Invest Financial Corp. (2000)	Mutual Service Corp. (1985-87), United Planners' Financial Services of America (1988), Associated Securities Corp. (1997)	InterSecurities (1992), Transamerica Financial Advisors (1998)
Total B-D revenues	\$869,341,000	\$662,539,000	\$407,302,801	\$282,373,000	\$177,528,000
% change	8.5	7.8	19.8	17.0	17.9
Total reps	6,988	6,717	3,290	2,526	3,059
% change	(4.1)	(9.3)	3.2	(0.8)	(15.5)
Producing reps	5,717	5,286	2,786	1,983	2,599
% change	(3.9)	(8.6)	(1.3)	10.1	(21.7)
Total payout	\$700,289,000	\$478,503,000	\$333,594,000	\$230,253,000	\$147,683,000
% change	8.6	6.4	24.3	16.7	7.3
Avg. rep payout	\$122,492	\$90,523	\$119,739	\$116,113	\$56,823
% change	13.0	16.4	26.0	6.0	37.0
PRODUCT REVENUES					
Total commission	\$590,947,000	\$458,314,000	\$338,497,000	\$209,376,000	\$153,514,000
% change	4.0	3.5	18.4	12.8	11.9
Mutual funds	\$261,032,000	\$134,688,000	\$114,011,000	\$95,488,000	\$45,302,000
% change	10.6	8.7	18.2	20.7	18.4
Securities	\$39,864,000	\$19,097,000	\$18,972,000	\$12,637,000	\$4,003,000
% change	6.6	15.4	11.3	0.5	12.5
Annuities	\$219,629,000	\$170,049,000	\$171,889,000	\$65,547,000	\$74,982,000
% change	3.3	2.9	20.2	19.4	11.9
Insurance	\$30,919,000	\$40,118,000	\$11,687,000	\$26,298,000	\$17,302,000
% change	(4.5)	(18.0)	1.6	(2.0)	(17.0)
Alternatives	\$39,503,000	\$94,362,000	\$21,928,000	\$9,405,000	\$11,925,000
% change	(21.1)	7.1	23.4	(22.9)	57.6
Fee Revenues	\$186,441,000	\$69,872,000	\$37,722,000	\$51,831,000	\$17,634,000
% change	28.1	23.0	48.6	39.0	40.5

* 2003 figures; 2004 financial results were delayed due to internal review. ** Results for Jackson National Life Insurance Co.; results for Prudential plc differ.

NPH is the industry's fastest growing independent broker-dealer network for the past two years.