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EXECUTIVE SUMMARY

Commonwealth Financial Network® partnered with Tiburon Strategic Advisors to conduct a comparison of its technology platform with those of other independent broker/dealers. The purpose was two-fold: to gain a clearer understanding of Commonwealth's strengths and weaknesses in order to better allocate resources to meet the needs of its advisors; and to provide its advisors and prospective advisors with objective information they can use to compare Commonwealth with other firms.

The study results reveal favorable conclusions for the firm; namely:

- Commonwealth ranked #1 among all broker/dealers in eight of ten business-critical technology areas identified by the study: intuitiveness, integration, operations, imaging, issue tracking, reliability, technology support, and overall value.
- Commonwealth advisors are, overall, extremely happy with the technology platform the firm provides.

Advisors affiliated with a total of eight independent broker/dealers were surveyed. Although all firms received favorable ratings from their advisors in various areas, it's clear from this study that Commonwealth advisors are, on the whole, more satisfied with their firm's technology than advisors from any of the other broker/dealers surveyed.

STUDY OBJECTIVES AND METHODOLOGY

Commonwealth sought to assess what its advisors thought about its technology relative to advisors affiliated with other independent broker/dealers. To gain the most detailed understanding of their perceptions, study questions asked advisors to rate their firms' offerings in 10 areas considered critical to the success of a financial advisory practice:

- **Intuitiveness**—ease-of-use combined with *unobtrusiveness*, or the extent to which systems allow you to focus on clients and your business rather than on the technology itself
- **Integration**—the extent to which data, applications, and core operational functions interact seamlessly
- **Imaging Capabilities**—the systems in place to encourage and support the evolution to a paperless office
- **Issue Tracking Capabilities**—the extent to which a firm eliminates the back office “black hole” and allows advisors and staff to see, in real time, the progress of work through the system
- **Reliability**—the overall dependability of the network
- **Timeliness and Accuracy**—the extent to which information is correct and advisors receive what they need, when they need it
- **Remote Access Capabilities**—the ability to connect to the system and conduct business from a remote location
- **Operations Capabilities**—the seamless automation of daily workflow processes
- **Value**—the quantity and quality of the tools and services provided relative to fees
- **Technology Support**—the availability, responsiveness, and competence of staff

In addition to the Commonwealth advisors surveyed, Tiburon interviewed financial advisors from each of the following seven firms:

- Cambridge Investment Research
- First Allied
- FSC Securities Corporation
- LPL Financial Services
- NFP Securities
- Raymond James Financial Services
- Wachovia Securities Financial Network

Tiburon drafted the interview guide and conducted telephone interviews in November 2007. All respondents were posed the same questions and asked their opinions of their respective firm's performance in the 10 areas. Tiburon compiled the data, summarized the interviews, and drew the key qualitative and quantitative conclusions for this report.

KEY FINDINGS, ADVISOR RATINGS, AND COMMENTS









In eight of ten key areas, Commonwealth advisors rated Commonwealth technology more highly than other advisors rated their firms' technology. In the remaining two areas, Commonwealth ranked in second place, trailing the top-ranked firm by 0.2 and 0.3, as outlined below:

INTUITIVENESS

This was defined as ease-of-use combined with unobtrusiveness, or the extent to which systems allow you to focus on clients and your business rather than on the technology itself.

Commonwealth advisors were, on average, highly satisfied with the intuitiveness of their firm's technology.

Intuitiveness
(1–10; 10 = High)

Commonwealth Financial Network		8.9
Wachovia Securities Financial Network		8.2
NFP Securities		7.4
First Allied		7.1
Cambridge Investment Research		6.9
LPL Financial Services		6.6
Raymond James Financial Services		6.5
FSC Securities Corporation		5.9

A Selection of Commonwealth Advisor Comments

"THE WEBSITE IS SUPERIOR IN EVERY WAY."

"EVERYTHING I NEED IS AT HAND."

"IF I CAN GET THROUGH IT, IT MUST BE INTUITIVE."

"IF I DID NOT HAVE ALL THIS TECHNOLOGY, I WOULD NEED ANOTHER ASSISTANT."









INTEGRATION

Integration was defined as the extent to which data, applications, and core operational functions interact seamlessly.

Commonwealth scored well above the next highest-ranked firm. Degrees of satisfaction varied greatly among advisors of the remaining firms.

Integration

(1–10; 10 = High)

Commonwealth Financial Network		8.4
LPL Financial Services		7.6
Wachovia Securities Financial Network		7.1
First Allied		7.0
NFP Securities		6.0
Raymond James Financial Services		5.6
Cambridge Investment Research		5.5
FSC Securities Corporation		4.2

A Selection of Commonwealth Advisor Comments

“WORKS WONDERFULLY.”

“WHEN TRYING TO OPEN AN ACCOUNT, EVERYTHING POPULATES OVER.”

“COMMONWEALTH IS AT THE CUTTING EDGE.”

“MOST BROKER/DEALERS DO NOT HAVE THEIR ACT TOGETHER LIKE COMMONWEALTH.”









IMAGING CAPABILITIES

Imaging Capabilities were defined as a hosted solution that encourages and supports the evolution to a paperless office.

With regard to Commonwealth's ability to help advisors and their assistants move toward a paperless office, advisors rated the firm above the next highest-ranked firm in this area. Their peers reported varying degrees of satisfaction with the other firms.

Imaging Capabilities

(1–10; 10 = High)

Commonwealth Financial Network		8.4
LPL Financial Services		7.9
Cambridge Investment Research		7.6
Wachovia Securities Financial Network		7.4
First Allied		6.7
NFP Securities		6.7
Raymond James Financial Services		6.4
FSC Securities Corporation		4.1

A Selection of Commonwealth Advisor Comments

"COMMONWEALTH IS AHEAD OF THE INDUSTRY ON IMAGING."

"BETTER THAN EVERYONE ELSE."

"CURRENTLY, ALL NEW CLIENTS' PAPERWORK IS ALL PAPERLESS."









ISSUE TRACKING CAPABILITIES

Issue Tracking Capabilities were defined as the extent to which a firm eliminates the back office “black hole” and allows advisors and staff to see, in real time, the progress of work through the system, at every stage of the process.

Commonwealth advisors report strong satisfaction with the firm’s Work in Progress engine, which gives them the ability to see the status, in real time, of submissions spanning hundreds of types of work categories. Commonwealth was ranked highest in this area, with one other firm ranking a close second. The majority of other respondents reported moderate to less-than-moderate satisfaction on this issue.

Issue Tracking Capabilities

(1–10; 10 = High)

Commonwealth Financial Network		9.0
FSC Securities Corporation		8.8
First Allied		8.2
Wachovia Securities Financial Network		7.5
Raymond James Financial Services		7.1
NFP Securities		6.7
LPL Financial Services		6.3
Cambridge Investment Research		5.2

A Selection of Commonwealth Advisor Comments

“THE TRACKING SYSTEM IS STATE-OF-THE-ART.”

“ABSOLUTELY LOVE IT.”

“SO SIMPLE, IT’S AMAZING.”

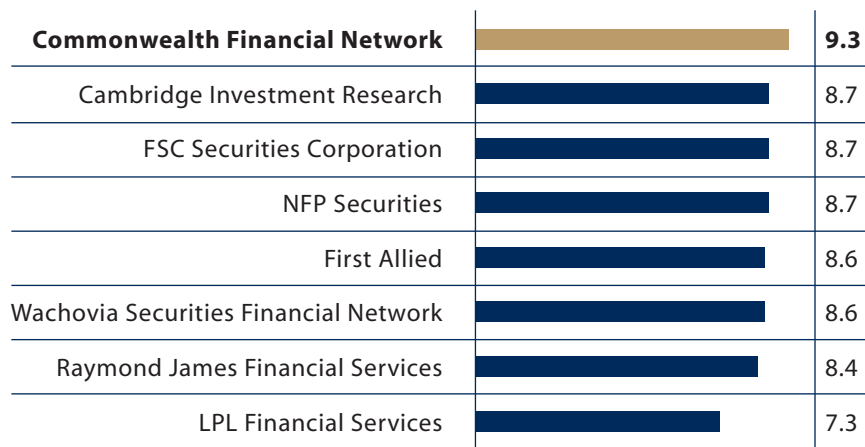
“I KNOW EXACTLY WHAT IS GOING ON ALL THE TIME.”

RELIABILITY

Reliability was defined as the overall dependability of the network.

Most advisors were relatively satisfied with the overall dependability of their firms' technology, although Commonwealth was the highest ranked, and one firm scored well below the others.

Reliability
(1–10; 10 = High)

Commonwealth Financial Network		9.3
Cambridge Investment Research		8.7
FSC Securities Corporation		8.7
NFP Securities		8.7
First Allied		8.6
Wachovia Securities Financial Network		8.6
Raymond James Financial Services		8.4
LPL Financial Services		7.3

A Selection of Commonwealth Advisor Comments

"1,000-PERCENT RELIABLE."

"COMMONWEALTH HAS SET SOME TYPE OF RECORD."

"RELIABILITY IS WORLDS APART FROM MY LAST BROKER/DEALER."

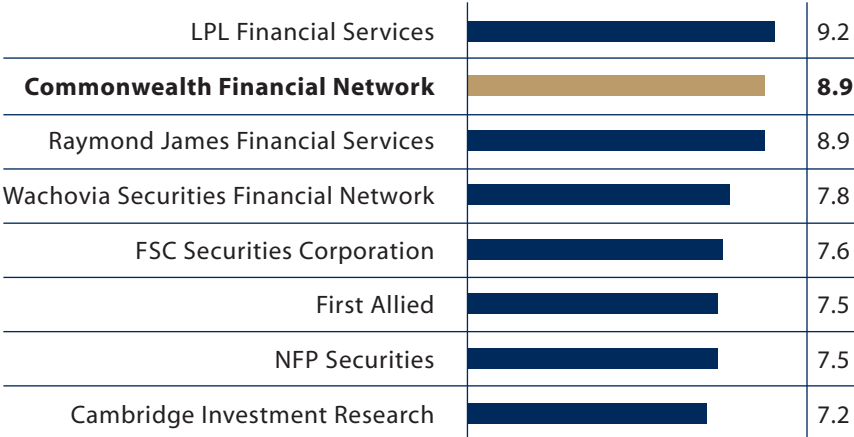
TIMELINESS AND ACCURACY

Timeliness and Accuracy were defined as the extent to which information is correct and advisors receive the data they need, when they need it.

Commonwealth tied for second place in this area, trailing the first-place firm by 0.3.

Timeliness and Accuracy

(1–10; 10 = High)

LPL Financial Services		9.2
Commonwealth Financial Network		8.9
Raymond James Financial Services		8.9
Wachovia Securities Financial Network		7.8
FSC Securities Corporation		7.6
First Allied		7.5
NFP Securities		7.5
Cambridge Investment Research		7.2

A Selection of Commonwealth Advisor Comments

"DATA CANNOT GET ANY QUICKER."

"I HAVE NEVER SEEN INACCURATE DATA."

"NEVER HAD ISSUES WITH TIMELINESS."

"I DID HAVE AN ISSUE ONCE, BUT IT WAS INSIGNIFICANT."

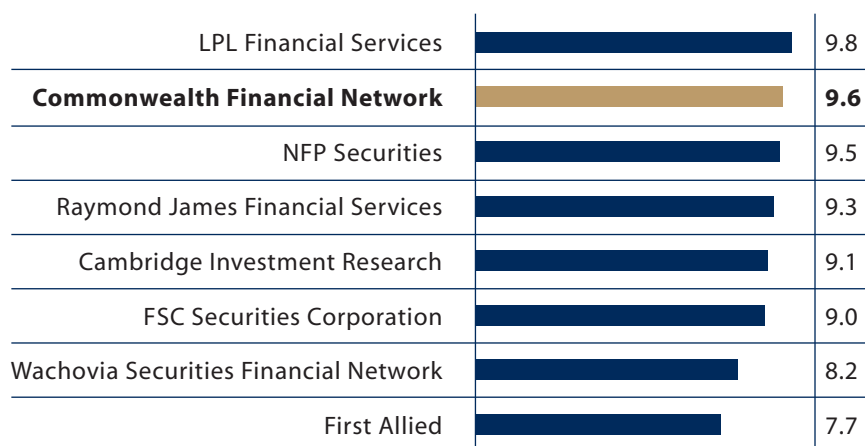
REMOTE ACCESS CAPABILITIES

Remote Access Capabilities were defined as the ability to connect to the network and conduct business from a remote location.

Most advisors were relatively satisfied with their firms' remote access capabilities. Commonwealth ranked second in this area, trailing the first-ranked firm by 0.2, with seven of ten Commonwealth advisors giving their firm a perfect score.

Remote Access Capabilities

(1–10; 10 = High)

LPL Financial Services		9.8
Commonwealth Financial Network		9.6
NFP Securities		9.5
Raymond James Financial Services		9.3
Cambridge Investment Research		9.1
FSC Securities Corporation		9.0
Wachovia Securities Financial Network		8.2
First Allied		7.7

A Selection of Commonwealth Advisor Comments

"REMOTE ACCESS IS LIKE SITTING AT YOUR DESK."

"CAN CONNECT ANYWHERE AT ANY TIME AND DO BUSINESS."









"FOR ME, REMOTE ACCESS COULD NOT BE ANY BETTER."

OPERATIONS CAPABILITIES

Operations Capabilities were defined as the seamless delivery of daily workflow processes, such as the automated generation of forms and reports.

Commonwealth advisors rated their firm much better in operations than any of their peers, with every respondent rating Commonwealth a 9 or a 10.

Operations Capabilities
(1–10; 10 = High)

Commonwealth Financial Network		9.4
LPL Financial Services		7.9
Cambridge Investment Research		7.8
First Allied		7.8
NFP Securities		7.5
FSC Securities Corporation		7.4
Wachovia Securities Financial Network		7.3
Raymond James Financial Services		6.9

A Selection of Commonwealth Advisor Comments

“COMMONWEALTH HAS FOUND A WAY TO ELIMINATE THE HURDLES OF DOING EVERYDAY BUSINESS.”

“I CAN RUN THROUGH THE DAY EFFICIENTLY.”

“COMMONWEALTH HAS A TREMENDOUS ADVANTAGE WHEN IT COMES TO OPERATIONAL CAPABILITIES.”









VALUE

Value was defined as the quantity and quality of the tools and services provided relative to fees.

Commonwealth scored the highest for overall technology value. Most other firms were closely ranked, with one firm scoring significantly lower than the others.

Value

(1–10; 10 = High)

Commonwealth Financial Network		9.3
NFP Securities		9.1
Cambridge Investment Research		9.0
Raymond James Financial Services		8.6
LPL Financial Services		8.4
FSC Securities Corporation		8.1
Wachovia Securities Financial Network		7.7
First Allied		6.4

A Selection of Commonwealth Advisor Comments

"DON'T REMEMBER HOW MUCH I PAY, IT'S THAT SMALL!"

"I PAY A LOT LESS AND GET A LOT MORE THAN AT MY LAST BROKER/DEALER."

"AN ABSOLUTELY GREAT VALUE."

"COMMONWEALTH HONEYMOON OF TECHNOLOGY HAS NOT ENDED."









TECHNOLOGY SUPPORT

Technology Support was defined as the availability, responsiveness, and competence of staff in responding to questions or issues.

Commonwealth tied for the #1 spot in this category.

Technology Support

(1–10; 10 = High)

Commonwealth Financial Network		9.5
First Allied		9.5
FSC Securities Corporation		9.0
Cambridge Investment Research		8.8
NFP Securities		8.8
Wachovia Securities Financial Network		8.8
LPL Financial Services		8.6
Raymond James Financial Services		8.5

A Selection of Commonwealth Advisor Comments

"THEY ARE A '20'."

"THEY KNOW WHAT THEY ARE DOING."

"THEY ALWAYS GET THE JOB DONE."

"THEY ARE EVEN THERE ON SATURDAY."

CONCLUSIONS

Among independent broker/dealers, Commonwealth leads the pack in satisfaction ratings from its financial advisors. A number of advisors believe that Commonwealth is at “the cutting edge” of technology, and some volunteered that they believe Commonwealth’s technology to be far superior to that of other broker/dealers.

The firm consistently scored high marks from *all of its advisors* in the technology areas surveyed: it ranked #1 in eight of the ten categories; and in the remaining two, it ranked behind the #1 firm by 0.3 or less.

Based on these ratings and the consistent comments received during the course of the interviews, the study concludes that Commonwealth’s integrated technology platform:

- **Makes advisors’ lives significantly easier.** Advisors noted the short wait times when they call on the phone and the quick turnaround they receive on issues, and they appreciate that support staff are available for extended hours during the week and on weekends. In general, Commonwealth advisors believe the firm’s technology is a great value and that the monthly fee they pay for it is relatively low.
- **Results in far more efficient client service.** Commonwealth’s technology platform is extremely reliable; in fact, many advisors said they cannot remember a time when the network was down. They are very pleased with the way the firm’s Work in Progress tracking system helps to eliminate the back office “black hole,” noting that information is up-to-date and includes contact information, which they feel reinforces accountability.
- **Delivers on the promise of the paperless office.** Commonwealth advisors feel that the firm has truly delivered on this promise. They find tremendous value in the firm’s hosted digital imaging initiatives, which help them dramatically reduce paperwork and ultimately move toward a paperless office. Advisors appreciate the ease with which they can pull reports, prepopulate forms, make online check requests, and perform other operational functions with relative ease.
- **Eliminates many of the hurdles in conducting day-to-day business.** Advisors feel the firm’s technology is intuitive to use, that the network is content-rich, and that the firm does a good job organizing and streamlining such a large amount of information. Advisors are very pleased overall with integration among applications and data, and they love the mobility and remote accessibility of their network.

Based on the results of this study, we can conclude that, overall, Commonwealth advisors are more satisfied with their firm’s technology than advisors from any of the other broker/dealers surveyed.

ABOUT TIBURON

Since 1998, Tiburon Strategic Advisors has provided comprehensive market research, strategic consulting services, and in-depth market seminars for more than 300 clients throughout the financial services industry. The breadth and depth of experience and expertise offered by our principals, all of whom have served in senior capacities throughout the brokerage and investment services marketplace, ensure that our products and services are firmly grounded in and relevant to the real world of today's financial professionals.

For more information, visit us at www.tiburonadvisors.com.

ABOUT COMMONWEALTH FINANCIAL NETWORK

Founded in 1979, Commonwealth Financial Network, Member FINRA/SIPC, is the nation's second-largest, privately owned independent broker/dealer, with offices in Waltham, Massachusetts, and San Diego, California. The firm supports more than 1,000 independent registered representatives nationwide and makes available a comprehensive array of financial products and services.

For more information, visit www.commonwealth.com.