



Potential Conflicts of Interest and How it Effects Clients

Listed below are potential conflicts of interest that can occur in dealing with certain types of financial organizations. These conflicts of interest may cause advice from these types of organizations to be biased, due to the payments they receive.

Potential Conflicts of Interest and How It Effects Clients	Collie Financial Planning, Inc.	Brokerage Firms and Bank Investment Programs (Ex. Merrill Lynch, Edward Jones, UBS, Wachovia Securities, UWest)	Firms that use Independent Broker-Dealers (Ex. Raymond James, LPL)
Form of Compensation?	Fee-Only. Collie Financial Planning, Inc. is legally required to fully disclose all compensation.	Fees and/or commissions including front-end sales loads, deferred sales loads and 12(b)1 commissions. Plus other compensation payments, see below. Not required to fully disclose their compensation received.	Fees and/or commissions including front-end sales loads, deferred sales loads and 12(b)1 commissions. Plus other compensation payments, see below. Not required to fully disclose their compensation received.
Proprietary In-House Products? (These are investments that are owned and operated by the selling Rep's firm. The firm makes more money when selling their own products, even though they may not be in the best interest of the client)	None	Almost Always	Almost Always
Pay-to-Play? (Shelf space arrangements for mutual funds. The firm won't sell the products unless the mutual fund company pays them for the privilege. These expenses are then relayed on to the investor by the investment or mutual fund company)	No	Almost Always	Usually

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<p>Bonus Commissions? (Additional compensation paid based upon sales incentives for a particular period of time. The client may be encouraged to do the wrong thing at the wrong time so that the Rep or the firm can hit their bonus incentive level)</p>	<p>No</p>	<p>Always</p>	<p>Always</p>
<p>Revenue Sharing? (Direct payments to firms from an investment or mutual fund company based upon how many dollars have been directed toward that investment or mutual fund company, and/or based upon assets currently invested with them. This encourages firms to push certain products over others, even though they may not be in the best interest of the client)</p>	<p>No</p>	<p>Almost Always</p>	<p>Almost Always</p>
<p>Receive Payments to Sponsor Conferences, Meetings and/or Seminars?</p>	<p>No</p>	<p>Always</p>	<p>Always</p>
<p>Legally Required To Do What Is In the Best Interest of the Client (act as a fiduciary)?</p>	<p>Yes. As a Registered Investment Adviser, we are legally required to adhere to the Investment Advisors Act of 1940. This means that we are legally required to act as a fiduciary and place our clients' interests first.</p>	<p>No. Broker-dealers, unlike financial planners registered as investment advisers under the Investment Advisors Act of 1940, have no fiduciary duty requiring them to place their clients' interests first.</p>	<p>No. Broker-dealers, unlike financial planners registered as investment advisers under the Investment Advisors Act of 1940, have no fiduciary duty requiring them to place their clients' interests first.</p>