MARCH SPOTLIGHT: PERSHING

Ideas inside:

A Tax Handbook to help you and your clients this year

New online access to NetX360 - reach your information anytime, anywhere!

Model management and block trading with Pershing

What you can do with Pershing’s Mutual Fund Only IRA with reduced fees

UPCOMING NEWSLETTER THEMES TO LOOK OUT FOR

April: Leaders Conference Recap
May: Qualified Plans
June: Indexed Life and Annuities
July: Advisory Services
August: First Heartland University
September: Life Insurance Awareness
October: Technology
November: Long Term Care and DI
December: Sales and Marketing Ideas

INSIDE THIS ISSUE:

HOW PERSHING CAN HELP YOU TRADE ETFs
We are pleased to offer such a robust tool inside the NetX360 platform – did we mention it’s free of charge?

AGENT SPOTLIGHT: A.W. ABEL
Read this story to find out how A.W. uses a website and holistic approach to be successful in his business.

PERSHING 529 PLAN COMING SOON
Pershing is excited to inform you that efforts are underway to offer 529 plan brokerage capability late this month.

PERSHING CAN HELP YOU GROW YOUR BUSINESS
Pershing’s website offers Independent Studies, White Papers, and Guidebooks free for your benefit.
DO YOU TRADE ETFS? HOW CAN PERSHING HELP?
Pershing’s ETF Center in NETX360 Offers Access to Research and Analysis - FREE to you!

THE ETF CENTER IS LOCATED UNDER THE TOOLS TAB IN NETX360.

As Exchange Traded Funds (ETFs) continue to grow in popularity and investors demand low-cost, diverse options for their portfolios, we are pleased to offer such a robust tool inside the NetX360 platform – did we mention it’s free of charge?

You can perform a variety of functions including:

- **ETF Screener** – screen the database to find the right ETF for your clients with the ability to sort and filter by rank
- **ETF Total Cost Analyzer** – compare the total cost of holding similar ETFs by measuring the impact of tracking error, holding cost and market impact over given period of time
- **ETF vs. ETF** – compare two ETFs side by side so you can quickly compare their return history, portfolio profiles, asset allocation, and more
- **Morningstar Reports** – access to daily profile data, including performance, market price, etc on all ETFs in Morningstar’s database
- **ETF Research and Commentary** – offers articles and commentary from different ETF specialists from Morningstar
- **Educational Materials** – access to additional product and educational materials via direct links to ETF providers

Make sure to check out this useful resource and let us know if you need any assistance! KRISTY WIEGAND

2011 TAX HANDBOOK
Now available on NetX360

Two new resources that contain important tax information are now available in the Resources section of NetX360. The 2011 Tax Handbook and the 2011 Tax Guide are provided as references for you and your clients.

**Help For the Investment Professionals**
The 2011 Tax Handbook is a convenient resource for understanding the changes to many tax forms, including the 1099. Just some of the features in this resource are:

- Important cost basis reporting changes
- Sample Form 1099-B
- Sample Form 8949 – Sales and Other Dispositions of Capital Assets, the new IRS form for reporting most capital gains and losses from transactions that have been reported on the 1099-B
- Line-by-line changes to several tax forms, including Form 1099, 1099-INT, and 1099-DIV
- Tax Reporting Calendar

**Help For the Clients**
Along with the 2011 Tax Handbook, the 2011 Tax Guide is available in the Resources Section of NetX360 as a reference for you, the Investment Professional. The Tax Guide is intended for use by the client and their tax professional. The client can access the Tax Guide by going to www.mytaxhandbook.com.

This guide will:

- Provide examples and illustrations from IRS schedules to further the client’s understanding of the Tax Information Statement
- Provide important tax reporting instructions for preparing tax returns

We encourage you, as the investment professional, to carefully review both of these publications so that you are better equipped to help your clients with any questions that may arise.

ANYTIME, ANYWHERE ACCOUNT ACCESS TO NETX360

Pershing has launched a web-based version of NetX360, www.netx360.com. NetX360.com offers a simplified professional experience which can be accessed from anywhere you have access to an internet browser. No additional entitlements are required, your current ID and password will allow you to access NetX360.com.

In addition to NetX360.com don’t forget you can get NetX360 access through your iPhone, iPad, Android and Blackberry (additional fees apply). The mobile entitlement offers you access to your clients account profiles, balances, holding and activity screens as well as the ability to place equity and mutual fund trades. For more information please contact Abby Clayton.
Agent Spotlight:

A.W. Abel

A.W. Abel has been a financial advisor since 1999. He has also been a Certified Financial Planner since 2004. A.W. lives in Powell, OH with his wife Sandy and son Austin. He made the switch to being an independent agent and joining FHC two years ago and he is glad he did. He considered First Heartland a great place to land!

A.W.’s best marketing idea has been a website that clients and prospects can be directed to. He has recently updated the website to be less wordy and more comfortable to browse. It is also easier to find with searches as each page can be the target of a search engine. A.W. is also able to post his newsletter and market updates and then send clients and prospects there with an e-mail. All of this creates communication on a regular basis with clients and prospects, in addition to the financial checkups he does with clients.

A.W.’s best sales idea is to be holistic in his business. He bases everything on helping a client achieve his or her goals. From that point, there is the ability to identify needs and solutions. Once he is comfortable with saying that a solution is something he would do himself, A.W. presents it to the client. Their cash flow and net worth are, of course, the keys to opportunity in making needed changes and achieving goals. He has recently started using the Sherman Sheet and is looking forward to future success in asset management for his clients. This will help him differentiate his practice from others much more than it has been in the past.

A.W.’s favorite products are advisor accounts, although he also uses variable annuities a lot (when a client feels a need for guarantees). The advisor account is a great resource for holding, trading and compensation tied to asset management. The recent addition of Block Trading looks very useful to A.W. He has recently started using ETFs primarily in those accounts. Finally, A.W. says life insurance is a great tool for income protection and asset protection in retirement or earlier. He has been using the Hartford Bicentennial UL Freedom in moving clients out of underfunded ULs and VULs to get a guaranteed DB with lower premium requirements.

A.W. enjoys spending time with his wife and 13-year-old son. They go to his soccer games, bowling, hockey games, out to eat or just spend quality time together as a family.

A.W.’s first job was working at a bowling alley, doing an assortment of many jobs.

A New York Strip and baked potato is A.W.’s favorite meal.

He loves bowling and watching football.

A.W. loves just about any action movie, but when he is watching a movie with his wife, it is most likely Sleepless in Seattle (her favorite).

Model Management and Block Trading

With Pershing

Model Management for Pershing Accounts

Pershing’s new has a new platform called BTR. It allows you to efficiently construct and manage security-based models for your clients brokerage account. Some of the features are listed below.

- Customize security allocations and model names
- Define tolerance levels for individual securities
- Assign replacement securities
- Link models to accounts for rebalancing scenarios

Block Trading for Pershing Accounts

Along with the ability to create and trade models you can do bulk liquidations, which allows you to sell out of a security across multiple accounts, or fully liquidate account positions via one trade and security swap, which allows you to implement sell orders and corresponding buy orders across multiple accounts, you can chose to swap securities either one-to-one or one-to-many.

For more information and the training schedule please contact Abby Clayton.

Pershing’s 529 Plan Brokerage Platform Coming Soon

Pershing is excited to inform you that efforts are underway to offer 529 plan brokerage capability scheduled to be available late this month. This new platform will allow you to open, fund and maintain 529 plan accounts for your clients on NetX360. Pershing’s role will include custody of assets, tax reporting, statements and confirms.

Pershing is the first clearing firm to roll out this capability and is committed to expanding the scope of this offering going forward. CollegeAmerica, managed by American Funds, is a market leader with 42% of the advisor-sold 529 plan business. This will be the first 529 program made available on the platform, and Pershing plans to add more 529 programs in the future.

Key benefits that the brokerage 529 platform will provide are:

- Allows 529 plan accounts to be opened via NetX360
- Enables purchases, redemptions, exchanges and all maintenance activity to be done electronically via NetX360
- Improves ability to perform compliance, suitability and “know your customer” reviews
- Allows you to consolidate directly held 529 plan accounts onto one platform
- Provides you the opportunity to offer your clients a broader range of investment products and helps you grow your business

by Wendy McCollom
Did you Know?

Pershing offers a Mutual Fund Only IRA with REDUCED fees

Mutual Fund Only IRAs are great asset-gathering vehicles to unite mutual fund retirement assets spread across multiple locations and fund families into a single account.

- Access to thousands of mutual funds from hundreds of mutual fund families
- Consolidated tax and account statements
- Reduced costs, including lower annual maintenance fees and exemption from Pershing’s inactive fees
- Single custodian tax reporting
- Reduced administration of required minimum distribution (RMD) calculations since assets are combined in a single account
- No minimum investment, other than those required by the mutual fund companies
- The first year’s annual maintenance fee is waived for new accounts opened with a minimum of $25,000 in new assets

The Annual Custodial Fee for Mutual Fund Only accounts is ONLY $10.

For more information on how to set up MF Only accounts please contact Abby Clayton.

Pershing Can Help You Grow Your Business!

The marketing department at Pershing has developed a group of pages on their website which offers a large amount of helpful information and resources through independent studies, white papers, and guidebooks. This collection is called Ideas Without Limits® and offers resources in the categories of growth, human capital, efficiency, and risk management. Click here to access the website.

Current articles and links include:

- 50 Insights to Help Fast-Track Business Growth
- The Broker-Dealer of the Future: Insights on emerging products and industry trends that will drive the evolution of the brokerage business
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STAFF SPOTLIGHT:
Kristy Wiegand

Kristy Wiegand is the Manager of Securities Services at First Heartland, which involves overseeing the daily workflow of the Broker Dealer back office operations. She performs a wide variety of functions, including trade desk supervisor, U-4 licensing and new account and order ticket reviews and approvals. She earned a Bachelor of Science degree in Business from Southern Illinois University in June of 1992, and joined FHC in August of the same year. She will be celebrating 20 years at FHC this August!

Kristy enjoys providing excellent service to FHC’s reps and their staff by assisting with their issues and helping solve problems. She loves that she has the opportunity every day to continue learning and growing, and loves the challenges of the work she does.

Camping with her family is one of Kristy’s favorite activities during the spring and summer months. They have an RV that they leave parked at a campground about an hour from their house and they spend most weekends swimming, fishing, barbecuing and enjoying time with family, friends, and of course their dogs. Kristy and her family also enjoy visiting Bennett Springs Park in Lebanon, MO each summer to trout fish and go on a float trip.

Kristy Wiegand has been married to her husband Brad for 18 years and has two daughters: Taylor is 17 and Morgan is 11. The family also has three dogs: a black lab named Sable, a yellow lab named Marley and a Shih Tzu named Sammy.

Gulf Shores, Alabama, is a favorite travel spot for Kristy and her family.

Kristy’s first job in high school was as a car hop at a local drive-in restaurant.

Kristy’s Favorites

Favorite Food: Pasta
Favorite Sports: Baseball and hockey
Favorite Movies: The Shawshank Redemption and Forrest Gump
Favorite Activities: Reading, listening to music and spending time with family & friends.

Marley and Sable

Kristy and Brad

Kristy, Brad, Taylor & Morgan
THIRD PARTY FEDERAL FUNDS WIRES

Effective March 1, 2012, Pershing LLC has implemented a new policy regarding third-party wires. 

Where the relationship between the account holder and the recipient of the wire are not clearly identifiable, third-party federal fund wires will continue to be processed without restriction provided the request is accompanied by a signed LOA and the dollar amount does not exceed $20,000.

Where the relationship between the account holder and the recipient of the wire are not clearly identifiable and the amount of the payment exceeds $20,000, third-party federal fund wires may be processed provided the following condition is met:

- FHC’s senior compliance officer signs a Pershing attestation document confirming FHC has verbally confirmed the LOA instructions with the account holder(s) or those authorized to act on their behalf.

Standing instructions already established for third-party federal funds wires will continue to be honored by Pershing. All new standing instructions to a third-party will follow the same procedures outlined above.

Where the relationship between the account holder(s) and the recipient of the wire are clearly identifiable, third-party federal funds wires will continue to be processed subject to the restrictions outlined below:

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<thead>
<tr>
<th>Type</th>
<th>Requirement to Process</th>
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<tbody>
<tr>
<td>From single acct to Pershing joint acct</td>
<td>LOA signed by the client</td>
</tr>
<tr>
<td>From joint acct to Pershing single acct</td>
<td>LOA signed by both clients</td>
</tr>
<tr>
<td>From trust acct to Pershing to either the Grantor or trustee</td>
<td>LOA signed by the trustee(s)</td>
</tr>
<tr>
<td>Distributions from estate acct at Pershing</td>
<td>LOA signed by the executor(s)</td>
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<tr>
<td>From a Pershing acct to an immediate family member acct, provided the last names match</td>
<td>LOA signed by the client(s)</td>
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PERSHING 2011 CONTRIBUTION DEADLINES

With the tax year-end quickly approaching, there are some important points to keep in mind regarding your customer’s IRA accounts.

THE DEADLINE FOR MAKING A 2011 IRA CONTRIBUTION IS TUESDAY, APRIL 17, 2012

The April 17, 2012 deadline applies even if the customer has a tax filing extension. In general, to ensure that prior-year contributions are in good order and meet the 2011 contribution deadline, the envelope in which the contribution is received must be postmarked on or before April 17, 2012. First Heartland will be keeping those envelopes to ensure that all contributions are posted correctly in the customer’s account. Prior-year contributions received via mail postmarked after April 17, 2012 will be returned to the customer.

A check for a 2011 IRA contribution submitted to replace checks not honored by a client’s bank may be re-deposited by April 24, 2012 provided the check was not honored as a result of the bank’s error. The re-deposited check must be accompanied by written confirmation on the bank’s letterhead, and must include a statement that the check was not honored as a result of the bank’s error and the signature of an authorized bank officer.

Tax Year Designation on IRA Contributions

Please ensure that your customers clearly indicate the tax year designation on all IRA contribution checks.

- IRA contributions not clearly designated as 2011 contributions will be booked as current-year contributions as required by the IRS.
- Customers must also indicate the account numbers on their checks even if they only have one account.

Processing Contributions via Journal Entries from Non-Retirement Accounts into IRAs

If your customers want to transfer money from a non-retirement account to fund a 2011 IRA contribution, they must do so BEFORE April 17, 2012. First Heartland should receive a signed written request by the customer in order to transfer the money from the non-retirement account to the IRA account. The written request must be received by FHC BEFORE Monday, April 17, 2012 to ensure that the journal entry is processed by the deadline.

Please note: Postmarked envelopes do not apply in this situation. All requests to fund an IRA contribution from a non-retirement account must be processed from the customer’s cash position. If the customer does not have sufficient cash, a trade must be placed and settled by April 16.
LEADERS CONFERENCE 2013
at the Waldorf Astoria, New York

FEBRUARY QUALIFICATION STANDINGS

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<td>Tim Wellman</td>
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<td>Mark Woodward</td>
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PRODUCTION REPORT

**TOP PRODUCERS**

**YTD by company**

BRAD WALTON
First Heartland Capital, Inc.

BRENT CANDEBAT
First Heartland Corporation

BRAD HARRIS
First Heartland Consultants, Inc.

**FEBRUARY**

<table>
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The best compliment you can give First Heartland is the recommendation of a quality agent. Take a minute to email a referral to Matthew Evans.