

Blucora

A Provider of Technology & Brokerage Services for Tax Professionals

Tiburon Written Research
February 14, 2020



TIBURON STRATEGIC ADVISORS

Industry Leading Think Tank, Advisor, and Investor in
Wealth & Investment Management (and Related WealthTech) Firms

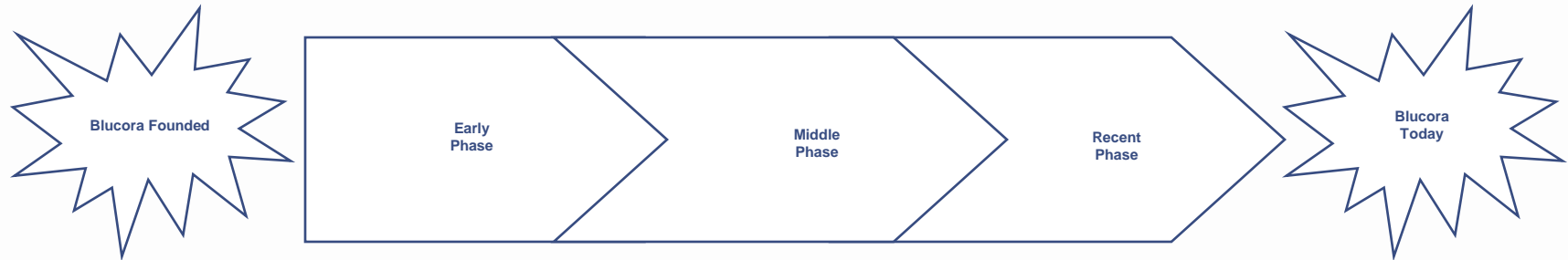


Comments

- **Founded in 1996**
- **Based in Irving, TX**
- **CEO: John Clendening**
- **Web sites: www.blucora.com & www.hdvest.com**

Blucora was Founded in 1996 and Has Subsequently Evolved through its Early, Middle, & Recent Phases

Blucora History



Approximate Dates:

1983

1983-2000

2001-2010

2011-2020

2020

Key Steps:

- 1983: HD Vest Financial Services founded
- 1996: Blucora founded
- 1994-2000: Herb Vest named one of 100 most influential people in accounting b Accounting Today
- 1998: Went public
- 1999: Herb Vest named Dallas region service category entrepreneur of the year by Ernst & Young
- 2001: Acquired by Wells Fargo Corporation
- 2005: Introduced fee-only affiliation option called Vest Consult
- 2011: Parthenon Capital Partners acquired

BLUCORA™

Source: 1/11/19 Blucora Web Site; 11/19/14 FINRA Web Site; 11/18/14 Zoom Info Web Site; 11/14/14 Linked In Web Site; 3/4/14 HD Vest Investment Securities X-17A-5 Report; 2/12/12 Metric Interactive Web Site; 9/1/11 RIA Biz; 6/29/11 Bloomberg Web Site; 12/31/07 Join HDVest Web Site; 8/3/05 First Allied Web Site; 5/24/04 American Banker; 4/12/04 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services was Founded by Herb Vest in 1983



Comments

- **Founded 1983**
 - **Founded by Herb Vest**

Herb Vest was a public accountant from 1973 to 1983

Accounting regulations prohibited CPAs from accepting commission

Source: 11/18/14 Zoom Info Web Site; 1/14/14 Linked In Web Site; 2/12/12 Metric Interactive Web Site; 8/3/05 Wells Fargo Web Site; 6/28/99 Business Wire; Tiburon Research & Analysis

Blucora's HD Vest Financial Services went Public in 1988

Comments

- **Public company (NASDAQ: HDVS)**



Source: 11/18/14 Zoom Info Web Site; 2/12/12 Metric Interactive Web Site; 8/3/05 Wells Fargo Web Site; 4/12/04 Investment News; 7/20/03 Accounting Today; 8/20/01 American Banker; 8/20/01 Investment News; 7/23/01 Accounting Today; Tiburon Research & Analysis

Blucora's HD Vest Financial Services was Acquired by Wells Fargo in 2001

Comments

- **6,000 independent reps**
- **1.8 million clients**
- **\$16 billion assets under administration**
- **Acquired in 2001**
 - **Paid a \$127.5 million (a 0.6% premium)**
 - **Goal was to get Financial Advisors to cross-sell a variety of Wells Fargo Corporation products**
 - **Also expected to leverage Wells Fargo Corporation's financial backing to reach the 170,000 CPAs & enrolled agents**



Source: 11/18/14 Zoom Info Web Site; 2/12/12 Metric Interactive Web Site; 8/3/05 First Allied Web Site; 5/24/04 American Banker; 10/24/03 Nelson Capital Management Conversation (Nelson); 11/27/02 American Banker; 4/12/04 Investment News; 7/20/03 Accounting Today; 11/02 US Banker; 8/12/02 American Banker; 8/10/02 San Francisco Business Journal; 8/8/02 American Banker; 8/1/02 The Daily Deal; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Introduced a New Fee-Only Affiliation Option Called Vest Consult for Non-Securities Licensed Advisory Financial Advisors in 2005


Offers turnkey training and support systems to Financial Advisors with fee-only accounts

Comments

- --



Herb Vest Awards & Recognition

Accounting Today	Ernst & Young	Inc. Magazine	--
<ul style="list-style-type: none"> • 1994-2000: Named one of the 100 most influential people in accounting 	<ul style="list-style-type: none"> • 1999: Named Dallas Region Service Category entrepreneur of the year 	<ul style="list-style-type: none"> • XXXX: Named a finalist for entrepreneur of the year award 	<ul style="list-style-type: none"> • -- <div style="text-align: right; margin-top: 20px;">  </div>

Source: 11/18/14 Zoom Info Web Site; 2/12/12 Metric Interactive Web Site; 8/3/05 HD Vest Financial Services Web Site; 4/12/04 Investment News; 7/20/03 Accounting Today; 8/20/01 American Banker; 8/20/01 Investment News; 7/23/01 Accounting Today; 6/28/99 Business Wire; Tiburon Research & Analysis

Blucora's HD Vest Financial Services was Acquired by Parthenon Capital Partners in 2011

Comments


- **Acquired in 2011**



Blucora's HD Vest Financial Services Has Won Many Awards, Including Being Twice Ranked as One of America's Fastest-Growing Companies by Inc. Magazine

HD Vest Financial Services Awards & Recognition

Years?

<p>Inc. Magazine</p>	<p>--</p>	<p>--</p>	<p>HD Vest Financial Services was awarded by Accounting Today, Accounting Technology, Practical Accountant, and CPA Wealth Provider as one of five broker/dealers developing proprietary systems making it easier for Financial Advisors to implement client solutions in 2005</p> 
<ul style="list-style-type: none"> • XXXX-XXXX: Named one of America's fastest growing companies 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	

Source: 8/3/05 HD Vest Financial Services Web Site; 4/12/04 Investment News; 7/20/03 Accounting Today; 8/20/01 American Banker; 8/20/01 Investment News; 7/23/01 Accounting Today; 6/28/99 Business Wire; Tiburon Research & Analysis

Blucora Venture Capital Raises

Years?

Blucora Venture Capital Raises

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• --	• --	• --	• --	• --
				BLUCORA™

Blucora is Not a Frequent Advertiser

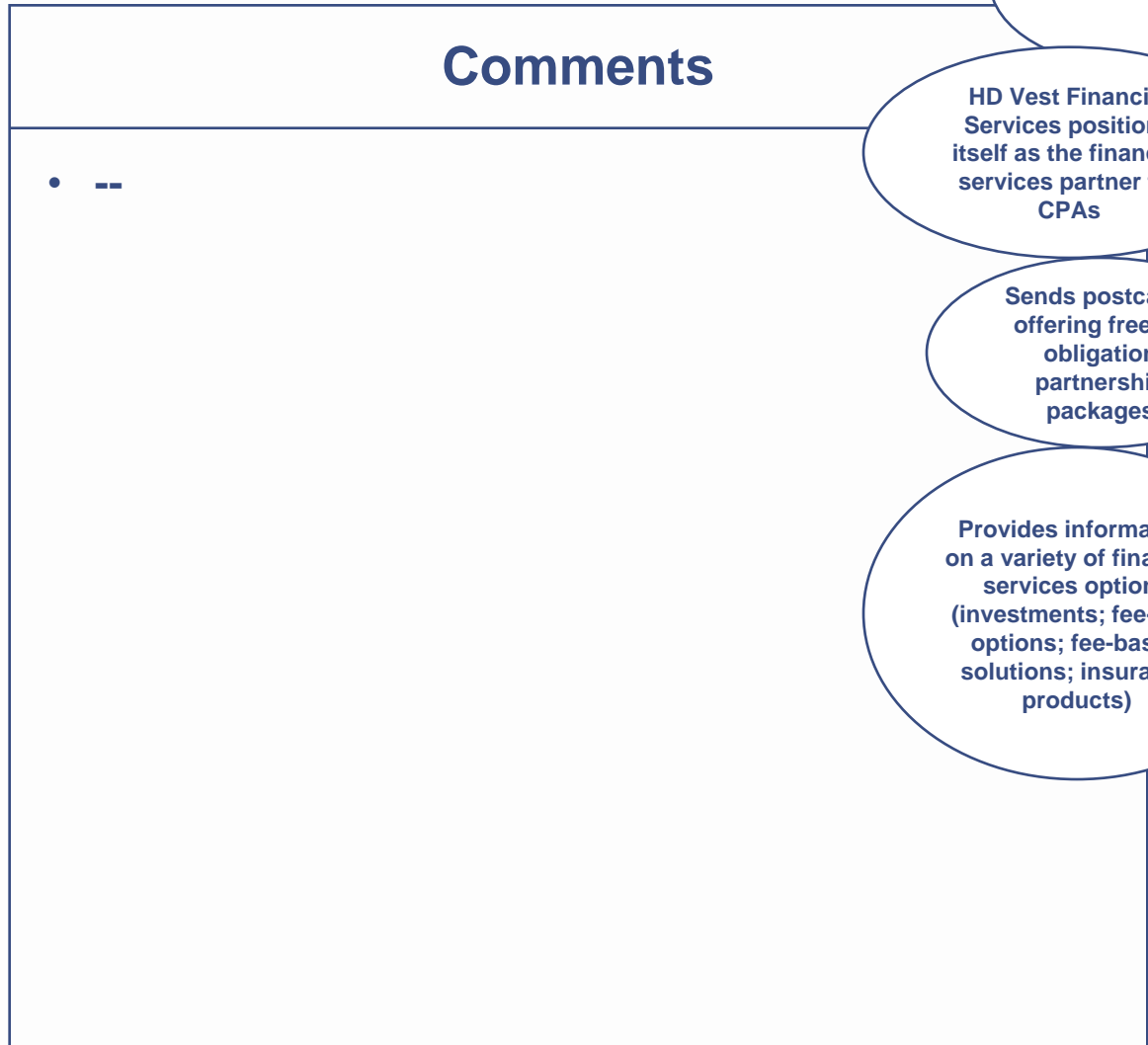
Advertising

Comments

BLUCORA™

• --

Blucora's HD Vest Financial Services is Not a Frequent Advertiser



Blucora Has a Tagline

Blucora Tagline

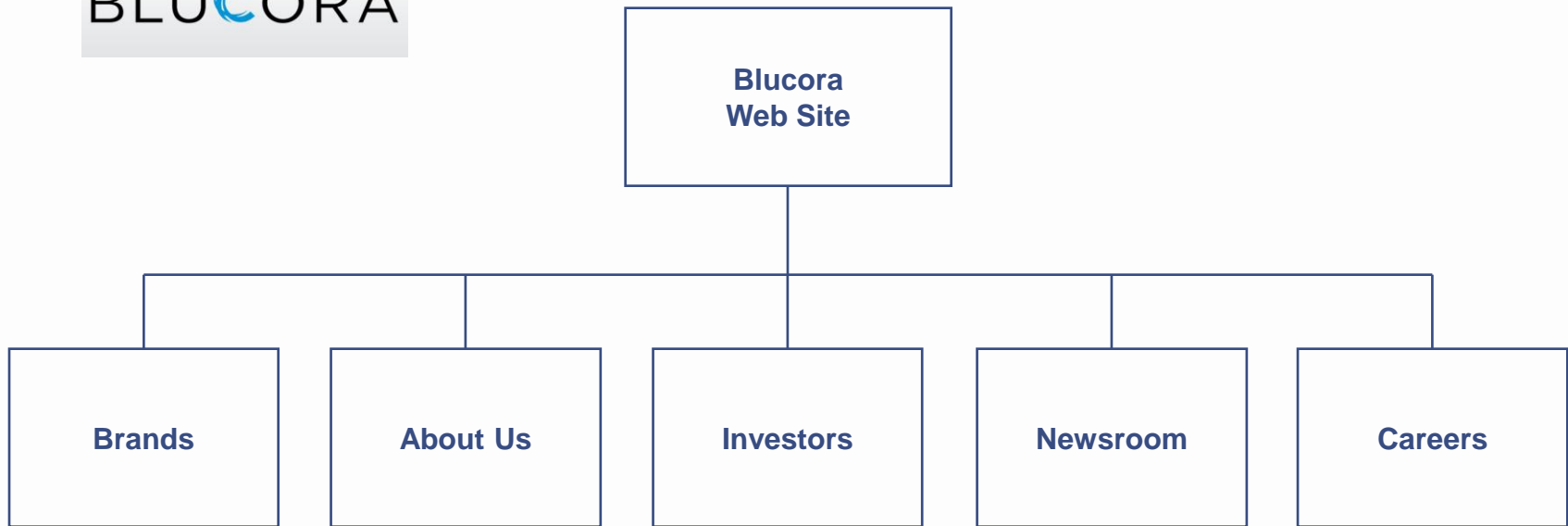
“We turn taxes into opportunity”

BLUCORA™

Blucora Has a Web Site with Five Core Sections, Including Brands, About Us, Investors, Newsroom, & Careers

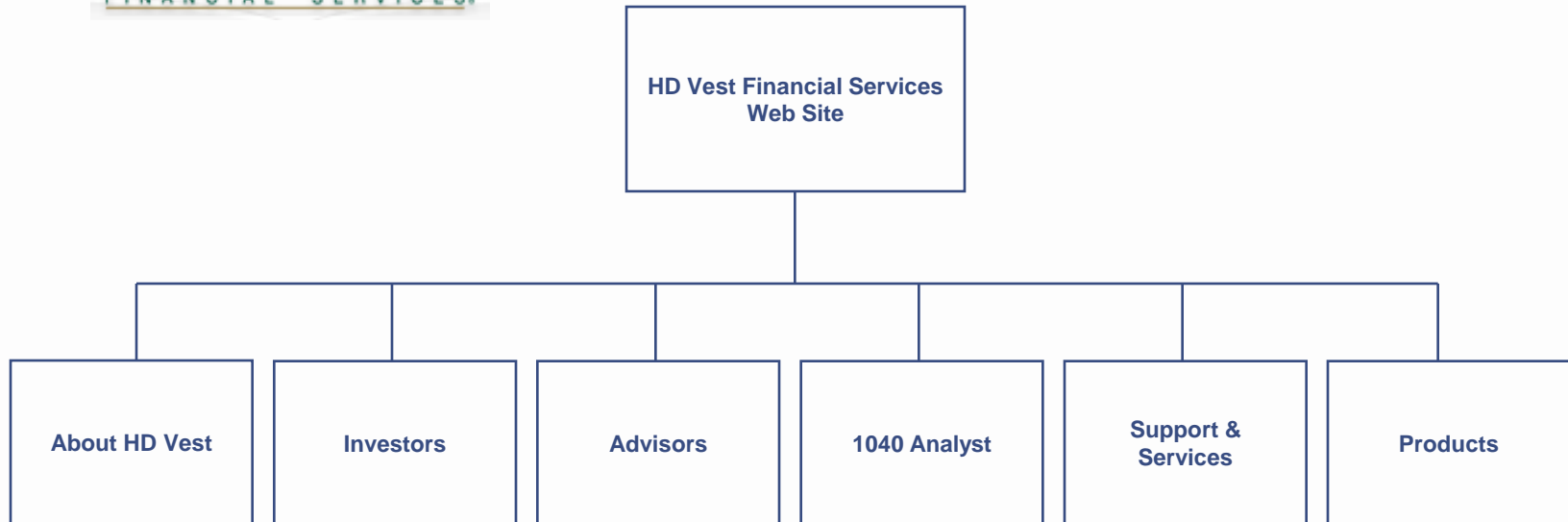
Blucora Web Site

BLUCORA™



Blucora's HD Vest Financial Services Has a Web Site with Six Core Sections, Including About HD Vest, Investors, Advisors, 1040 Analyst, Support & Services, and Products

HD Vest Financial Services Web Site



Source: 11/19/14 HD Vest Financial Services Web Site; 11/1/12 HD Vest Financial Services Web Site; 8/3/05 HD Vest Financial Services Web Site; Tiburon Research & Analysis

Blucora is Not a Frequent Acquirer

Acquisitions

Comments

- --

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Blucora's HD Vest Financial Services is Not a Frequent Acquirer

Acquisitions

Comments

- --



Blucora Has a Charitable Giving Program

Charitable Giving

Comments

- --

BLUCORA™

Blucora's HD Vest Financial Services Has a Charitable Giving Program

Charitable Giving

Comments

- --



Blucora Has __ Offices

Needs data

Blucora Offices

BLUCORA™

2018 2019

Blucora Has __ Employees

Needs data

Blucora Employees

The logo for Blucora, featuring the word "BLUCORA" in a sans-serif font. The letter "C" is highlighted in blue, while the other letters are black. The logo is set against a light gray rectangular background.

2018 2019

Source: Tiburon Research & Analysis

Blucora Generates \$__ Million Revenues

Needs data

**Blucora
Revenues
(\$ Millions)**

BLUCORA™

2018 2019

Blucora Earns \$___ Million

Needs data

Blucora Net Profits (\$ Millions)

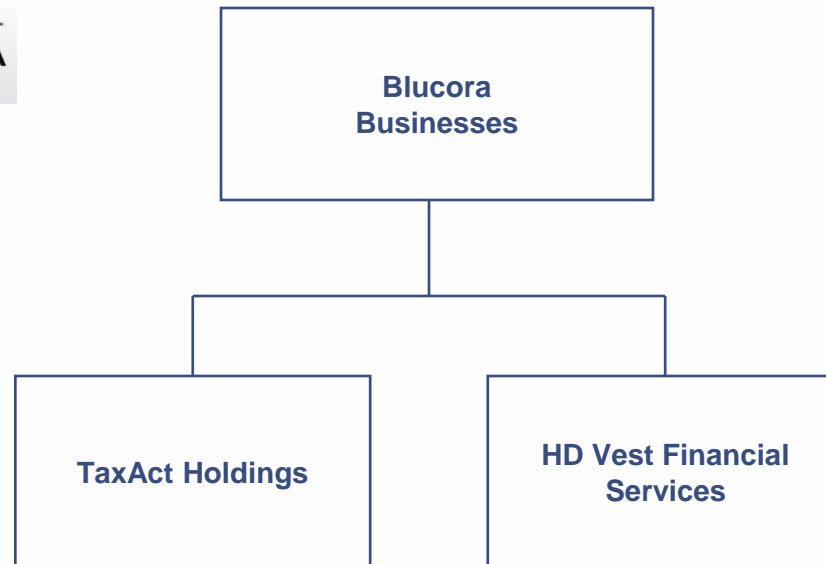


2018 2019

Blucora Has Two Businesses, Including its TaxAct Holdings & HD Vest Financial Services

Blucora Businesses

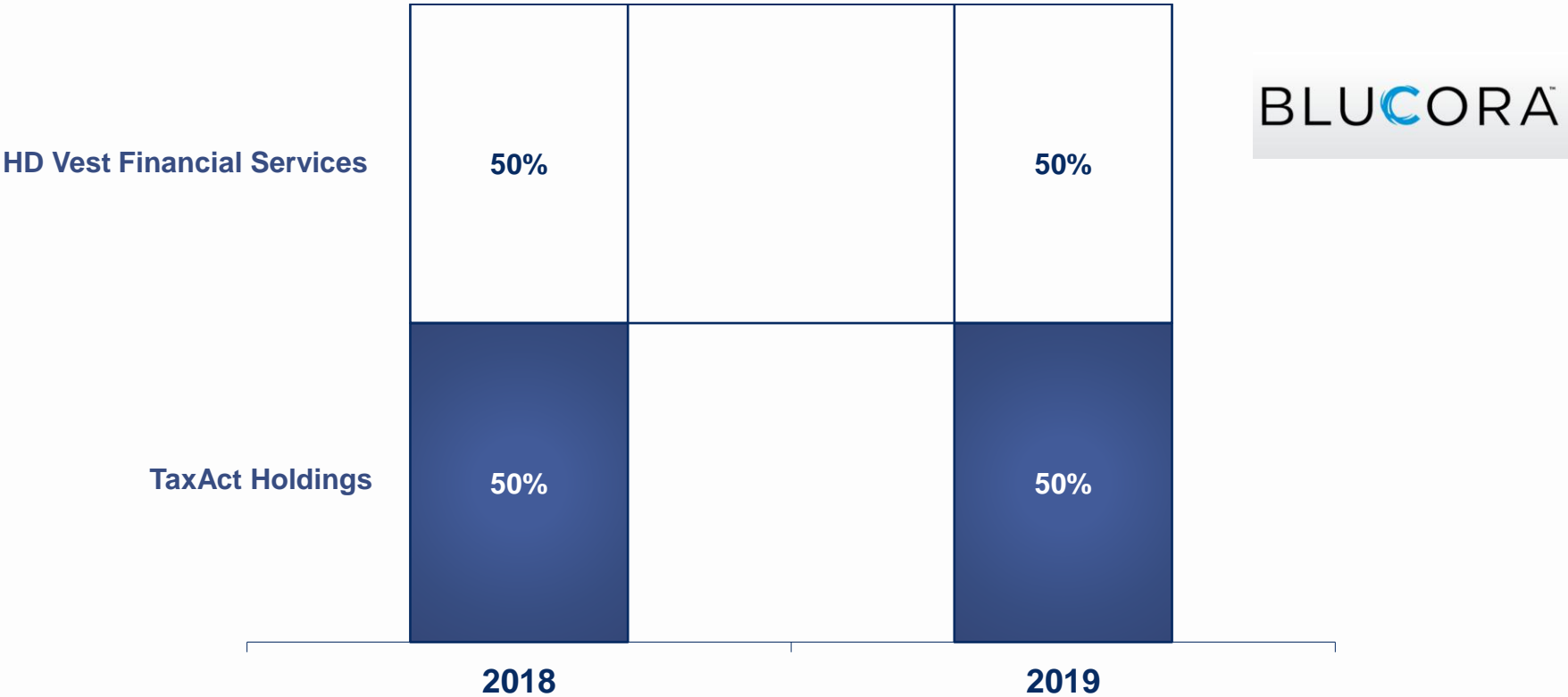
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Blucora Generates Revenues Across its Businesses

Needs real data

Blucora Revenues By Business

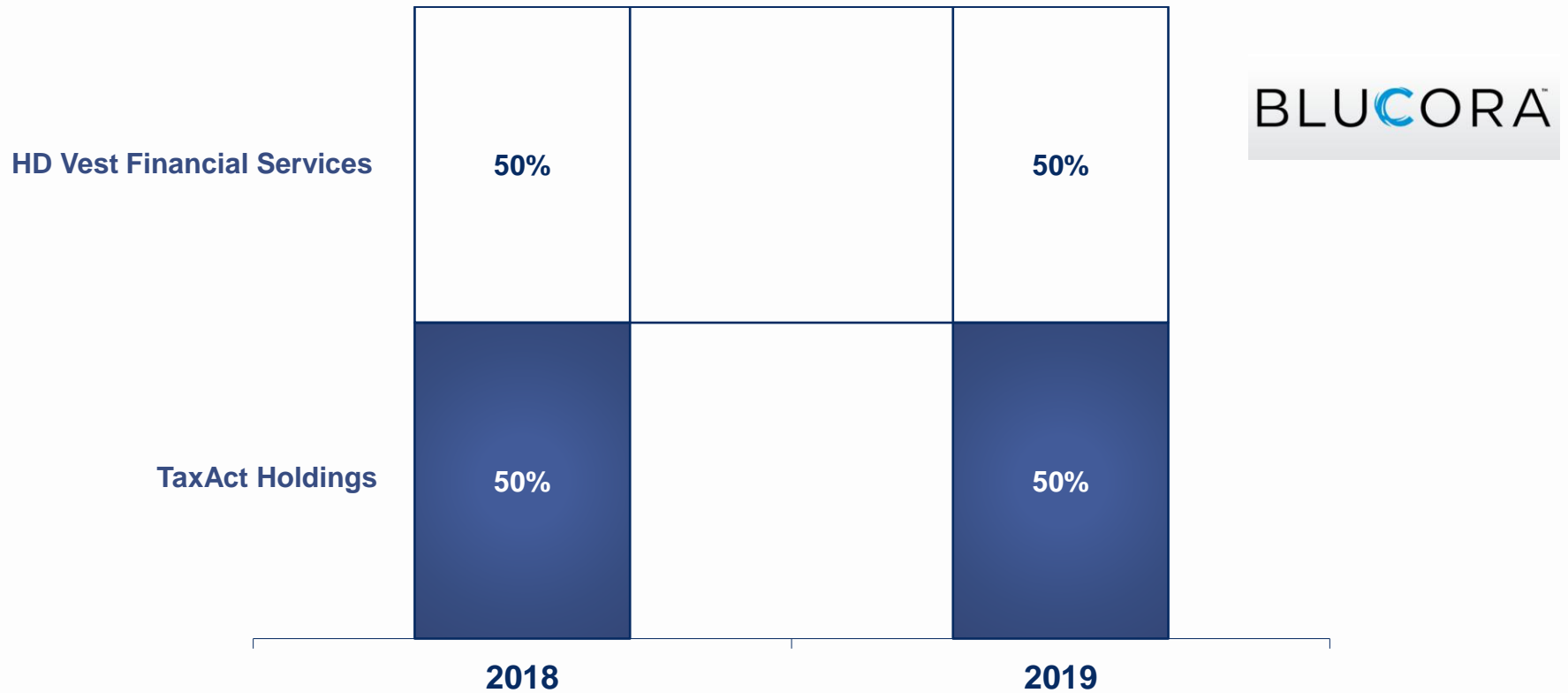


Source: Tiburon Research & Analysis

Blucora Earns Net Profits Across its Businesses

Needs real data

Blucora Net Profits By Business



Blucora's First Business is TaxAct Holdings

The logo for Blucora, featuring the word "BLUCORA" in a sans-serif font. The letter "C" is highlighted in blue, while the other letters are black. A small trademark symbol (TM) is located at the top right of the word.The logo for TaxAct, featuring the word "TaxAct" in a bold, sans-serif font. The word "Tax" is in red and "Act" is in black. A small trademark symbol (TM) is located at the top right of the word.

Comments

- **Founded in 2001**
- **1,533 accounts**
- **\$1.7 billion assets under administration**

Blucora's TaxAct Has __ Offices

Needs data

TaxAct Offices

BLUCORA

TaxAct

2018

2019

Source: Tiburon Research & Analysis

Blucora's TaxAct Has __ Employees

Needs data

TaxAct Employees

BLUCORA

TaxAct

2018 2019

Source: Tiburon Research & Analysis

Blucora's TaxAct Generates \$__ Million Revenues

Needs data

TaxAct
Revenues
(\$ Millions)

BLUCORA

TaxAct

2018 2019

Source: Tiburon Research & Analysis

Blucora's TaxAct Earns \$___ Million

Needs data

TaxAct Net Profits (\$ Millions)

BLUCORA

TaxAct

2018

2019

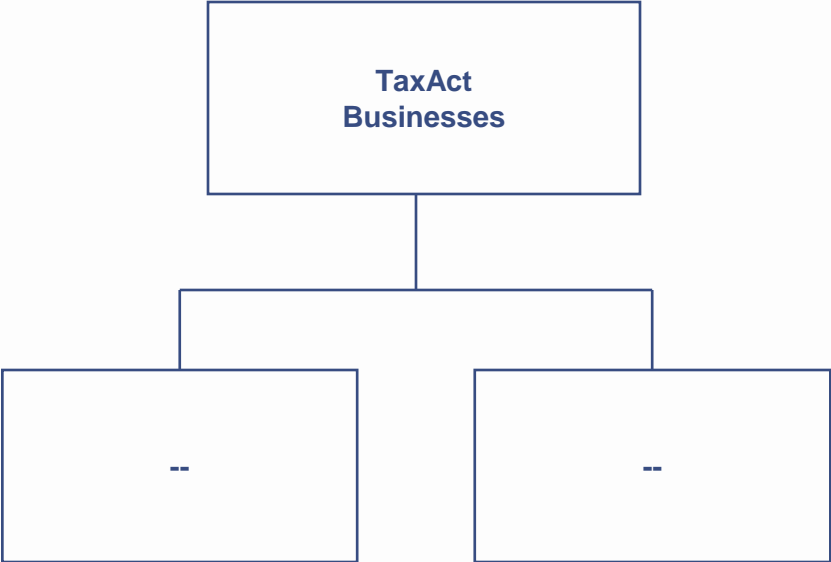
Source: Tiburon Research & Analysis

Blucora's TaxAct Provides Services, Including...

TaxAct Businesses

BLUCORA™

TaxAct



Source: Tiburon Research & Analysis

Blucora's TaxAct's First Service is...

BLUCORA™

TaxAct.

Comments

- --

Blucora's TaxAct's Second Service is...

BLUCORA™

TaxAct.

Comments

- --

Blucora's Second Business is HD Vest Financial Services

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HD VEST
FINANCIAL SERVICES

Comments

- **Founded 1983**
 - **Founded by Herb Vest**
- **Based in Irving, Texas**
- **335 employees**
- **3,163 financial advisor offices**
- **4,500 financial advisors**
- **1.8 million clients**
- **1.5 million accounts**
- **\$35.0 billion assets under administration**
- **\$3.0 billion net flows**
- **\$224 million revenues**
- **CEO: --**
- **Web site: www.hdvest.com**

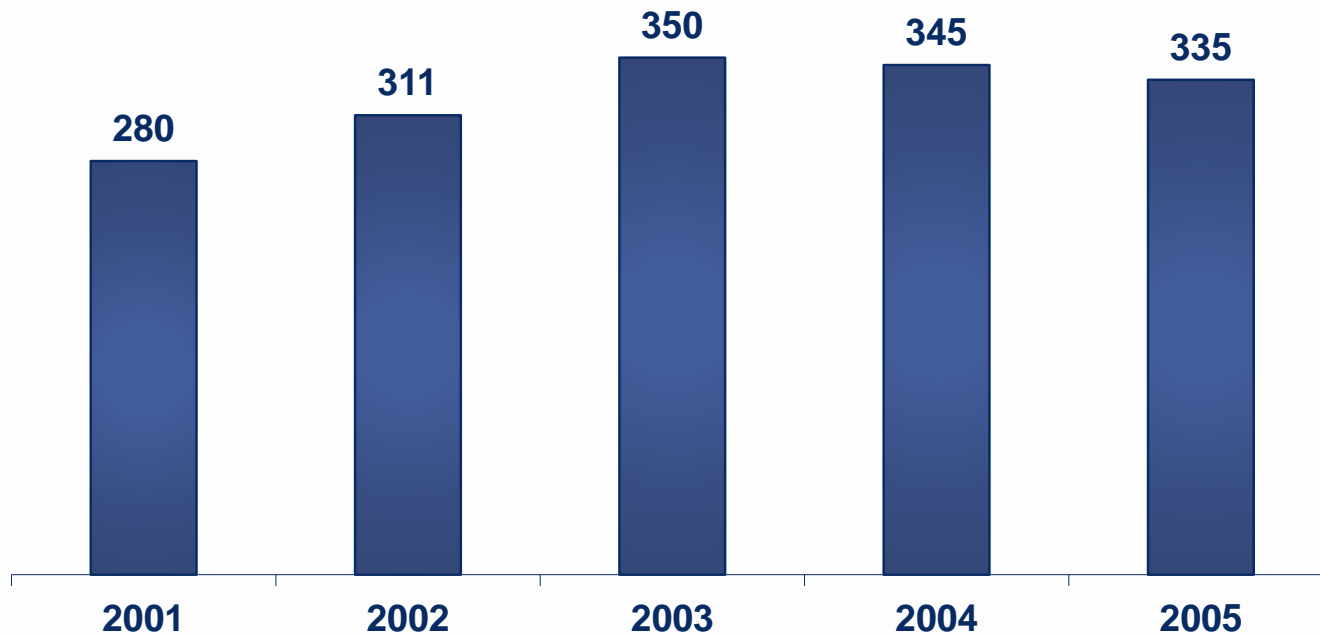
Source: 11/14/14 Linked In Web Site; 2/12/12 Metric Interactive Web Site; 12/31/07 Join HD Vest Web Site; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 4/12/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 7/20/03 Accounting Today; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has 335 Employees, Up Slightly Since 2001

Needs update

201-500 employees
(11/14/14)

HD Vest Financial Services Employees



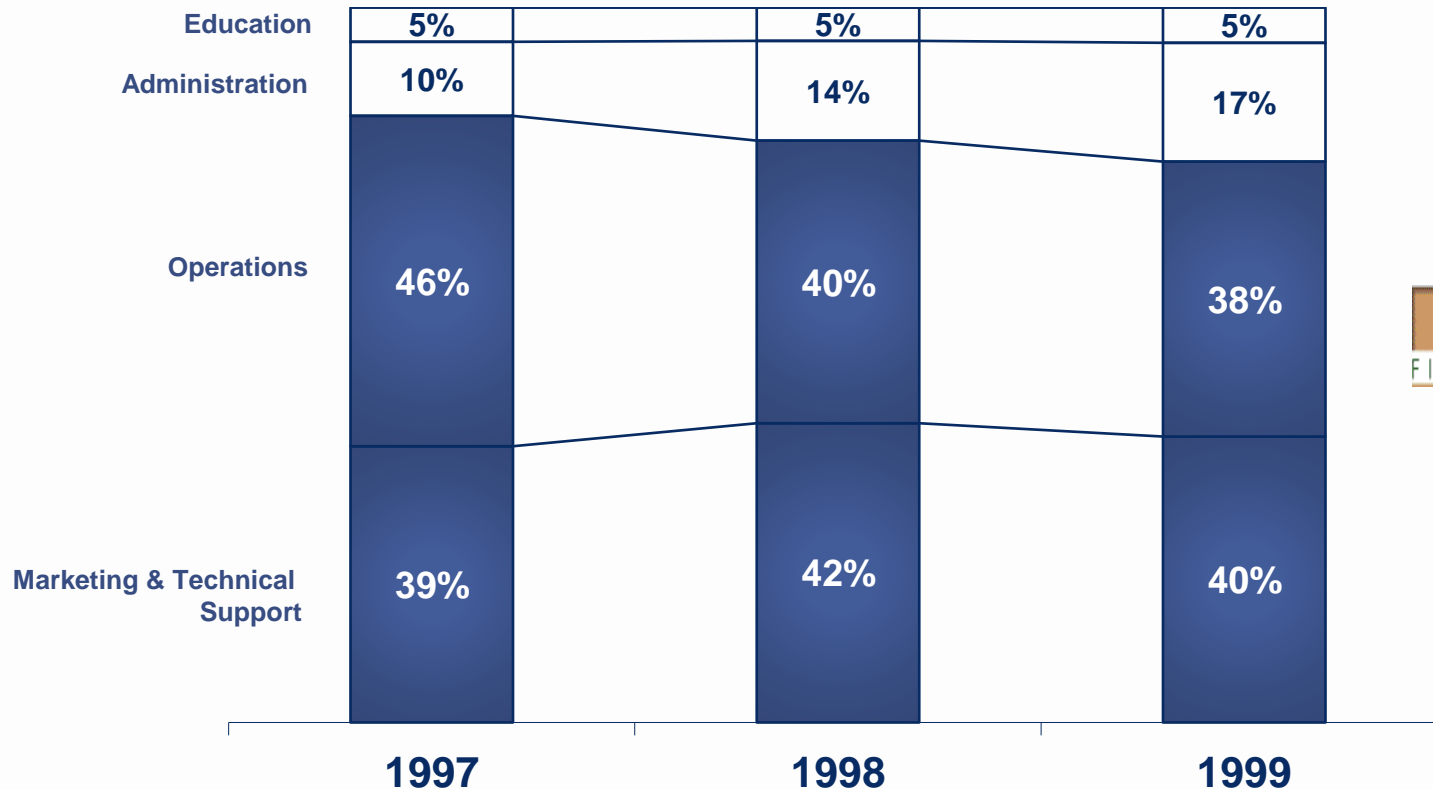
Source: 11/14/14 Linked In Web Site; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Employees are Primarily Involved in Marketing & Technical Support and Operations

HD Vest Financial Services Employees By Role

Needs update

Move?



Source: 12/31/98 H.D. Vest 10K; Tiburon Research & Analysis

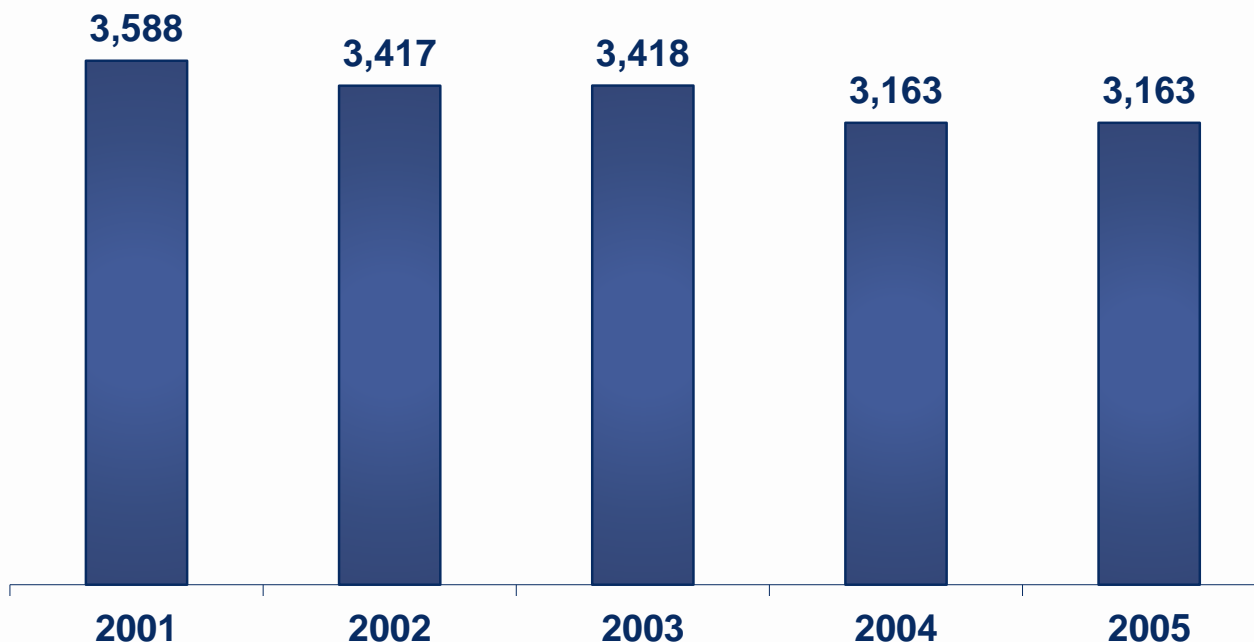
Blucora's HD Vest Financial Services Has 3,163 Financial Advisor Offices, Down Over 10% Since 2001



HD Vest Financial Services Financial Advisor Offices

Estimated data

Needs update



Source: 12/31/06 Financial Planning; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Financial Advisor Offices Include

Needs data

HD Vest Financial Services Financial Advisor Offices

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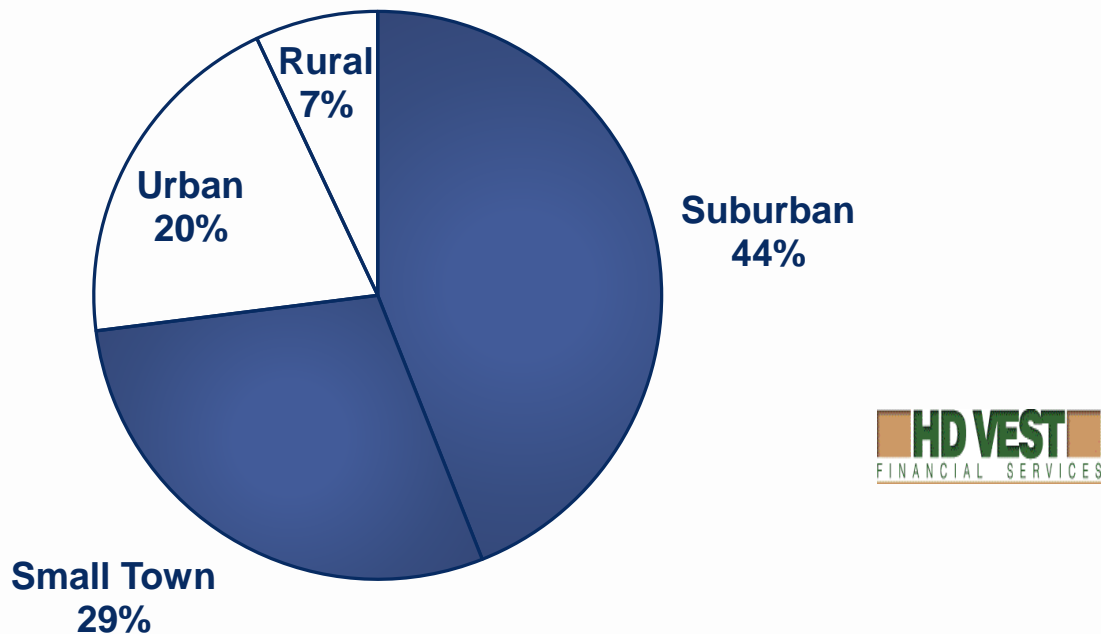
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Blucora's HD Vest Financial Services Financial Advisor Offices are Located Nearly Three-Quarters of the Time in Suburban Areas and Small Towns

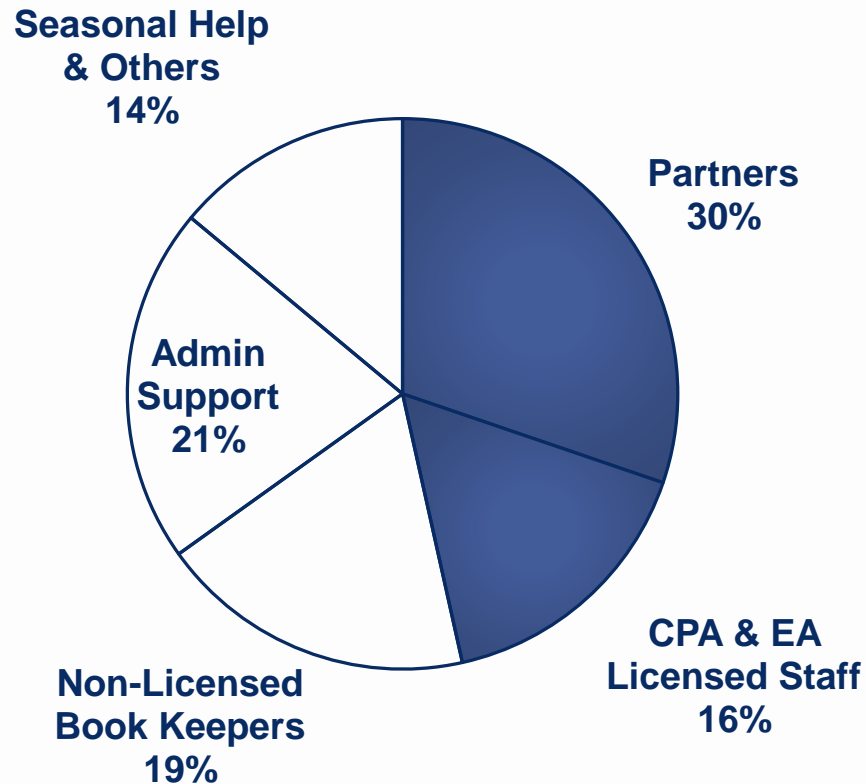
HD Vest Financial Services Financial Advisor Offices By Location



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Delete?

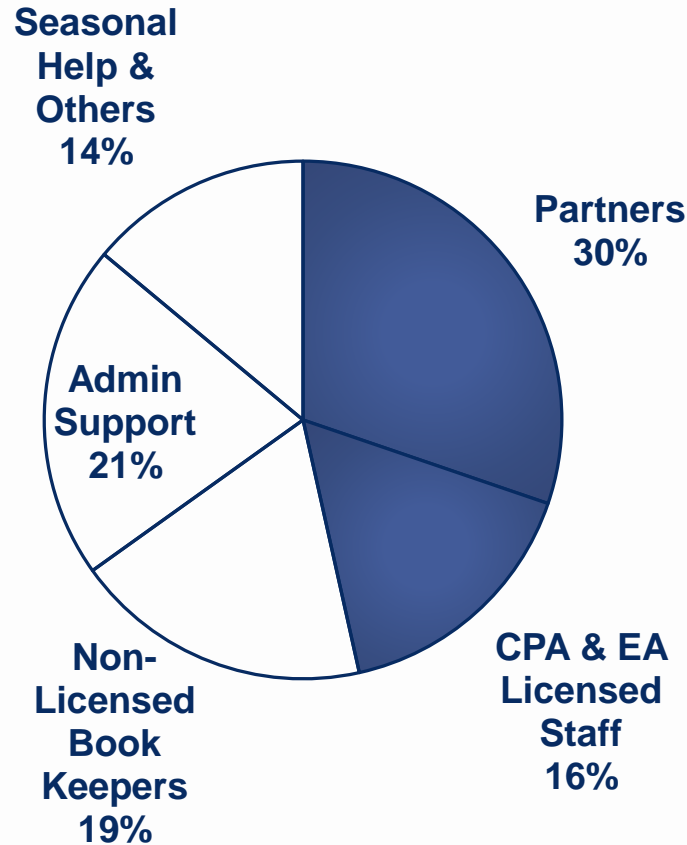
HD Vest Financial Services Financial Advisor Offices Employee Mix



Blucora's HD Vest Financial Services Average Financial Advisor Office Employees are Nearly Half Partners and CPA & EA Licensed

Delete?

HD Vest Financial Services Financial Advisor Offices By Employee Mix

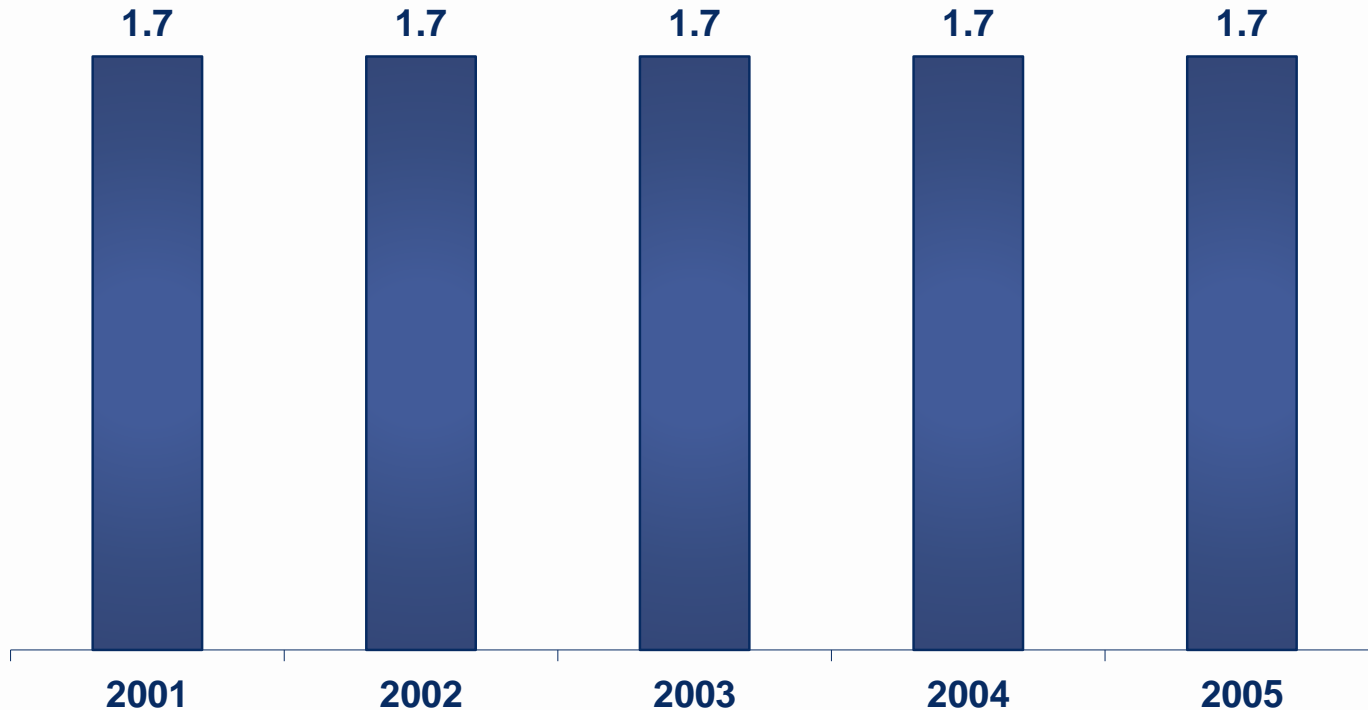


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Nearly Two Financial Advisors Per Office, Consistent Since 2001



HD Vest Financial Services Financial Advisors Per Office



Needs update

Data is
Calculated

Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has 4,500 Financial Advisors, Down 10% Since 1994 and Down from its Peak of 8,000 in 1999

HD Vest Financial Services attempted to establish a referral model called partners for success (PFS)

Key positioning includes: a turnkey service; proven system; assistance with licensing; comprehensive training; systems and tools; field support; marketing support; no quotas, no proprietary products; generous commission payout schedules; & technology

HD Vest Financial Services Financial Advisors

2014 = 1/1/14

2013 = 1/1/14

1999: Almost 7,000?

1998: HD Vest Financial Services added 2,000 gross new reps

1997-1998: Financial Advisor recruiting efforts produced an annual growth rate of 25% and 17% respectively



Partnership had difficulties for several reasons (had difficulty matching the right personalities; there was a lack of commitment to make it work on the part of the successful tax professionals; they had established practices and wanted to only serve the non-producing reps' best clients; since financial advisors participating in the program were also tax professionals there was a fear of losing tax clients on the part of non-producing reps)

Over the past decade, HD Vest Financial Services grew its number of affiliates by more than 700%, and since 1994, the number is up more than 50%

3,500 Financial Advisors have been with HD Vest Financial Services less than two years

1994-1995: marginal growth (5%) in the Financial Advisor base, followed by an 8% decline in 1996

Source: 11/14/14 Linked In Web Site; 12/31/06 Financial Planning; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Financial Advisors Include Elisa Baquedano, Daniel Bedars, & Scott Levine

Some may be
HD Vest
employees

HD Vest Financial Services Financial Advisors

Adam Bilmes;
Doug Davis;
Gary Griffiths;
Steve Wall

- **Elisa Baquedano**
- **Dana Baughn**
- **Daniel Bedard**

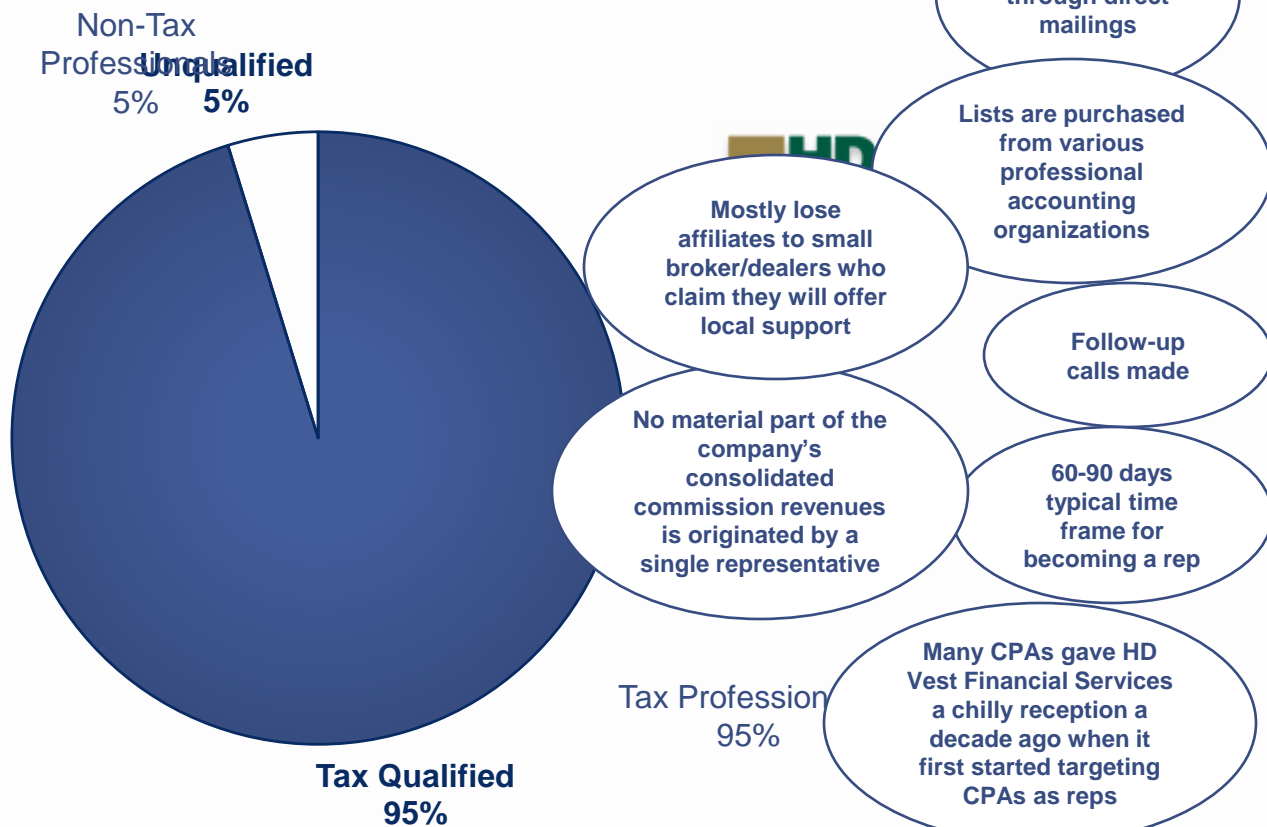
- **Scott Levine**
- **Scott Rawlins**

- **Chad Smith**
- **Brett Steward**



Blucora's HD Vest Financial Services Financial Advisors are Almost All Tax Professionals

HD Vest Financial Services Financial Advisors By Profession

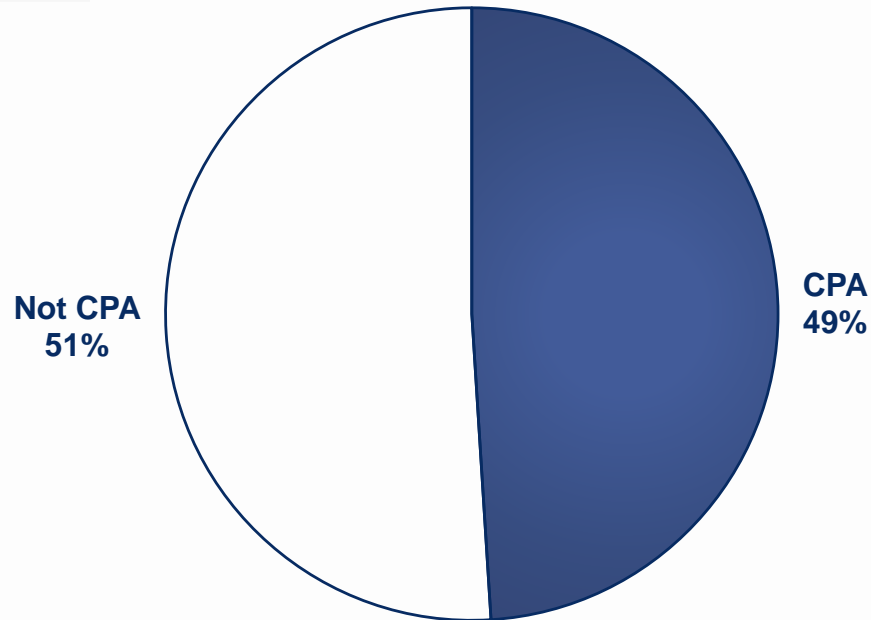


Source: 5/03 Tax Pro Best Practices Survey; 11/00 HD Vest Financial Services Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors that are CPAs Account for Half of Total HD Vest Financial Services Reps

Grandfather of independent broker/dealers focusing on CPAs; 70% are either CPAs or EAs

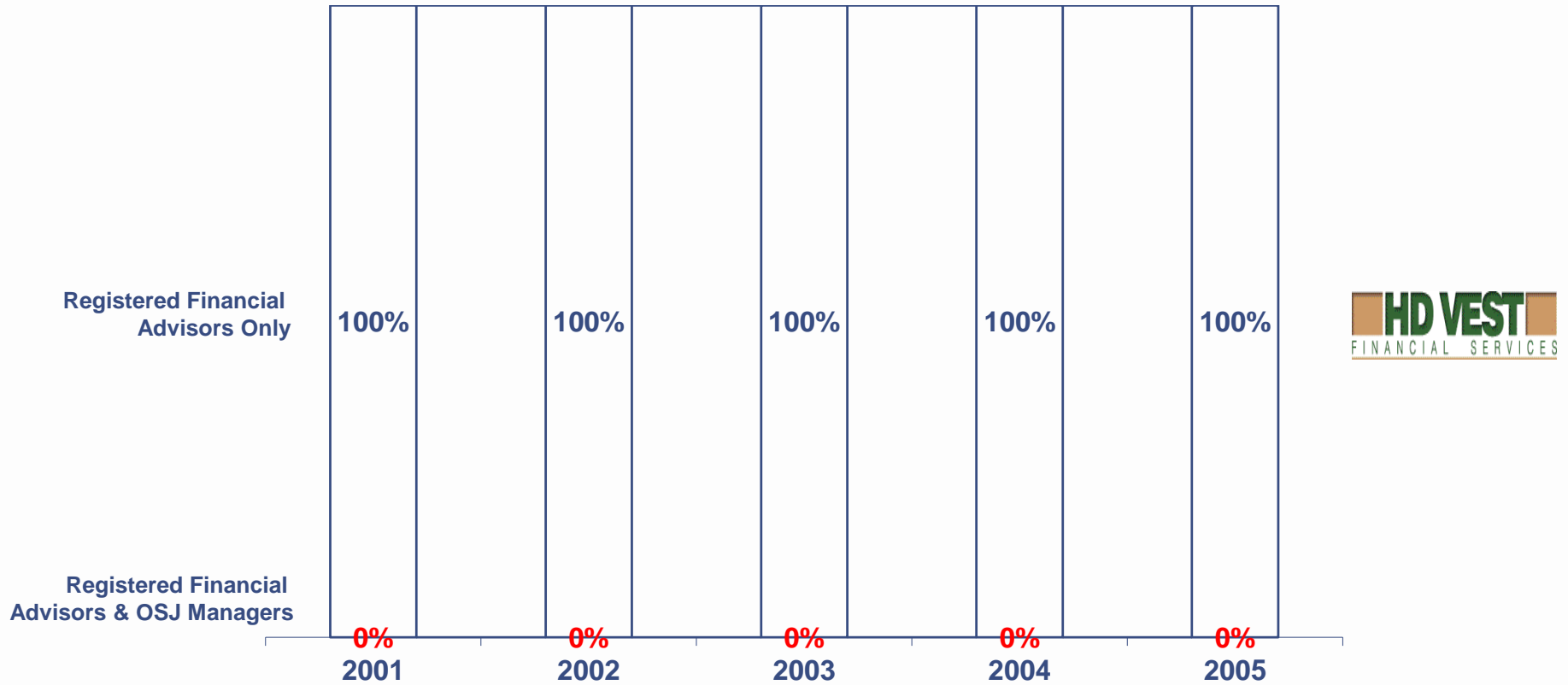
HD Vest Financial Services Financial Advisors By Propensity to be CPA



Blucora's HD Vest Financial Services' Has No OSJ Managers, Consistent Since 2001

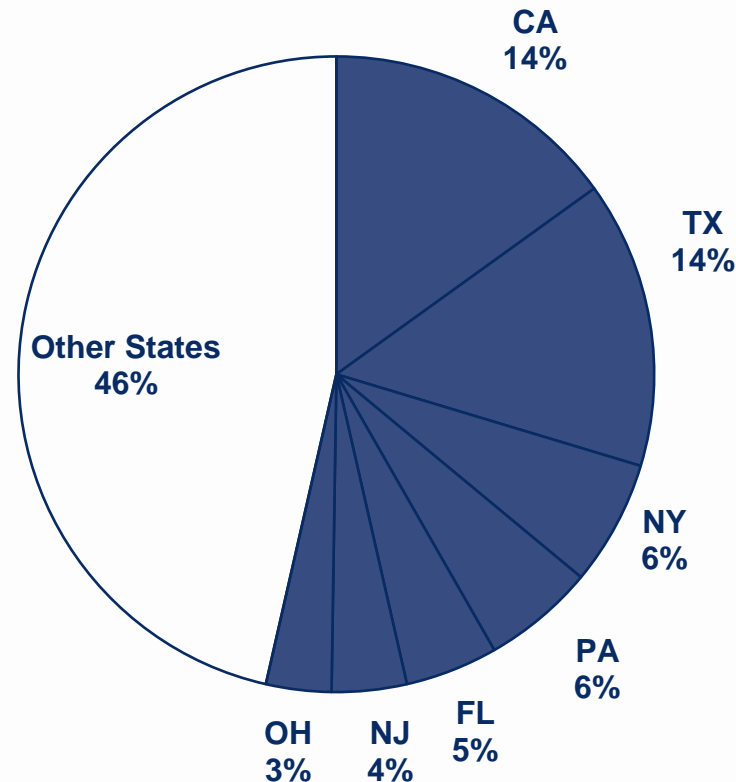
Needs update

HD Vest Financial Services Financial Advisors By Role



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

HD Vest Financial Services Financial Advisors By State

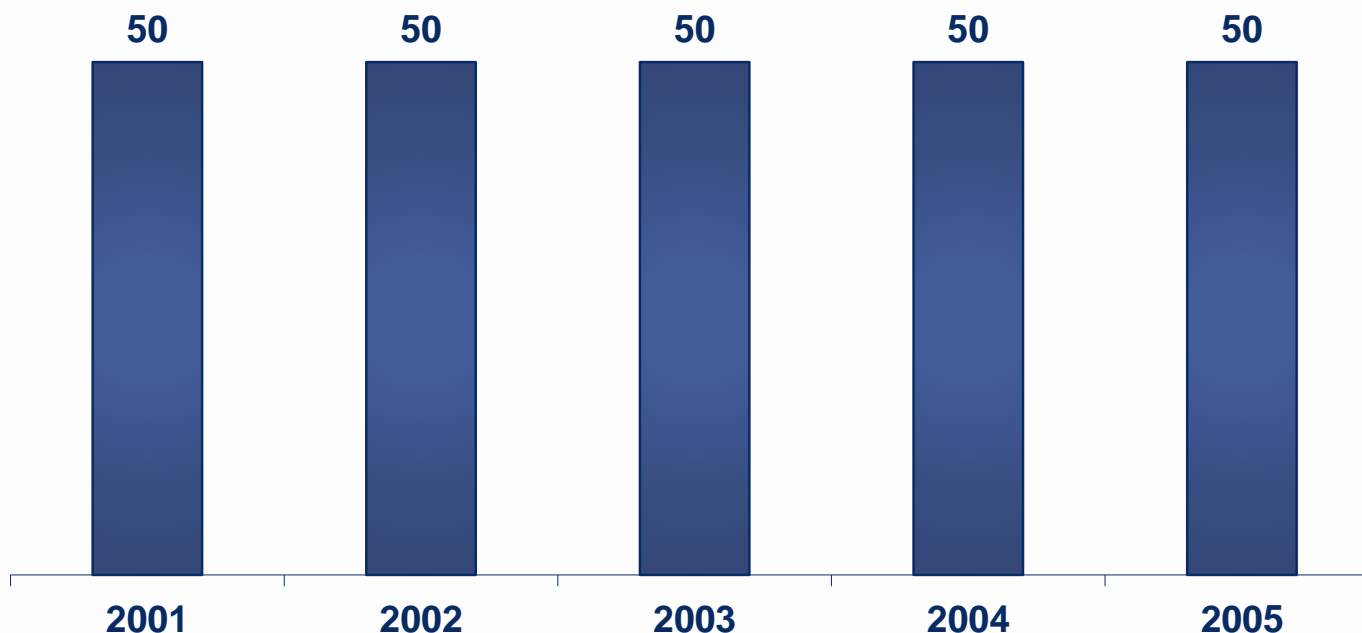


Blucora's HD Vest Financial Services Financial Advisors that Produce More than \$100,000 Per Year Number Only About 50, Consistent Since 2001

HD Vest Financial Services Financial Advisors that Produce More than \$100,000

Estimated data

Needs update



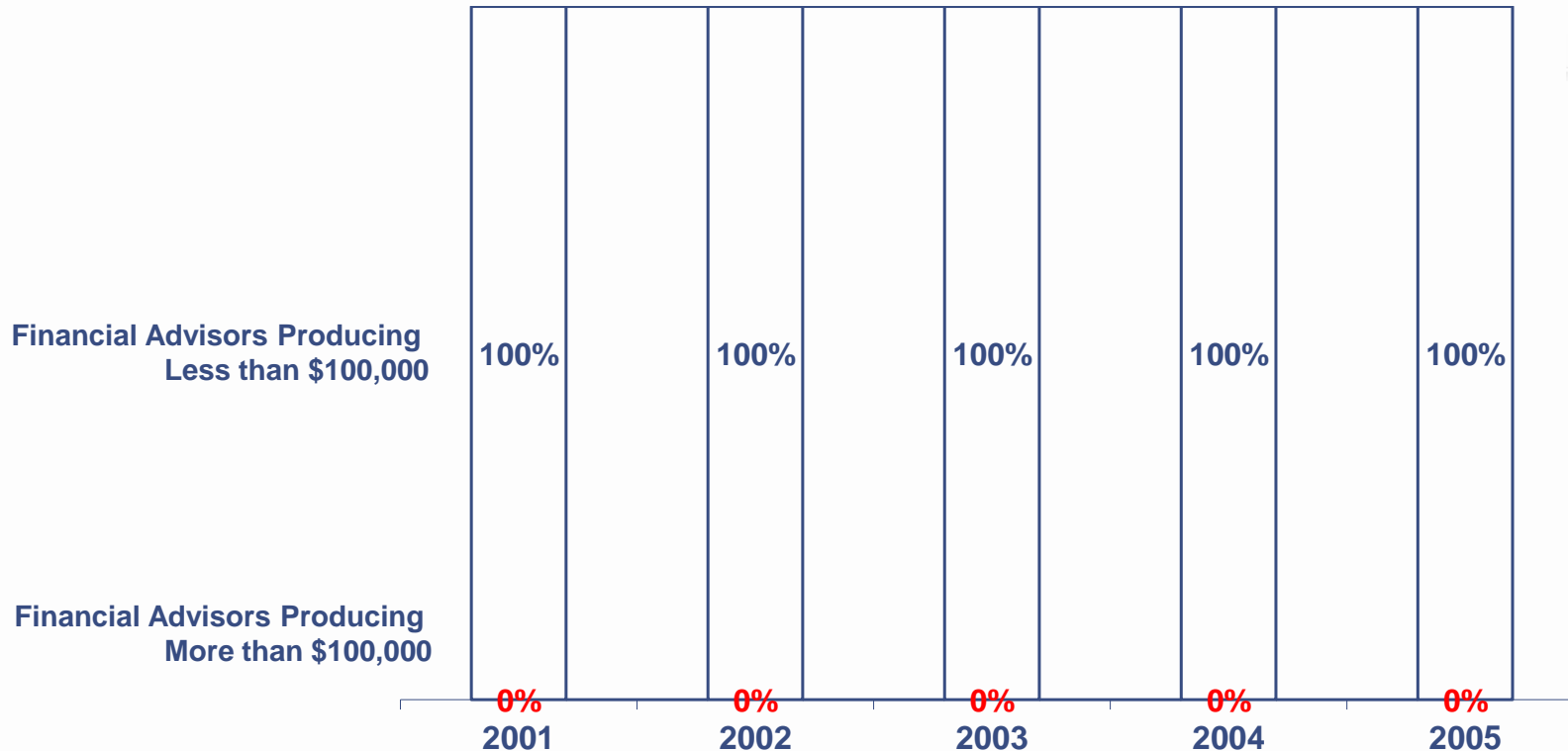
Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Almost All Produce Less than \$100,000 Per Year, Consistent Since 2001

Estimated data

Needs update

HD Vest Financial Services Financial Advisors By Production Level



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Low Production Requirements and it is willing to Work with Financial Advisors who Do Not Meet the Minimum Requirements

Add sub-titles

Comments

- **“If financial advisor is not at \$5,000 in annual commissions, he or she can sign a contract agreeing to training to stay”**
- **“Everyone claims they do not have quotas but they do”**
- **“I like HD Vest Financial Services because it is low pressure; having a minimum standard is not so bad”**



Source: 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/7/00 HD Vest Financial Services Conversation (Ochs); Tiburon Research & Analysis



Data calculated in
2003

3,500 Financial
Advisors have been
there less than two
years

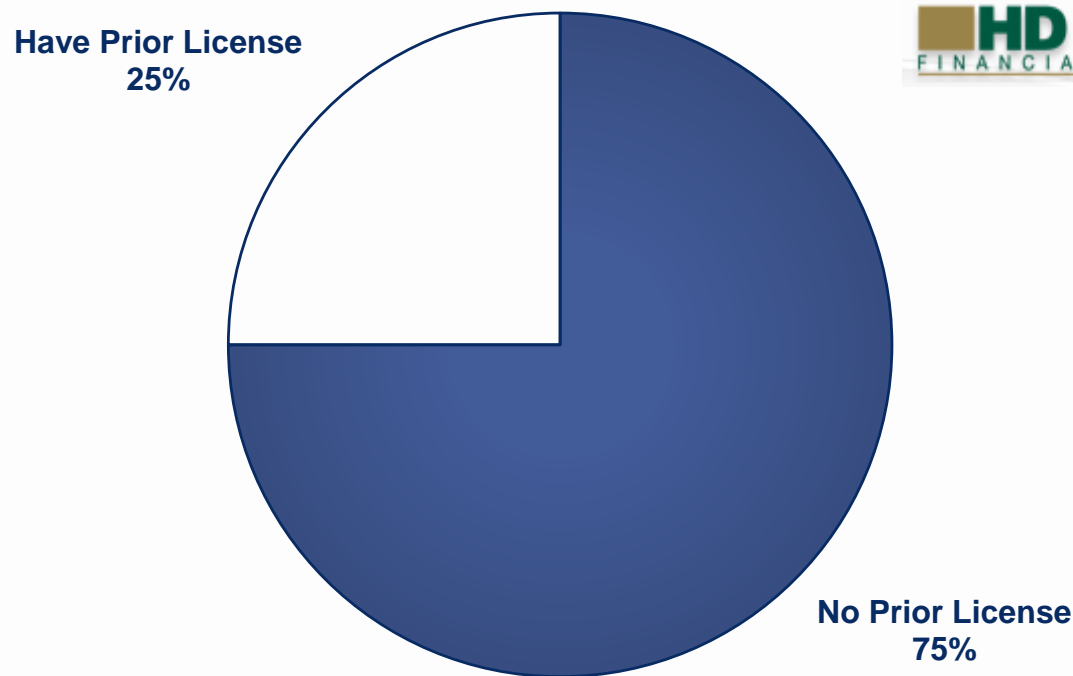
Comments

- **50 years old (born in 1953)**
- **Certified as a CPA/EA 18 years ago (since 1985)**
 - Became a CPA/EA at age 32
- **Started or joined current business 17 years ago (in 1986)**
 - Started or joined business -1 years after becoming a CPA or EA
- **Added financial planning capabilities to current business 8 years ago (in 1995)**
 - Waited 9 years before adding financial planning capabilities to practice
- **Joined HD Vest Financial Services 6 years ago (in 1997)**
 - Joined HD Vest Financial Services 2 years after adding financial planning capabilities

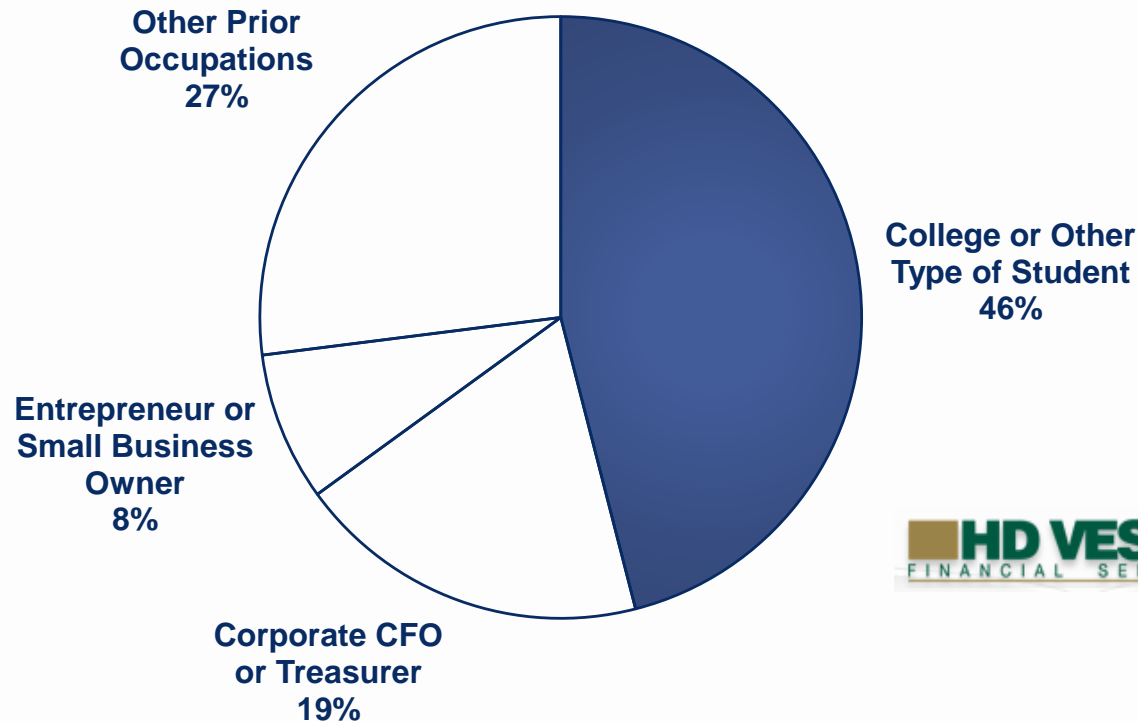
Blucora's HD Vest Financial Services' Financial Advisors Have Over Three-Quarters Never Been Licensed Before

85% of Financial Advisors never previously registered

HD Vest Financial Services Financial Advisors By Propensity to Have Prior License




HD Vest Financial Services Financial Advisors By Prior Occupation



Blucora's HD Vest Financial Services Has Expanded its Offer to Target Five Distinct Financial Advisor Segments

HD Vest Financial Services Financial Advisor Segments

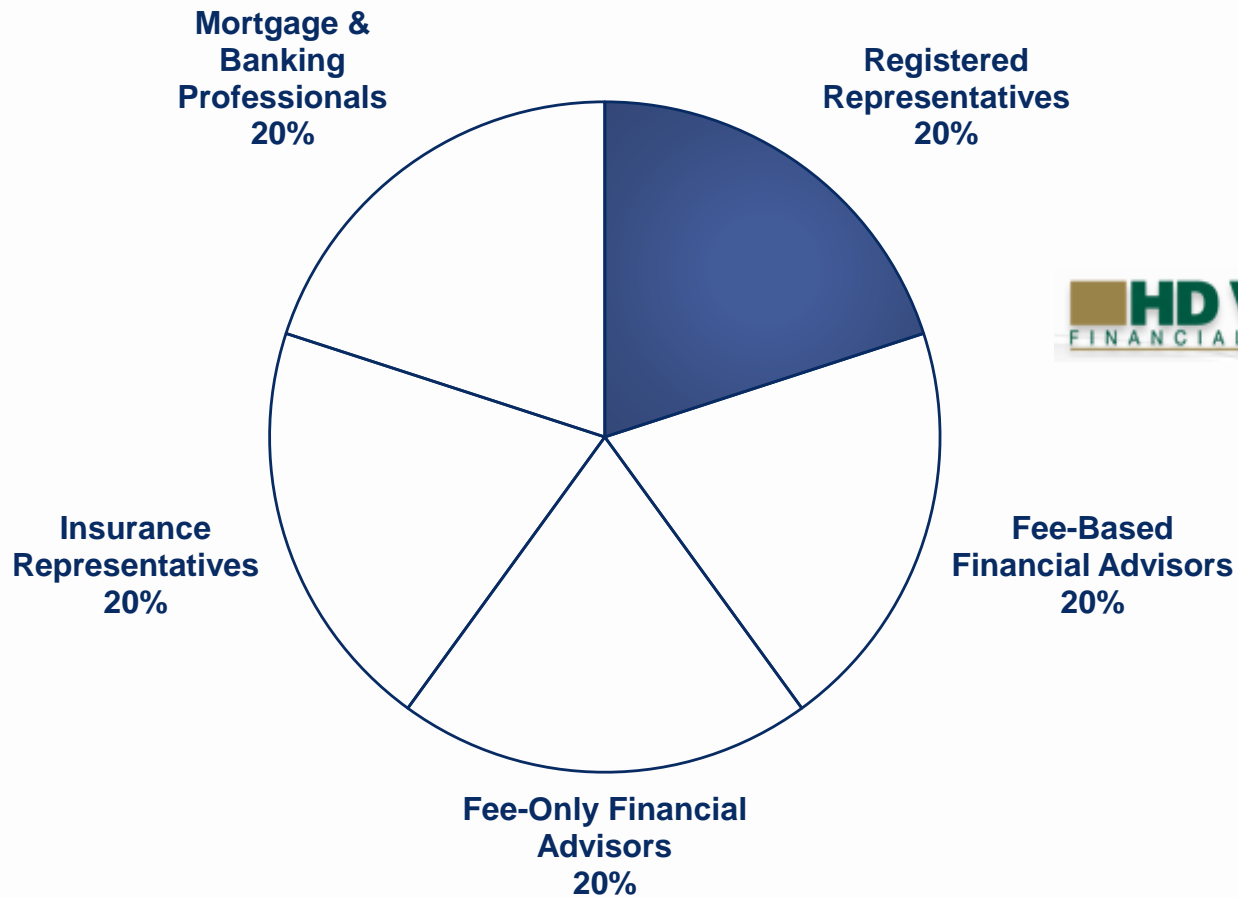
Registered Representatives	Fee-Based Financial Advisors	Fee-Only Financial Advisors	Insurance Representatives	Mortgage & Banking Professionals
<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • Launched in 2004 • Designed specifically for CPAs 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 

Source: 4/18/04 HD Vest Financial Services Brochure; Tiburon Research & Analysis

HD Vest Financial Services Financial Advisor Segments

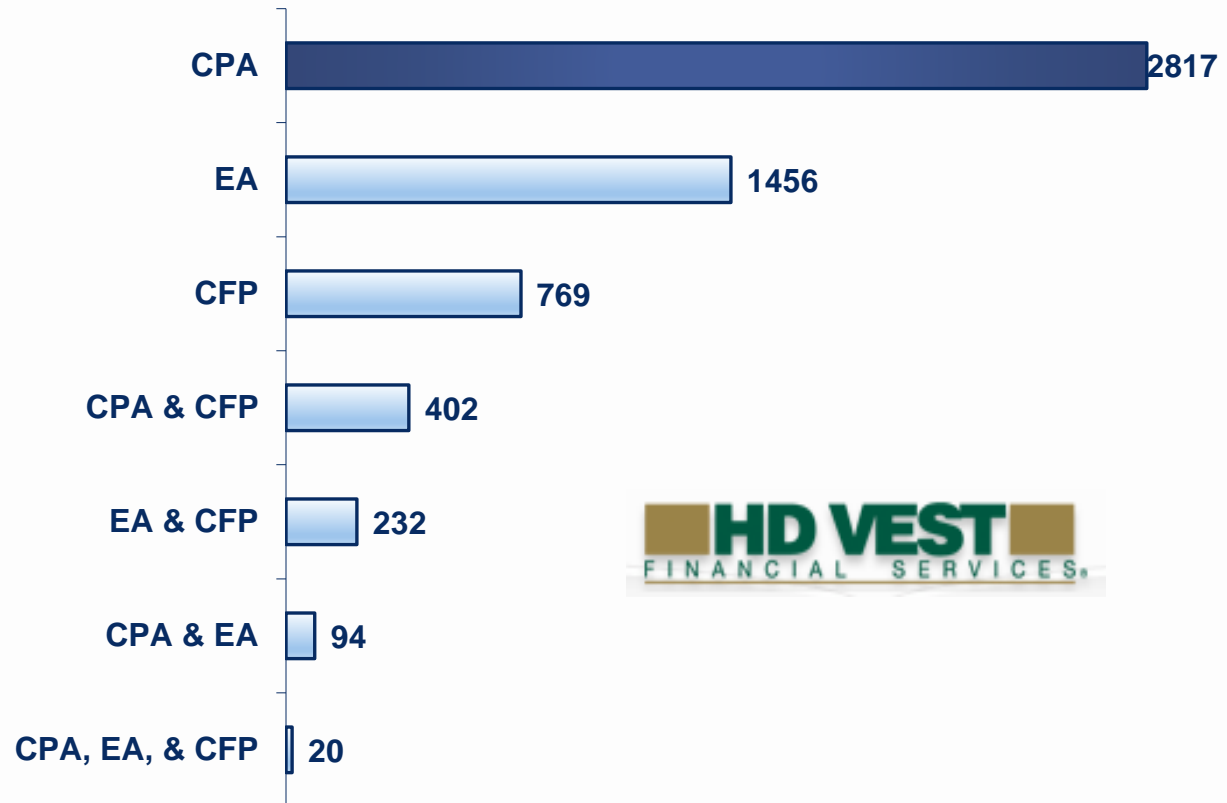
Needs real data

Affiliate turnover
rate is 10% per
year



Blucora's HD Vest Financial Services Has a Variety of Tax-Oriented Professionals as Financial Advisors

HD Vest Financial Services Financial Advisors By Designation

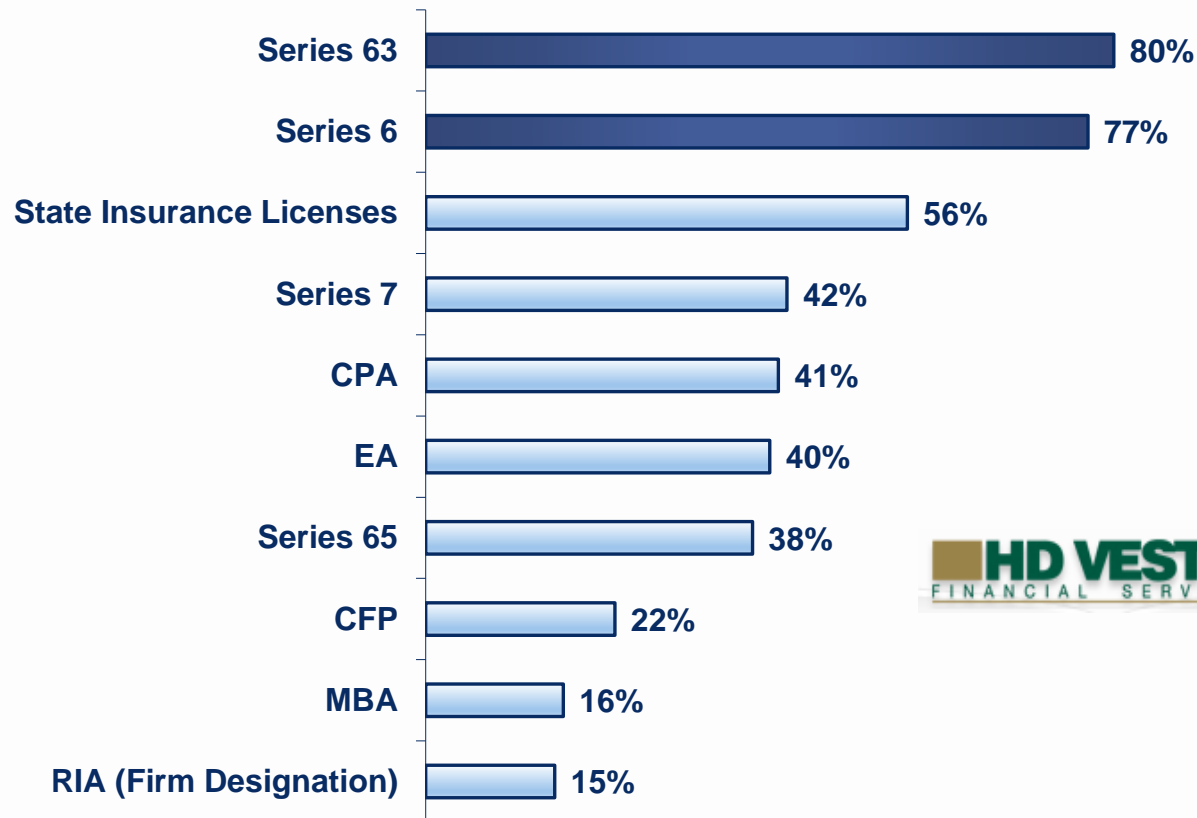


Source: 3/01 HD Vest Financial Services Analytics; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Most Common Licenses and Designations are the Series 63 and Series 6

Series 24 (11%);
CPA/PFS (10%);
Series 66 (7%)

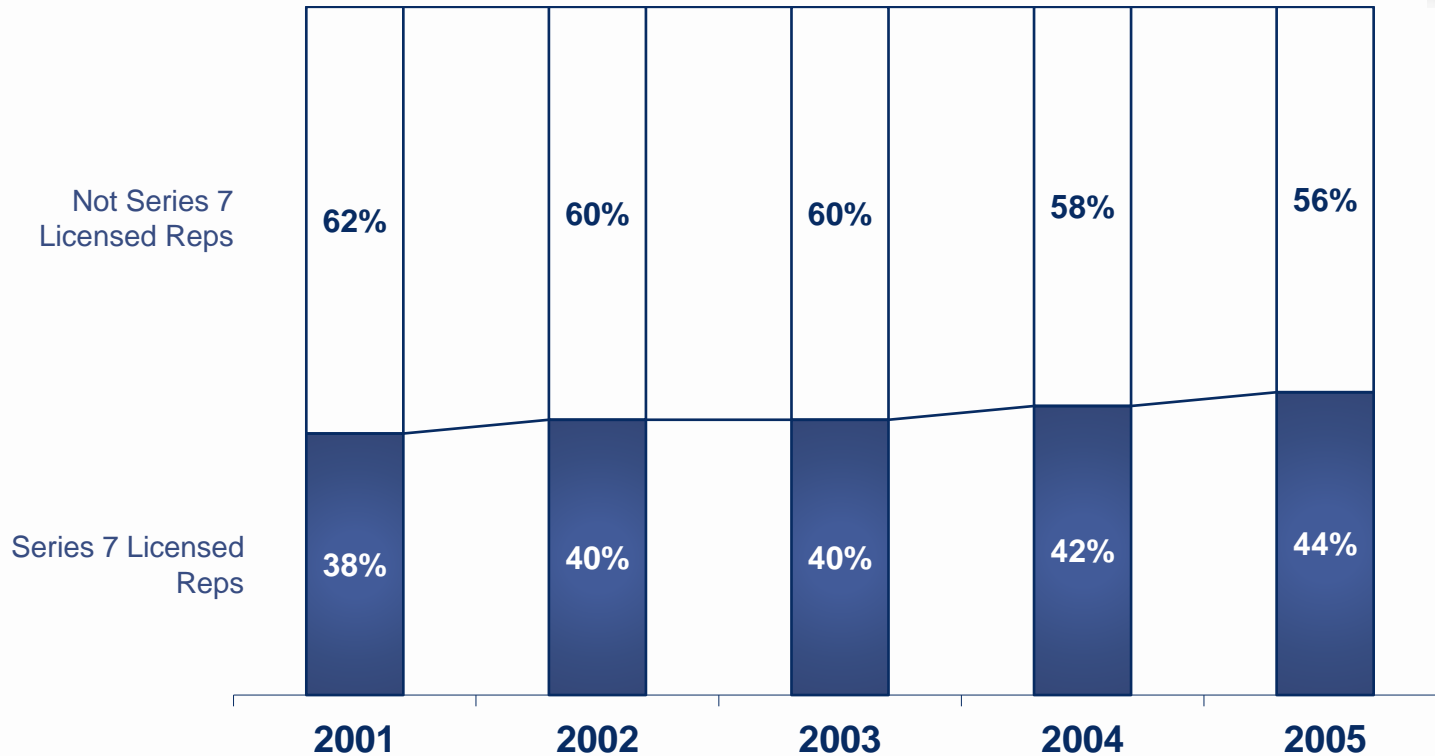
HD Vest Financial Services Financial Advisors Licenses & Designations



Blucora's HD Vest Financial Services Financial Advisors with Series 7 Licenses Account for Almost Half of All Reps, Up Slightly Since 2001

Needs update

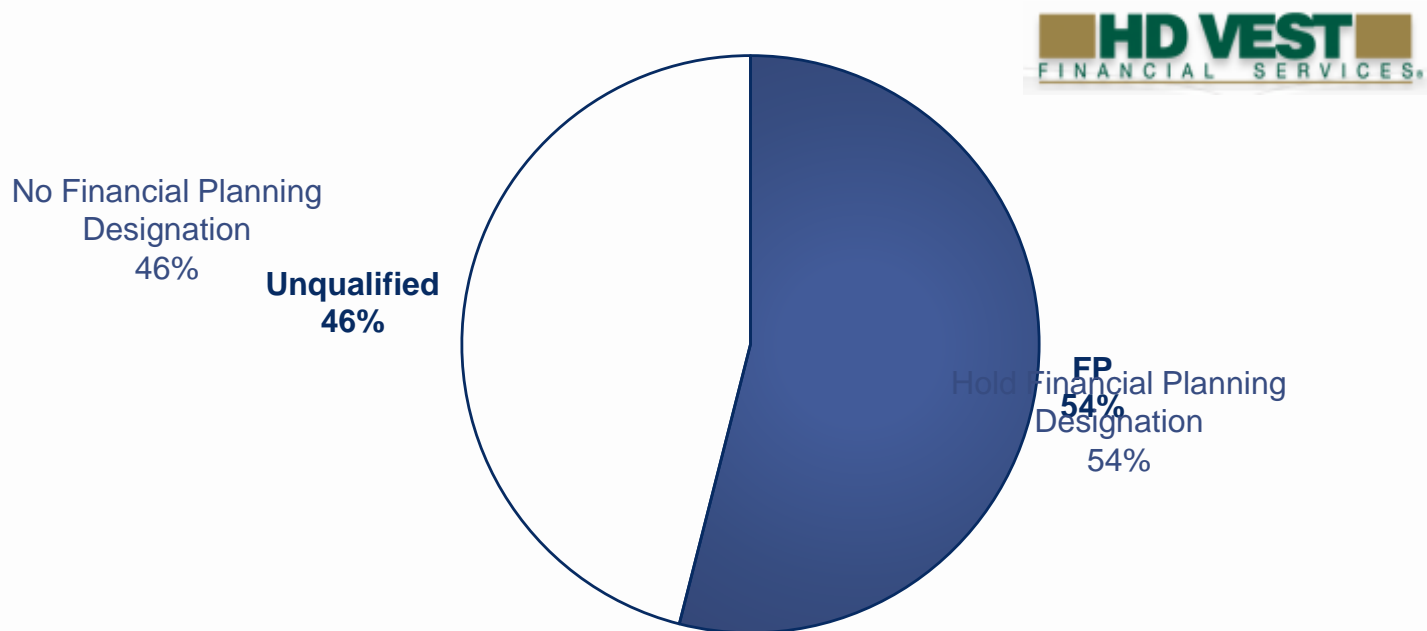
HD Vest Financial Services Financial Advisors By Series 7 License



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors with Financial Planning Designations Account for Half of the Total HD Vest Financial Services Reps

**HD Vest Financial Services
Financial Advisors
By Financial Planning Designation**

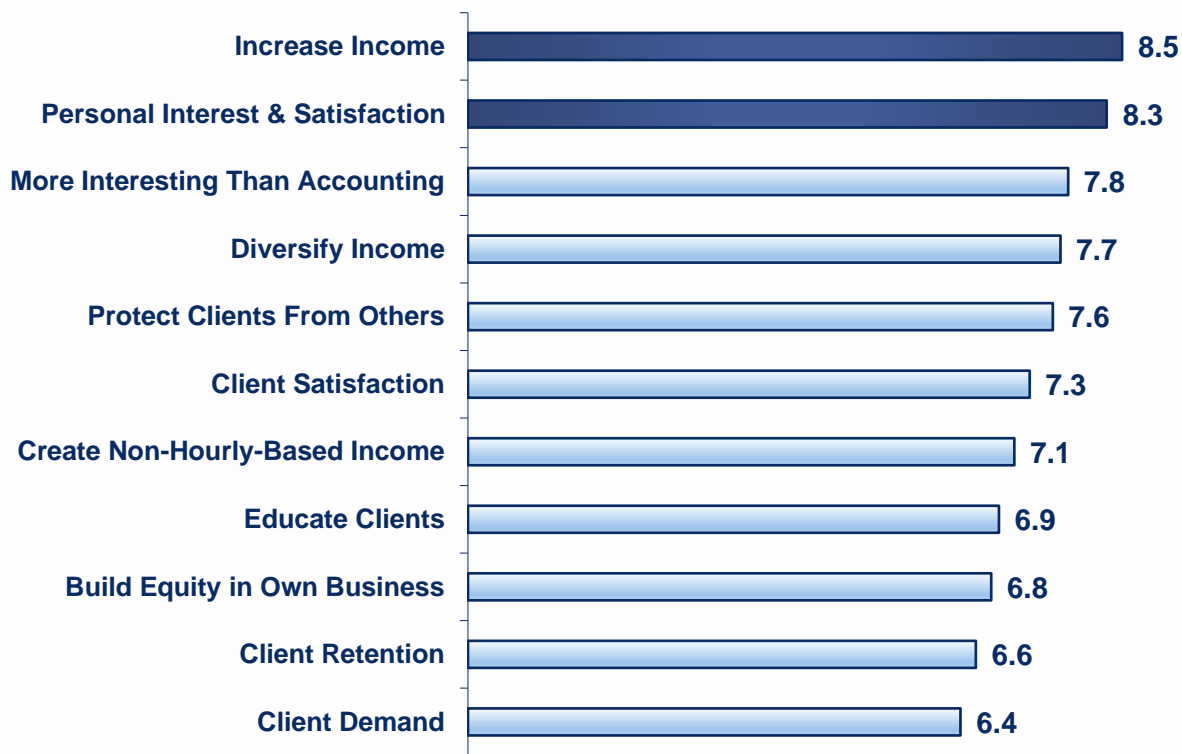


Source: 11/00 HD Vest Financial Services Analysis; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Report Increase Income and Potential Interest & Satisfaction are the Primary Reasons they Entered Financial Planning

Delete?

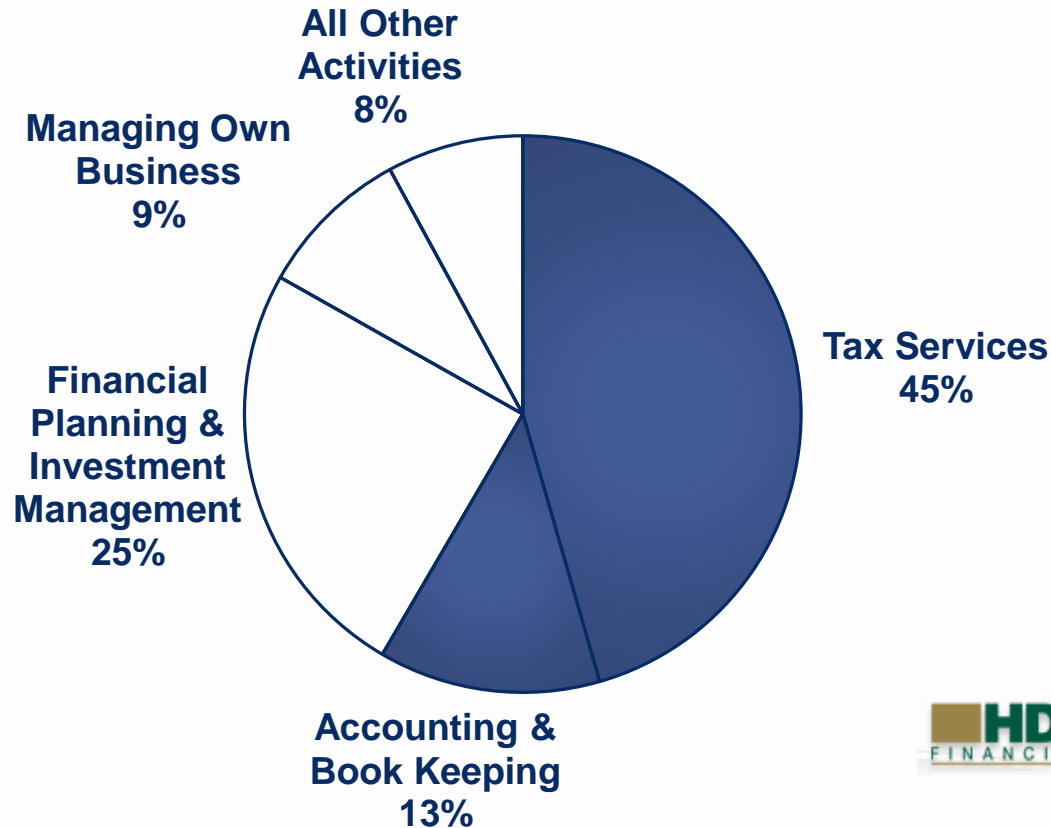
HD Vest Financial Services Financial Advisors By Reasons for Entering Financial Planning



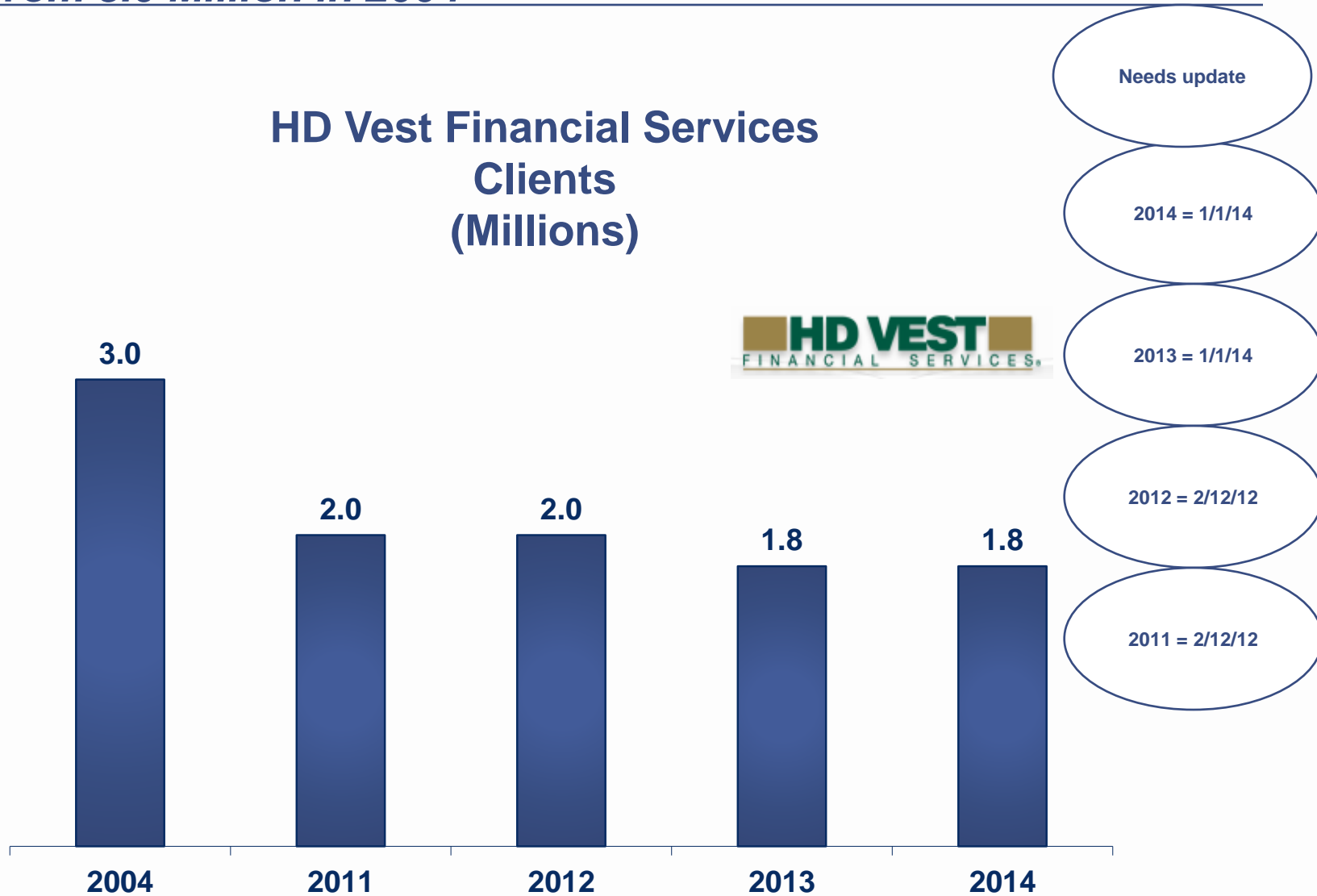
Blucora's HD Vest Financial Services Financial Advisors Report that More than Half of their Time is Spent on Tax Services and Accounting & Book Keeping Activities

Delete?

HD Vest Financial Services Financial Advisors By Time Allocation

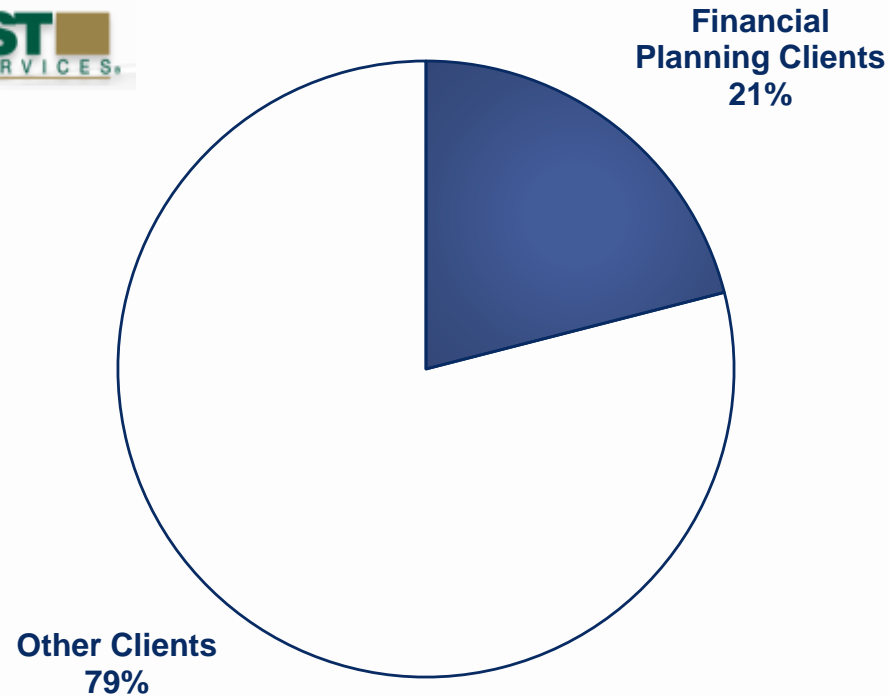


Blucora's HD Vest Financial Services Serves 1.8 Million Clients, Down from 3.0 Million in 2004



Source: 11/18/14 Zoom Info Web Site; 11/14/14 Linked In Web Site; 2/12/12 Metric Interactive Web Site; 6/05 Financial Advisor; Tiburon Research & Analysis

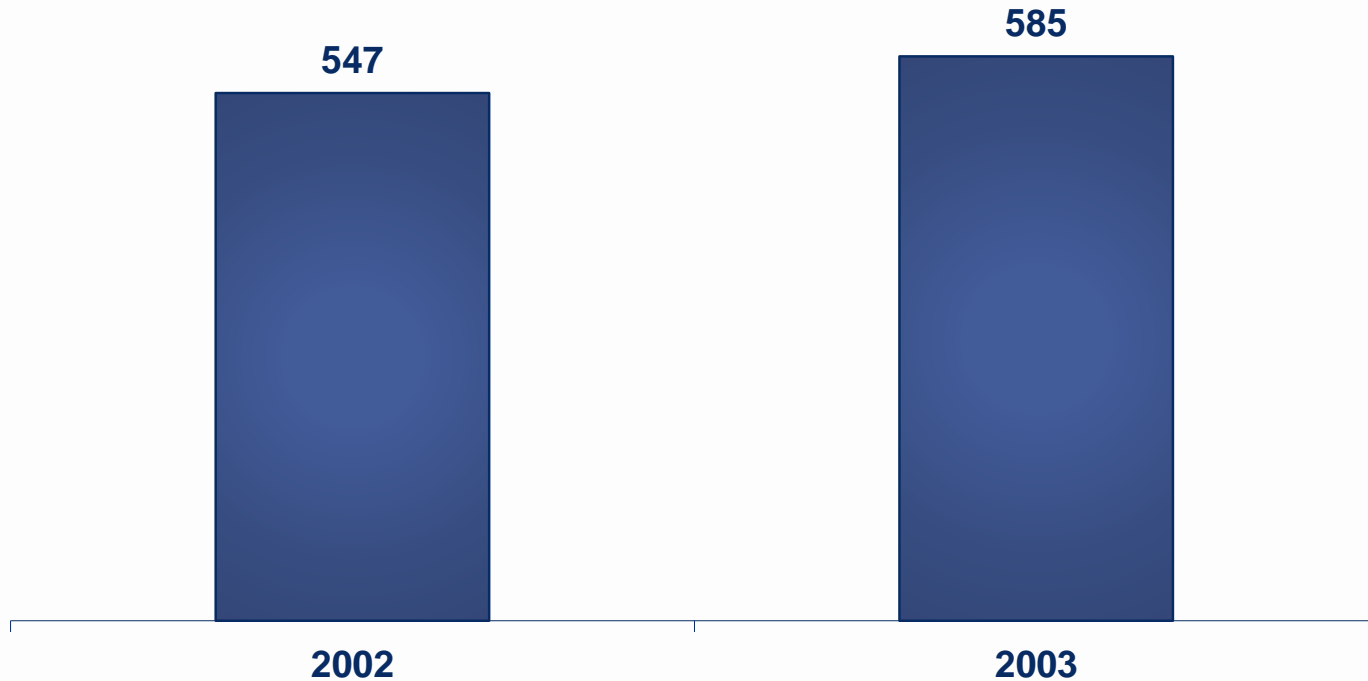
HD Vest Financial Services Financial Advisor Offices Clients By Type



Blucora's HD Vest Financial Services Average Financial Advisor Office Has Nearly 600 Tax Clients, Up 7% from 2002

Needs update

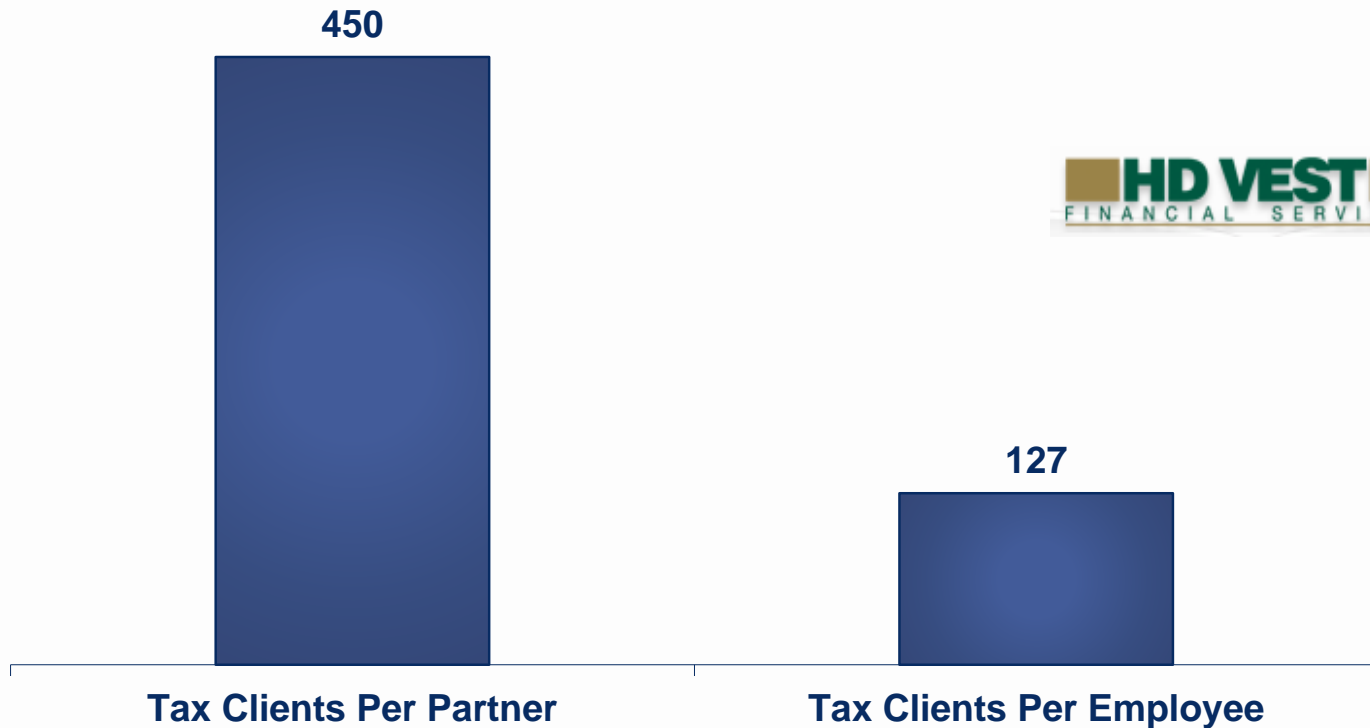
HD Vest Financial Services Financial Advisor Offices Tax Clients



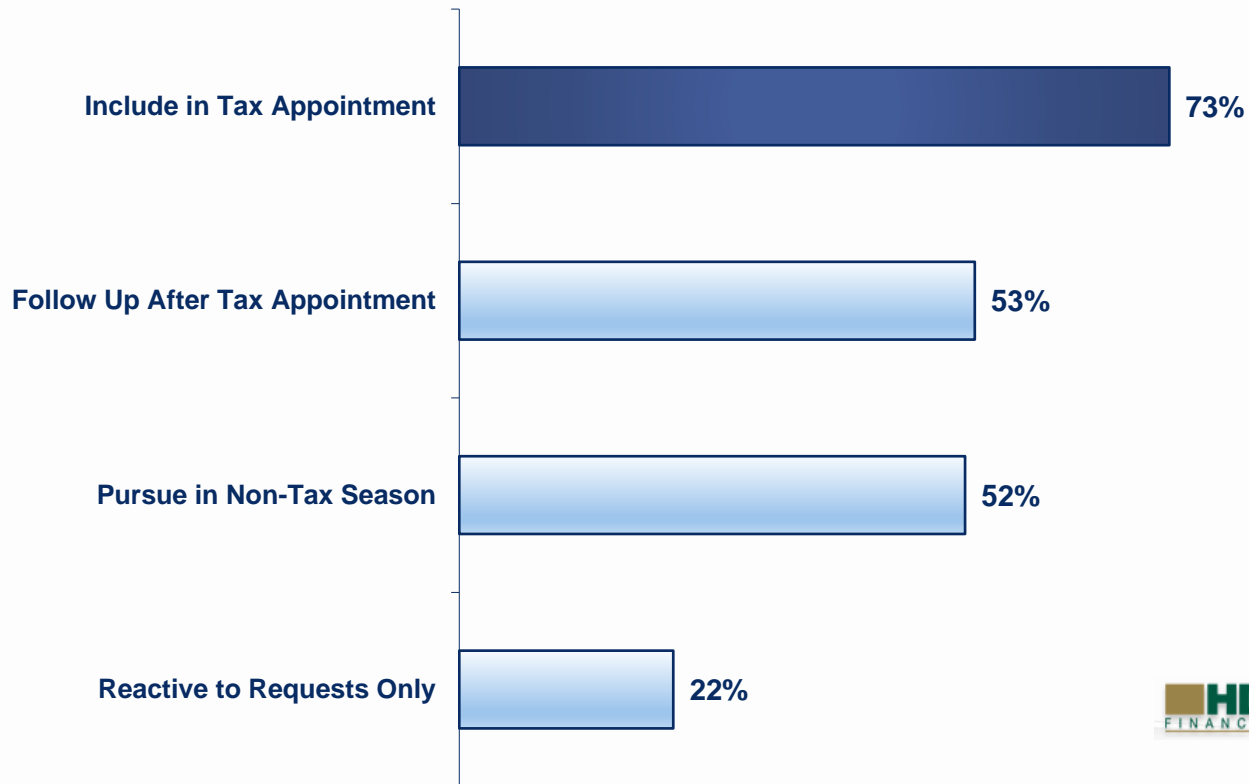
Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Has 450 Tax Clients Per Partner and More than 125 Tax Clients Per Employee

**HD Vest Financial Services
Financial Advisor Offices
Tax Clients Per Partner & Employee**



HD Vest Financial Services Financial Advisors By Methods for Transitioning Tax Clients to Financial Planning



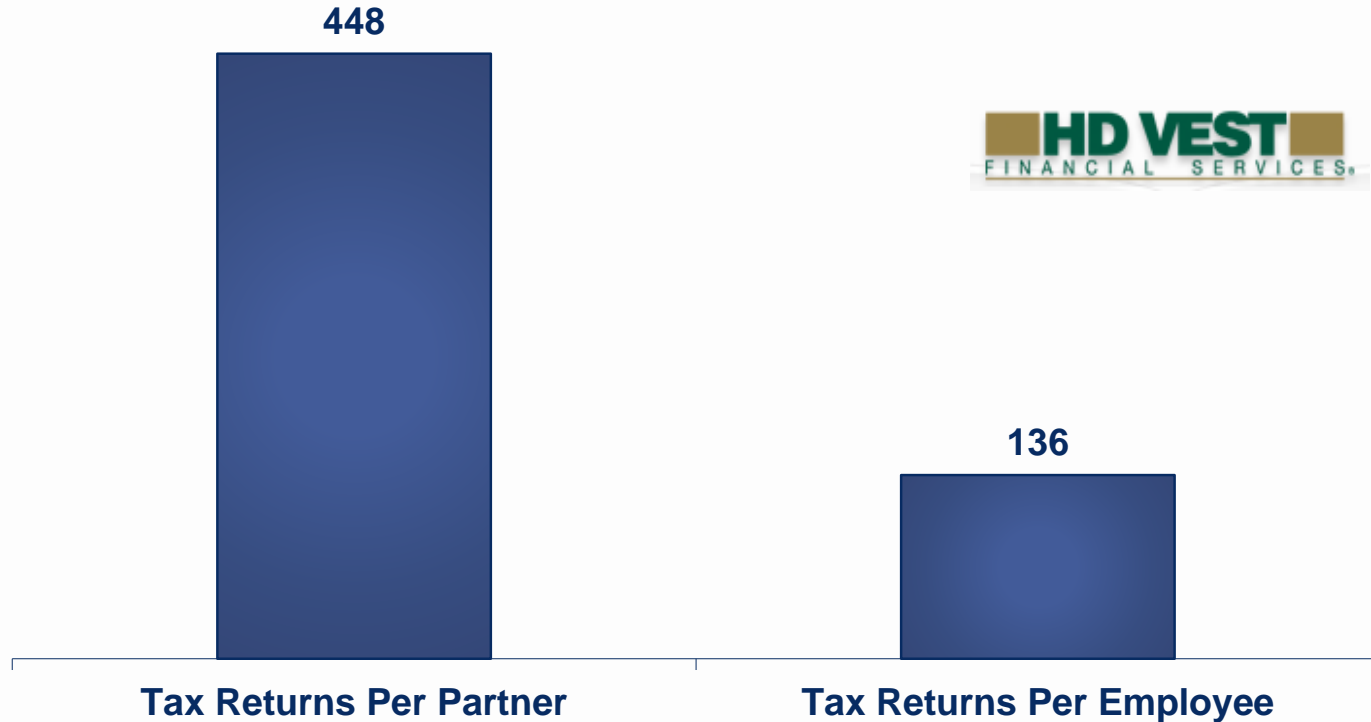
Blucora's HD Vest Financial Services Average Financial Advisor Office Completes 696 Tax Returns Per Year

Comments

- --

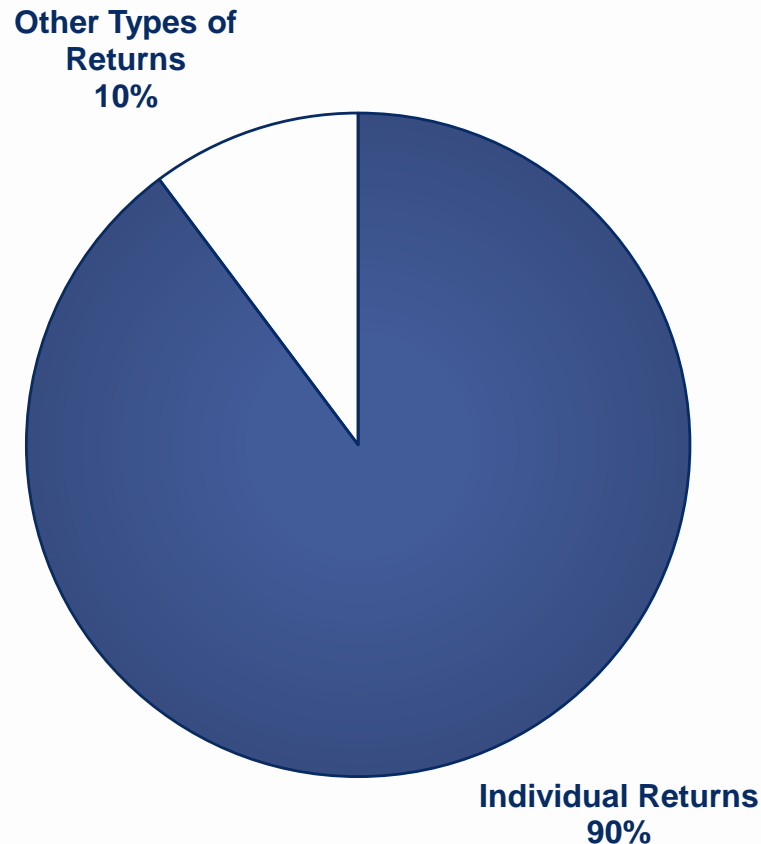


HD Vest Financial Services Financial Advisor Offices Tax Returns Per Partner & Employee



Blucora's HD Vest Financial Services Average Financial Advisor Office's Tax Returns were Nearly All Individual

HD Vest Financial Services Financial Advisor Offices Tax Returns By Type



Blucora's HD Vest Financial Services' Trish Bellows Comments that Tax Preparation will Soon Only be Profitable for the Very High End

HD Vest Financial Services Comment on Tax Preparation Profitability

“It will not be long before no-one is making any money in tax pFinancial Advisor except for the high end”

**– Trish Bellows
HD Vest Financial Services
2006**

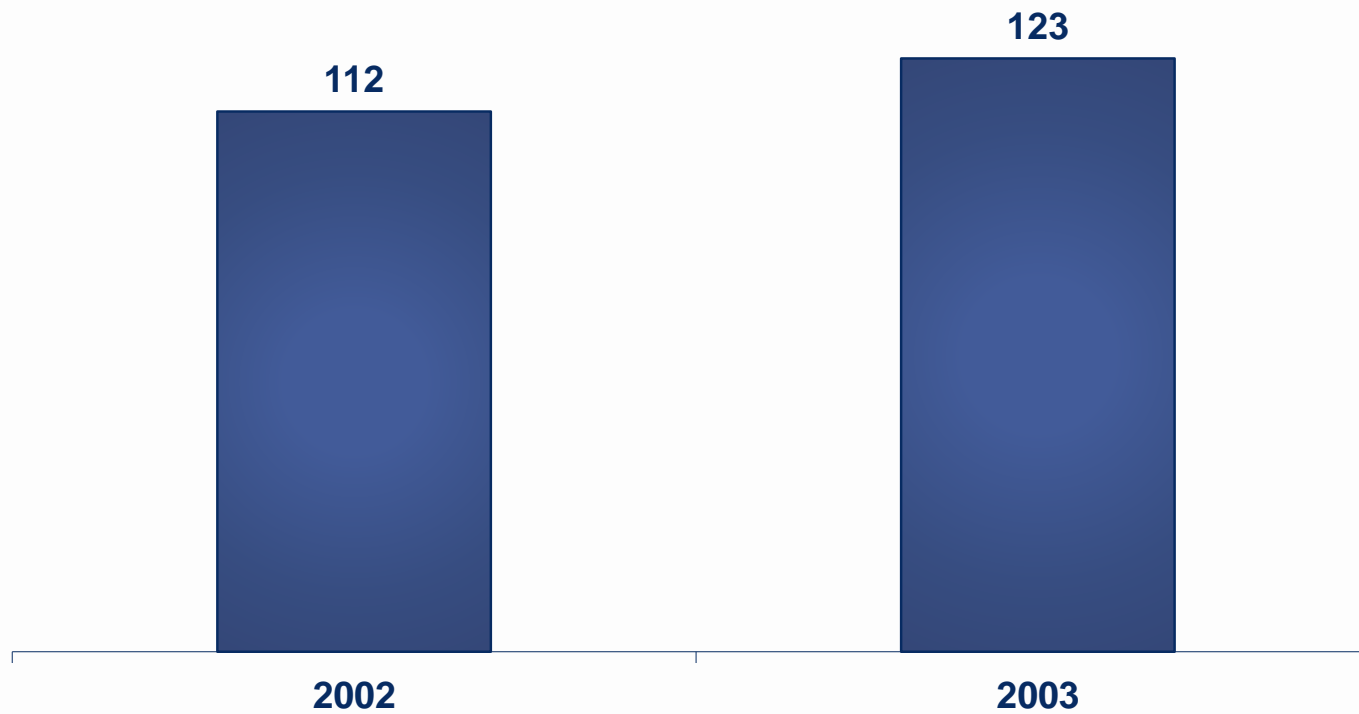


Source: 4/24/00 Raymond James Financial Advisor Conversation (Thomas); 4/00 Raymond James Financial Advisor Web Site; 2/11/00 Royal Alliance Financial Advisor Conversation (Schmitz); 1/24/00 Turning Point Conversation (Sandstrom); 12/98 LPL Corporate Report; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Has Nearly 125 Financial Planning Clients, Up 10% Since 2002

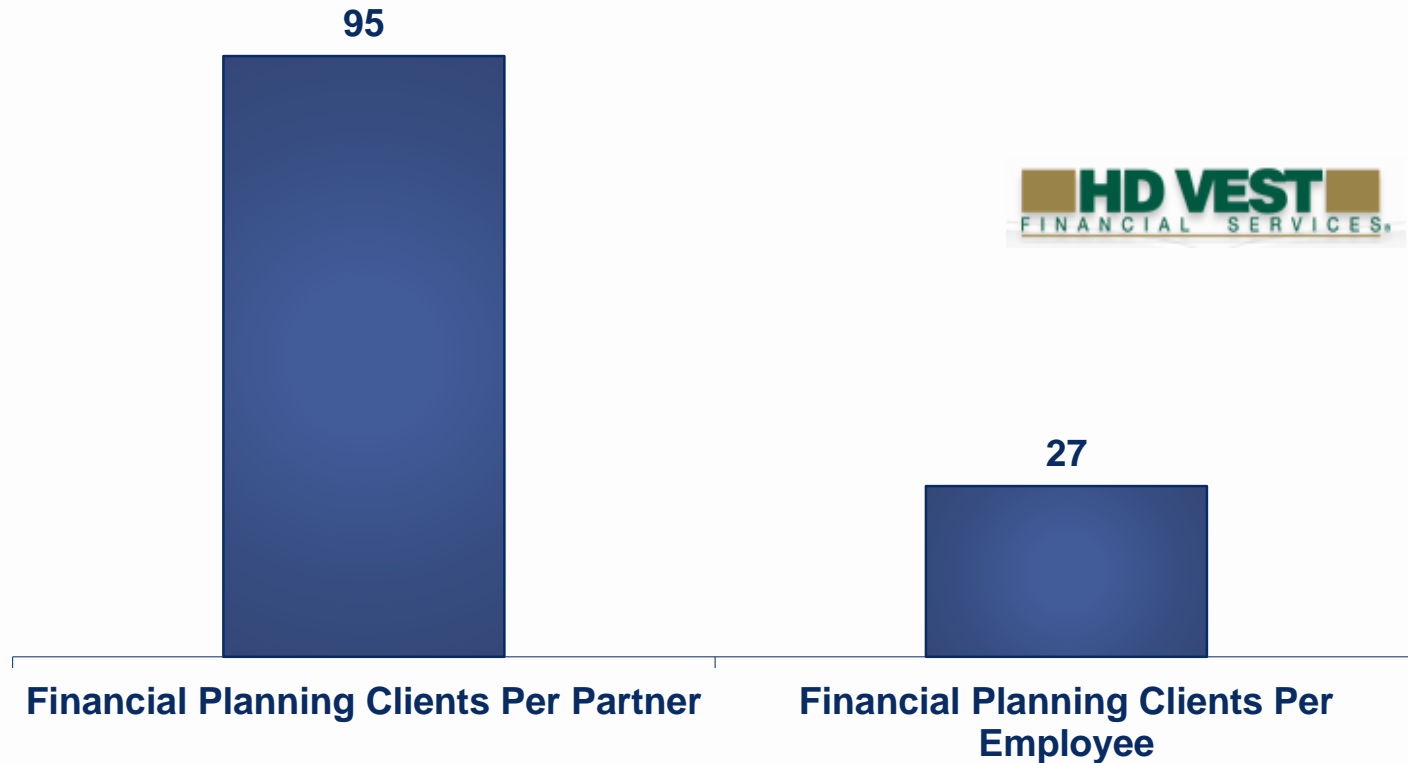
Needs update

HD Vest Financial Services Financial Advisor Offices Financial Planning Clients



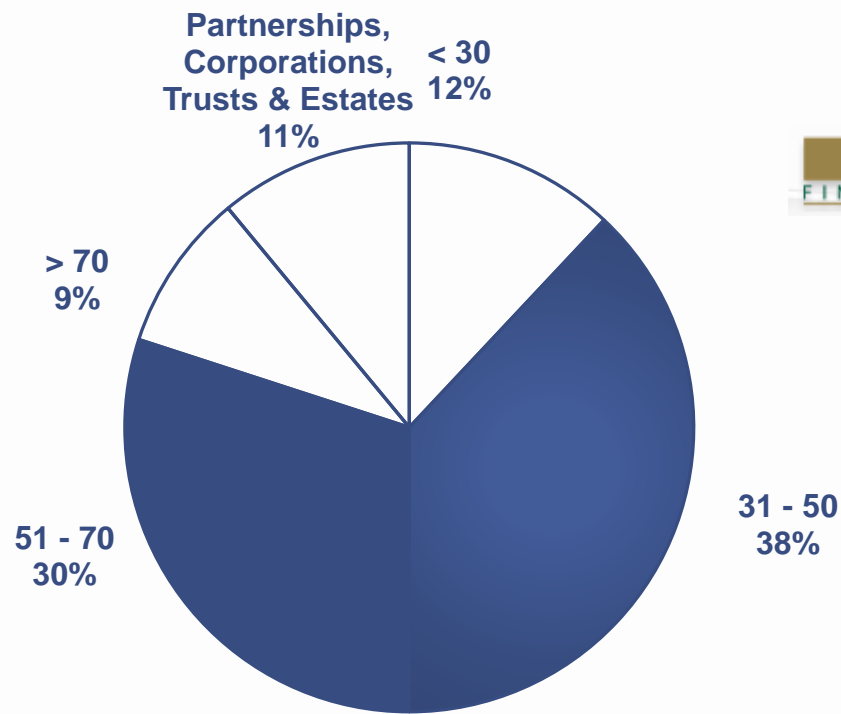
Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

HD Vest Financial Services Financial Advisor Offices Financial Planning Clients Per Partner & Employee

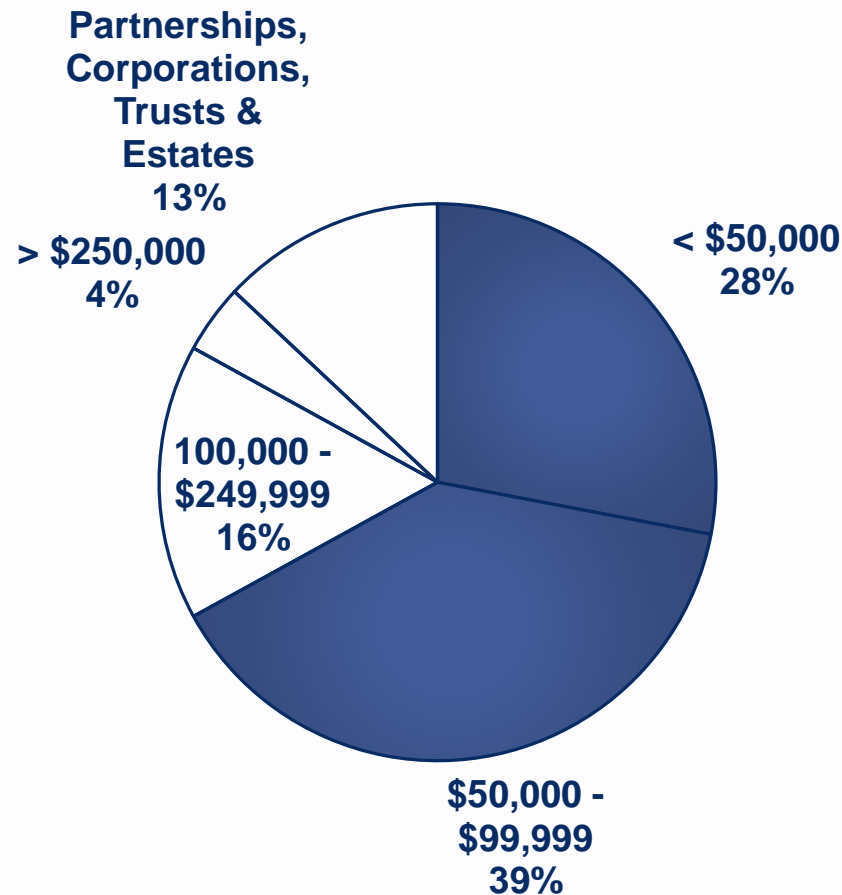


Blucora's HD Vest Financial Services Financial Advisor Offices' Clients Between the Ages of 31 to 70 Account for Two-Thirds of HD Vest Financial Services Clients

**HD Vest Financial Services
Financial Advisor Offices Clients
By Age**



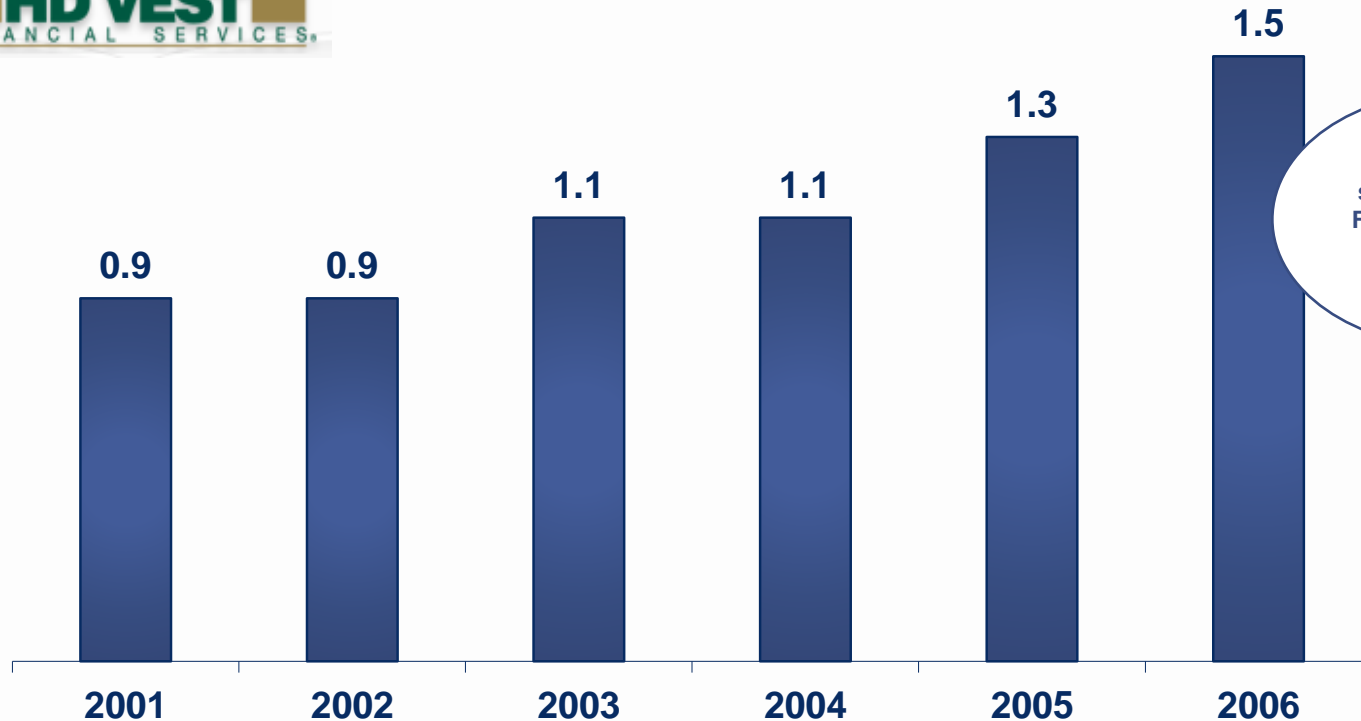
HD Vest Financial Services Financial Advisor Offices Clients By Income



Blucora's HD Vest Financial Services Has Gathered 1.5 Million Accounts, Up Over 50% Since 2001



HD Vest Financial Services Accounts (Millions)



Needs update

Data is estimated; obviously too low vis-à-vis 3.0 million clients

Another source said that HD Vest Financial Services had 1.8 million clients in 2002

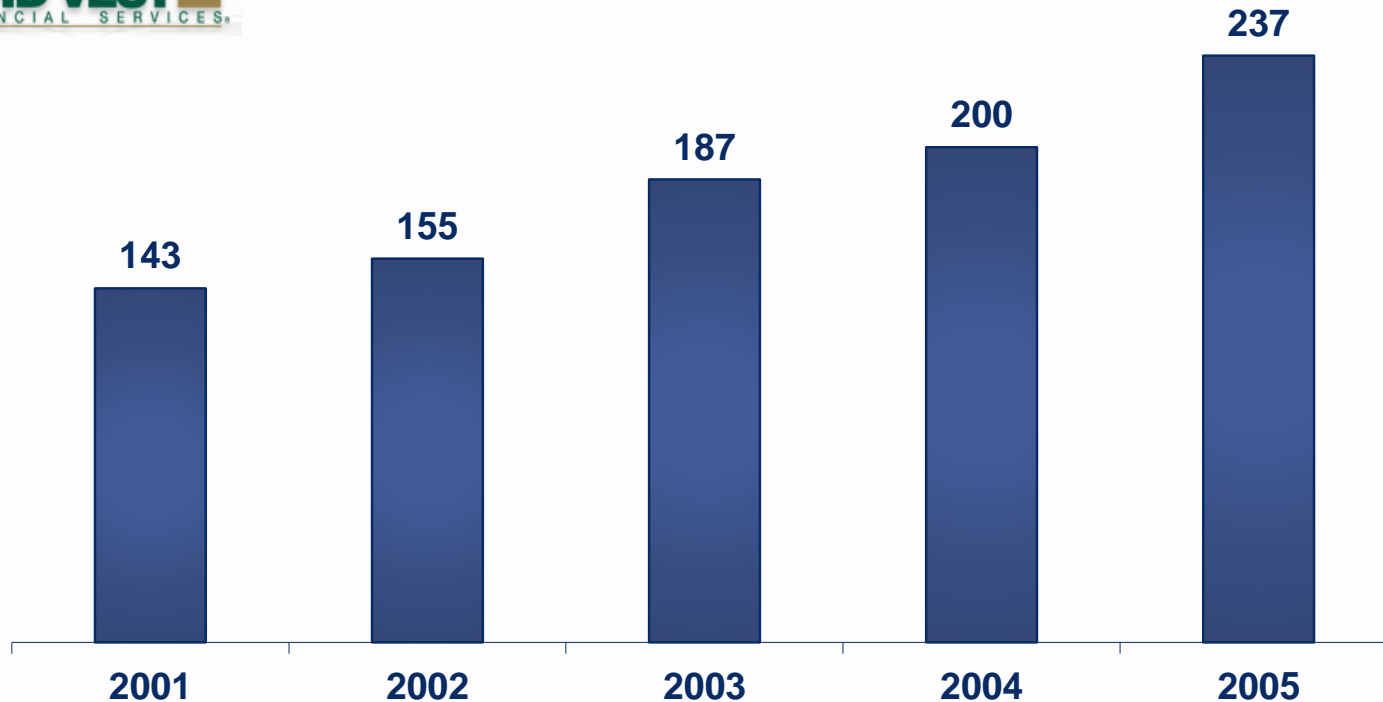
Source: 12/31/06 Financial Planning; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Gathered 237 Accounts Per Financial Advisor, Up 27% Since 2001

Needs update

Data is estimated

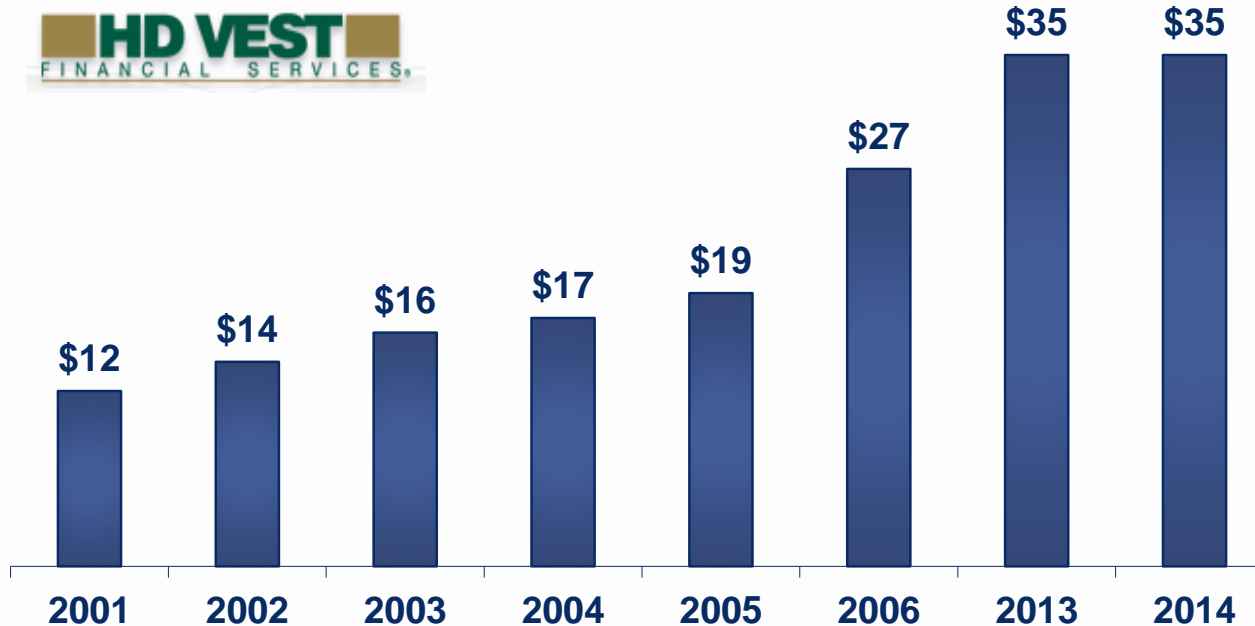
HD Vest Financial Services Accounts Per Financial Advisor



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Gathered \$35.0 Billion Assets Under Administration, Up Almost 200% Since 2001

HD Vest Financial Services Assets Under Administration (\$ Millions)



Needs update

2014 = 1/1/14

2013 = 1/1/14

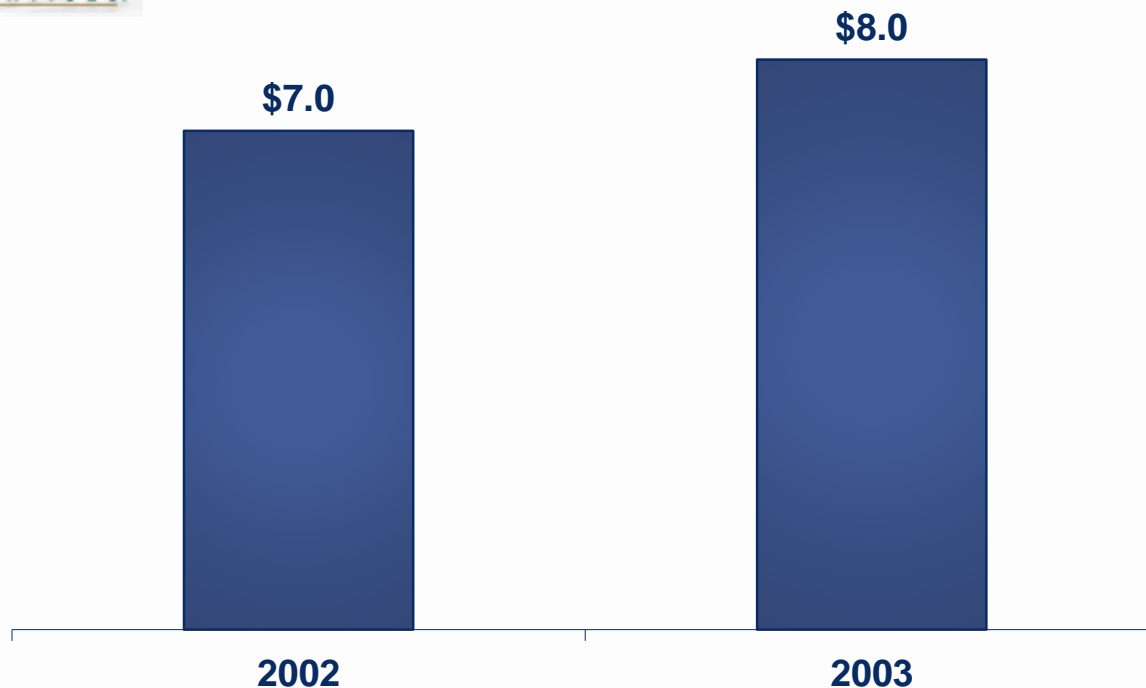
Source: 11/14/14 Linked In Web Site; 12/31/06 Financial Planning; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/12/04 Investment News; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Has Gathered \$8.0 Million Assets Under Administration, Up 11% from 2002

**HD Vest Financial Services
Financial Advisor Offices
Assets Under Administration
(\$ Millions)**

Needs update

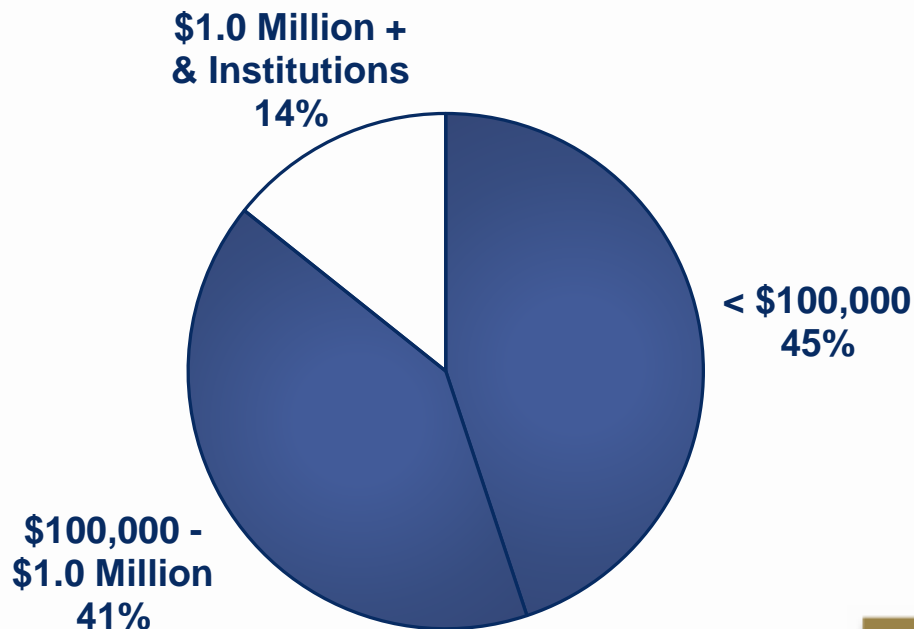
Reconcile with
prior chart



Source: 6/05 Registered Financial Advisor (Cerulli); 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

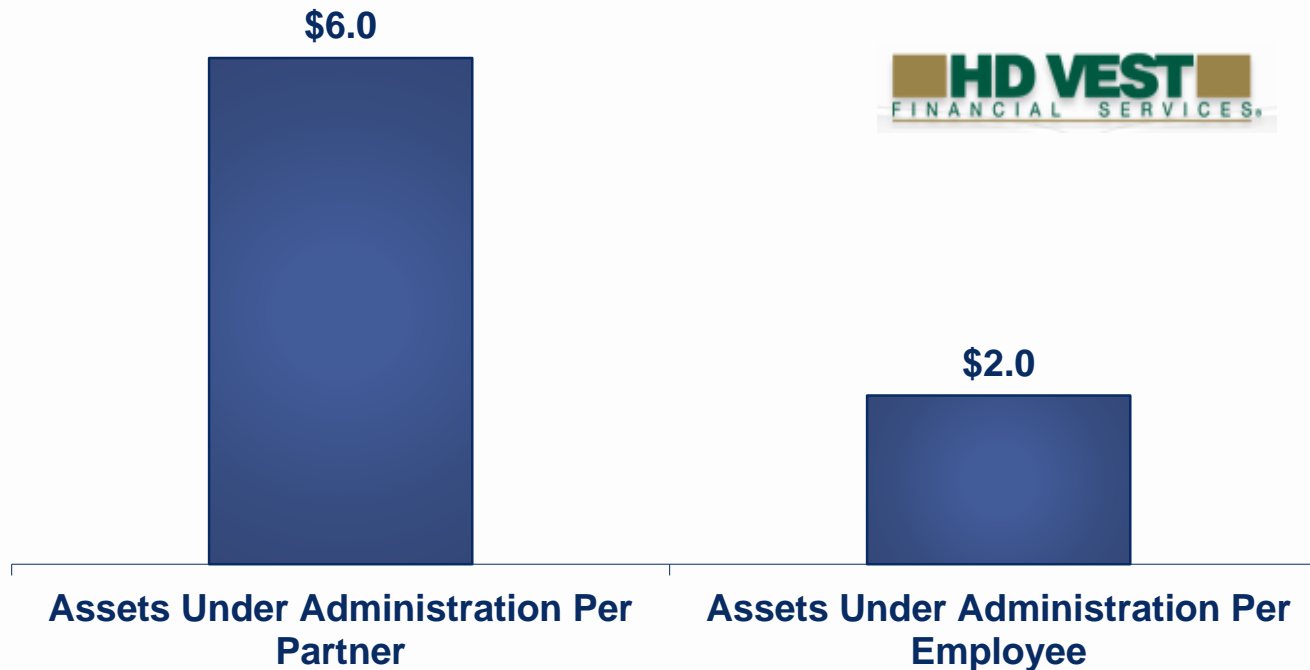
Change title

HD Vest Financial Services Financial Advisor Offices Clients By Investable Assets



Blucora's HD Vest Financial Services Average Financial Advisor Office Has Gathered \$6.0 Million Assets Under Administration Per Partner and \$2.0 Million Assets Per Employee

**HD Vest Financial Services Financial Advisor Offices
Assets Under Administration Per Partner & Employee
(\$ Millions)**

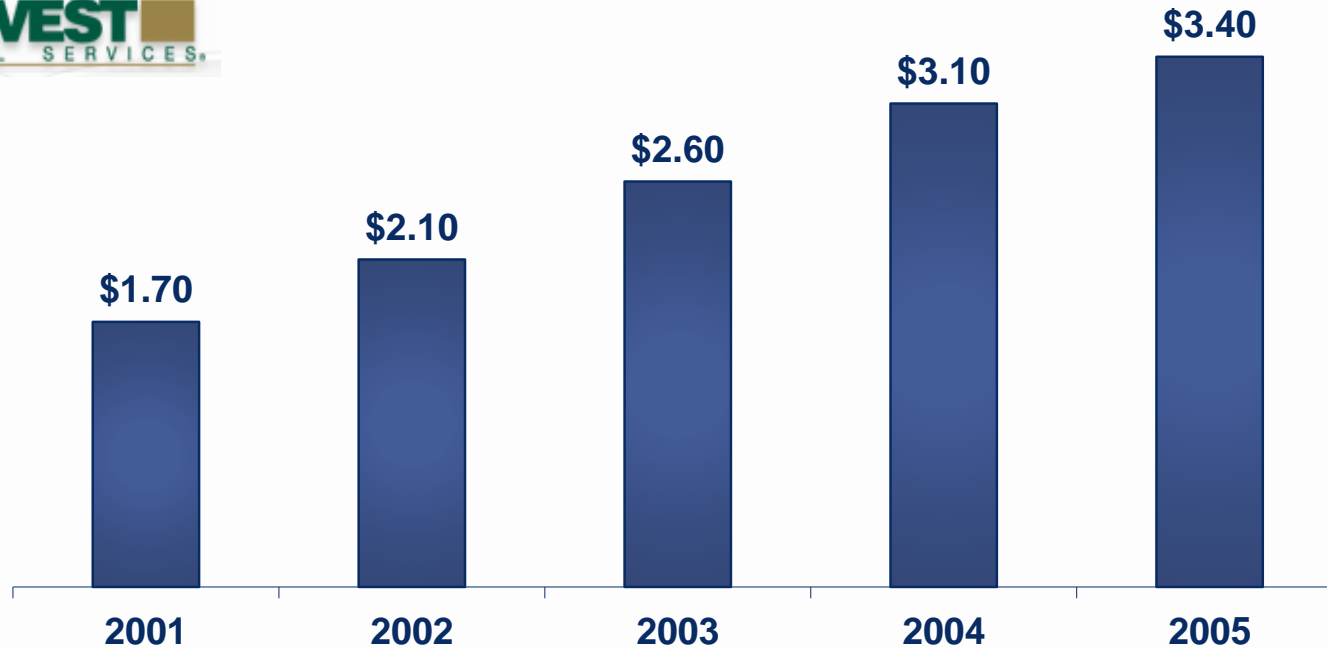


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Gathered \$3.4 Million Assets Under Administration Per Rep, Up Steadily Since 2001

Needs update

HD Vest Financial Services Assets Under Administration Per Rep (\$ Millions)



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Has Gathered \$68,000 Assets Under Administration Per Financial Planning Client

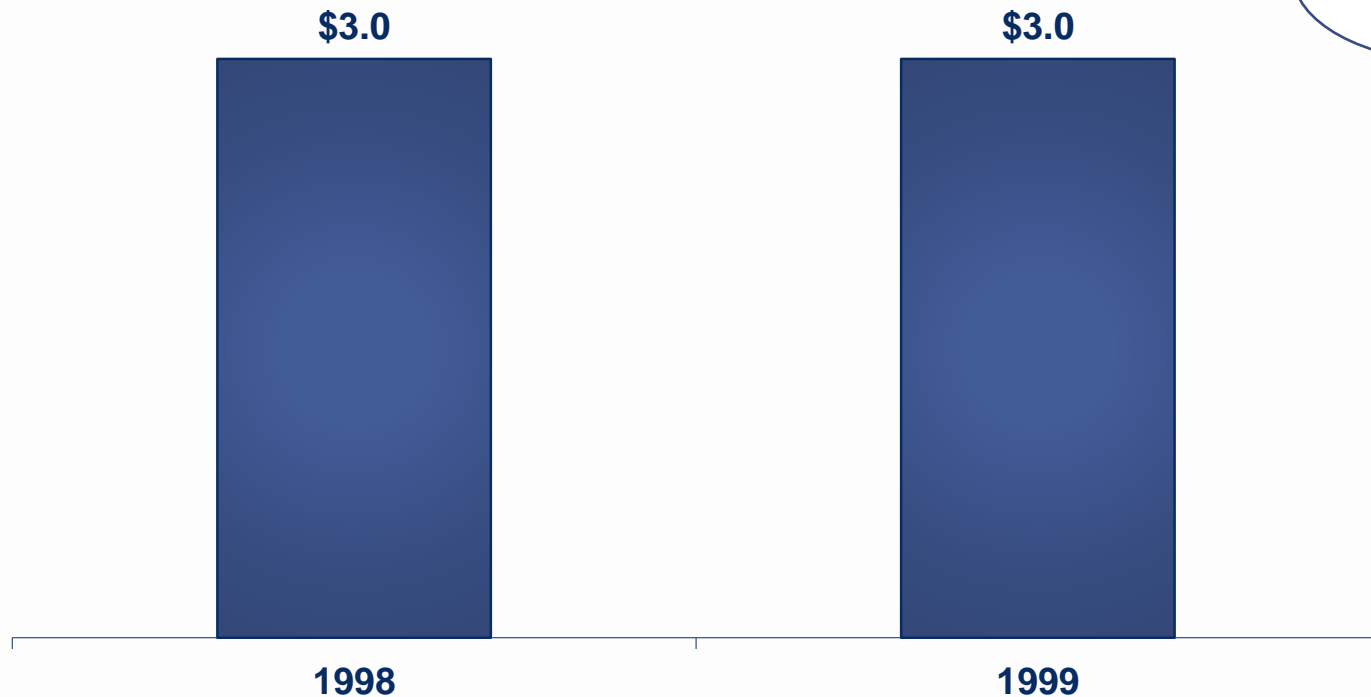
Comments

- --



Blucora's HD Vest Financial Services Has \$3.0 Billion Net New Assets Under Administration. Consistent Since 1998

HD Vest Financial Services Net New Assets Under Administration (\$ Billions)

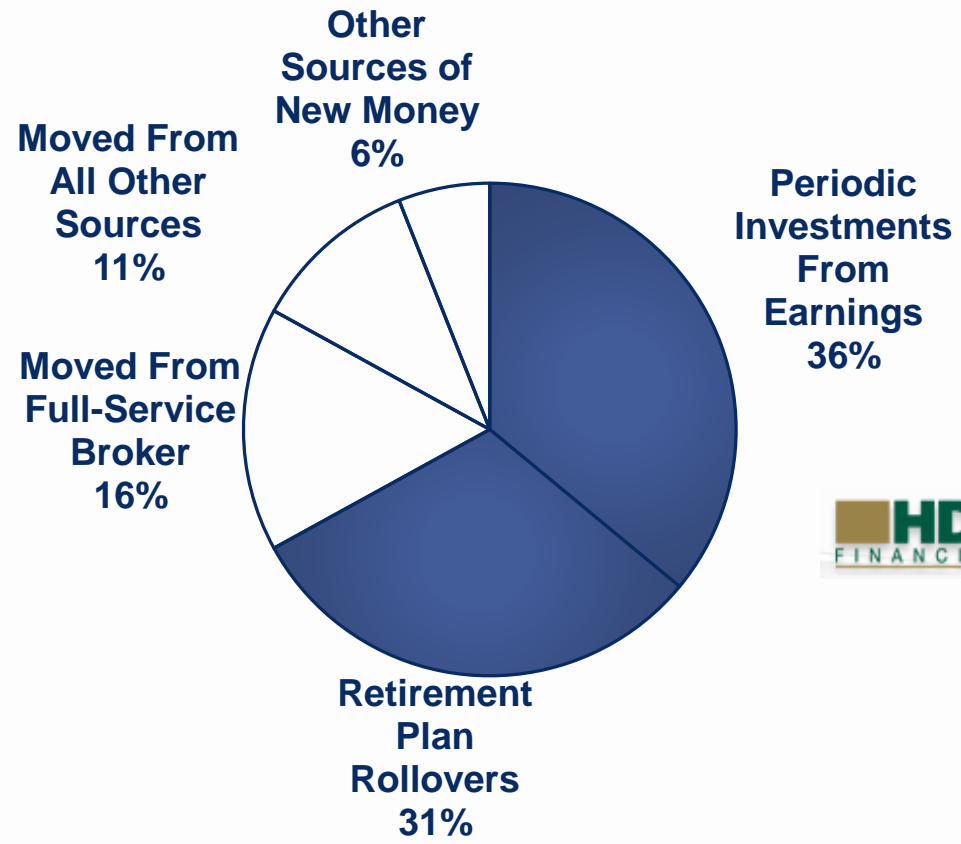


Needs update

1999 = 6/28/99

1998 = 6/28/99

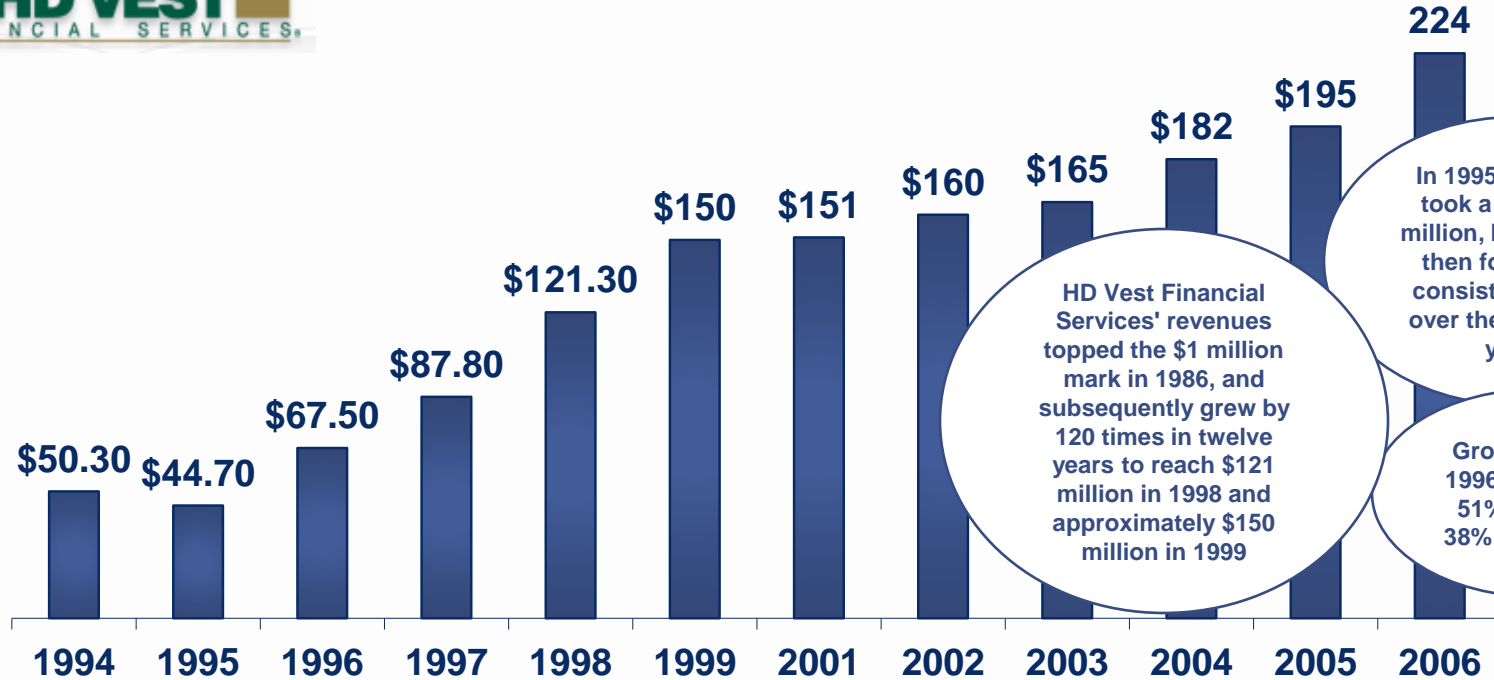
HD Vest Financial Services Financial Advisor Offices Net Flows By Source



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Generates \$224 Million Revenues, Up 450% Since 1994

HD Vest Financial Services Revenues (\$ Millions)



Needs update

Alternative data:
1995 (\$49 million);
1996 (\$75 million);
1997 (\$98 million); &
1998 (\$130 million)

HD Vest Financial Services' revenues topped the \$1 million mark in 1986, and subsequently grew by 120 times in twelve years to reach \$121 million in 1998 and approximately \$150 million in 1999

In 1995, revenues took a dip to \$45 million, but that was then followed by consistent growth over the next three years

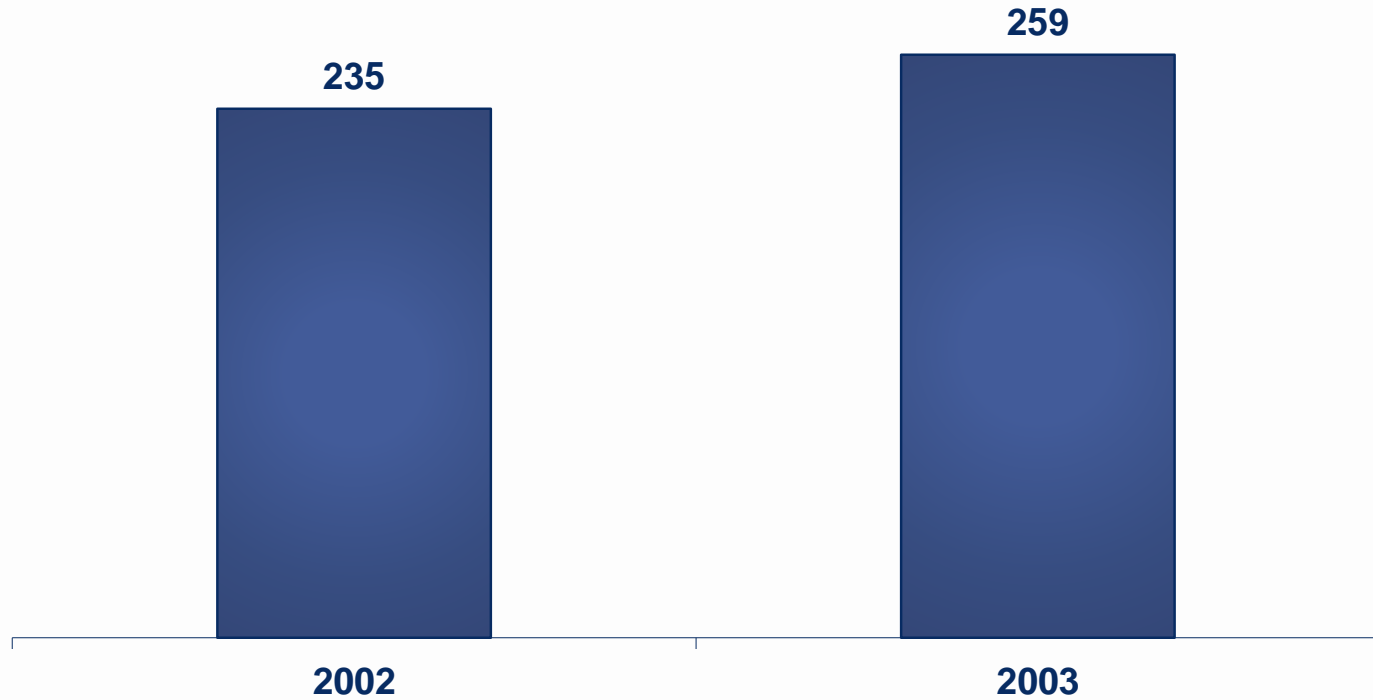
Growth rates in 1996 - 1998 were 51%, 30%, and 38% respectively

Source: 12/31/06 Financial Planning; 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Generates \$259,000 Revenues, Up 10% Since 2002

Needs update

HD Vest Financial Services Financial Advisor Offices Revenues (\$ Thousands)



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

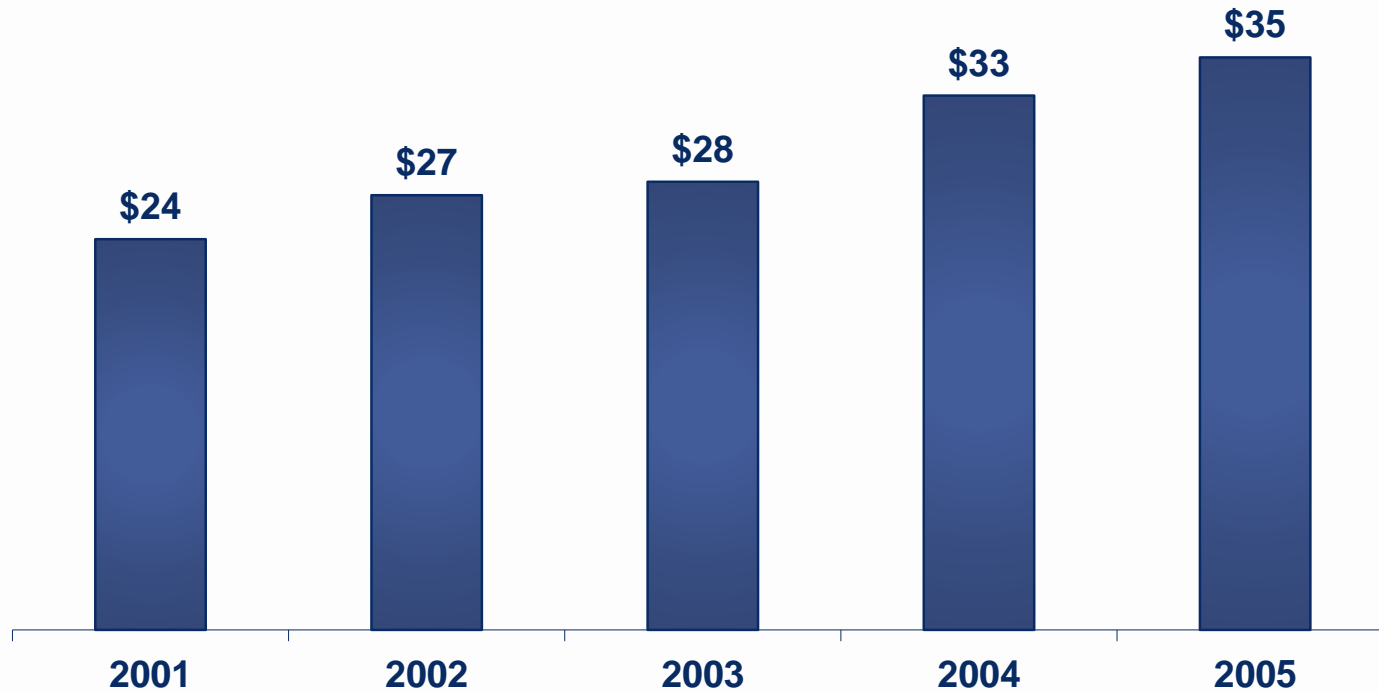
Blucora's HD Vest Financial Services Generates \$35,000 Revenues Per Financial Advisor, Up 46% Since 2001

Needs update

HD Vest Financial Services Revenues Per Financial Advisor (\$ Thousands)



HD Vest Financial Services' most profitable financial advisors are those with \$5,000-\$100,000 production and those with greater than \$500,000; no minimum production requirement

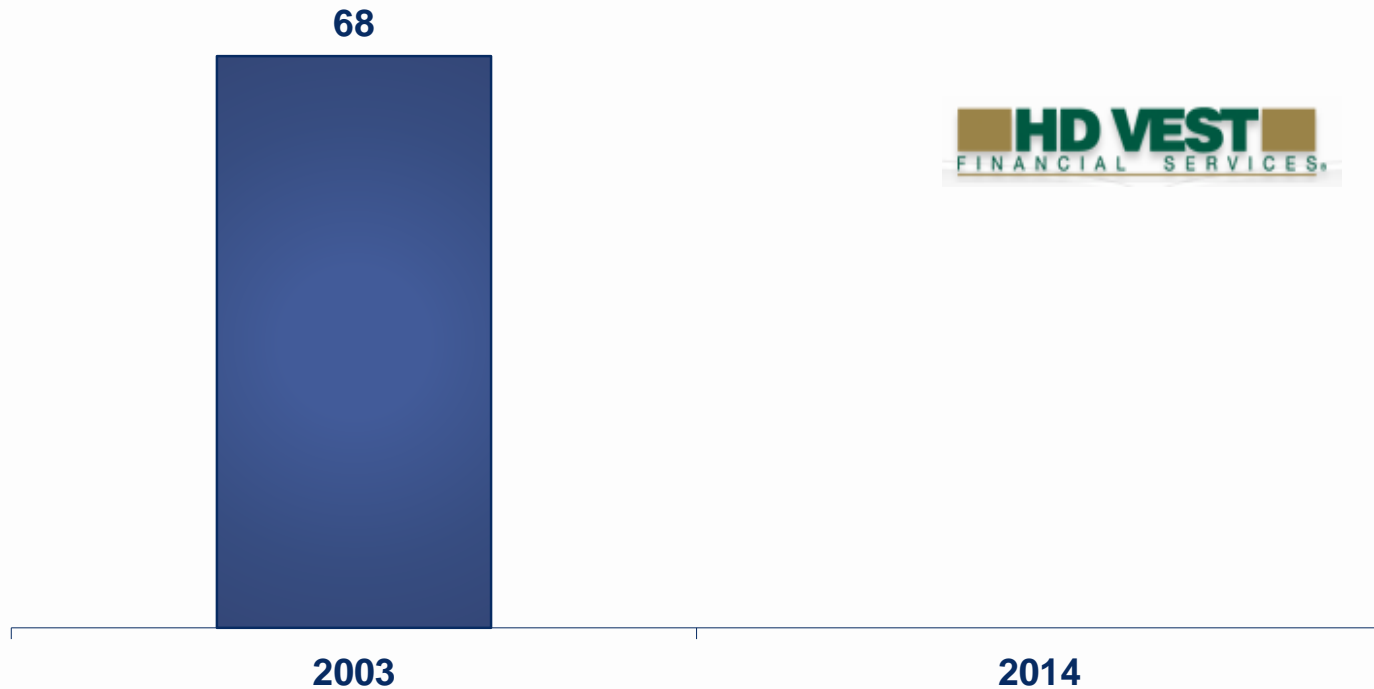


Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/12/04 Investment News; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Generates 68 Basis Points of Revenues on Assets Under Administration

Needs update

HD Vest Financial Services Average Financial Advisor Office Basis Points of Revenue on Assets Under Administration

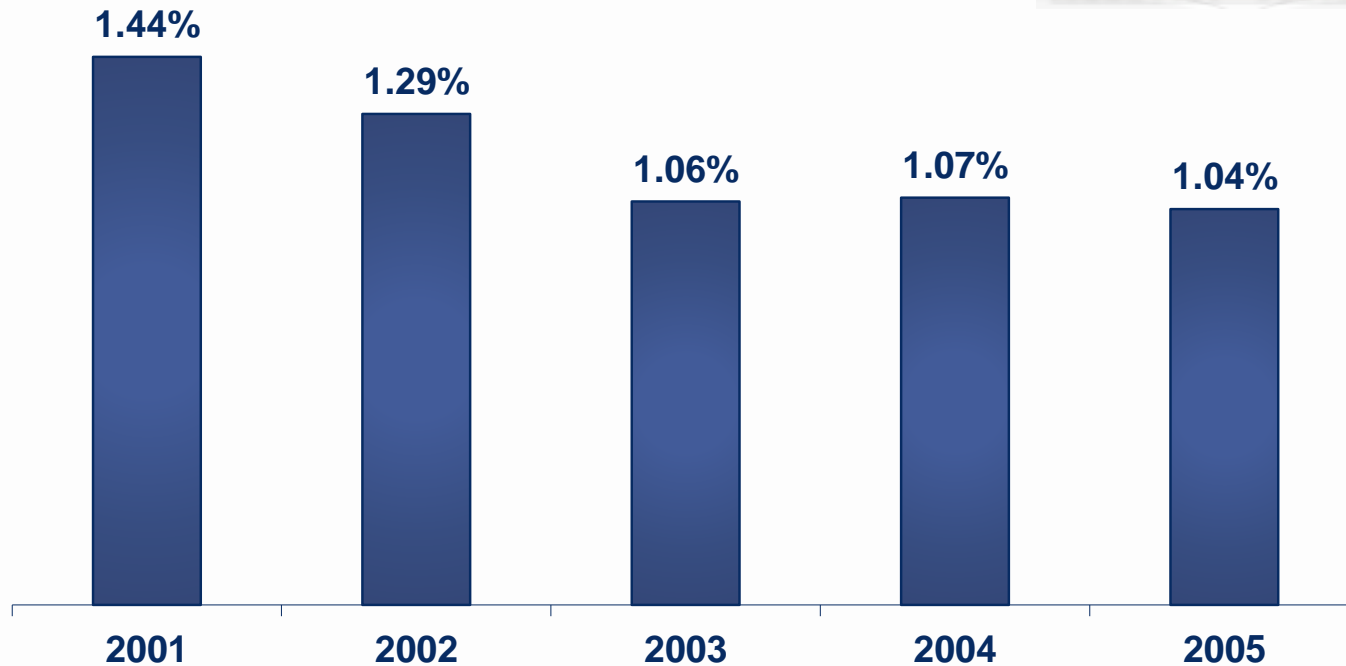


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Generates 1.00% Return on Assets, Down from 1.44% in 2001

Needs update

HD Vest Financial Services Return on Assets

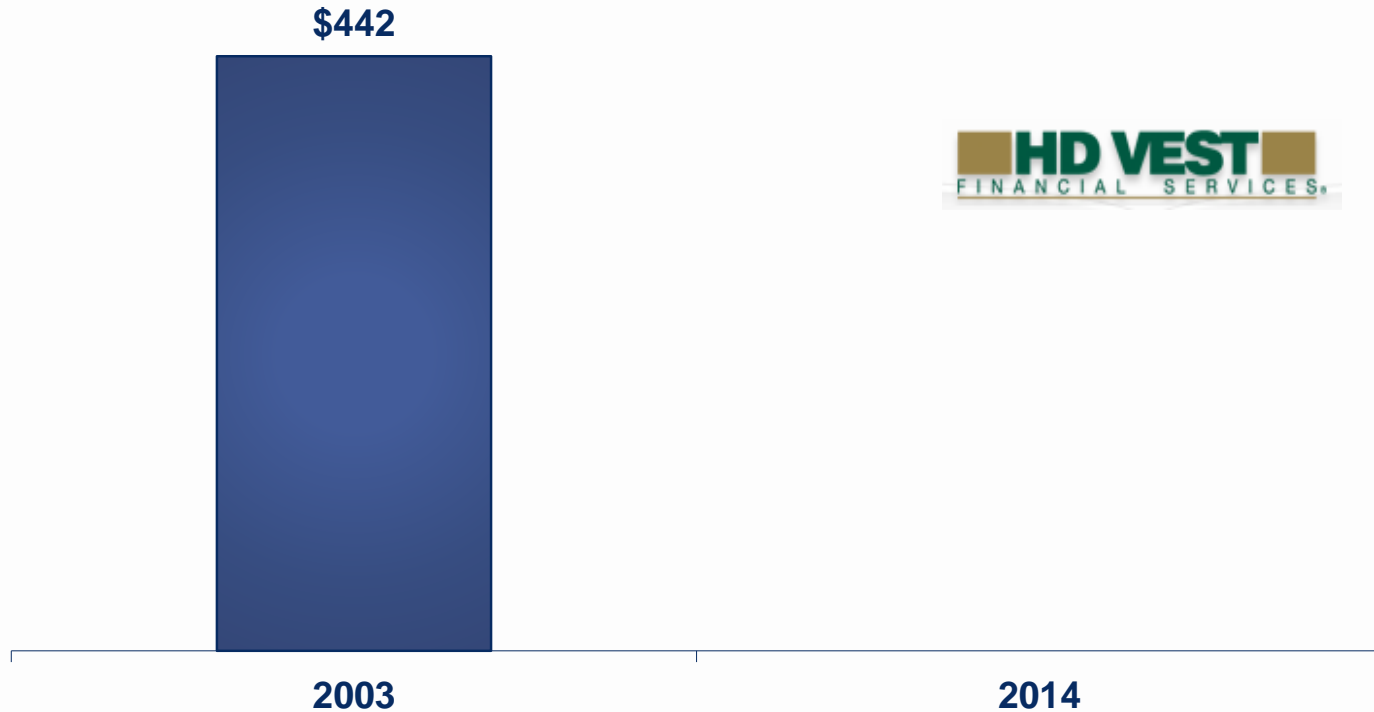


Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Generates \$442 Revenues Per Tax Client

Needs update

HD Vest Financial Services Average Financial Advisor Office Revenues Per Tax Client

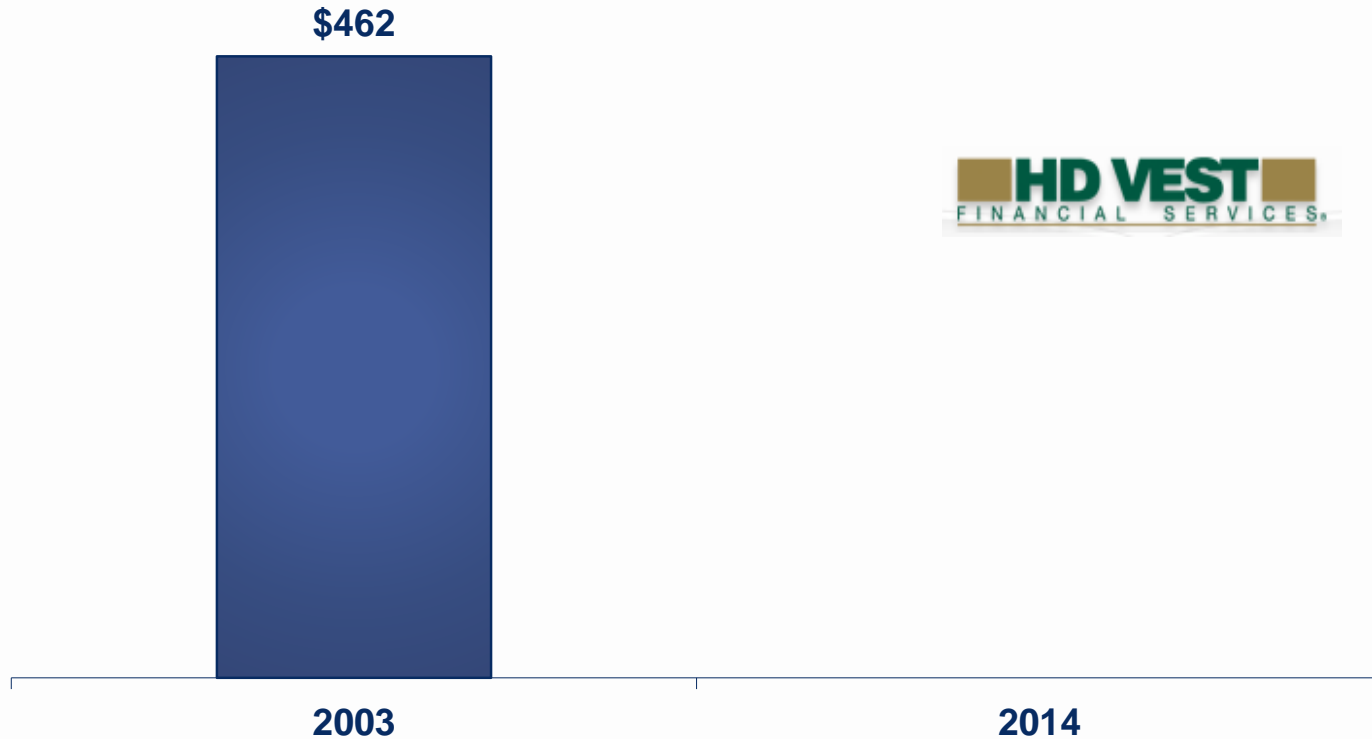


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Generates \$462 Revenues Per Financial Planning Client

Needs update

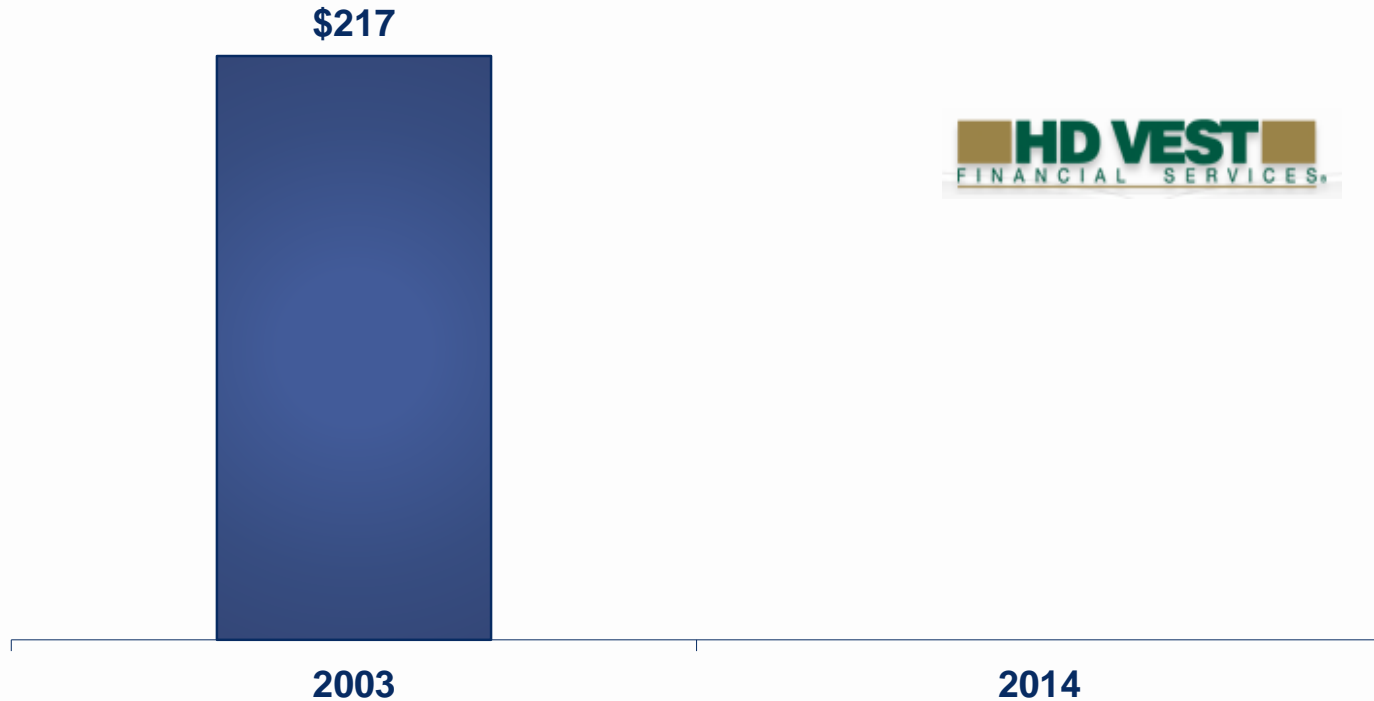
HD Vest Financial Services Average Financial Advisor Office Revenues Per Financial Planning Client



Blucora's HD Vest Financial Services Average Financial Advisor Office Generates \$217 Tax Revenues Per Tax Client

Needs update

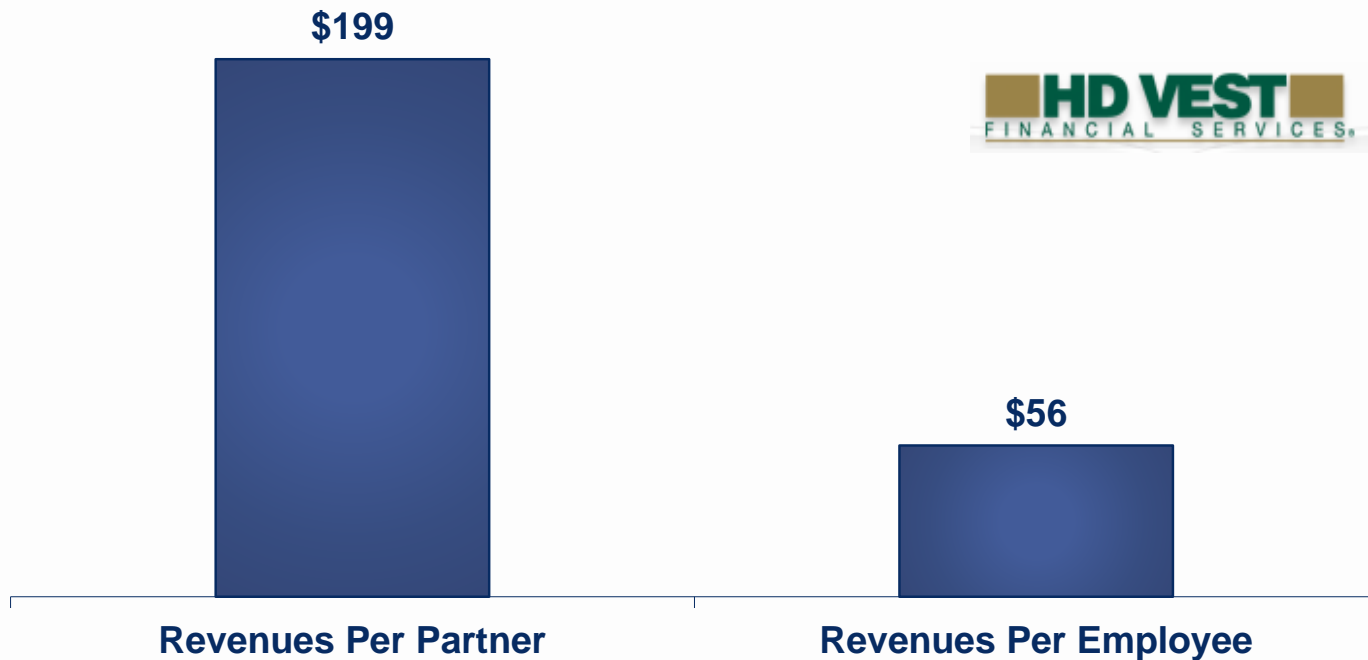
HD Vest Financial Services Average Financial Advisor Office Tax Revenues Per Tax Client



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's Wells Fargo HD Vest Financial Services Average Financial Advisor Office Generates \$199,000 Revenues Per Partner and \$56,000 Revenues Per Employee

**HD Vest Financial Services
Financial Advisor Offices
Revenues Per Partner & Employee
(\$ Thousands)**

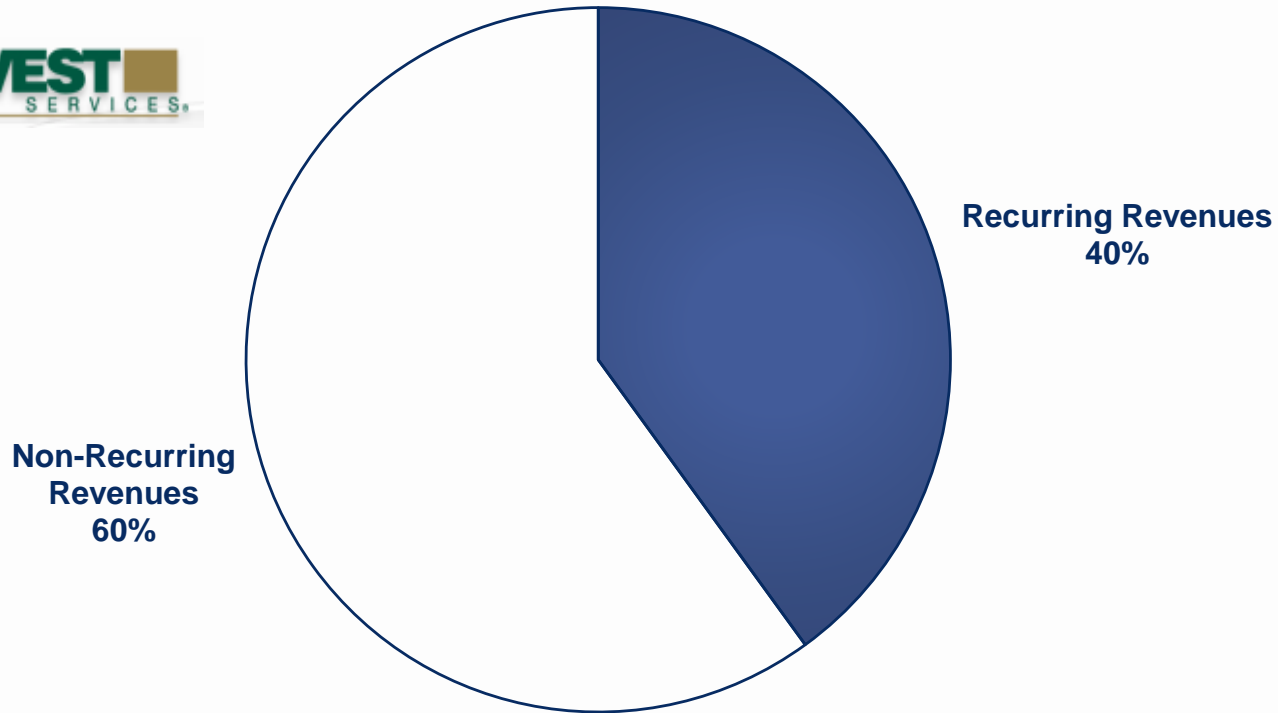


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Revenues that are Recurring Account for 40% of its Total Revenue

Recurring revenues include fee-accounts as well as revenues derived from mutual fund C shares

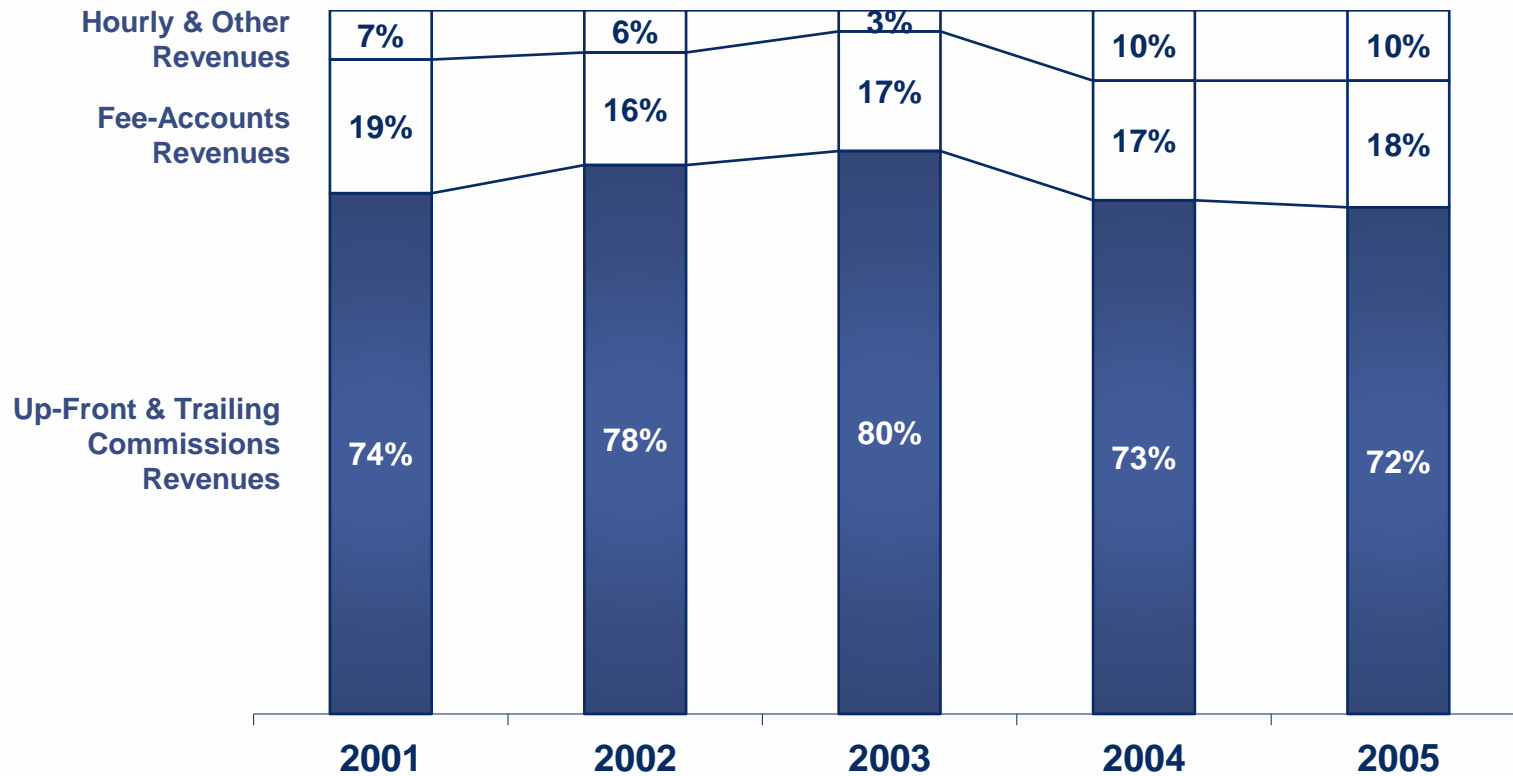
HD Vest Financial Services Revenue Mix



Blucora's HD Vest Financial Services Generates Three-Quarters of its Revenues from Commissions, Down 10% Since its Peak in 2003

Needs update

HD Vest Financial Services Revenues By Type

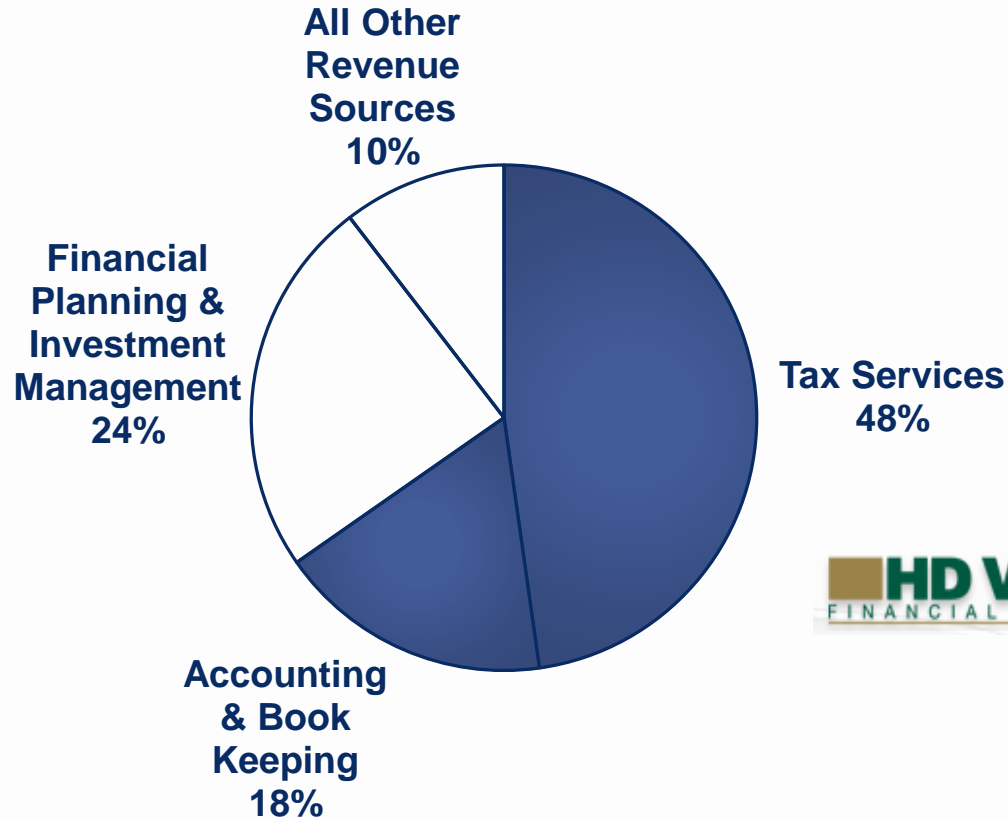


Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Report that Tax Services and Accounting & Book Keeping Generate Nearly \$175,000 in Revenues

Delete?

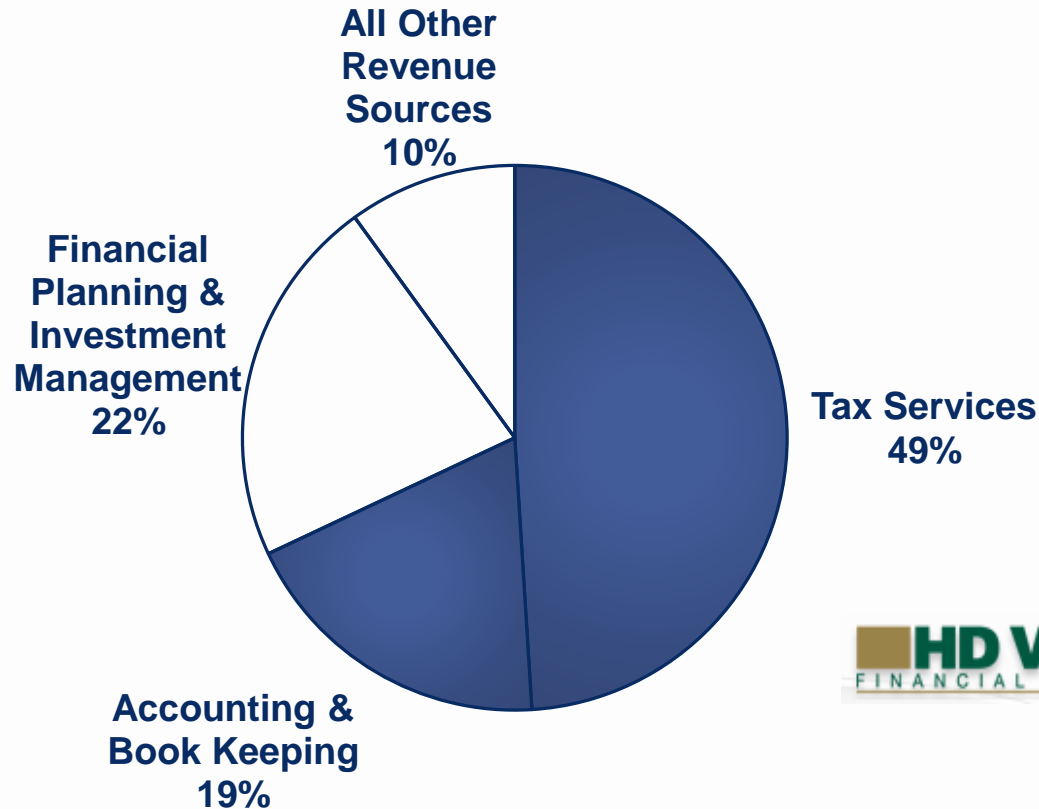
**HD Vest Financial Services
Financial Advisor Offices
Revenues
By Service**



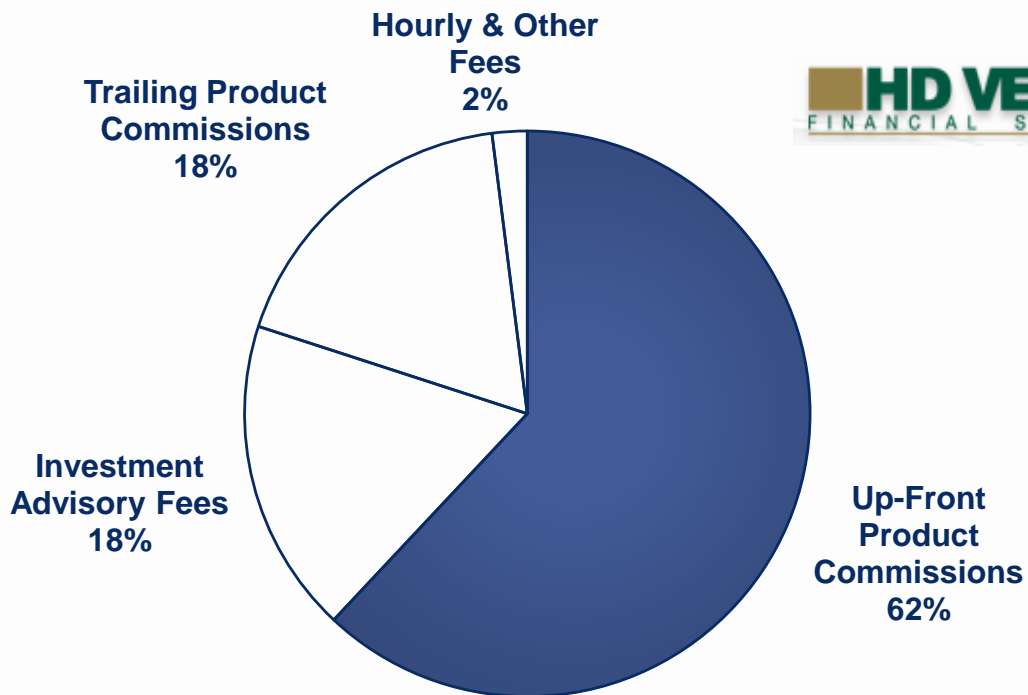
Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Delete?

HD Vest Financial Services Financial Advisor Offices Revenues By Service



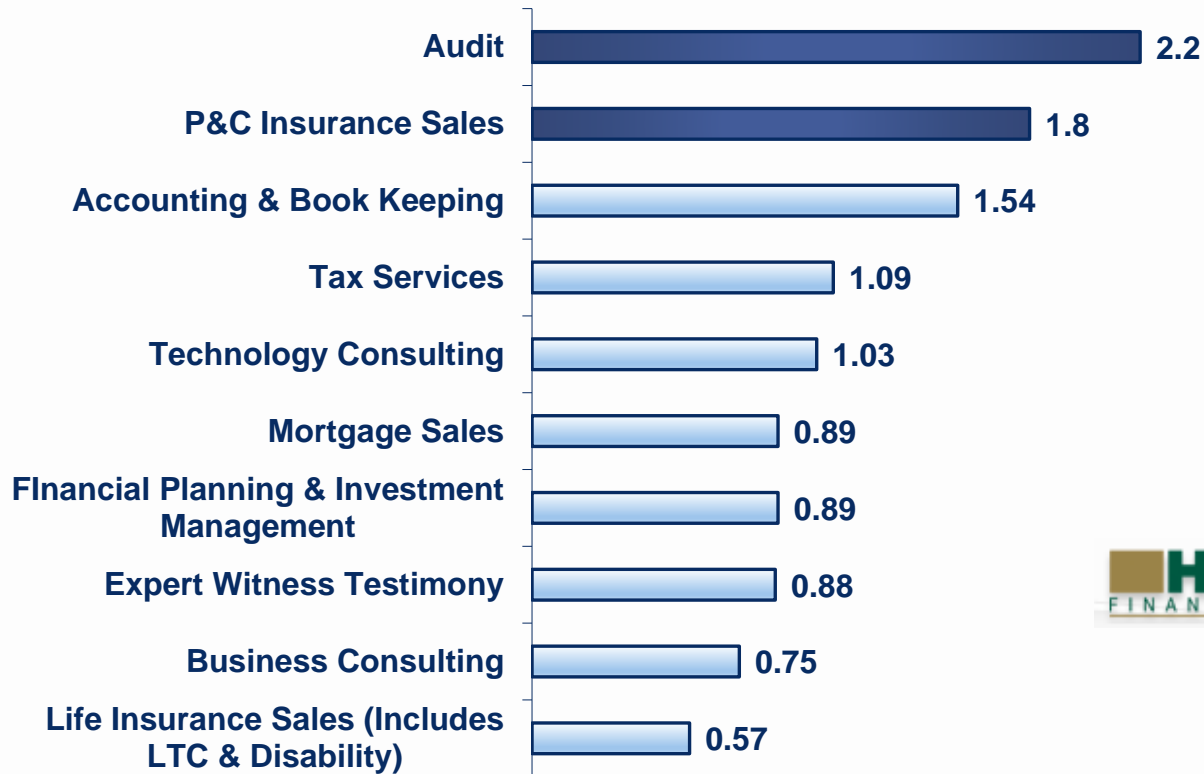
HD Vest Financial Services Financial Advisor Offices Financial Planning Revenues By Type



Blucora's HD Vest Financial Services Financial Advisors Report that Audit and P&C Insurance Sales are the Most Time Efficient Services

Delete?

HD Vest Financial Services Financial Advisor Offices Revenues Versus Time Allocation by Activity



Blucora's HD Vest Financial Services Has Expenses

Needs data

HD Vest Financial Services Expenses (\$ Millions)



2012 2013

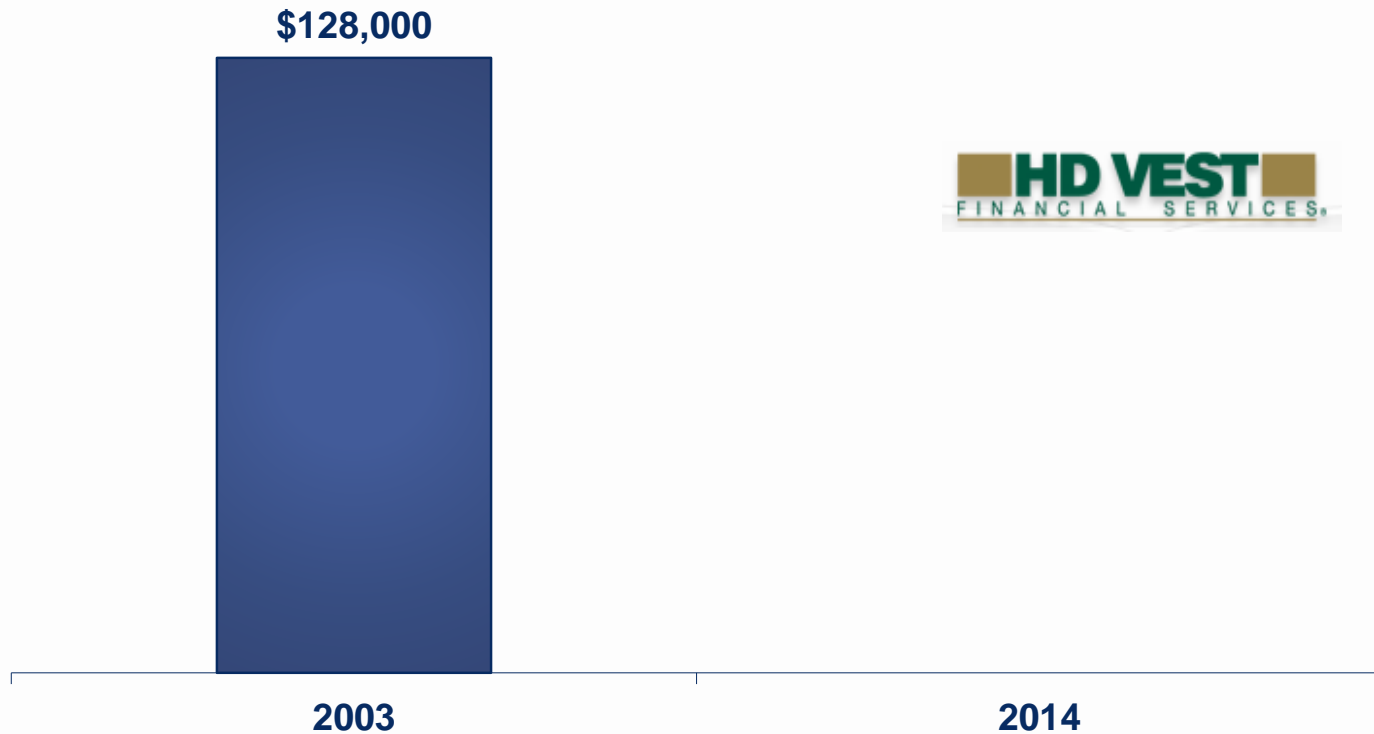
Source: Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Has \$128,000 in Expenses

HD Vest Financial Services Average Financial Advisor Office Expenses

Needs update

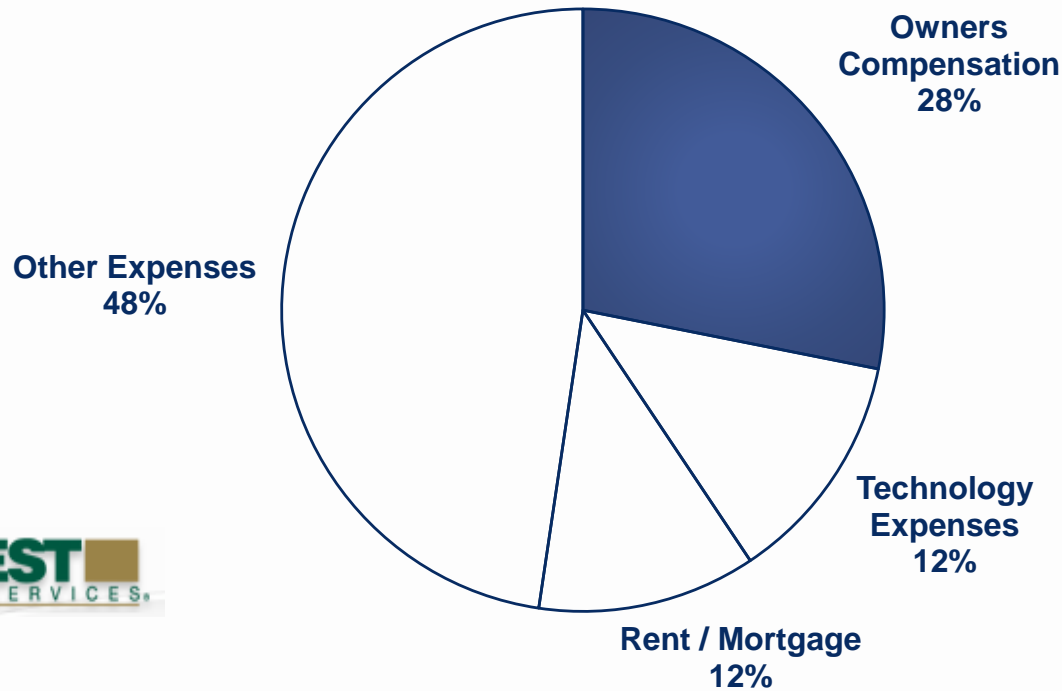
Delete?



Blucora's HD Vest Financial Services Owner's Compensation Account for More than \$35,000 of the Average HD Vest Financial Services Financial Advisor Office's Expenses

Delete?

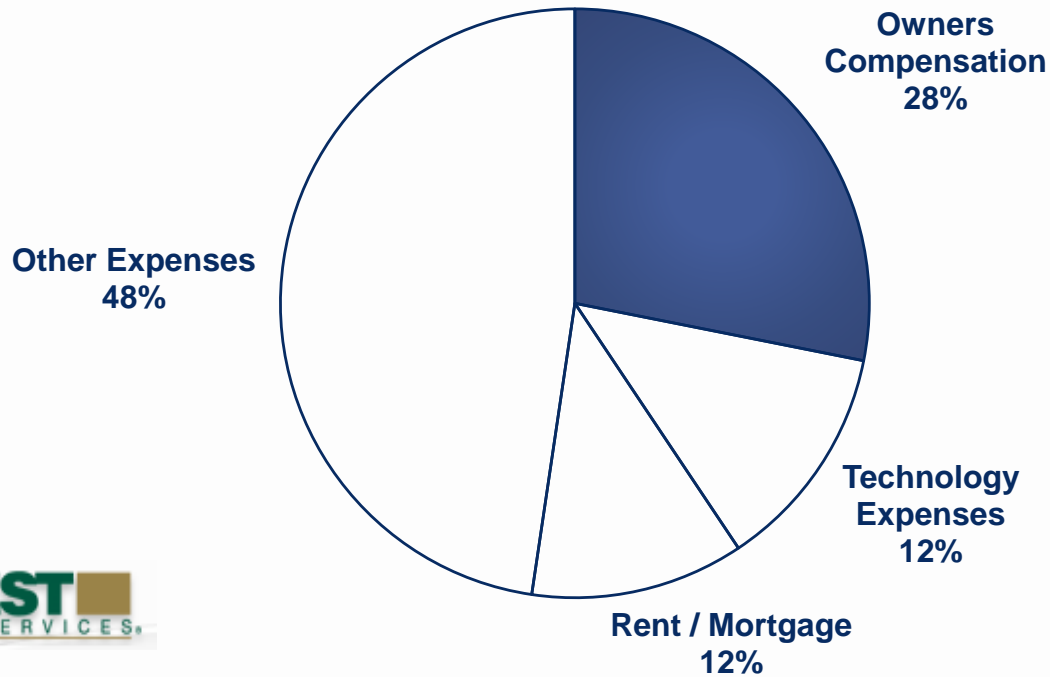
**HD Vest Financial Services
Financial Advisor Offices Expenses
By Type**



Blucora's HD Vest Financial Services Owner's Compensation Accounts for Nearly One-Quarter of the Average HD Vest Financial Services Financial Advisor Office's Expenses

Delete?

**HD Vest Financial Services
Financial Advisor Offices Expenses
By Type**



Blucora's HD Vest Financial Services Earns \$___ Million Pre-Tax Profits

Needs data

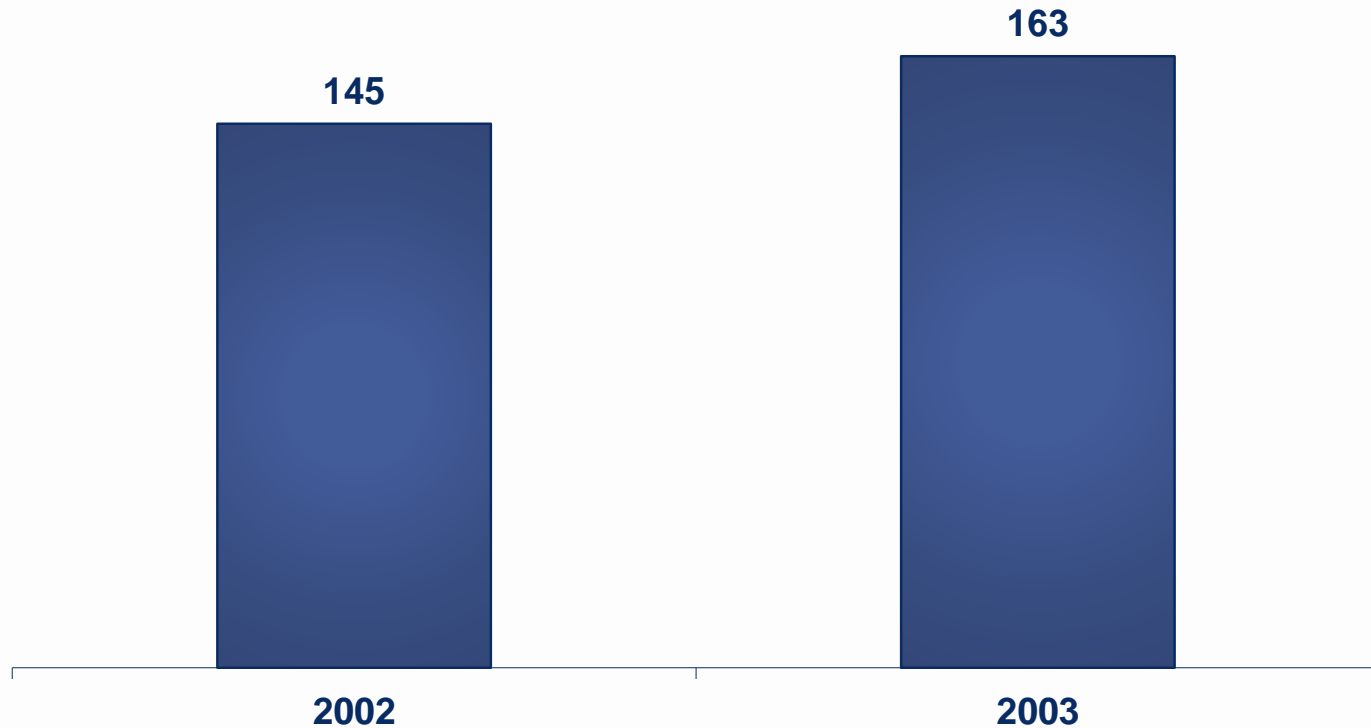
HD Vest Financial Services Pre-Tax Profits (\$ Millions)



2011 2012

Blucora's HD Vest Financial Services Average Financial Advisor Office Earns \$163,000 in Pre-Tax Profits, Up 11% from 2002

HD Vest Financial Services Financial Advisor Offices Pre-Tax Profits (\$ Thousands)



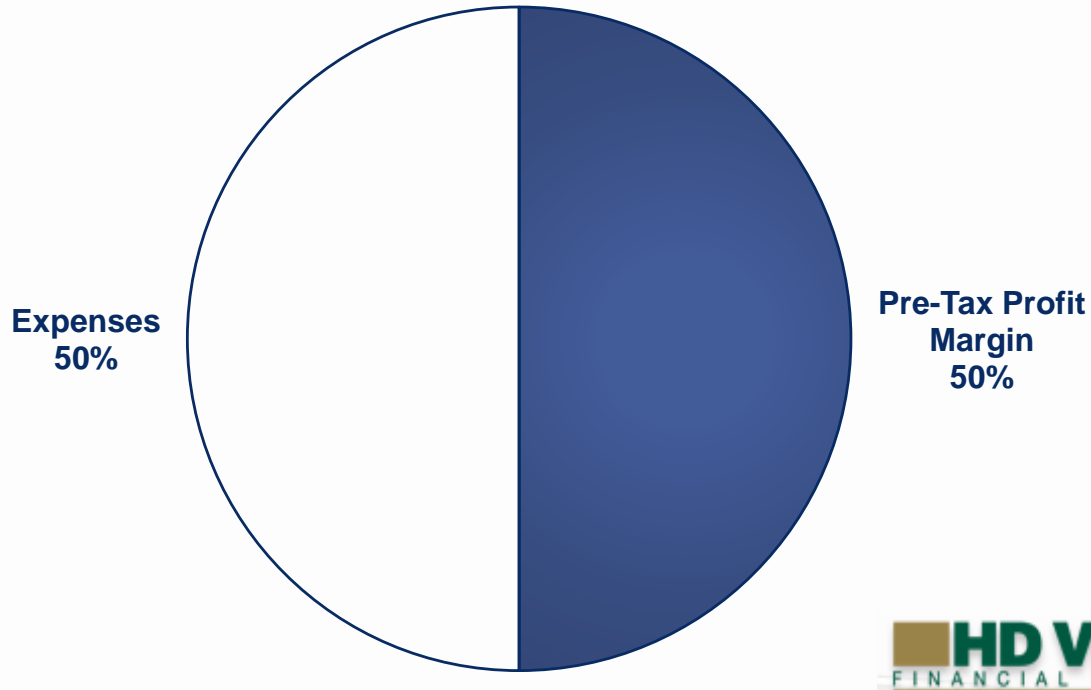
Needs update

Delete?

Blucora's HD Vest Financial Services Average Financial Advisor Office Earns a 50% Pre-Tax Profit Margin

Delete?

HD Vest Financial Services Financial Advisor Offices By Pre-Tax Profit Margins



Blucora's HD Vest Financial Services Average Financial Advisor Office Generates \$223 Pre-Tax Profits Per Tax Client

Delete?

Comments

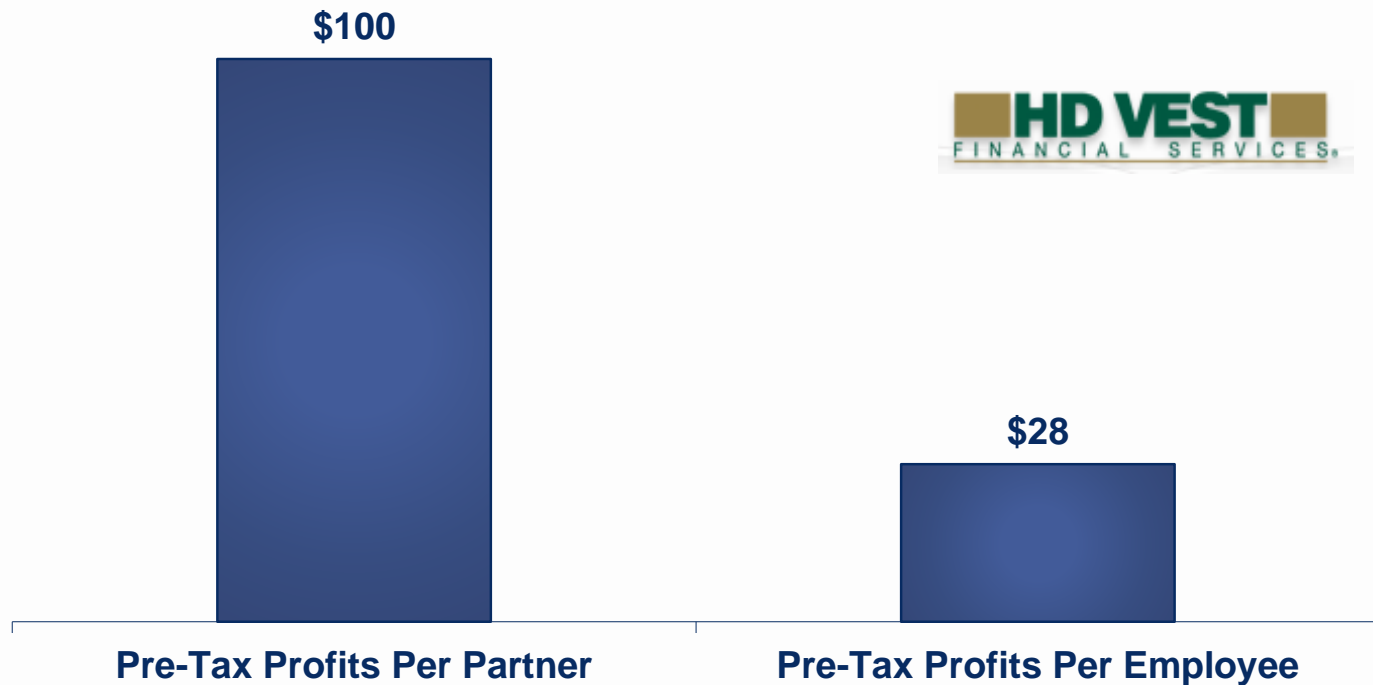
- --



Blucora's HD Vest Financial Services Average Financial Advisor Office Generates \$100,000 Pre-Tax Profits Per Partner and More than \$25,000 Pre-Tax Profits Per Employee

Delete?

**HD Vest Financial Services
Financial Advisor Offices
Pre-Tax Profits Per Partner & Employee
(\$ Thousands)**



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Also Provide Comments on Other Aspects of the Firm

Comments

Honorable Mentions

- **“Jacoub Jordan is top notch, super”**
- **“Naomi Dobson was the best person, but she got promoted, and I haven’t been able to find anyone as good since then”**
- **“Carol Ventura and Kathleen Odaya are excellent”**

Growing Pains for HD Vest Financial Services

- **Vest is taking on new business, but it will take internal systems a while to catch up to the work load; from an operational standpoint, there are problems”**
- **“Customer service is currently horrible; there are a lot of restructuring problems. In their rush to get out their new computer systems, they didn’t work out their bugs; things got significantly worse within the last 6-8 months”**
- **“There’s concern whether or not Vest can service the old and new Reps- most of the problems are temporary and will go away, though”**
- **“Because the company keeps growing, some of the more experienced support staff have to assume a managerial position and less qualified people come in to replace them”**



Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Earns \$___ Million

Needs data

HD Vest Financial Services Net Profits (\$ Millions)



2011 2012

Source: Tiburon Research & Analysis

Blucora's HD Vest Financial Services Utilizes KPMG as its Advisor

Dallas, TX
Office

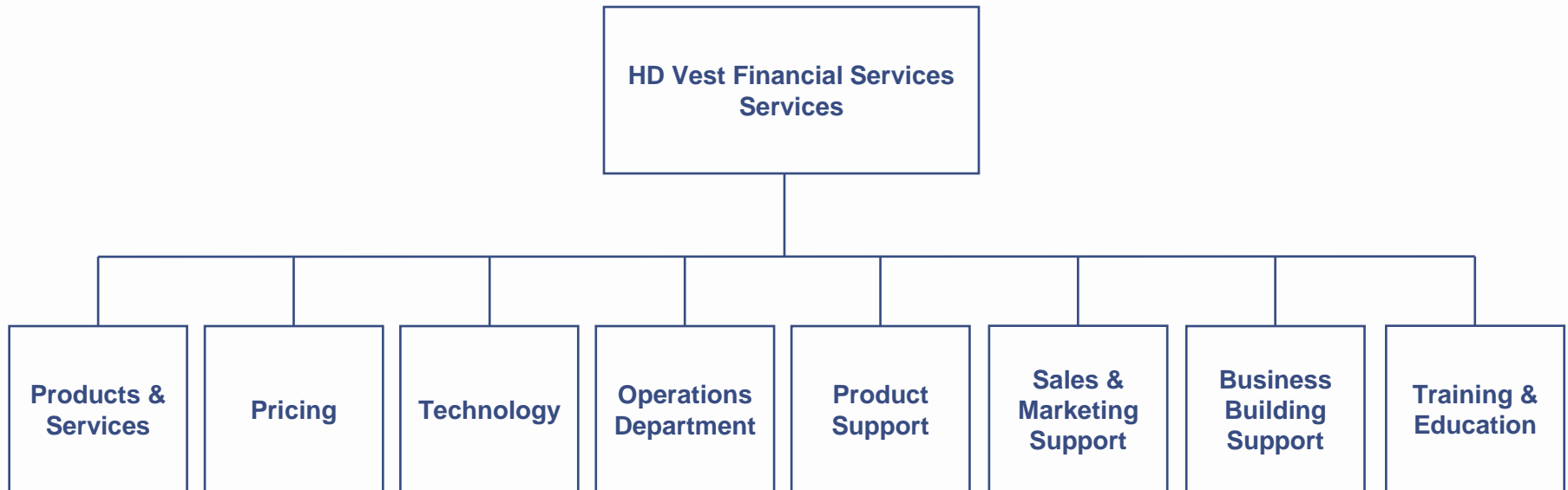
Comments

- --



Source: 3/4/14 HD Vest Investment Securities X-17A-5 Report; Tiburon Research & Analysis

HD Vest Financial Services Services



Blucora's HD Vest Financial Services' First Service is its Products & Services

Comments

- --



Blucora's HD Vest Financial Services Financial Advisors Have a Variety of Comments on its Products & Services



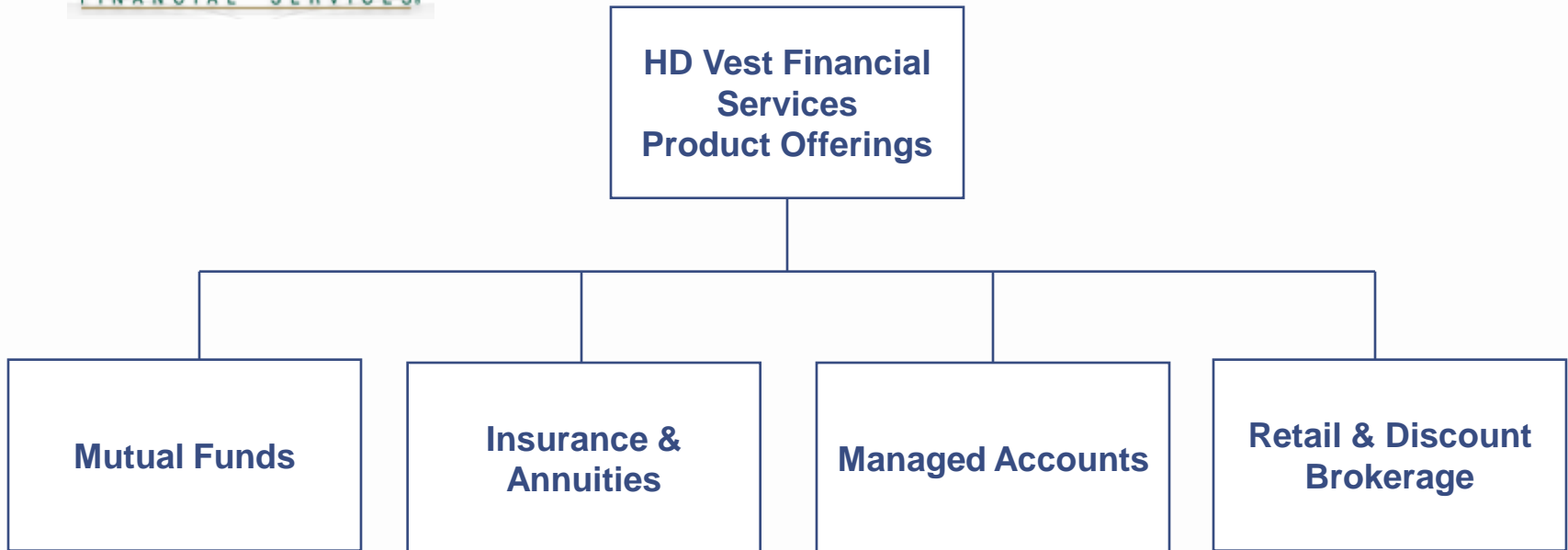
Comments

- **“Generally good”**
- **“The product line is fine”**
- **“The product offering is not the biggest issue”**
- **“There are more than enough mutual funds, plenty of annuities”**
- **“Insurance side needs to beef up”**

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

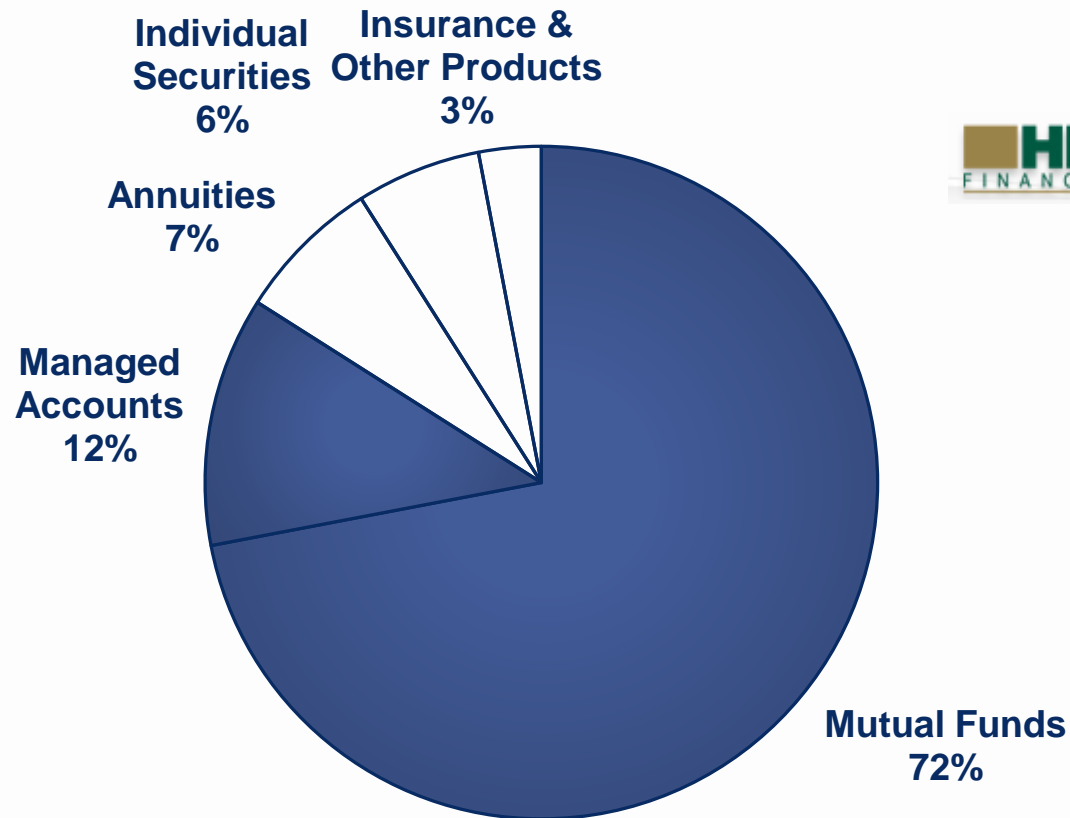
Blucora's HD Vest Financial Services' Products & Services Offers Includes Mutual Funds, Insurance & Annuities, Managed Accounts, and Retail & Discount Brokerage

HD Vest Financial Services Product Offerings



Source: 1/7/00 HD Vest Financial Services Conversation (Ochs); 1/5/00 HD Vest Financial Services Meeting (Ochs); 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

HD Vest Financial Services Client Assets Under Administration By Product Type

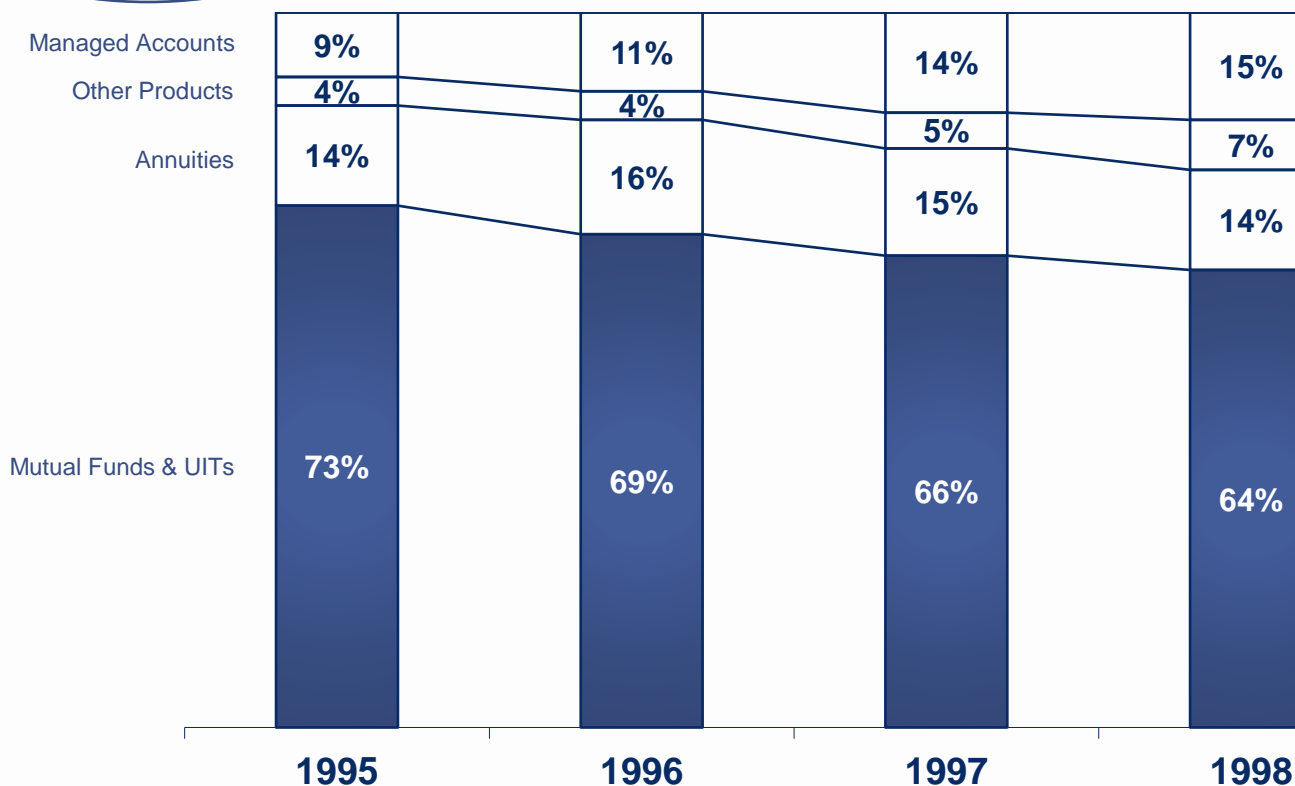


Blucora's HD Vest Financial Services' Revenue are Generated Two-Thirds from Mutual Funds & UITs

Alternative data: Other products (2001-15%; 2002-15%; 2003-15%; 2004-14%; 2005-14%); managed accounts (2001-2005-0%); Annuities (2001-18%; 2002-18%; 2003-18%; 2004-23%; 2005-23%); mutual funds & UITs (2001-67%; 2002-67%; 2003-67%; 2004-63%; 2005-63%)

HD Vest Financial Services Revenues By Product

HD Vest Financial Services holds its own on mutual funds, fixed annuities, and managed assets. The firm's initiative to increase sales of high margin insurance products seems in-line with its strategy



0% for fee-accounts is not accurate

HD Vest Financial Services Mutual Fund Sales Contribute 57% of Total HD Vest Financial Services Revenue, Down From a Previous High of 80%; remaining revenues come from marketing, educational, and sponsor fees; new ventures make up a fifth core focus of HD Vest Financial Services (e.g., new tax service)

Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' First Product Offering is Mutual Funds

Comments

- --

Includes unit investment trusts

57% of revenues



Blucora's HD Vest Financial Services' Financial Advisors Have Comments on its Mutual Funds Offering

Comments

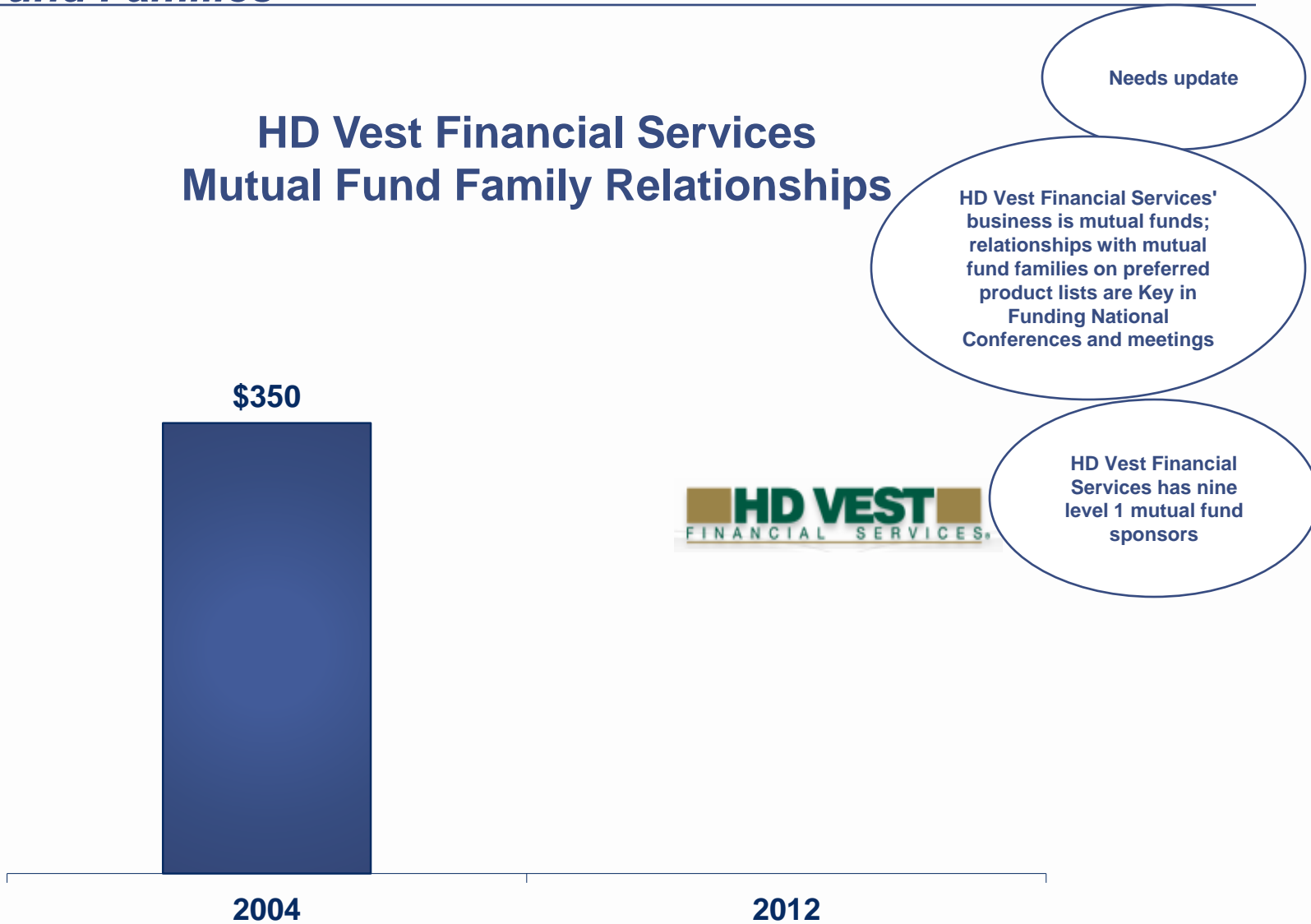
- **“Traditional business”**
- **“Was previously as high as 80%”**



Source: 1/7/00 HD Vest Financial Services Conversation (Ochs); 1/5/00 HD Vest Financial Services Meeting (Ochs); 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Offers Mutual Funds from 350 Mutual Fund Families

HD Vest Financial Services Mutual Fund Family Relationships

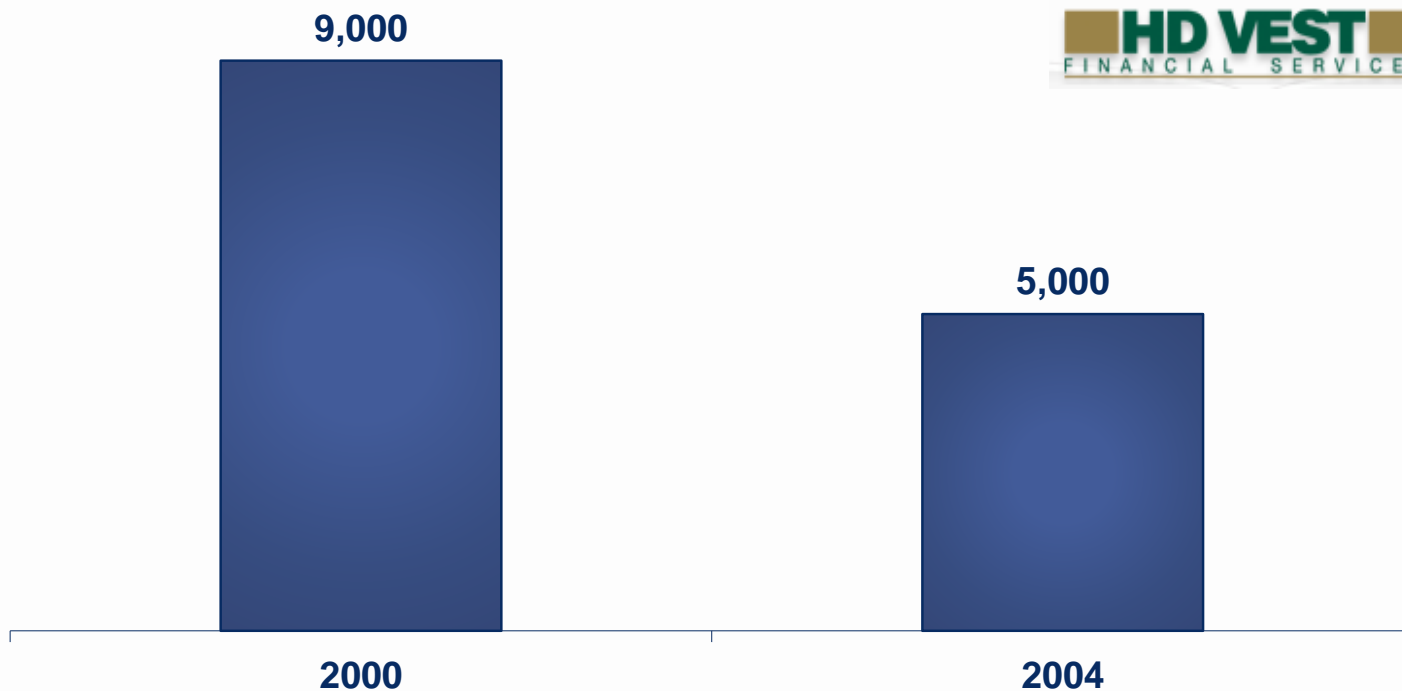


Source: 8/3/05 HD Vest Financial Services Web Site; 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Now Offers 5,000 Mutual Funds, Down Significantly from its Offerings in 2000

Needs update

HD Vest Financial Services Mutual Fund Offerings



Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Does Not Offer Proprietary Mutual Funds

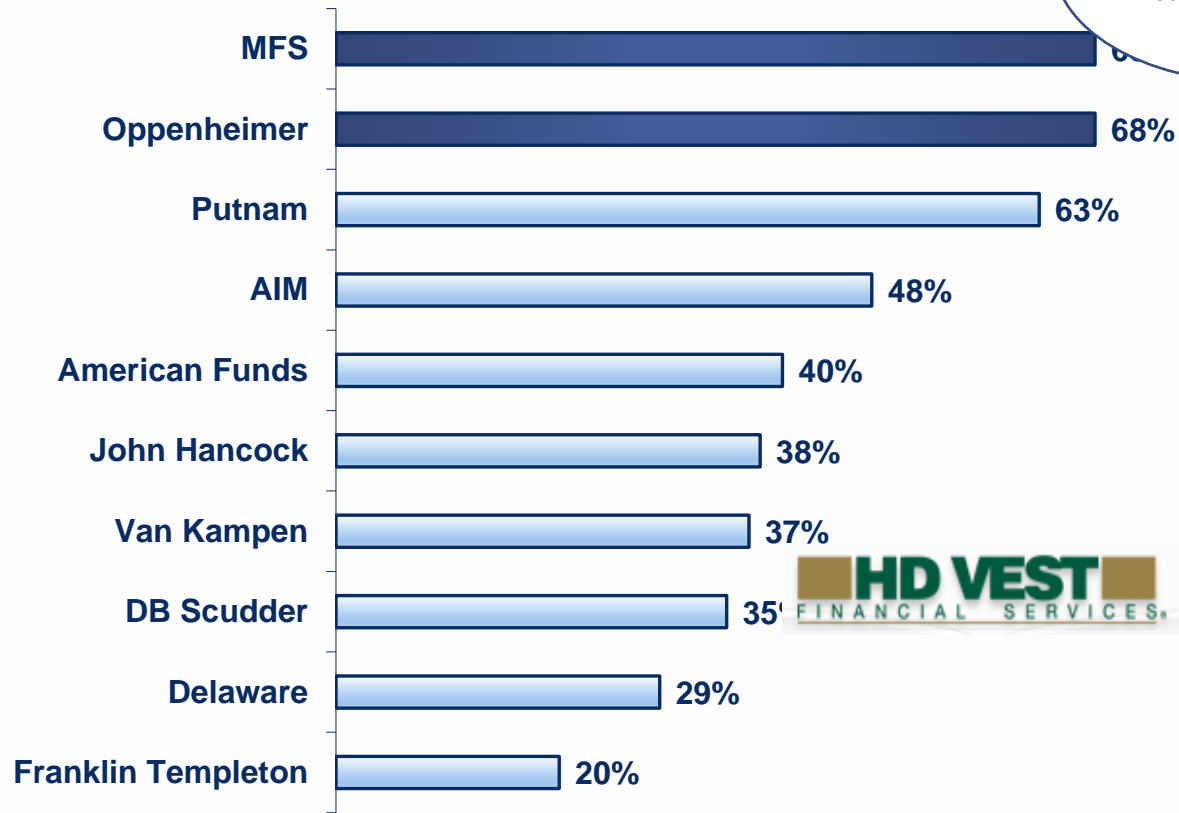
Comments

- --



Blucora's HD Vest Financial Services Financial Advisors Most Widely Utilized Mutual Fund Companies are MFS, Oppenheimer, & Putnam

HD Vest Financial Services Financial Advisors By Mutual Fund Companies Utilization



Delete?

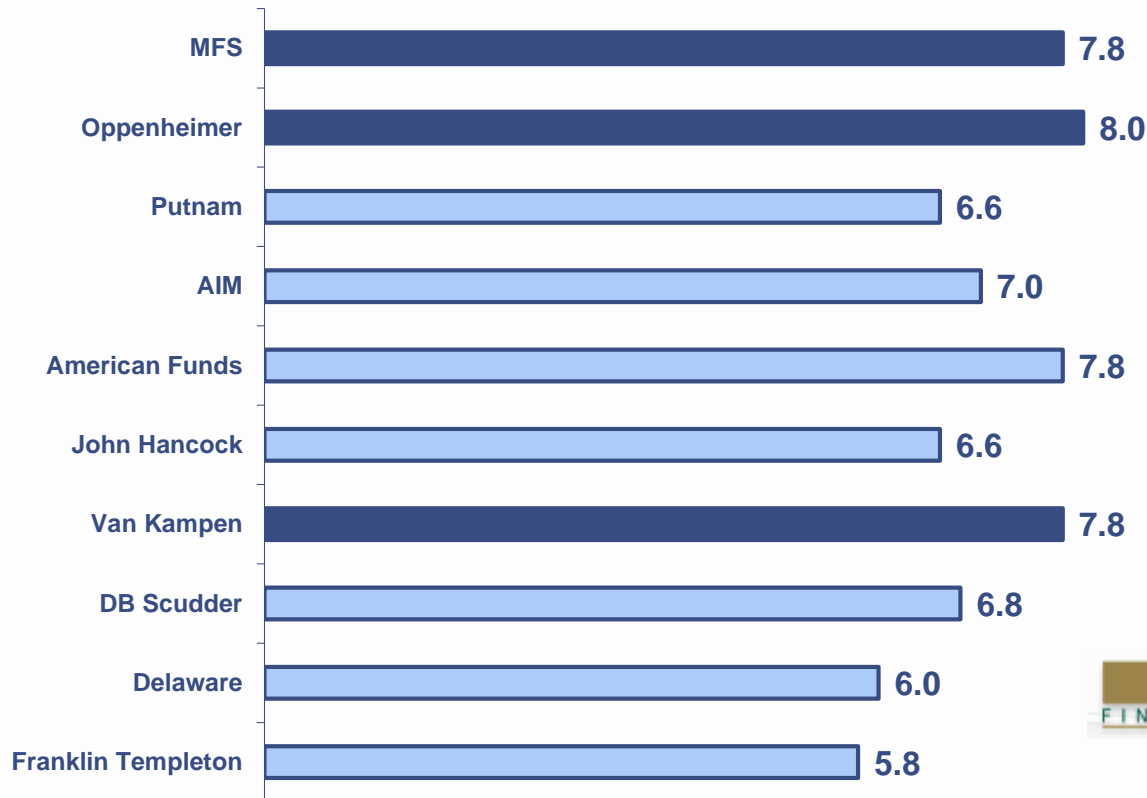
Phoenix 18%;
Fidelity 11%; Janus
9%; Vanguard 8%



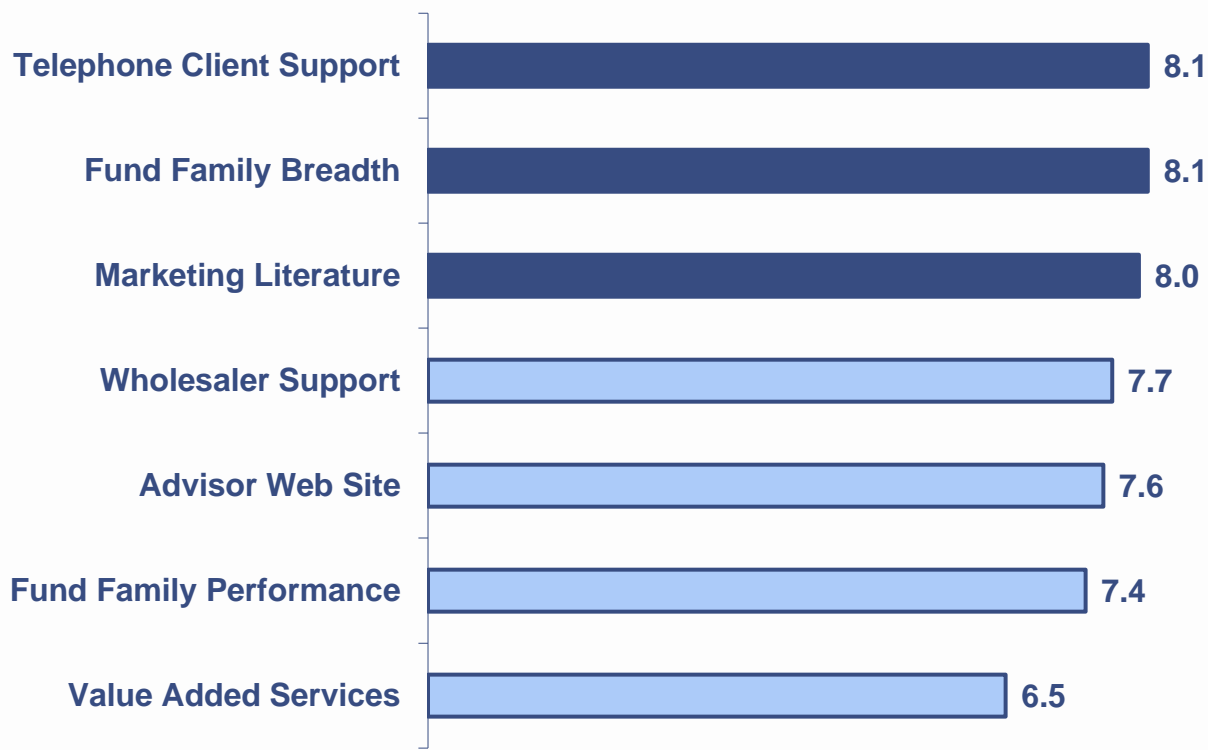
Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Oppenheimer, MFS, American Funds, and Van Kampen Mutual Funds

HD Vest Financial Services Financial Advisors By Satisfaction With Mutual Fund Companies

Phoenix 6.1; Fidelity
6.3; Janus 5.9;
Vanguard 7.0



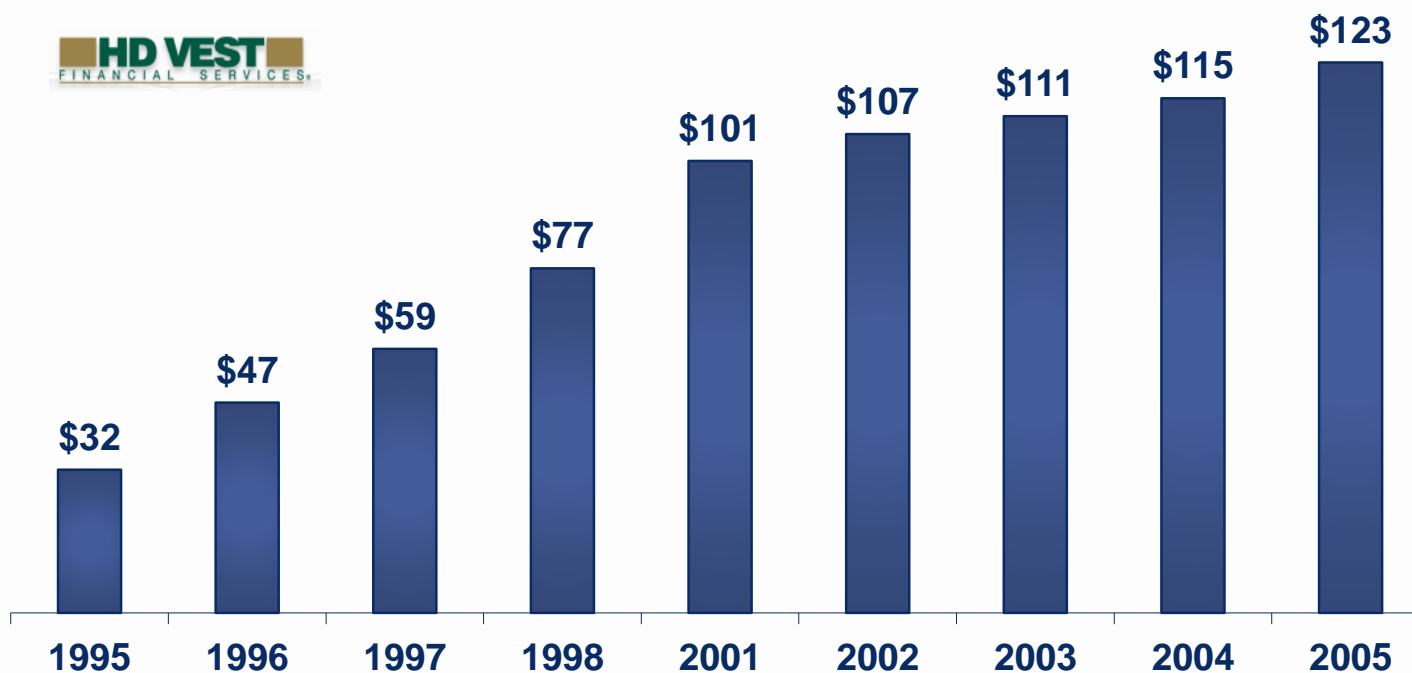
HD Vest Financial Services Financial Advisors Satisfaction with Mutual Fund Companies By Key Component



Blucora's HD Vest Financial Services Generates \$123 Million Mutual Fund Revenues, Up 300% Since 1995

Needs update

HD Vest Financial Services Mutual Fund Revenues (\$ Millions)



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Second Product Offering is Insurance & Annuities Offering

12% of
revenues

Comments

- --





Comments

- “HD Vest Financial Services has sales desk people. They are financial planning generalists who provide insurance support (generate graphs, suggest products to sell to the client)”
- “HD Vest Financial Services used to have a consolidated insurance department. Technology, licensing, commissions - all in one group. In an effort to consolidate support, HD Vest Financial Services created a one-stop financial planning group (Financial Planning Support) - lost a lot of expertise. Folks at the desk need to learn more products”

Add subtitles

Merge with prior page

Blucora's HD Vest Financial Services' Reps Had Comments on its Insurance & Annuities



Comments

- **“Growing and potential to grow further”**
- **“Mostly variable annuities”**

Source: 1/7/00 HD Vest Financial Services Conversation (Ochs); 1/5/00 HD Vest Financial Services Meeting (Ochs); 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Relationships with ... Variable & Fixed Annuity Providers

Needs data

HD Vest Financial Services Variable & Fixed Annuity Provider Relationships




2011

2012

Blucora's HD Vest Financial Services Offers a Wide Variety of Life Insurance Products

HD Vest Financial Services Life Insurance Offerings

Term Life	Fixed, Whole, & Traditional Life	Fixed Universal Life	Variable Life	Variable Universal Life
<ul style="list-style-type: none"> • Investors Partner Life • Jefferson Pilot • Lincoln Benefit • Phoenix Home Life 	<ul style="list-style-type: none"> • Phoenix Home Life 	<ul style="list-style-type: none"> • Jefferson Pilot • Lincoln Benefit • Phoenix Home Life 	<ul style="list-style-type: none"> • -- <div style="text-align: center; margin-top: 20px;">  </div>	<ul style="list-style-type: none"> • Investors Partner Life • Jefferson Pilot • Lincoln Benefit • Nationwide Life • Phoenix Home Life

Source: 1/1/01 HD Vest Financial Services Product Information Sheet; 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Variable & Fixed Annuity Providers Relationships Include Alexander Hamilton, Allianz, & Allmerica

HD Vest Financial Services Variable & Fixed Annuity Provider Relationships

- Alexander Hamilton
- Allianz
 - The Hartford
- Allstate
 - Lincoln Benefit
- Allmerica
- American International Group
 - American General
- Glenbrook Life
- Jefferson Pilot
- Kilico
- Lincoln National
- Manulife Financial
 - John Hancock
- Mass Mutual Financial Group
- Nationwide
- Penn Mutual
- Phoenix
- Sun Life of Canada



LINCOLN BENEFIT LIFE
AN ALLSTATE COMPANY



Blucora's HD Vest Financial Services Offers Long-Term Care & Disability Insurance

HD Vest Financial Services Long-Term Care & Disability Insurance Offerings

Long-Term Care Insurance

- **GE Capital**
- **John Hancock**
- **Lincoln Benefit**



Disability Insurance

- **Standard**
- **UNUM/ Provident**

Blucora's HD Vest Financial Services Offers ... Variable & Fixed Annuities

Needs data

HD Vest Financial Services Variable & Fixed Annuity Offerings



2011

2012

Blucora's HD Vest Financial Services Does Not Offer Proprietary Variable & Fixed Annuities

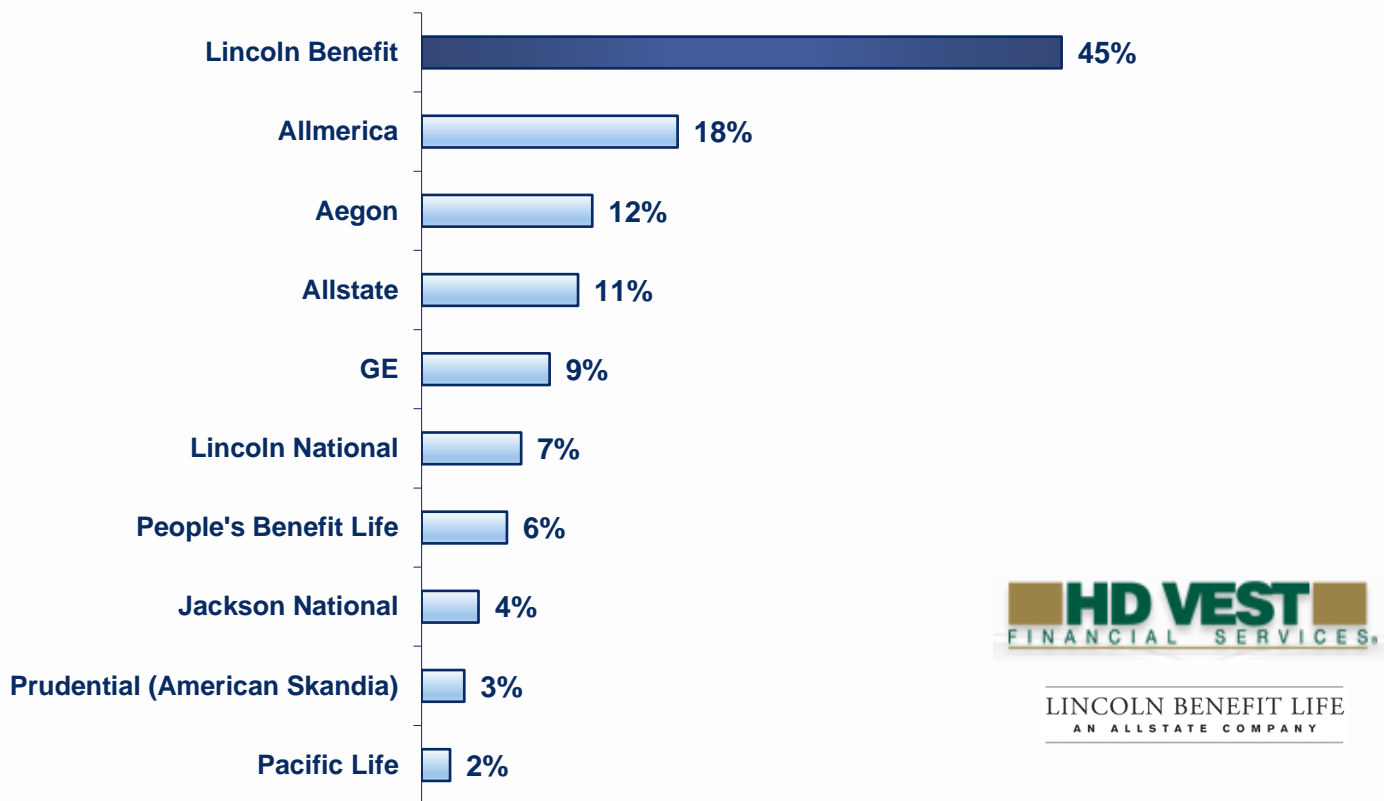
Comments

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Blucora's HD Vest Financial Services Financial Advisors Most Utilized Annuity Company is Lincoln Benefit

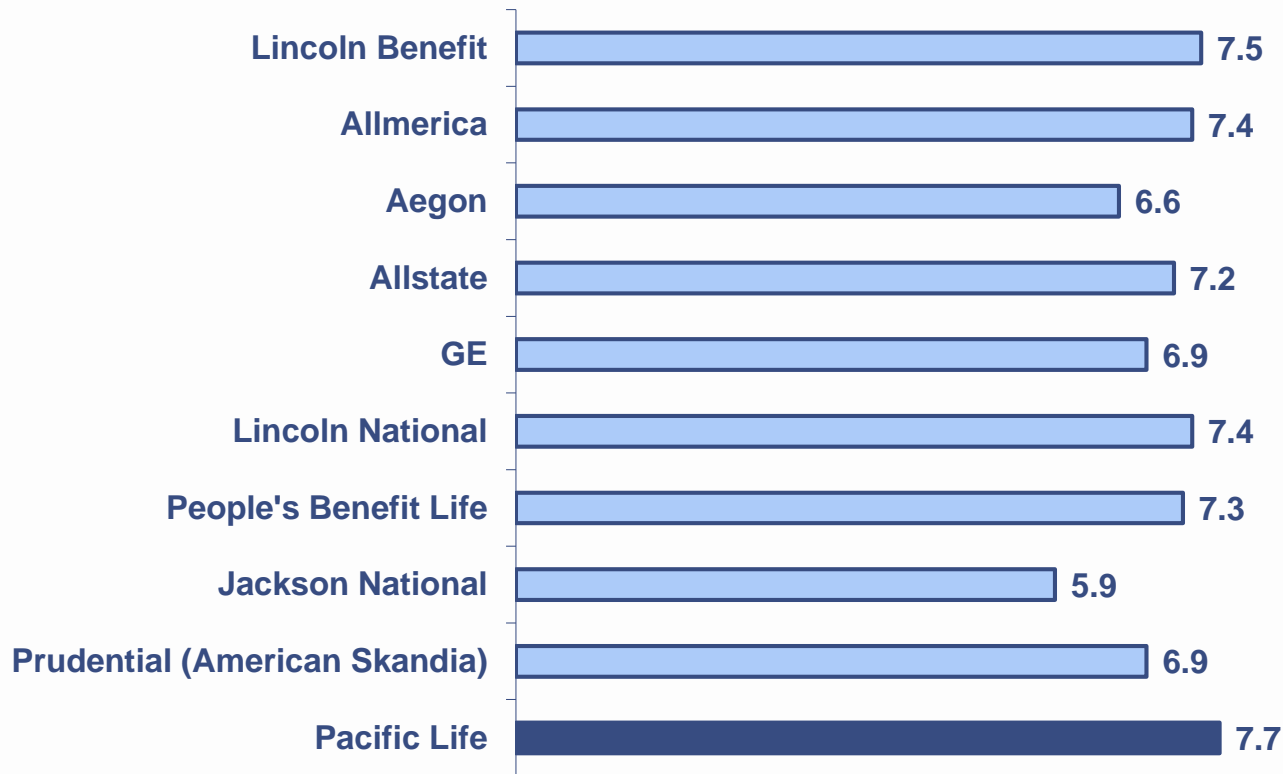
HD Vest Financial Services Financial Advisors By Annuity Companies Utilization



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Most Companies' Annuities Offerings, Particularly Pacific Life

HD Vest Financial Services Financial Advisors By Satisfaction with Annuity Companies



Blucora's HD Vest Financial Services Has Gathered \$... Variable & Fixed Annuity Assets

Needs data

HD Vest Financial Services Variable & Fixed Annuity Assets Under Administration (\$ Billions)



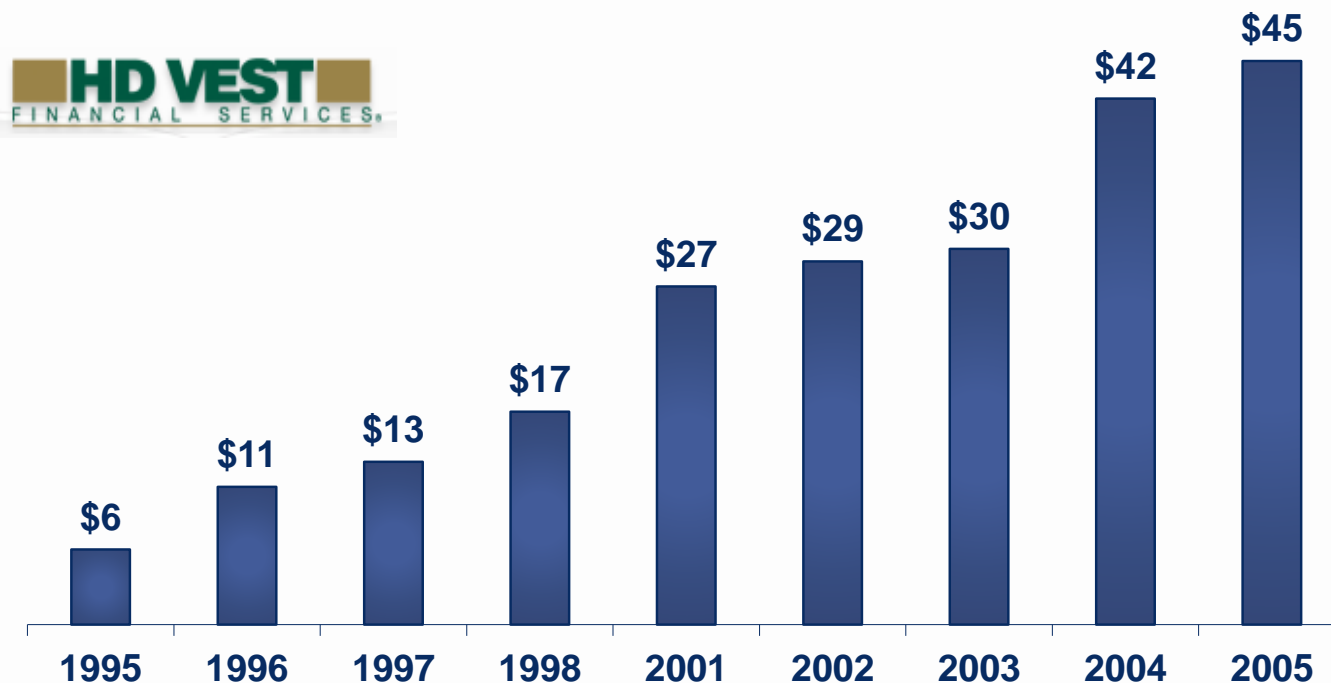
2011

2012

Blucora's HD Vest Financial Services Generates \$45 Million Variable & Fixed Annuity Revenues, Up 81% Since 2001

Needs update

HD Vest Financial Services Variable & Fixed Annuity Revenues (\$ Millions)



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Allows its Financial Advisors to Sell Fixed Insurance Products from Direct Outside Providers

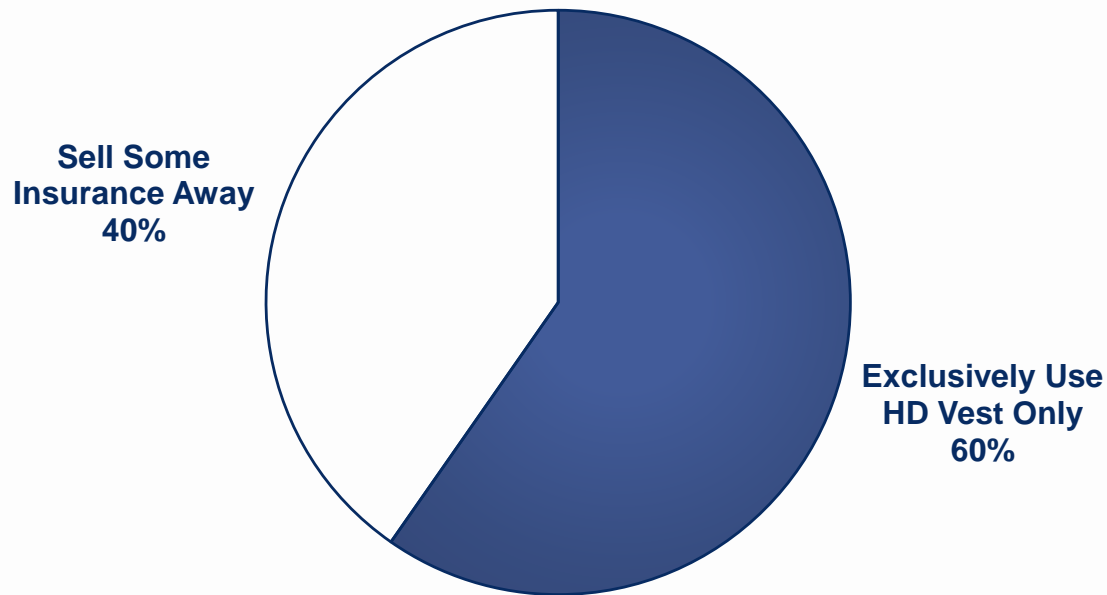
Comments

- --



Blucora's HD Vest Financial Services is Relied on by Most Independent Broker/Dealers for their Insurance Business

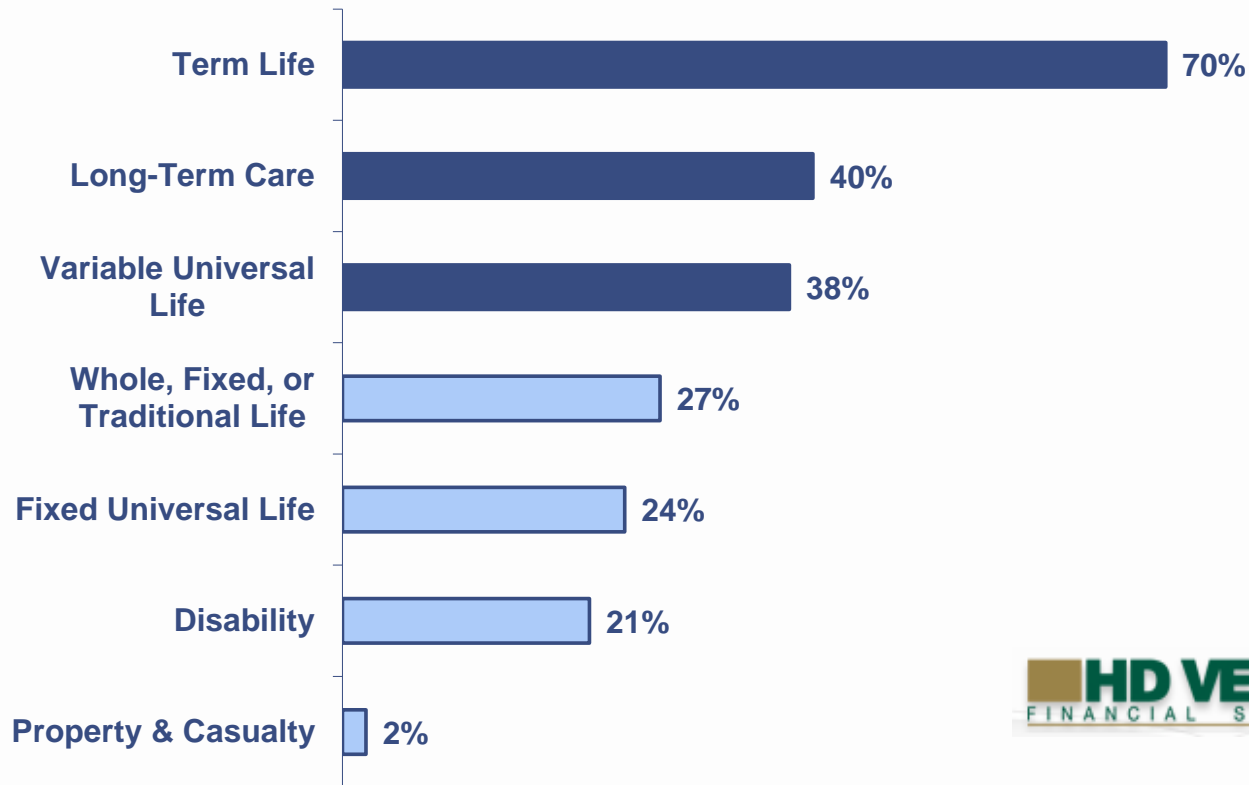
HD Vest Financial Services Reps By Propensity to Exclusively Use HD Vest Financial Services for Insurance Business



Source: 12/00 Independent Broker/Dealer Financial Advisor Interviews; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Most Popular Insurance Products are Term Life, Long-Term Care, and Variable Universal Life

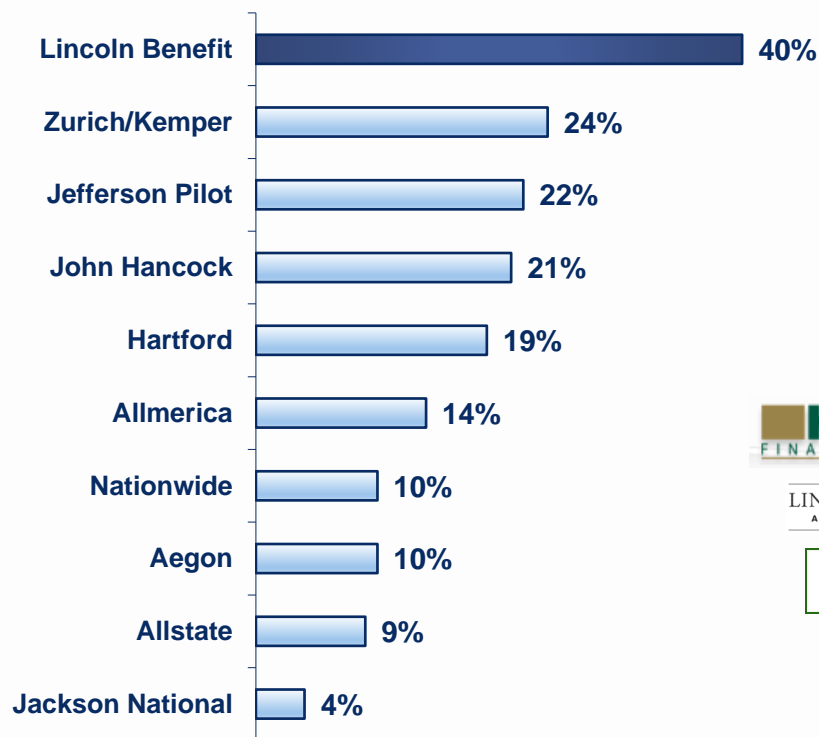
**HD Vest Financial Services
Reps
By Insurance Products Sold**



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Most Utilized Insurance Company is Lincoln Benefit

HD Vest Financial Services Reps By Insurance Company Utilization

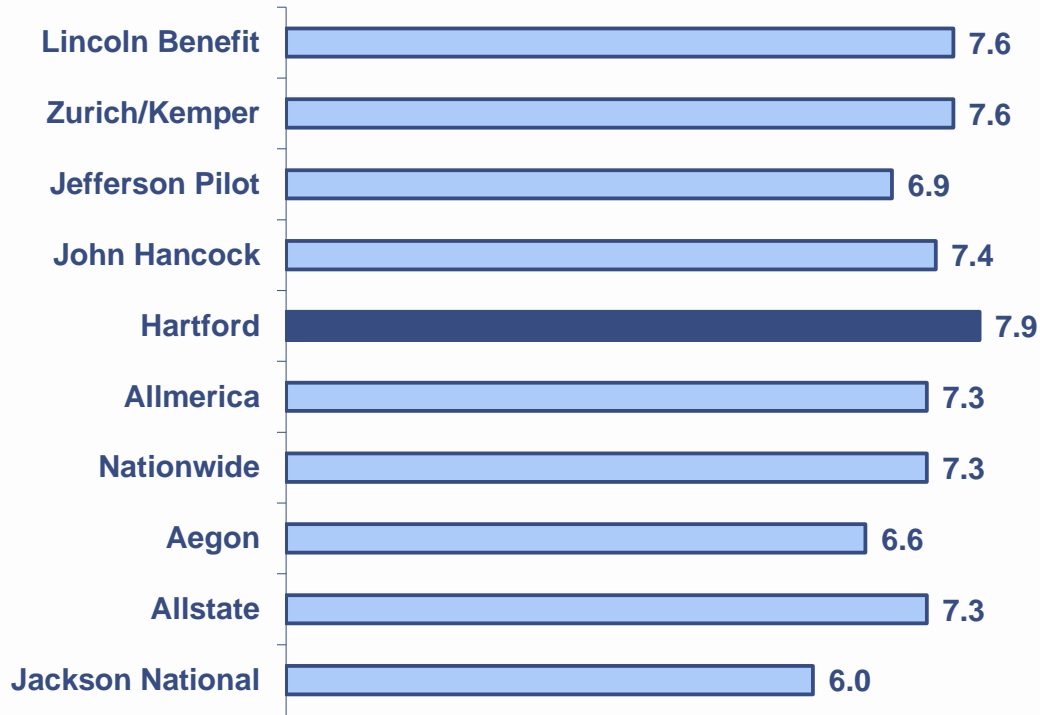


LINCOLN BENEFIT LIFE
AN ALLSTATE COMPANY



Blucora's HD Vest Financial Services Financial Advisors are Satisfied with Most Insurance Companies' Offerings, Especially Hartford

HD Vest Financial Services Financial Advisors By Satisfaction With Insurance Companies



Blucora's HD Vest Financial Services' Third Product Offering is Managed Accounts

15% of
revenues

Comments

- --



Blucora's HD Vest Financial Services' Financial Advisors Had Comments on its Managed Accounts



Comments

- **“Growing”**

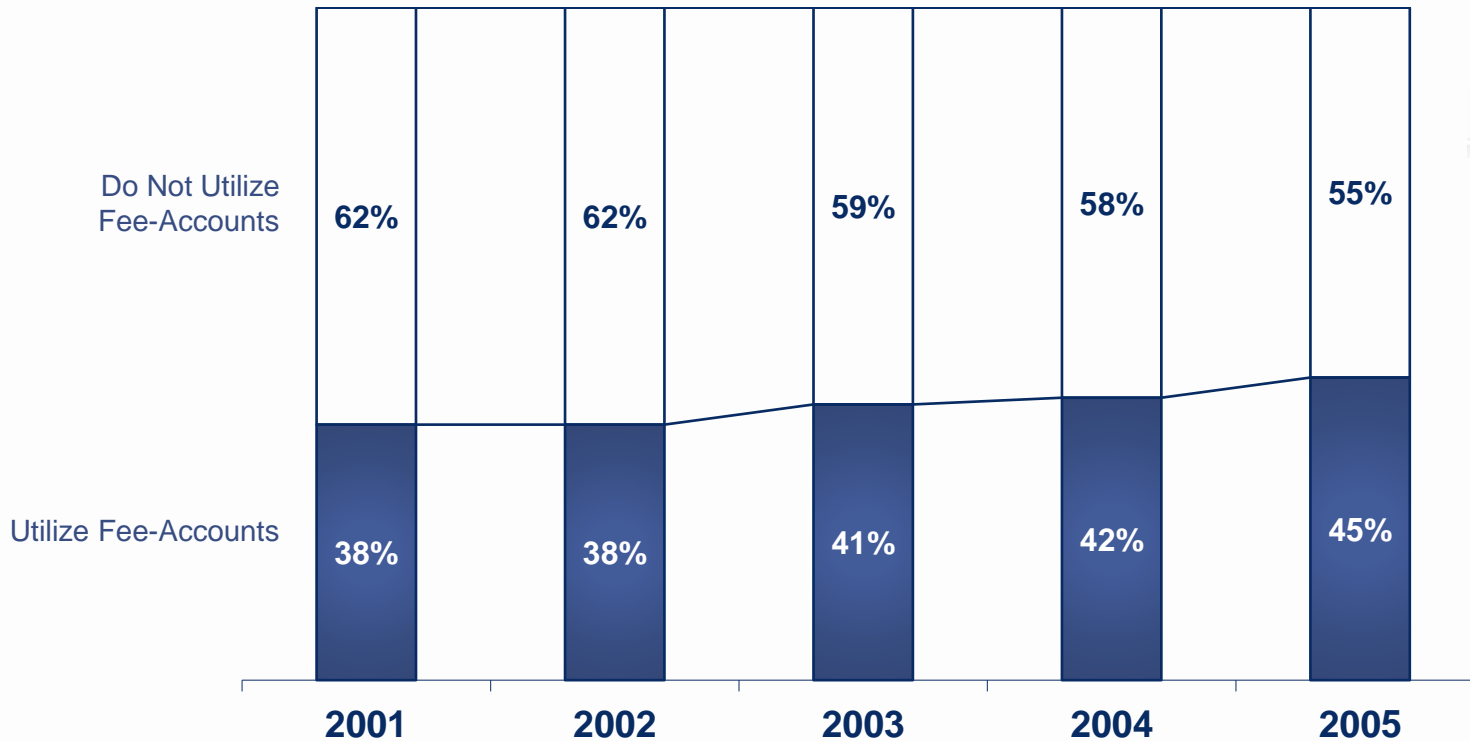
Source: 1/7/00 HD Vest Financial Services Conversation (Ochs); 1/5/00 HD Vest Financial Services Meeting (Ochs); 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors that Utilize Managed Accounts Account for Nearly Half of Total Reps, Up 7% Since 2001

HD Vest Financial Services Financial Advisors By Utilization of Managed Accounts

Estimated data

Needs update



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Gathered... Managed Accounts

Needs data

HD Vest Financial Services Managed Accounts



2011 2012

Blucora's HD Vest Financial Services Has Gathered \$3.8 Billion Managed Account Assets Under Management, Up 2,954% Since 1994

Needs update

HD Vest Financial Services Managed Account Assets Under Management (\$ Millions)

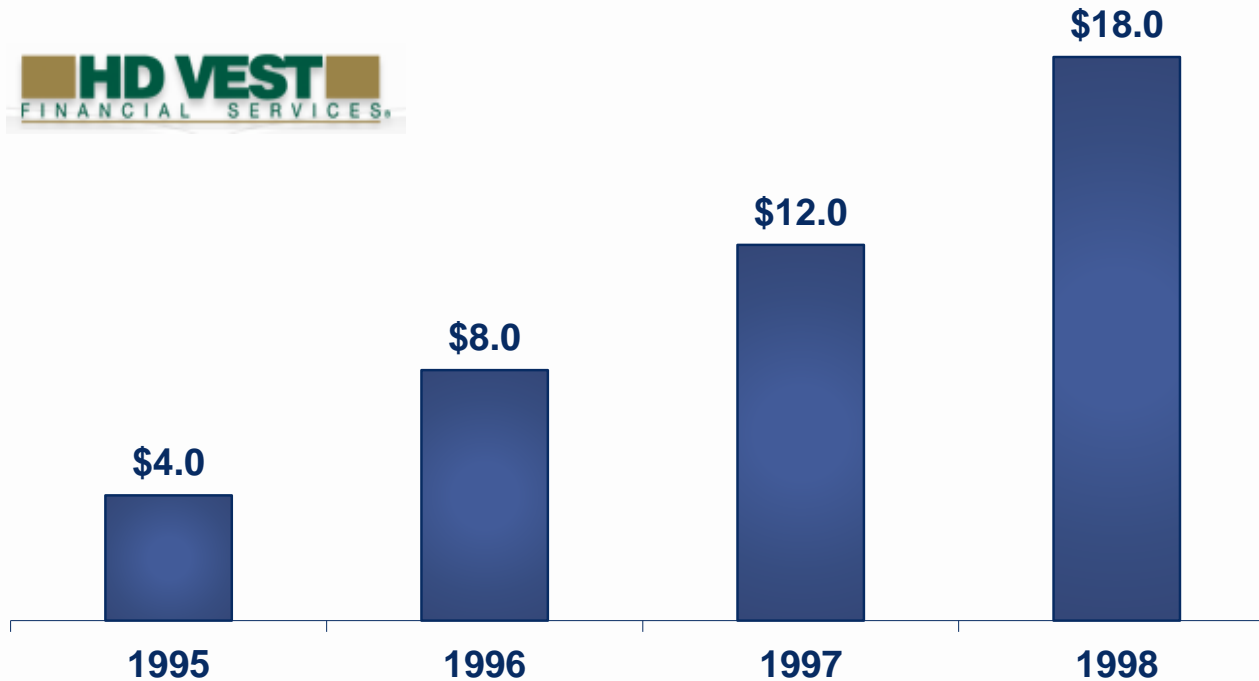


Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Generates \$18.0 Million Managed Account Revenues, Up 300% Since 1995

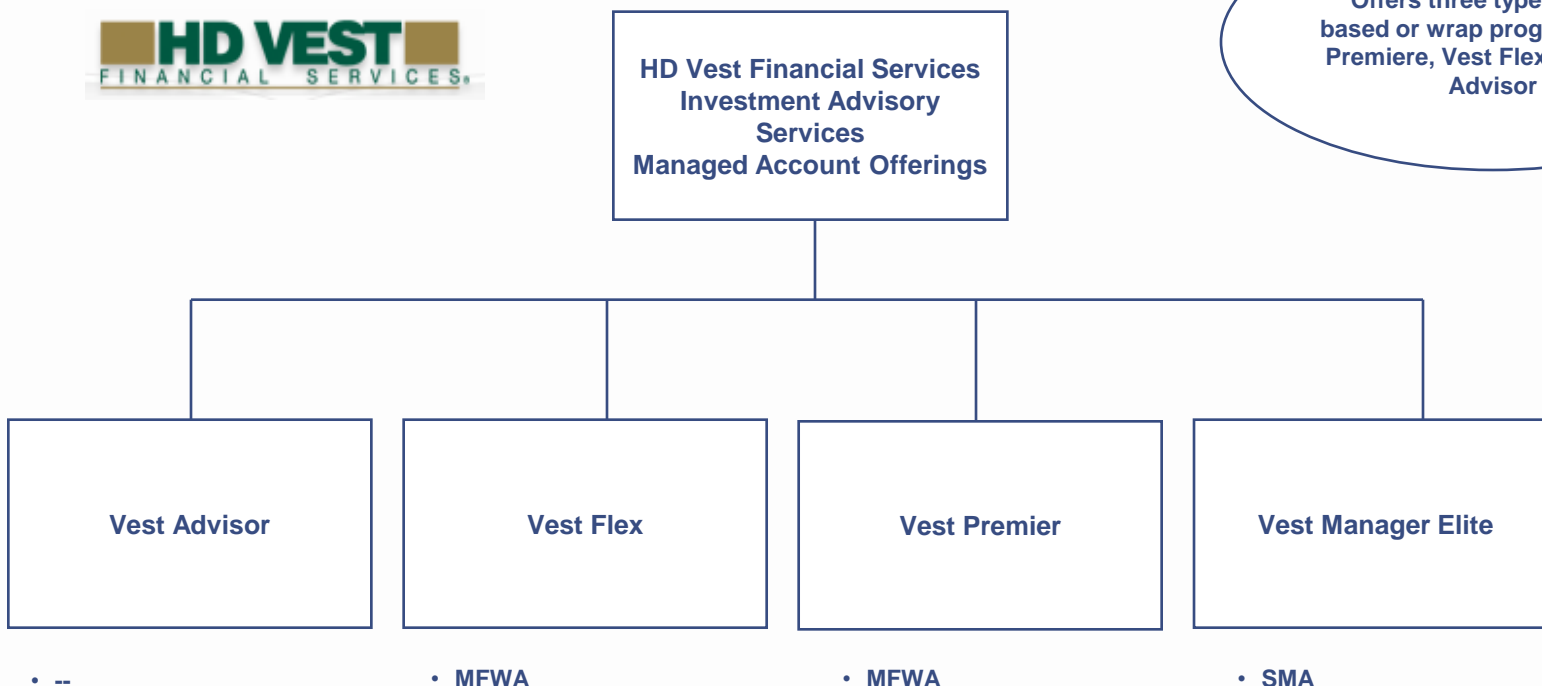
Needs update

HD Vest Financial Services Managed Account Revenues (\$ Millions)



Source: 2/7/00 HD Vest Financial Services Conversation (Ochs); 1/24/00 Turning Point Conversation (Vigevano); 12/31/98 HD Vest Financial Services Analysis; Tiburon Research & Analysis

HD Vest Financial Services Investment Advisory Services Managed Account Offerings



In all cases, HD Vest Financial Services performs training, reporting, billing, and support functions

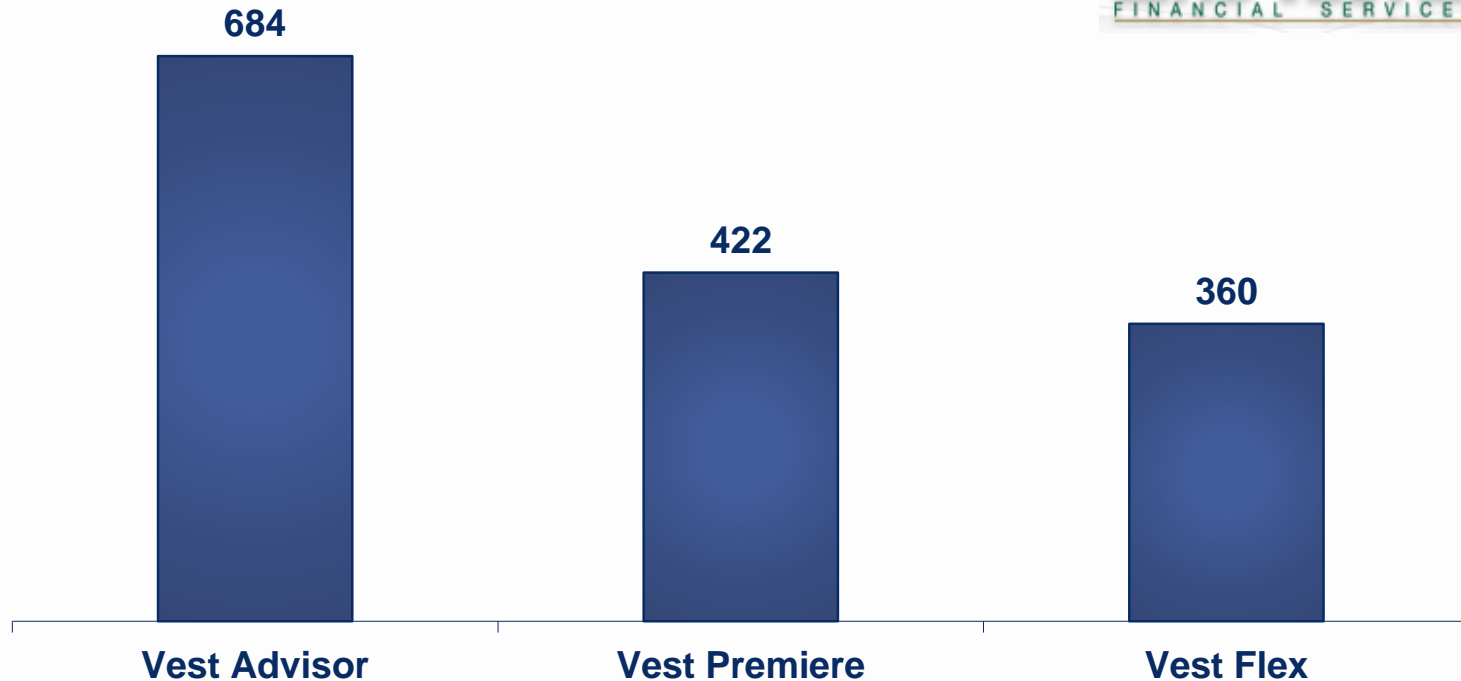
Offers three types of fee-based or wrap programs: Vest Premiere, Vest Flex, and Vest Advisor

Source: 9/02 Bloomberg Wealth Manager; 1/11/02 HD Vest Financial Services Analysis (Pinion); 12/26/00 HD Vest Financial Services Brochure; 11/28/00 HD Vest Financial Services Meeting (Vest); 11/13/00 HD Vest Financial Services Meeting (Smith); 11/13/00 HD Vest Financial Services Meeting (Pinion); 11/6/00 HD Vest Financial Services Meeting (Klein); 1/5/00 HD Vest Financial Services Meeting (Ochs); Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Most Popular Managed Account Program is its Broker Wrap Vest Advisor

Includes double counting of Financial Advisors in multiple programs

HD Vest Financial Services Financial Advisors Using Each of its Managed Account Programs



Source: 10/1/02 HD Vest Financial Services Presentation (Smith); 1/11/02 HD Vest Financial Services Analysis (Pinion); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has a Separately Managed Account Program Called Vest Manager Elite which was Started in 2001



Vest Manager Elite progress: Private money managers have been selected; disclosure brochure and marketing material are ready to go to print; fee schedule has been established and is in-line with (the current fee schedules of VestAdvisor and VestPremiere; a comparative profitability analysis with VestAdvisor and VestPremiere; the fee schedule of competitors offering this type of program); internal systems have been designed to administer and monitor the program

Comments

Another source said that in all cases, HD Vest Financial Services performs training, reporting, billing, and support functions

- **Traditional separately managed account program**
 - All assets will be held at National Financial Services Corporation
 - Private money managers will be authorized to trade in the accounts
 - HDVAS will pay all ticket charges
 - HDVAS will extract fees and pay all parties
 - HDVAS will provide a customized quarterly report
 - Representatives will present performance results to the client quarterly
 - Clients will be allowed direct contact with the private money manager as requested through their representative
 - Clients will be allowed to link accounts for fee purposes
 - \$250,000 minimum
- **56 accounts**
- **\$550,000 average account size**
- **\$30 million assets under management**

Source: 9/02 Bloomberg Wealth Manager; 1/11/02 HD Vest Financial Services Analysis (Pinion); 12/26/00 HD Vest Financial Services Brochure; 11/28/00 HD Vest Financial Services Meeting (Vest); 11/13/00 HD Vest Financial Services Meeting (Smith); 11/13/00 HD Vest Financial Services Meeting (Pinion); 11/6/00 HD Vest Financial Services Meeting (Klein); 1/5/00 HD Vest Financial Services Meeting (Ochs); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Manager Elite Manager Menu Started Out Narrow



HD Vest Financial Services Manager Elite Managers

Initial offer includes 16 investment products from eight managers across six asset classes; HD Vest Financial Services now reports that it offers 30 managers

HD Vest Financial Services plans to add investment products from MFS and Van Kampen which will take the number of offerings from 16 to 23

Asset Class	Money Manager	Investment Style
Fixed Income	Cummer/Moyer Cummer/Moyer Cummer/Moyer	High Yield Government AAA Income Diversified
Large Cap U.S. Equities	Delaware John Hancock John Hancock John Hancock Oppenheimer Phoenix Oppenheimer	Value Core Growth Value Value Value/Growth Tax Managed S&P
Small & Mid Cap U.S. Equities	Phoenix Delaware John Hancock	Small & Mid Cap Growth Mid-Cap Growth Technology
U.S. Balanced Equity/Bond	John Hancock Phoenix	Balanced Balanced
International Equity	Delaware Oppenheimer Oppenheimer	International ADR Global Diversified International ADR
Real Estate	Security Capital	Commercial and Residential

Source: 9/30/02 HD Vest Financial Services Presentation (Smith); 12/15/00 HD Vest Financial Services Brochure; 10/19/00 HD Vest Financial Services Meeting (Klein); 11/00 HD Vest Financial Services Presentation (Smith); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has a Unique Single Family Mutual Fund Wrap Program Called Vest Flex, Started in 1993 for Smaller Accounts

Comments

In all cases, HD Vest Financial Services performs training, reporting, billing, and support functions



- **Unique single family mutual fund wrap account**
- **\$0.1 billion; has not kept up with expectations (same assets under management since 1997)**
 - **Unique single family mutual fund wrap account**
 - **Assets allocated within a single level one sponsor mutual fund family (nine choices); not flexible program – no substitutions or asset weighting changes allowed**
- **\$33,000 average account size**
- **2,200 accounts**
 - **\$10,000 minimum account**
 - **2.18% in total fees - highest fees (maximum 2.50%)**
 - **Hold direct at the fund family; monthly statements generated through the mutual fund sponsor**
 - **Limited trading authorization**
 - **Quarterly performance reports produced by HDVAS**
 - **HD Vest Financial Services maintains 80 individual models, with each client using one model; rebalancing is done automatically**
 - **Competitors may not have a similar low minimum investment product that uses modern portfolio theory and provides quarterly reports**

Source: 9/02 Bloomberg Wealth Manager; 1/11/02 HD Vest Financial Services Analysis (Pinion); 6/30/01 HD Vest Financial Services Brochure; 12/26/00 HD Vest Financial Services Brochure; 11/28/00 HD Vest Financial Services Meeting (Vest); 11/13/00 HD Vest Financial Services Meeting (Smith); 11/13/00 HD Vest Financial Services Meeting (Pinion); 11/6/00 HD Vest Financial Services Meeting (Klein); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has a Mutual Fund Wrap Program Called Vest Premiere, Started in 1987

In all cases, HD Vest Financial Services performs training, reporting, billing, and support functions

Comments



- **Traditional mutual fund wrap program**
 - **Managed by HD Vest Financial Services Advisory Services; limited trading authorization; allow Financial Advisors to override decisions; clients can do a fair amount of substitution (an alternative to asset substitution, which is not allowed)**
 - **\$100,000 minimum account**
 - **\$335,000 average account size**
 - **300 mutual fund and private portfolio managers**
 - **3,260 individual accounts; 1,800 consolidated accounts**
 - **Investors can hold stocks, bonds, and certain LPs (retaining individual securities is not recommended)**
 - **1.74% in total fees**
 - **Utilize NFSC account so check writing, margin, etc. are available**
 - **Clients can consolidate more than one account to reach the \$100,000 minimum**
- **Positioned as the Cadillac product**
- **\$0.6 billion assets under management; assets under management have been growing but looks like its getting close to a peak**
- **Margins of 29 basis points for HD Vest Financial Services**

Source: 9/02 Bloomberg Wealth Manager; 1/11/02 HD Vest Financial Services Analysis (Pinion); 12/26/00 HD Vest Financial Services Brochure; 11/28/00 HD Vest Financial Services Meeting (Vest); 11/13/00 HD Vest Financial Services Meeting (Smith); 11/13/00 HD Vest Financial Services Meeting (Pinion); 11/6/00 HD Vest Financial Services Meeting (Klein); 1/5/00 HD Vest Financial Services Meeting (Ochs); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Offers Access to Over 7,000 Mutual Funds in its Vest Premiere Program

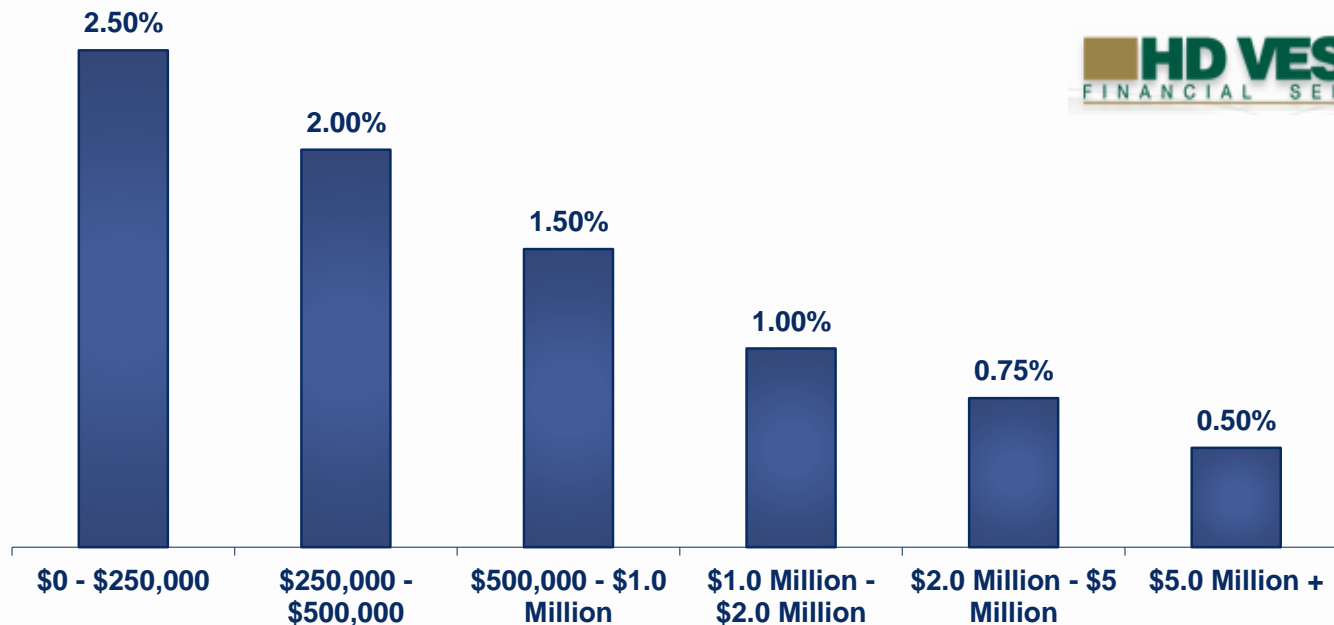
HD Vest Financial Services Premiere Program Leading Mutual Fund Families

- **Deutsche Bank**
 - Scudder Investments
- **Invesco**
 - AIM
 - Oppenheimer Funds
 - Van Kampen
- **Lincoln National**
 - Delaware Investments
- **Manulife Financial**
 - John Hancock
- **Phoenix Investment Partners**
- **Power Corporation of Canada**
 - Putnam
- **Sun Life of Canada**
 - MFS



Blucora's HD Vest Financial Services Charges Between 2.50% and 0.50% on its Vest Premier & Vest Flex Managed Account Programs

HD Vest Financial Services Vest Premier & Vest Flex Managed Account Programs Maximum Client Fees



Source: 12/11/00 AEFA Financial Advisor Conversation (Huran); 12/11/00 NPC Financial Advisor Conversation (Huckeby); 12/11/00 GEIAN Financial Advisor Conversation (Cheregotis); 3/2/00 American Express Financial Advisor Conversation (Doe); 2/29/00 NPC Brochure; 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has a Combined Fee-Based Brokerage Account and Broker Wrap Program Called Vest Advisor, Started in 1996

Comments

In all cases, HD Vest Financial Services performs training, reporting, billing, and support functions



- **Fee-based brokerage account (allows mutual funds, stocks, and bonds); client has discretion; Financial Advisor has trading authority**
 - **Managed by the representative**
 - **\$25,000 minimum account**
 - **1.14% in total fees - lowest fees**
 - **Accounts held at NFSC; annuity accounts held at People's Benefit**
 - **Client pays ticket charges**
 - **Access to over 7,000 mutual funds**
 - **60-65% of assets in mutual funds**
 - **Transaction fees paid by either client or rep**
 - **Also offers check writing and debit cards**
- **\$1.3 billion assets under management; fastest growing**
- **\$175,000 average account size**
- **11,300 individual accounts**
 - **6,600 consolidated accounts**
- **80 Financial Advisors are very high producing**
- **Margins of 20 basis points for HD Vest Financial Services**

Source: 9/02 Bloomberg Wealth Manager; 1/11/02 HD Vest Financial Services Analysis (Pinion); 12/26/00 HD Vest Financial Services Brochure; 11/28/00 HD Vest Financial Services Meeting (Vest); 11/13/00 HD Vest Financial Services Meeting (Smith); 11/13/00 HD Vest Financial Services Meeting (Pinion); 11/6/00 HD Vest Financial Services Meeting (Klein); 1/5/00 HD Vest Financial Services Meeting (Ochs); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Also Offers an Annuity Option within its Vest Premiere and Vest Advisor

Comments

- --



Advisors Edge annuity by People's Benefit Life is available within Vest Premiere and Vest Advisor

Choosing to utilize the variable annuity sub-accounts allows rebalancing with no immediate tax consequences

24 sub-accounts

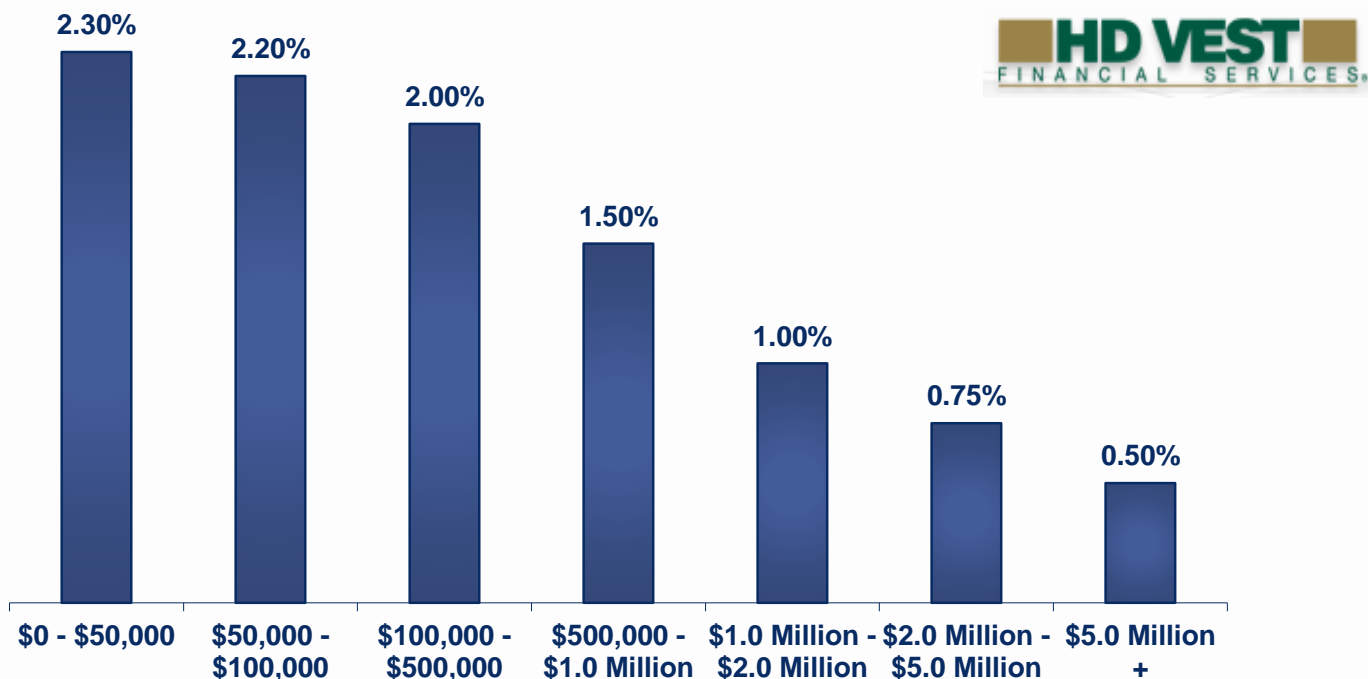
No surrender charger

Low M&E costs (65 bps)

Reasonable portfolio management fees (43-99 bps)

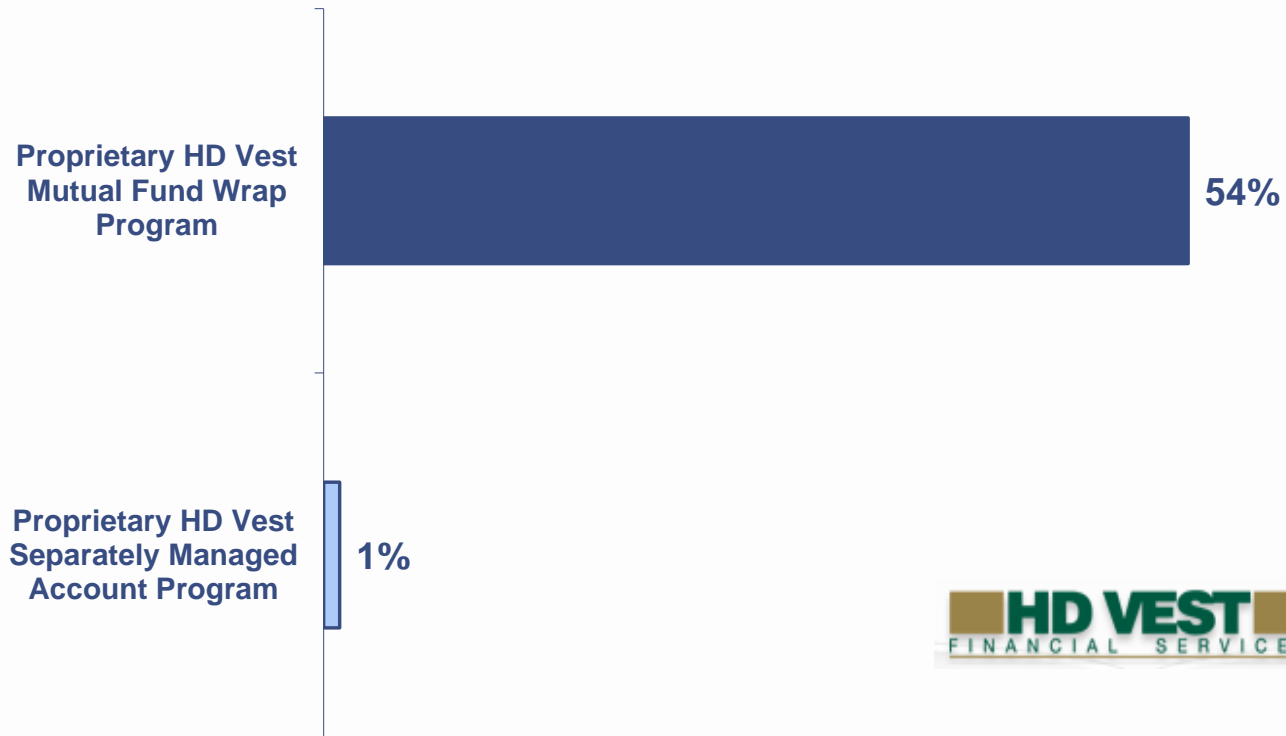
Blucora's HD Vest Financial Services Charges Between 2.30% and 0.50% on its Vest Advisor Program

HD Vest Financial Services Vest Advisor Managed Account Program Maximum Client Fee



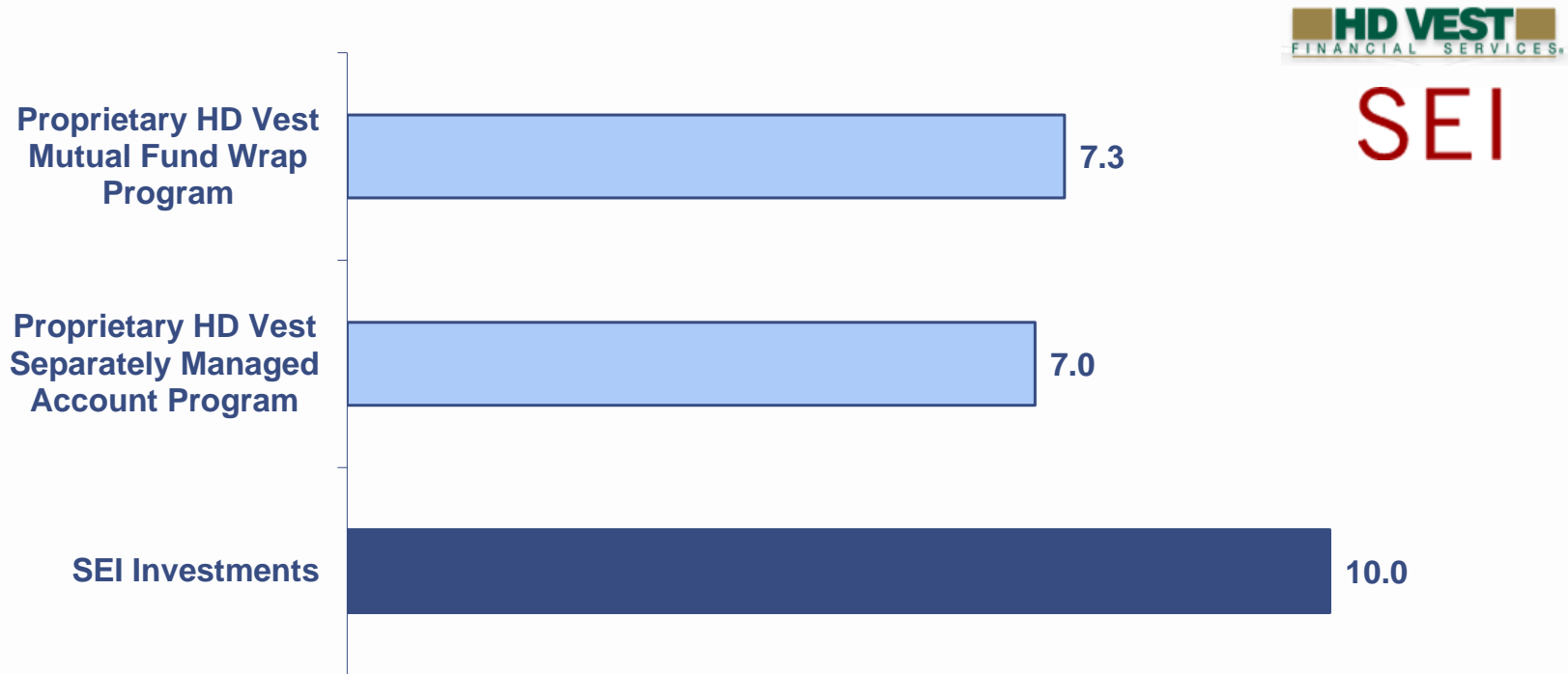
Source: 12/11/00 AEFA Financial Advisor Conversation (Huran); 12/11/00 NPC Financial Advisor Conversation (Huckeby); 12/11/00 GEIAN Financial Advisor Conversation (Cheregotis); 3/2/00 American Express Financial Advisor Conversation (Doe); 2/29/00 NPC Brochure; 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); Tiburon Research & Analysis

HD Vest Financial Services Financial Advisors By Turnkey Asset Management Program Utilization



Blucora's HD Vest Financial Services Financial Advisors who Have Utilized SEI Investments are Very Satisfied, Giving it an Overall Score of 10 Out of 10

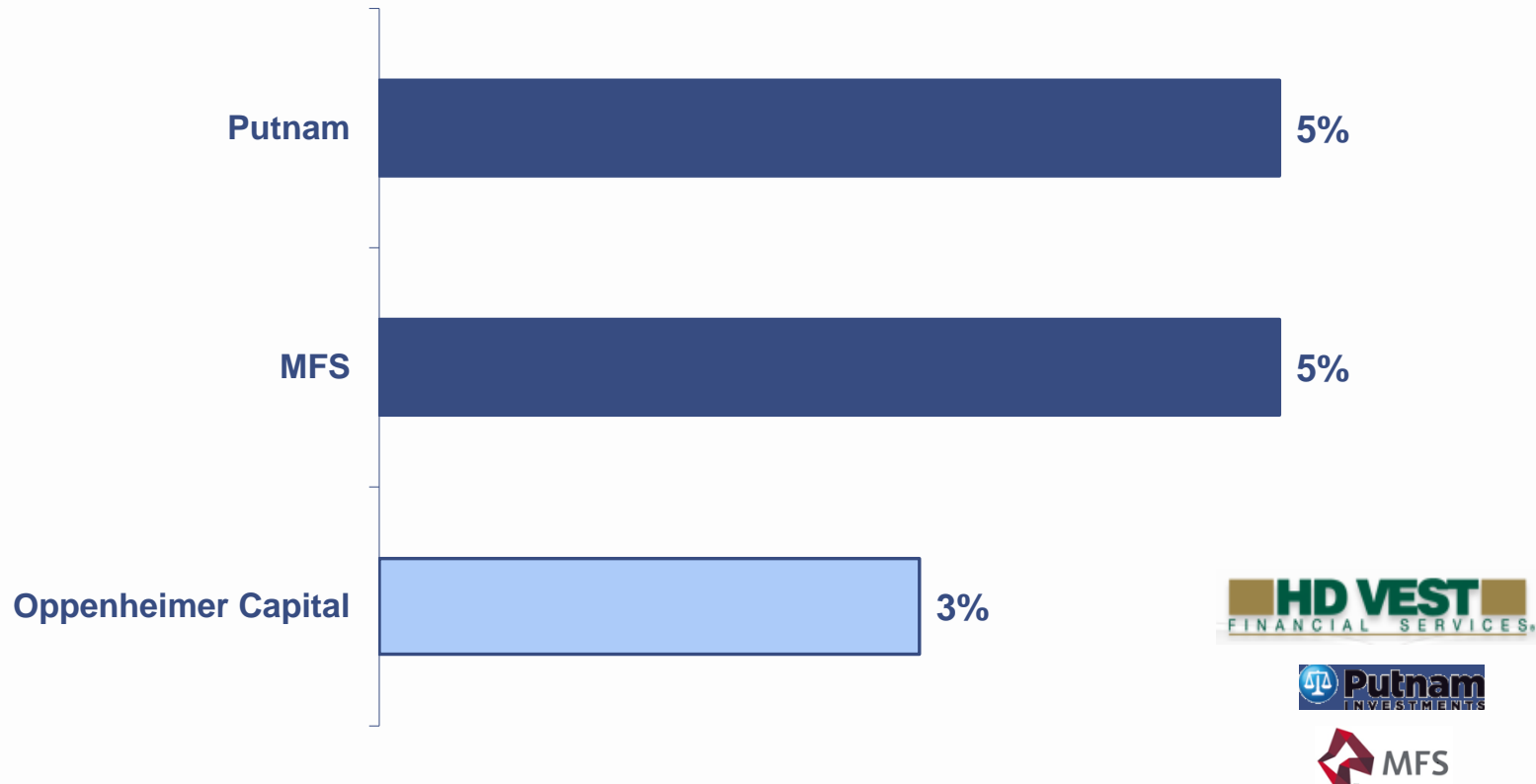
**HD Vest Financial Services
Financial Advisors
By Satisfaction with Turnkey Asset Management Programs**



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

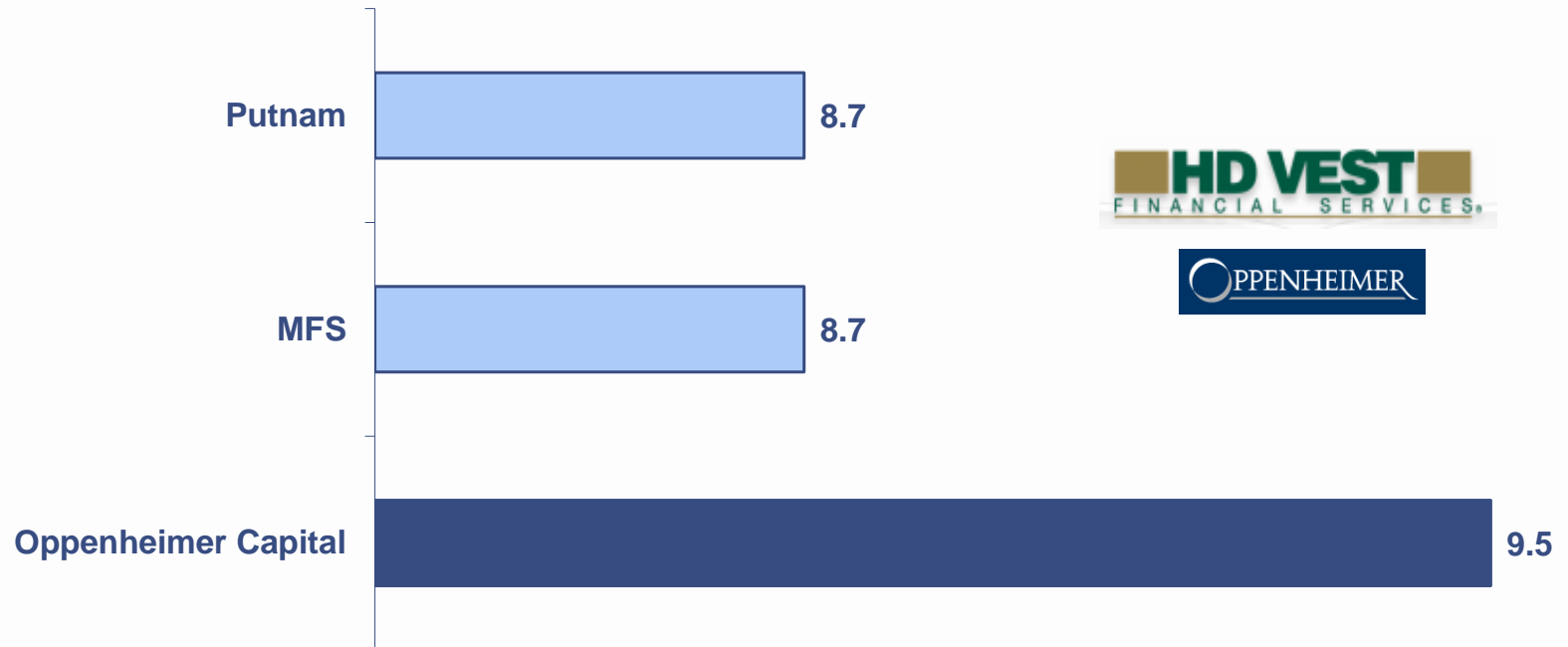
Blucora's HD Vest Financial Services Financial Advisors Most Utilized Separate Account Managers are Putnam and MFS, Although Only a Small Percentage Report Utilizing them

HD Vest Financial Services Financial Advisors By Separate Account Managers Utilization



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

HD Vest Financial Services Financial Advisors By Satisfaction with Separate Account Managers



Blucora's HD Vest Financial Services Provides Guidelines for Discounting on Its ... Program ...



HD Vest Financial Services ... Program Discounting Guidelines

Create grid for each applicable fee-account program; be sure to understand if pricing is blended or cliff pricing

Account Value	Maximum Fee	Minimum Fee
\$0 - \$250,000	--	--
\$250,000 - \$500,000	--	--
\$500,000 - \$1,000,000	--	--
\$1,000,000 - \$2,000,000	--	--
\$2,000,000-\$5,000,000	--	--
> \$5,000,000	--	--

Blucora's HD Vest Financial Services Has Traditionally Used Maxx Broker, Advisor Channel, Advent Axys, & Advent Moxy

Comments

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Blucora's HD Vest Financial Services Allows its Financial Advisors to Provide Services through their Own RIA

Financial Advisors
are not charged
any additional fees

Comments

- --



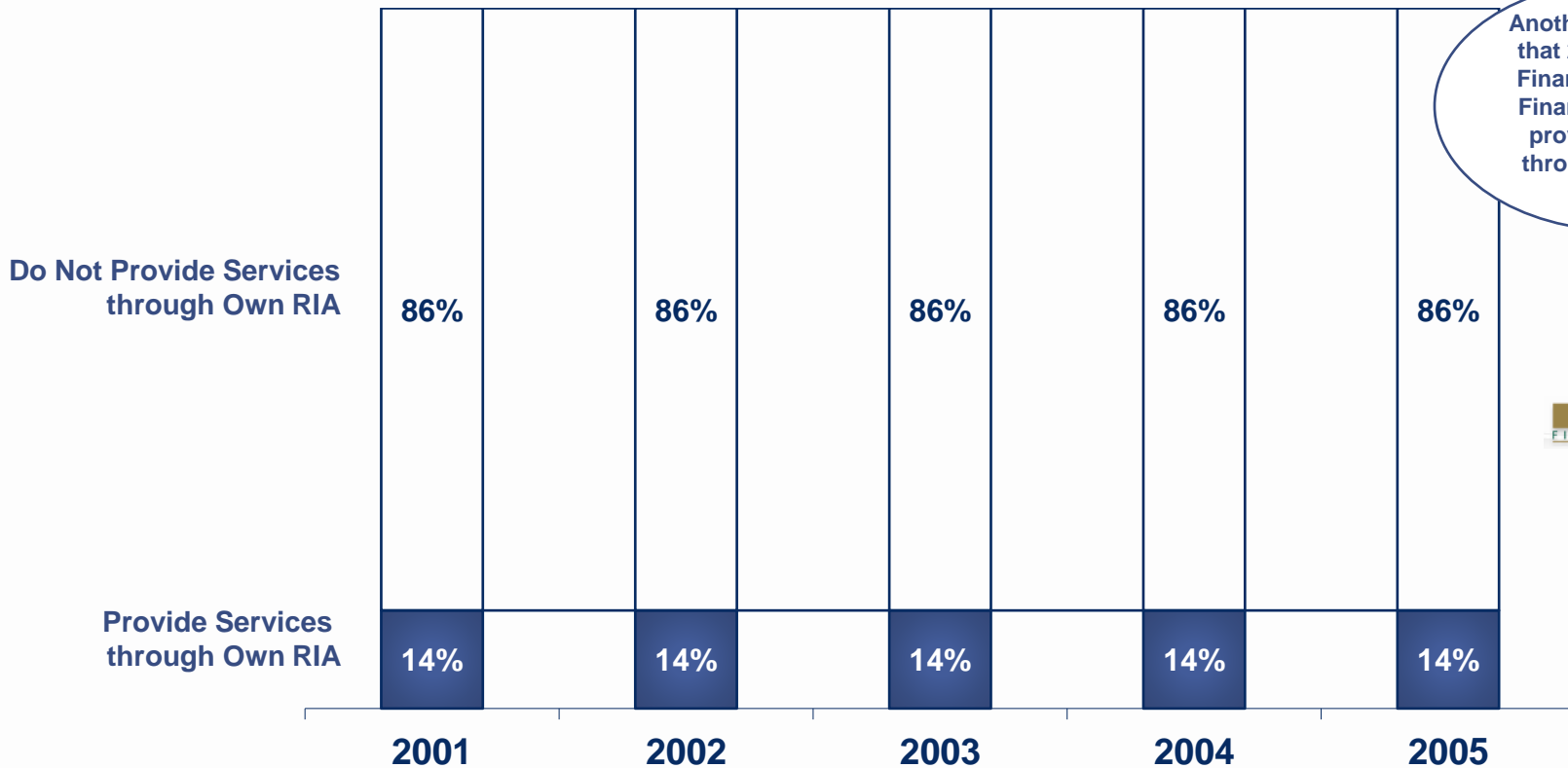
Blucora's HD Vest Financial Services Financial Advisors that Provide Services through their Own RIA Accounts for More than 10%, Consistent Since 2001

**HD Vest Financial Services
Financial Advisors
By Propensity to Provide Services through their Own**

Estimated data

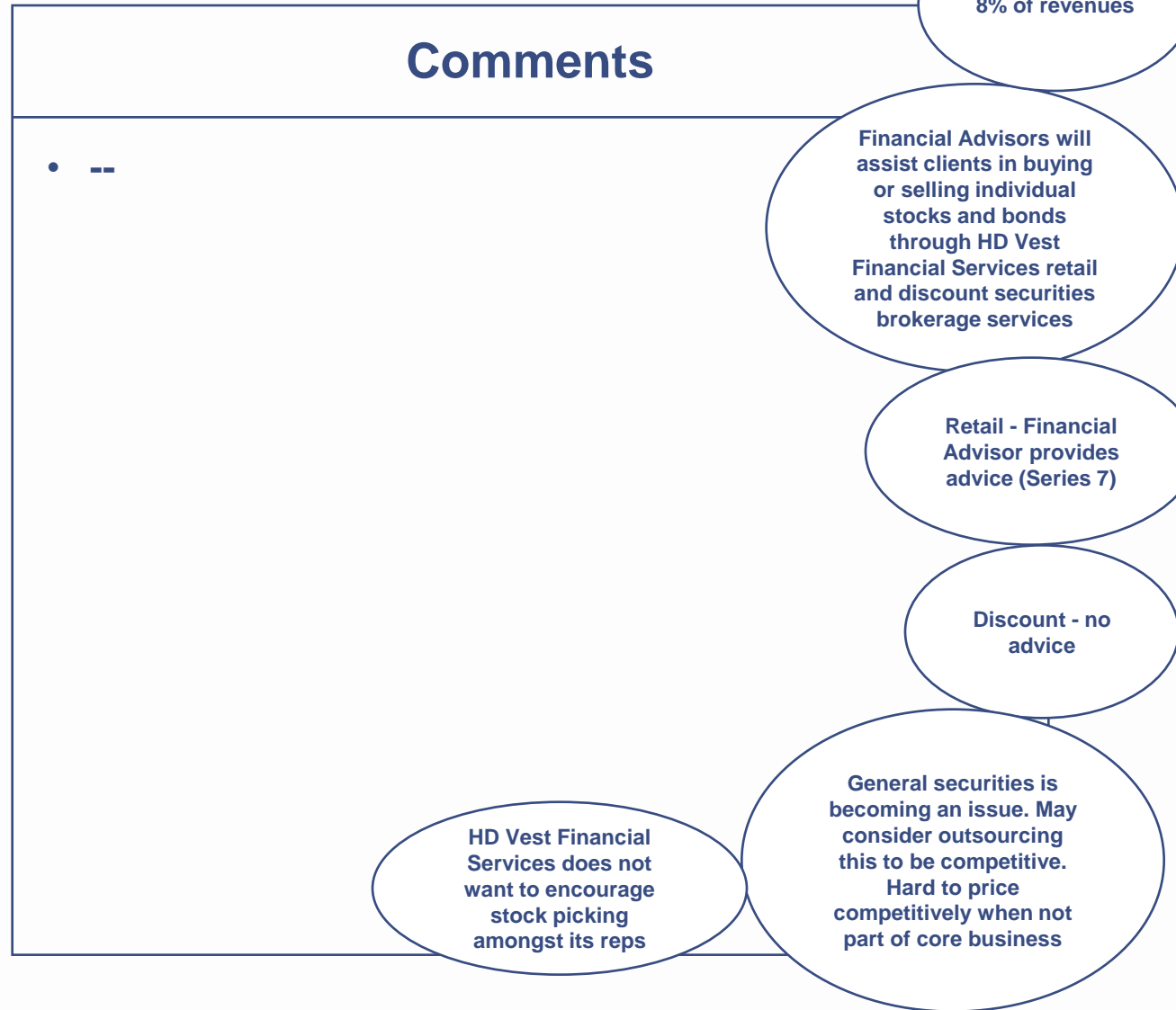
Needs update

Another source said that 2% of HD Vest Financial Services' Financial Advisors provide services through their own RIA



Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Fourth Product Offering is Individual Securities



Source: 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Financial Advisors Had Comments on its Retail & Discount Brokerage



Comments

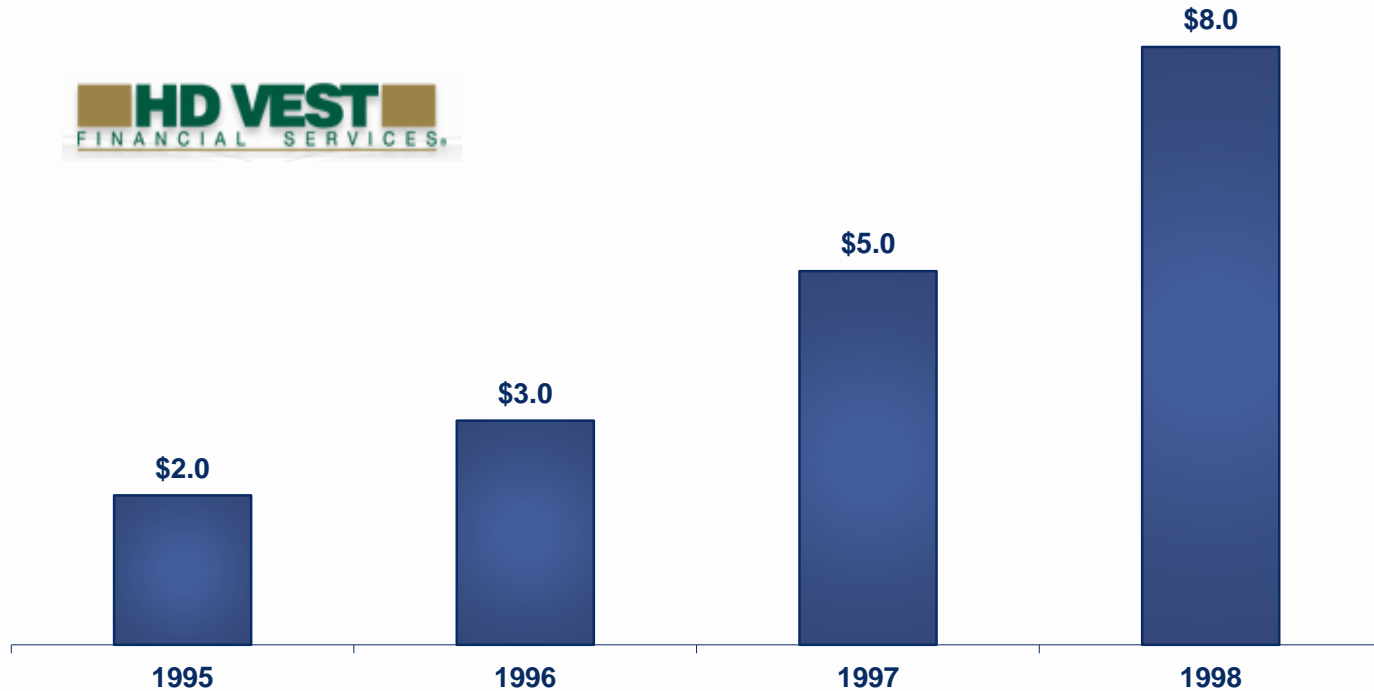
- **“Not stock jockeys”**
- **“Use is increasing”**
- **“Grew from 4% to 8% of company revenue”**
- **“Much lower percentage of firm business than LPL or Royal Alliance”**

Source: 1/7/00 HD Vest Financial Services Conversation (Ochs); 1/5/00 HD Vest Financial Services Meeting (Ochs); 1/2/99 HD Vest Financial Services Changing The Way America Invests Brochure; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Individual Securities Offerings Generates \$8.0 Million Revenues

Needs update

HD Vest Financial Services Individual Securities Offerings Revenues (\$ Millions)



Source: 2/7/00 HD Vest Financial Services Conversation (Ochs); 1/24/00 Turning Point Conversation (Vigevano); 12/31/98 HD Vest Financial Services Analysis; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Referral Reps

Delete four page section?

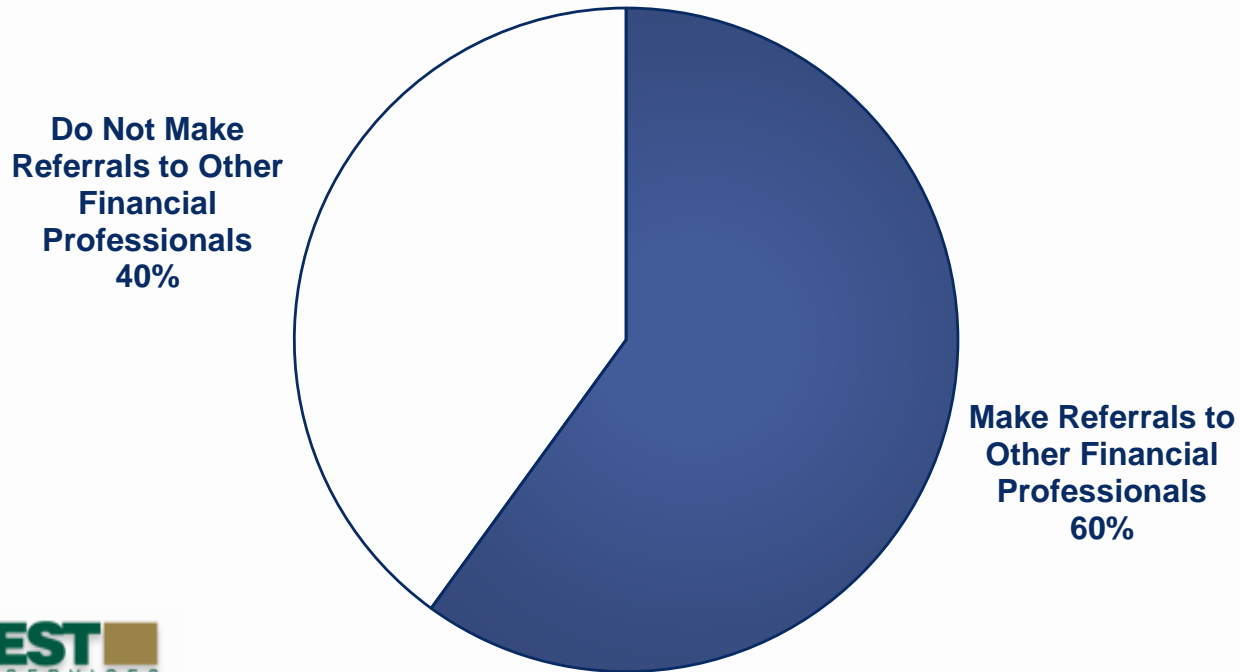
Comments

- --



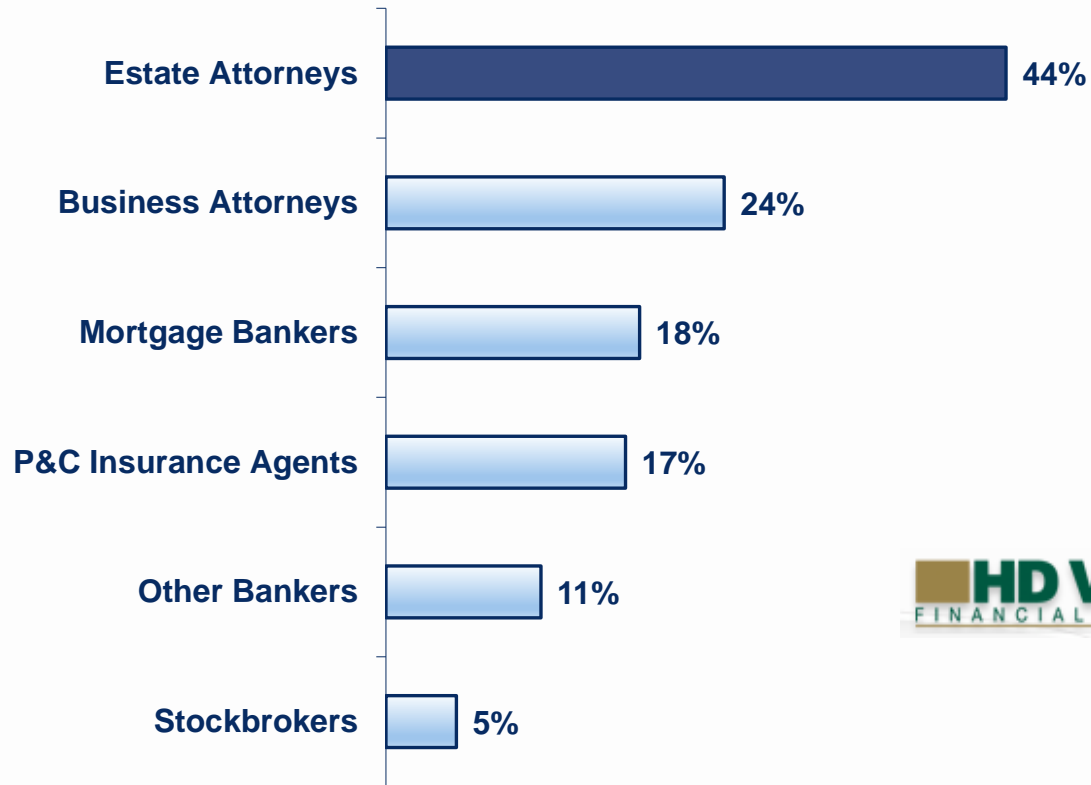
Blucora's HD Vest Financial Services Financial Advisors Make Nearly Two-Thirds of their Referrals to Other Financial Professionals

HD Vest Financial Services Financial Advisors By Propensity to Make Referrals to Other Financial Professionals



Blucora's HD Vest Financial Services Financial Advisors are Most Likely to Refer Clients to Estate Attorneys

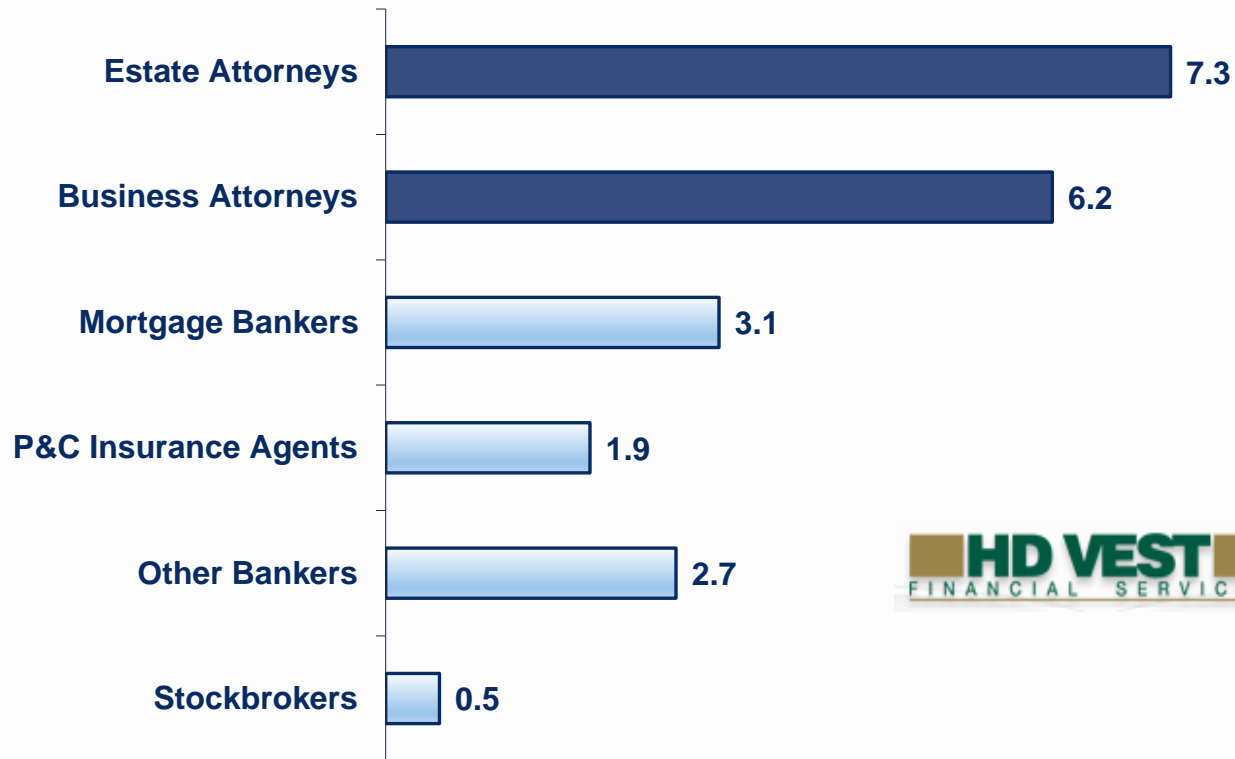
HD Vest Financial Services Financial Advisors By Referrals to Other Financial Professionals



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Most Frequently Refer Clients to Estate Attorneys and Business Attorneys

HD Vest Financial Services Financial Advisors By Frequency of Referrals to Other Financial Professionals



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Clears through National Financial Services



Comments

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Next eighteen paged need to be streamlines

Utilizes automated trading tool called Streetscape

Completes 90% of trades on platform (Financial Advisors enter trades directly from workstations)

Very few others do any self-clearing (however, LPL is making the change and other larger firms may follow)

Most use independent marketing organizations for insurance

HD Vest Financial Services successfully transferred over 100,000 brokerage accounts from National Financial to Wells Fargo

Consolidated clearing processes with its new parent, eliminating the need for an additional vendor

HD Vest Financial Services does some of its own self-clearing

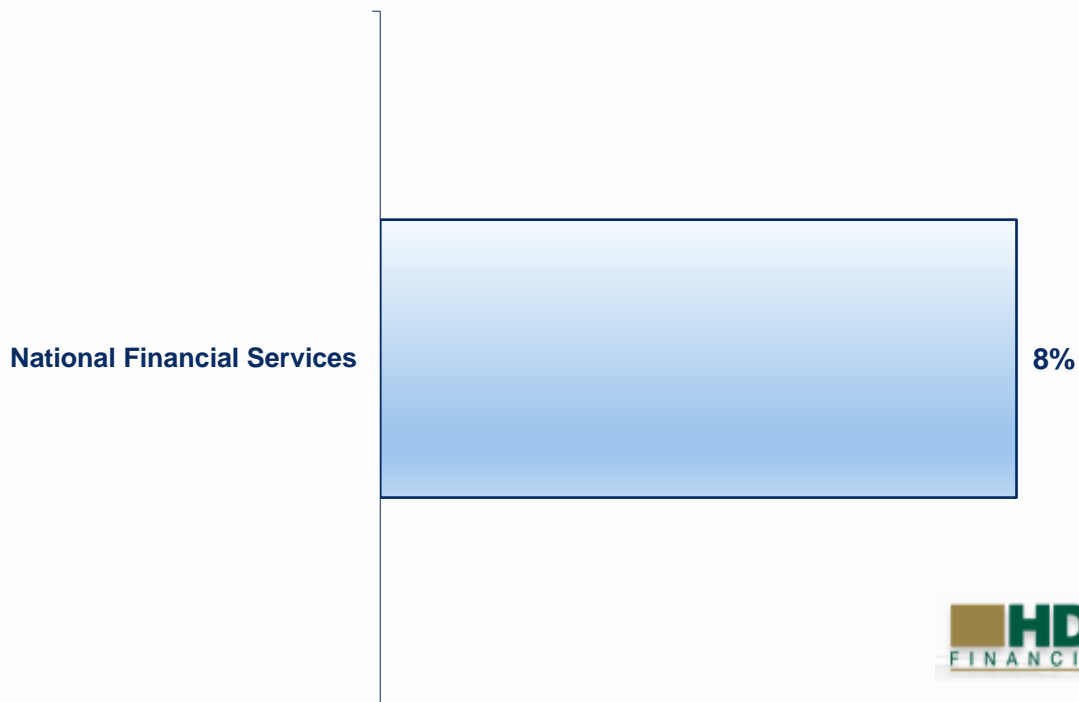
NSCC networking vs. FundServ

NFSC vs. Pershing

Source: 4/12/04 Investment News; 1/13/03 Securities Industry News; 1/17/00 Investment News; 1/5/00 HD Vest Financial Services Meeting (Ochs); 1/5/00 HD Vest Financial Services Conversation (Ochs); Tiburon Research & Analysis

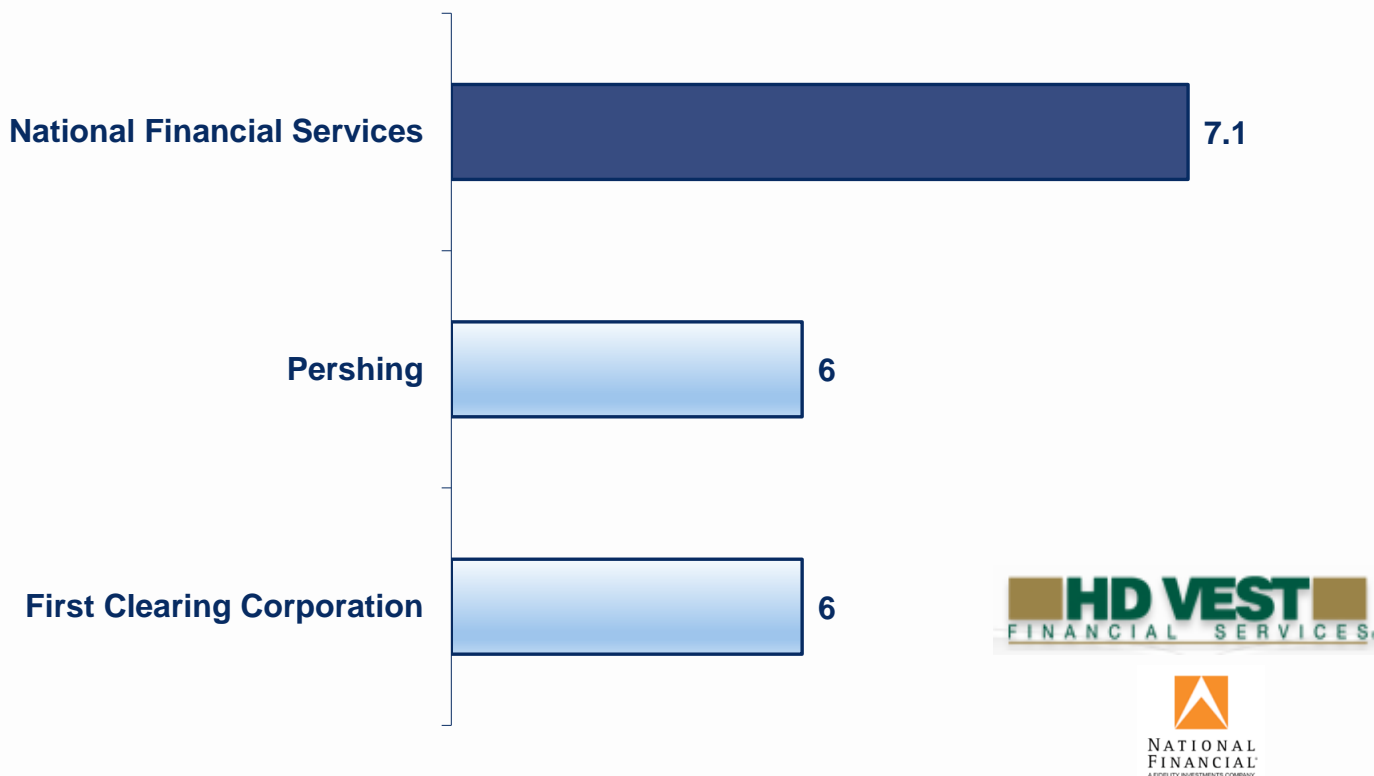
Blucora's HD Vest Financial Services Financial Advisors Only Clearing Broker Mentioned as Being Utilized is National Financial Services

HD Vest Financial Services Financial Advisors By Clearing Broker Utilization



Blucora's HD Vest Financial Services Financial Advisors are Very Satisfied with National Financial, Giving it an Overall Score of 7.1 Out of 10

HD Vest Financial Services Financial Advisors By Satisfaction with Clearing Brokers



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Most Utilized Custodian is...

Needs data

HD Vest Financial Services Financial Advisors By Custodian Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with ...

Needs data

HD Vest Financial Services Financial Advisors By Satisfaction with Custodians




Blucora's HD Vest Financial Services Individual Securities Commission Schedule ...

Comments
<ul style="list-style-type: none">• --



Blucora's HD Vest Financial Services Has Expanded its Alternative Investments

HD Vest Financial Services Alternative Investments

Hedge Funds & Managed Futures	Venture Capital & Private Equity	Real Estate	Other Alternative Investments
<p>• --</p> 	<p>• --</p>	<p>• --</p>	<p>• --</p>

Source: Tiburon Research & Analysis

Needs data

HD Vest Financial Services Reps By New Product Utilization

- Separate Account Managers**
- Exchange Trade Funds**
- Hedge Funds**
- Stock Baskets/Folios**
- Private Equity & Venture Capital**



Blucora's HD Vest Financial Services Financial Advisors are Considering Using ... New Products

Needs data


HD Vest Financial Services Reps By Consideration of Utilizing New Products

- Separate Account Managers**
- Exchange Trade Funds**
- Hedge Funds**
- Stock Baskets/Folios**
- Private Equity & Venture Capital**



Blucora's HD Vest Financial Services Also Offers Other Products & Services (Page 1)


HD Vest Financial Services Other Products & Services

UITs	Limited Partnerships	CDs	Other Products
<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• Brokered CD offered as a courtesy	<ul style="list-style-type: none">• -- 

Source: 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Bruno); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Other Products & Services (Page 2)

HD Vest Financial Services Other Products & Services

Financial Planning Services	Property & Casualty Insurance	Banking Services	Personal Trust Services
<ul style="list-style-type: none">• None	<ul style="list-style-type: none">• -- 	<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• Financial Advisors provide services through outside trust companies

Source: 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Average Financial Advisor Office Charges \$97 Per Hour for Hourly Services

Comments

- --



Blucora's HD Vest Financial Services Financial Advisors Have a Most Utilized Specialized Trust Company

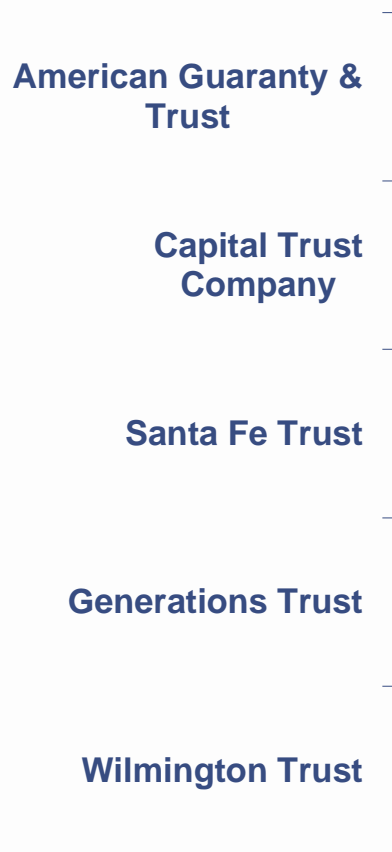
Needs data

HD Vest Financial Services Financial Advisors By Specialized Trust Company Utilization

- American Guaranty & Trust
- Capital Trust Company
- Santa Fe Trust
- Generations Trust
- Wilmington Trust



HD Vest Financial Services Financial Advisors By Satisfaction with Specialized Trust Companies



Blucora's HD Vest Financial Services Has Broadened its Products Offering to Include Various Banking Products through its Former Parent Company Wells Fargo



Comments

• --

Mortgages

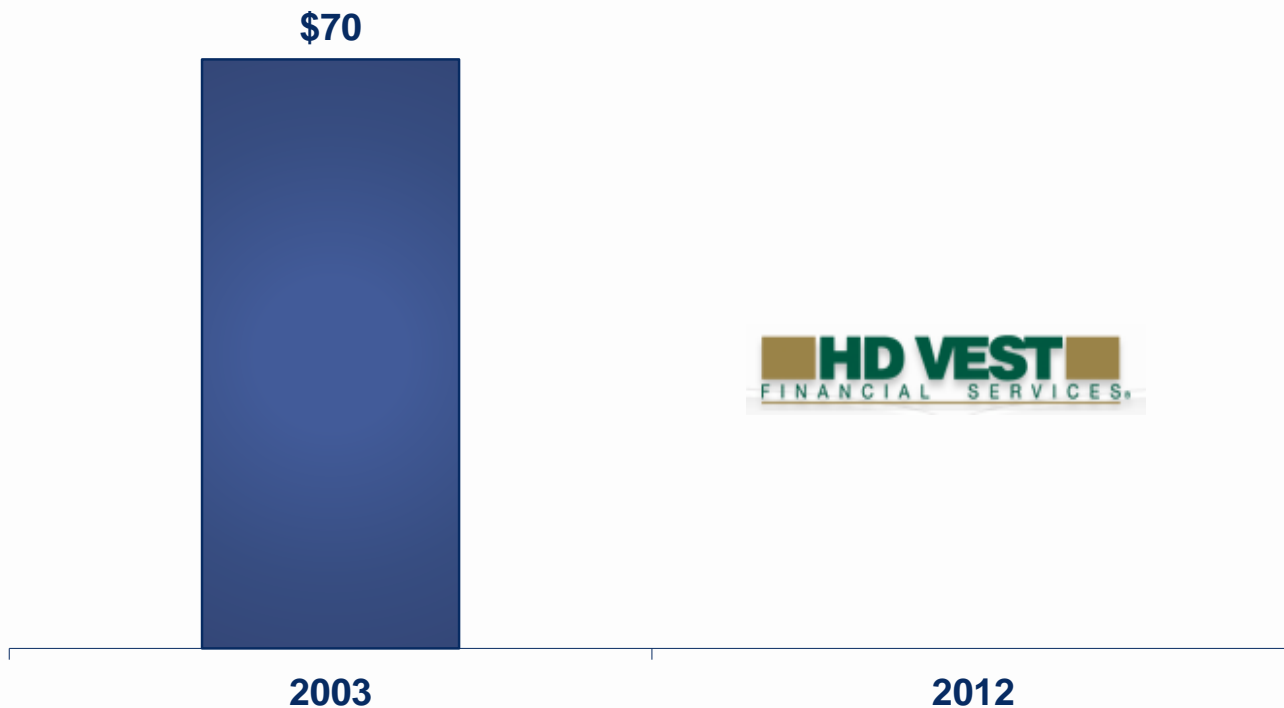
Education loans

Home equity lines of credit

Small business lines of credit

Blucora's HD Vest Financial Services Financial Advisors Have Particularly Embraced Mortgages Due to Falling Interest Rates

HD Vest Financial Services Mortgage Sales (\$ Millions)



On pace to sell over \$125 million in Wells Fargo mortgages in 2004

Source: 4/12/04 Investment News; 7/20/03 Accounting Today; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Second Service is its Pricing



Comments

• --

Payout schedule for mutual funds, UITs, LPs, and variable annuities is based on the 12 month-rolling gross commission amount

Payout schedule for retail general securities, fixed annuities, and insurance products is based on the net commission amount (net of fees) and will be considered in determining a rep's payout for mutual funds, LPs, UITs, and variable annuities

Clearing charges are deducted from the gross retail and discount commission prior to computing payout to the rep; Financial Advisors then receive their mutual fund payout percentage of the net commission

Fixed annuities and long-term care: Fixed annuities and long-term care are currently paid at a fixed percentage of gross remittance, regardless of the Financial Advisor payout level

Whole life, universal life, variable life, disability, and variable annuities- HD Vest Financial Services pays Financial Advisors according to the same schedule as for securities transactions; the Financial Advisor would receive the payout percentage of the commission paid by the insurance company

Insurance

Source: 1/7/00 HD Vest Financial Services (ppts); 1/5/00 HD Vest Financial Services (ppts); 1/99 Representative Payout Schedule; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Have a Variety of Comments on its Pricing



Comments

- **“Payout is competitive in the industry”**
- **“Licensing fees hit hard, but I know they come from the state”**
- **“I have not had resistance on the advisory side; sometimes I get comments that the fees to the client were pricey, but the services are different”**
- **“We do not get charged technology fees, and I hope we never do”**
- **“With fee-based charges to the client, I do not feel like I can compete”**

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Mutual Funds, VPs, LPs, And UITs Payout HD Vest Financial Services Offers Up To 89% Payout and Even Incremental Bonuses Beyond that Level

Comments

- --

Its grid appears competitive at the higher end (85%-89%), but less so at the low end (50%-65%); however, due to its up-front training model, HD Vest Financial Services is somewhat limited on its low level payouts

Denotes an incremental bonus commission payout awarded exclusively at HD Vest Financial Services' discretion for qualifying Representatives



Comments

Denotes an incremental bonus commission payout awarded exclusively at HD Vest Financial Services' discretion for qualifying representatives

- --



Blucora's HD Vest Financial Services' VestManager Elite Fee Schedule and Payout Grid is Somewhat Complicated



Vest Manager Elite Fee Schedule & Payout Grid

Advisory fees are incremental; they work just like tax brackets

Fee includes all transaction fees (e.g., ticket charges, IRA custodial fees, etc.)

Portfolio Increments	Maximum Fee			Financial Advisors Own Account	HDVAS Charges Based on Financial Adv			
	Type A (FI)	Type B (Eq.)	Type C (Sm. Cap.)		50%-60%	65%-70%	75%-80%	
\$250,000-\$999,999	2.00%	2.25%	2.50%	0.23%	0.76%	0.64%	0.52%	0.47%
\$1,000,000-\$4,999,999	1.10%	1.40%	1.75%	0.10%	0.36%	0.29%	0.26%	0.21%
\$5,000,000-\$9,999,999	1.00%	1.00%	1.45%	0.08%	0.29%	0.23%	0.20%	0.16%
\$10,000,000-\$19,999,999	0.75%	0.85%	1.30%	0.05%	0.22%	0.17%	0.14%	0.11%
\$20,000,000-\$49,999,999	0.65%	0.75%	1.25%	0.04%	0.19%	0.15%	0.12%	0.09%
\$50,000,000 +	0.50%	0.65%	1.05%	0.02%	0.08%	0.07%	0.06%	0.05%

Source: 10/17/00 HD Vest Financial Services Presentation; Tiburon Research & Analysis



Comments

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Denotes an incremental bonus commission payout awarded exclusively at HD Vest Financial Services' discretion for qualifying representatives

Payout schedule for mutual funds, UITs, LPs, and variable annuities is based on the 12 month-rolling gross commission amount

Payout schedule for retail general securities, fixed annuities, and insurance products is based on the net commission amount (net of fees) and will be considered in determining a rep's payout for mutual funds, UITs, LPs, and variable annuities

Clearing charges are deducted from the gross retail commission prior to computing payout to the rep; Financial Advisors then receive their mutual fund payout percentage of the net commission

Whole life, universal life, variable life, disability, and variable annuities- HD Vest Financial Services pays Financial Advisors according to the same schedule as for securities transactions; the Financial Advisor would receive the payout percentage of the commission paid by the insurance company

Blucora's HD Vest Financial Services Offers a Deferred Compensation Plan for its Reps



Comments

- --

No elimination period, so all Financial Advisors may qualify immediately

Financial Advisors may contribute between 1% and 100% of the compensation they receive for commissions

Features effective annual interest rates (three years at effective annual interest rate of 12.13%; five years at effective annual interest rate of 13.09%; seven years at effective annual interest rate of 14.05%; ten years at effective annual interest rate of 15.01%)

Unfunded

Blucora's HD Vest Financial Services Has the Only Discount Brokerage Service



Comments

• --

Discount brokerage is used to accommodate the liquidation of securities to roll into the client's asset allocation; no advice is given for the purchase or sale of securities

On discount brokerage, HD Vest Financial Services Financial Advisors are paid 10%-30%

Wells Fargo's HD Vest Financial Services financial advisors are paid 10-30%; discount brokerage is used to accommodate the liquidation of securities to roll into the client's asset allocation; no advice is given for the purchase or sale of securities, on discount brokerage

Clearing charges (ticket charges) are deducted from the gross discount commission prior to computing payout to the rep; series 7 & 62 Financial Advisors receive commissions on discount trades; series 6 & 22 Financial Advisors may not receive commissions for personal or referred client discount brokerage accounts. However, this amount will be credited to the rep's 12-month rolling gross commission totals

Blucora's HD Vest Financial Services Financial Advisors Commission Schedule



Comments

-

Clearing charges (ticket charges) are deducted from the gross discount commission prior to computing payout to the rep

Series 7 & 62 Financial Advisors receive commissions on discount trades

Series 6 & 22 may not receive commissions for personal or referred client discount brokerage accounts. But, this amount will be credited to the rep's 12-month rolling gross commission totals

Bonds are \$5.00 per \$1,000 face value, and all bond transactions are subject to a \$50 minimum commission

Comments

Gross
commission/payout
rates: \$0-\$100.00/10%;
\$100.01-\$200.00/20%;
\$200.01+/30%

• --



Blucora's HD Vest Financial Services Also Charges Fees



Comments
<ul style="list-style-type: none"><li data-bbox="658 401 736 419">• --

Source: Tiburon Research & Analysis


Blucora's HD Vest Financial Services Transaction Fees & Ticket Charges Range from \$5 for Mutual Fund Exchanges to \$28 for Stock Options and OTC Equities

**HD Vest Financial Services
Transaction Fees & Ticket Charges**

Mutual Funds	Annuities	Managed Accounts	Individual Securities
<ul style="list-style-type: none"> • Non-Fidelity mutual funds \$15 • Fund exchanges \$5 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • Mutual funds <ul style="list-style-type: none"> - Purchase or sale \$15 - Exchange within same fund family \$4 • Individual securities <ul style="list-style-type: none"> - Market order \$18 - OTC securities \$18 - Options \$16 plus \$1.50 per contract 	<ul style="list-style-type: none"> • Listed equities \$27 • OTC equities \$28 • Options \$28

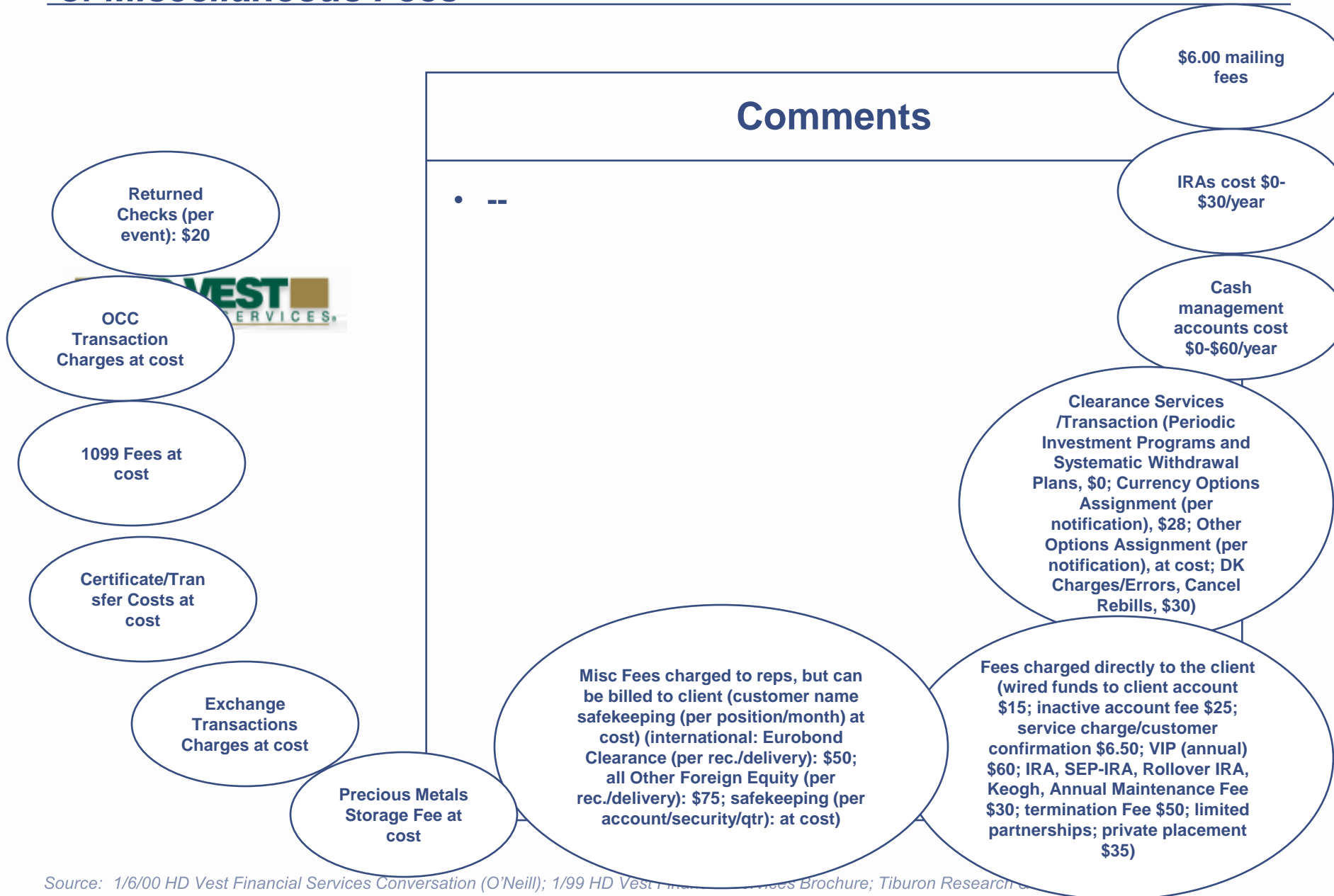
Source: 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Bruno); 1/6/00 HD Vest Financial Services Conversation (O'Neill); Tiburon Research & Analysis

HD Vest Financial Services Financial Advisor Fees

Monthly Administration	Licensing & Renewal	E&O or Bond	Education & Training	Technology	Other Fees
<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • E&O offered but not required • Bonding fees \$172 per year 	<ul style="list-style-type: none"> • Financial Advisors pay travel costs only 	<ul style="list-style-type: none"> • \$5 per month 	<ul style="list-style-type: none"> • Audit fees \$125 per year

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Romero); 1/5/00 HD Vest Financial Services Conversation (Ochs); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Charges Its Clients a Variety of Miscellaneous Fees



Source: 1/6/00 HD Vest Financial Services Conversation (O'Neill); 1/99 HD Vest Financial Services Brochure; Tiburon Research

Blucora's HD Vest Financial Services' Third Service is its Technology Offering

Comments

- --



Blucora's HD Vest Financial Services Financial Advisors Have a Variety of Comments on its Technology



Comments

- **“HD Vest is in the process of requiring HDVLink, which is good”**
- **“As far as technology is concerned, Vest put a lot of money in that area and is competitive’**
- **“I like the steps they’re taking, but it is taking a while; we’re at the awkward stage”**
- **“RepView does not address the problems I want to address, like with specific information on client accounts”**
- **“Having access to information is a real asset; they’re trying, but we do not know their schedule or goal”**

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

HD Vest Financial Services does not have a "plan-in-a-can" financial planning service for which they charge (ala Merrill Lynch's Financial Foundations) because its financial advisors are already seen as planners or they have all the necessary information from the client due to tax preparation



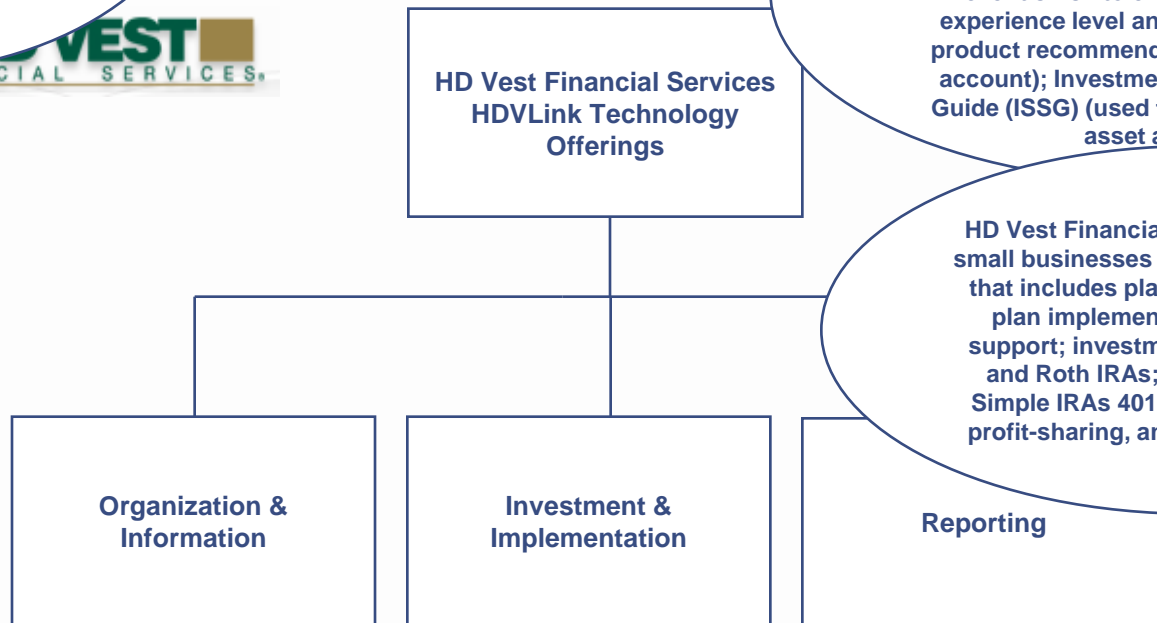
HD Vest Financial Services HDVLink Technology Offerings

Changed since 2000?

Retirement Services

Tools provided to Financial Advisors for retirement planning include HD Vest Financial Services Financial Check Up system (used to identify client retirement needs and set goals); client risk profile (used to determine the client's risk tolerance and investment experience level and make an appropriate product recommendation for the retirement account); Investment Selection Strategies Guide (ISSG) (used to determine the proper asset allocation)

HD Vest Financial Services also offers to small businesses a retirement plan service that includes plan selection and design; plan implementation; administrative support; investment support; traditional and Roth IRAs; and SEPs, SARSEPs, Simple IRAs 401(k)s, 403(b)s, pensions, profit-sharing, and defined benefit plans




Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Bruno); 1/7/00 HD Vest Financial Services Conversation (Sawyer); 1/7/00 HD Vest Financial Services Conversation (Ochs); 1/6/00 HD Vest Financial Services Conversation (Chipps); Tiburon Research & Analysis

HD Vest Financial Services HDVLink Organization & Information Offerings

Morningstar Advisor Workstation	S&P Advisor Insight	First Call Advantage	MyHDVest.com	Client Marketing System	Discussion Forums
<ul style="list-style-type: none"> • Research • Sales • Diagnostic tools • Portfolio tools • Reporting 	<ul style="list-style-type: none"> • Stock reports • Equity research 	<ul style="list-style-type: none"> • Stock reports • Equity research 	<ul style="list-style-type: none"> • Customized Financial Advisor web sites 	<ul style="list-style-type: none"> • Marketing ideas & materials 	<ul style="list-style-type: none"> • Connects with over 5,000 tax reps <div style="text-align: right; margin-top: 20px;">  </div>

Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Bruno); 1/7/00 HD Vest Financial Services Conversation (Sawyer); 1/6/00 HD Vest Financial Services Conversation (Chipps); Tiburon Research & Analysis

HD Vest Financial Services HDVLink Investment Implementation Offerings

Vest Plan Solutions	ASAP Account Setup & Processing	Account Wizard	Integrated Brokerage Workstation	Trade Management Tool	AccuTrack
<ul style="list-style-type: none"> Assess clients' status and future goals 	<ul style="list-style-type: none"> Mutual fund account setup 	<ul style="list-style-type: none"> Brokerage account setup 	<ul style="list-style-type: none"> Online brokerage account trading 	<ul style="list-style-type: none"> Streamlined portfolio trading 	<ul style="list-style-type: none"> Access to client account information <div style="text-align: right; margin-top: 20px;">  </div>

Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Bruno); 1/7/00 HD Vest Financial Services Conversation (Sawyer); 1/6/00 HD Vest Financial Services Conversation (Chippis); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Technology - Financial Check-Up System; the Financial Check-Up Tool Helps FAs Profile Customers and their Needs

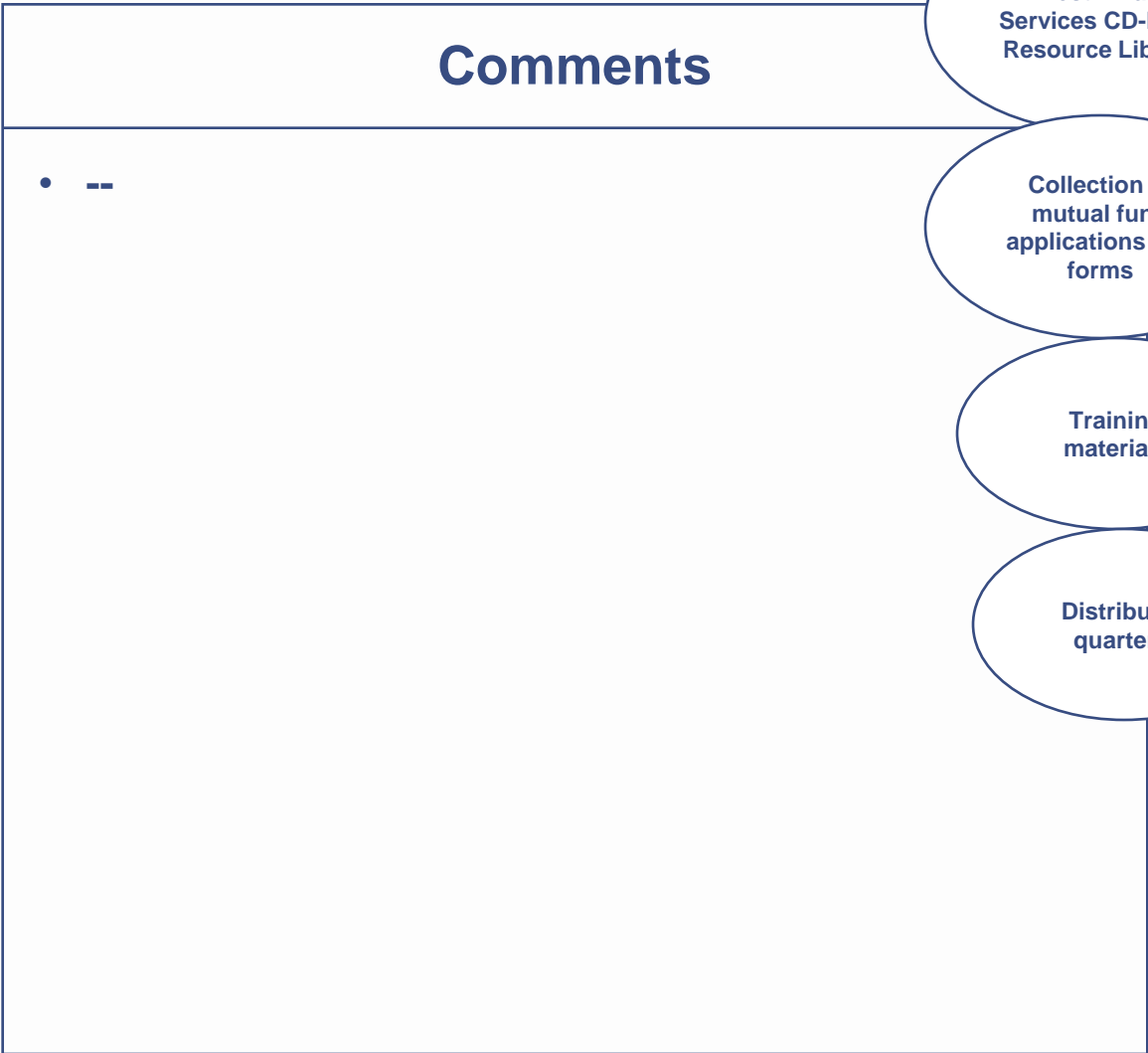


Comments

- --

Not sure this still exists

HD Vest Financial Services Financial Check-Up System (software tool to assist Financial Advisors in reviewing comprehensive financial planning issues with clients; provides an in-depth needs analysis in all areas of financial planning)



Blucora's HD Vest Financial Services Offers Several Software Systems to Assist CPAs Move into Financial Planning


HD Vest Financial Services CPA Software Systems

Vest Plan Solutions	Client Marketing System	1040 Analyst Tool	Practice Management Tools
<ul style="list-style-type: none"> • Financial planning software 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • Helps CPAs identify planning opportunities based on clients' tax returns 	<ul style="list-style-type: none"> • Provide consolidated client reports • Allows Financial Advisors to verify commissions from their desktop

Source: 7/20/03 Accounting Today; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Recently Unveiled Three New Tools to Help CPAs with Brokerage Accounts

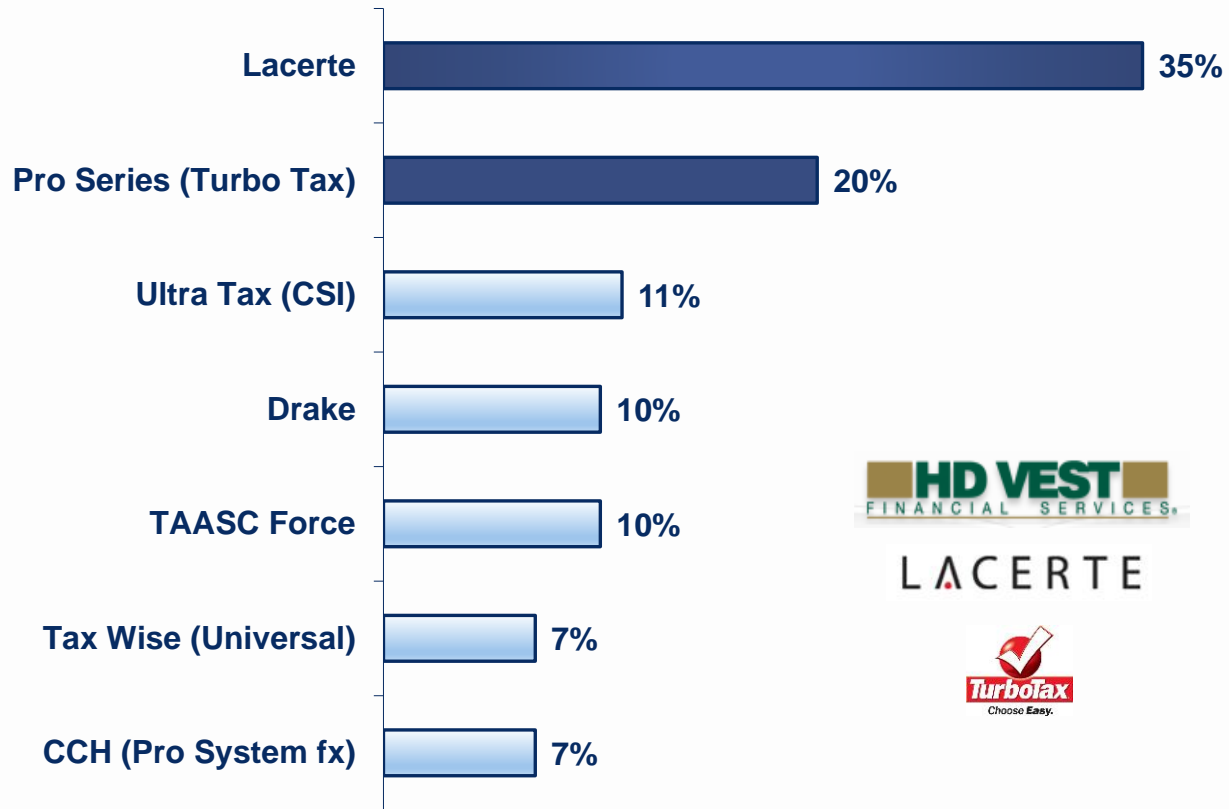
HD Vest Financial Services Brokerage Assistance Tools

Integrated Broker Workstation	Account Wizard	Trade Management Tool
<ul style="list-style-type: none">• Allows advisors to trade stocks, bonds, and mutual funds electronically	<ul style="list-style-type: none">• Allows advisors to open brokerage accounts online 	<ul style="list-style-type: none">• Builds model portfolios• Submits trades• Rebalances portfolios electronically

Blucora's HD Vest Financial Services Financial Advisors Most Utilized Tax Software Application are Lacerte and Pro Series (Turbo Tax)

Delete?

HD Vest Financial Services Reps By Tax Software Utilization

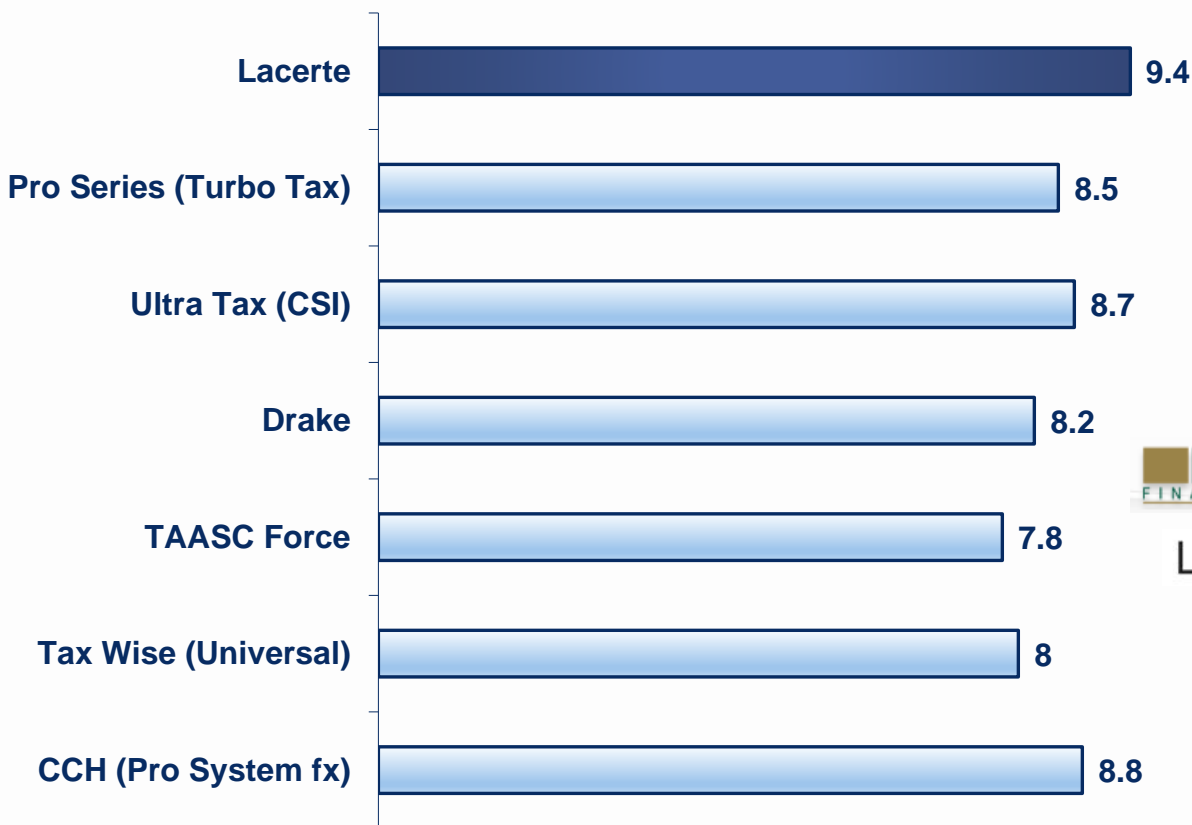


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Lacerte Tax Software

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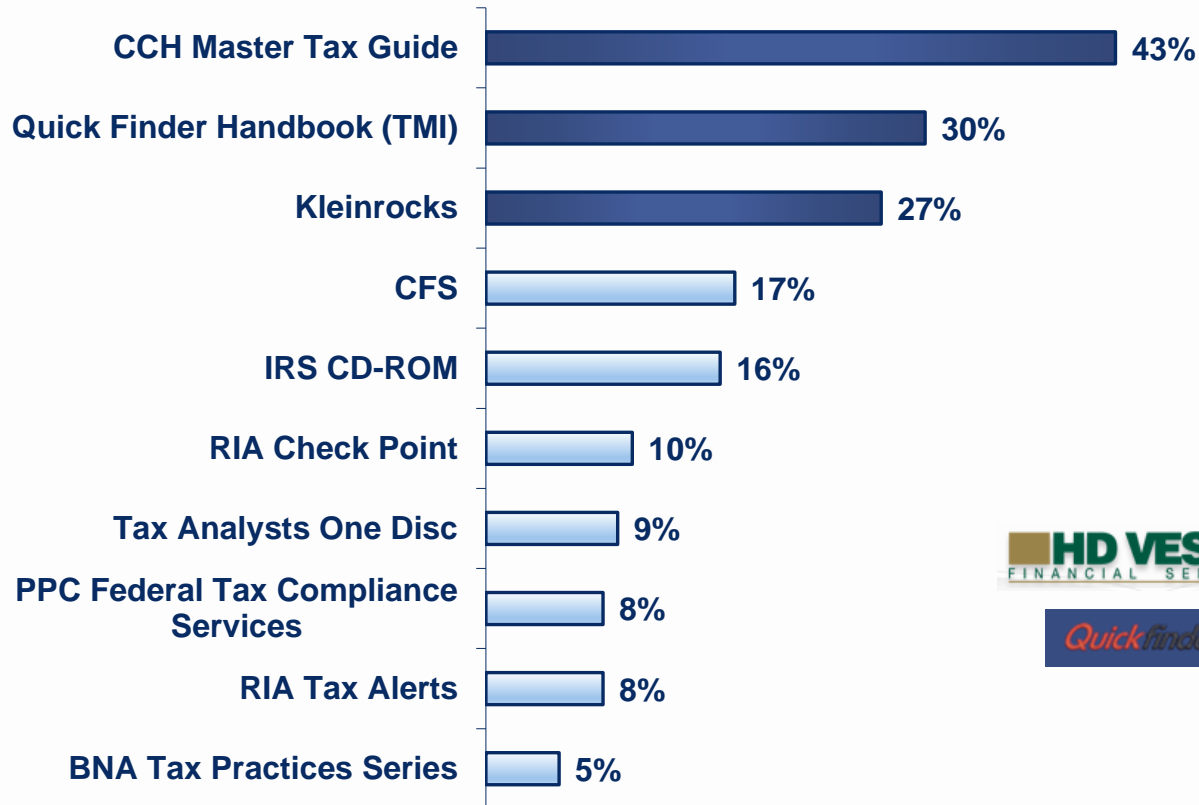
HD Vest Financial Services Reps By Satisfaction with Tax Software



LACERTE

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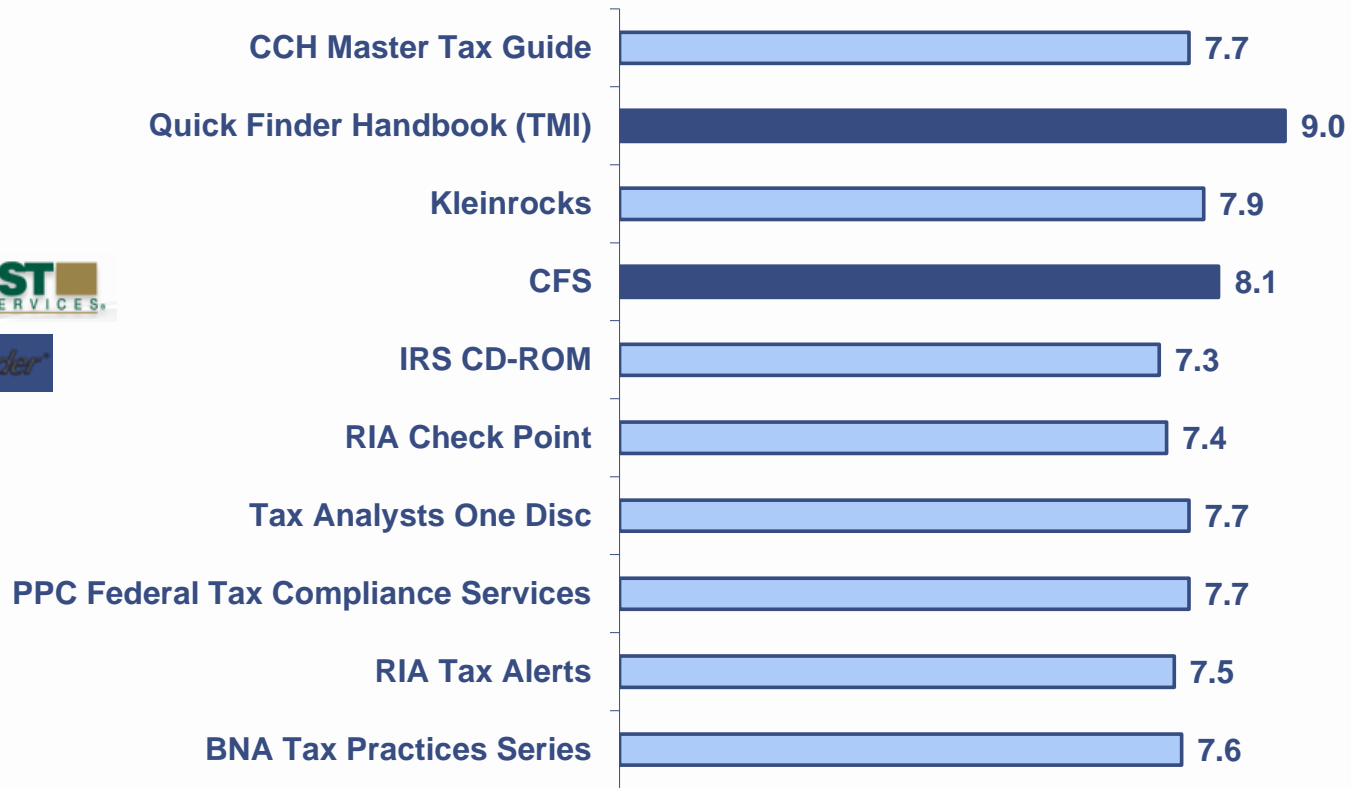
HD Vest Financial Services Reps By Tax Research & Alert Services Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Quick Finder Handbook (TMI) and CFS Tax Research & Alert Services

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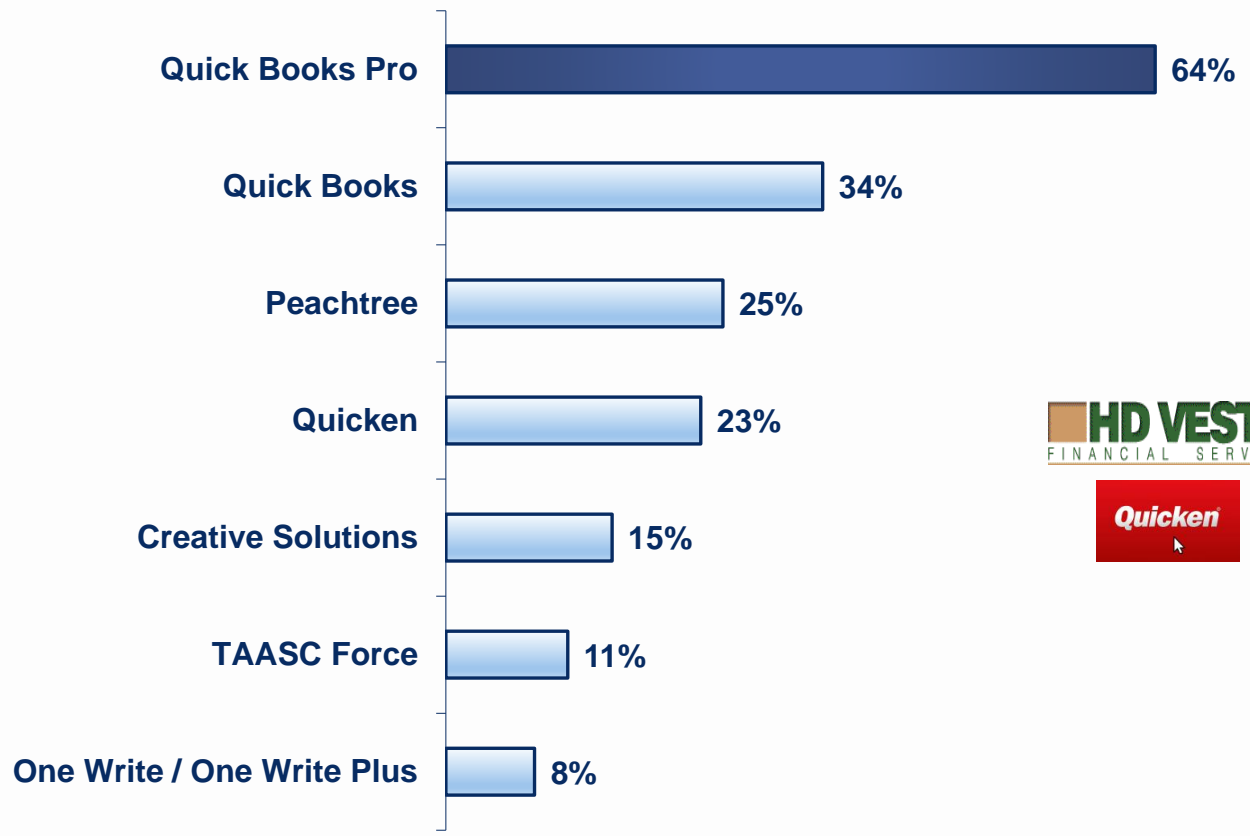
HD Vest Financial Services Financial Advisors By Satisfaction with Tax Research & Alert Services



Blucora's HD Vest Financial Services Financial Advisors Most Utilized Accounting Software Application is Quick Books Pro

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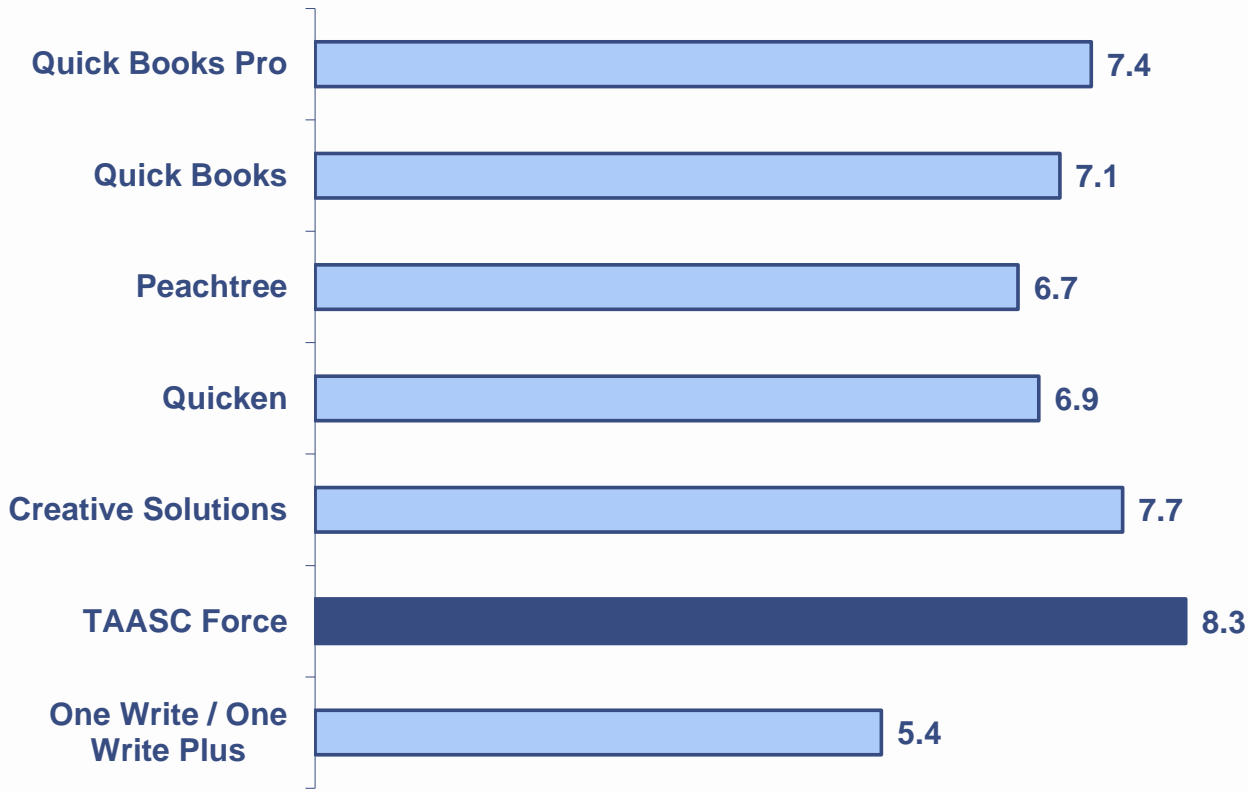
HD Vest Financial Services Reps By Accounting Software Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with TAASC Force Accounting Software

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HD Vest Financial Services Financial Advisors By Satisfaction with Accounting Software

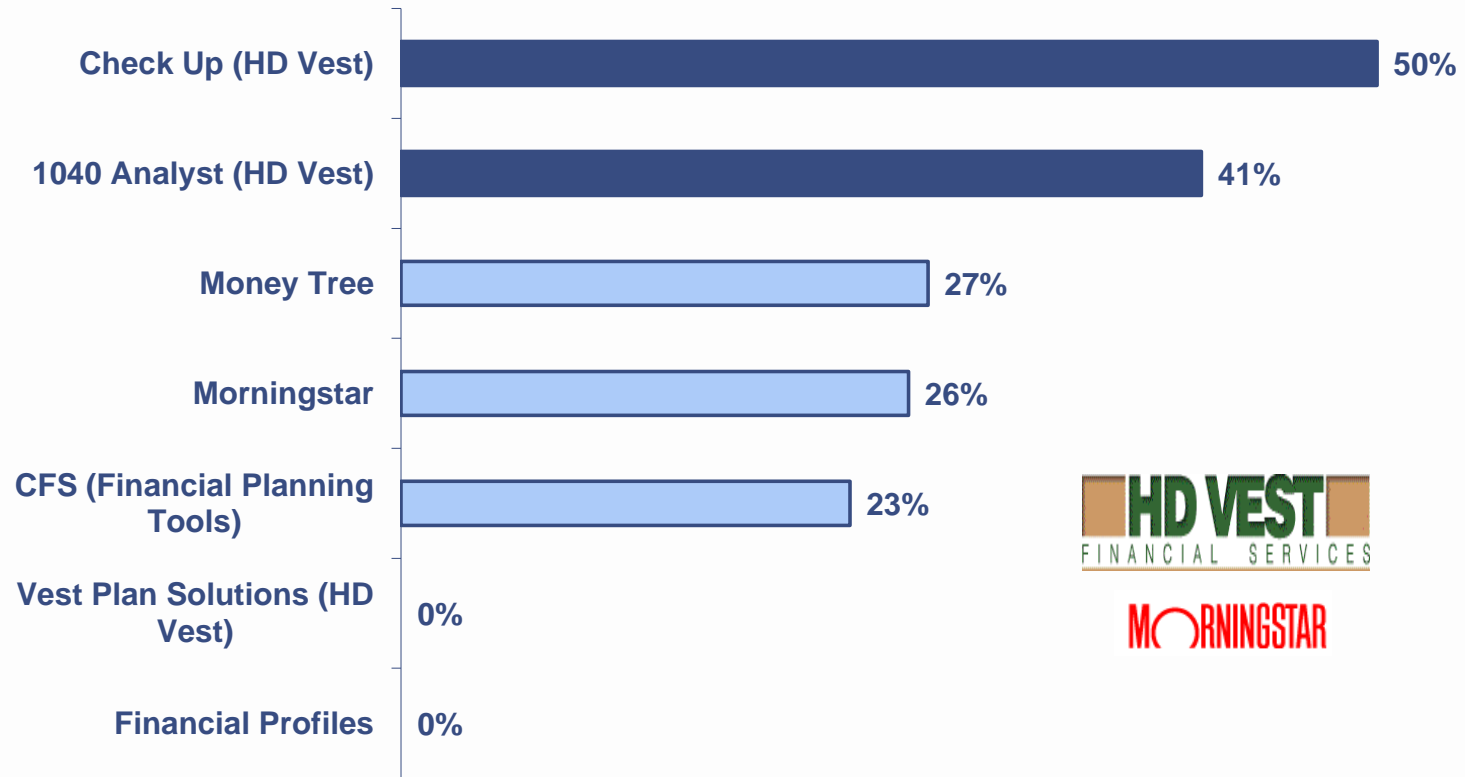


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Check Up and 1040 Analyst are the Most Utilized Financial Planning Software Applications Amongst HD Vest Financial Services Reps

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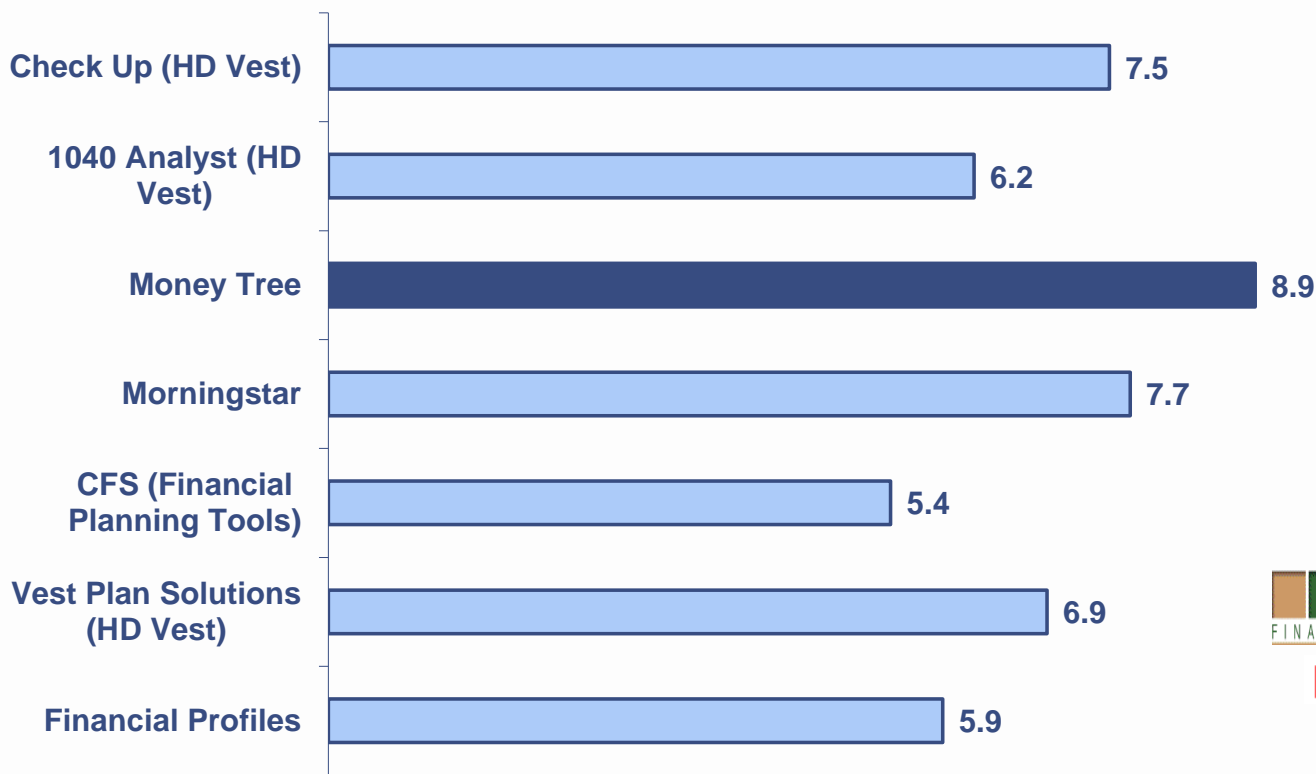
HD Vest Financial Services Financial Advisors By Financial Planning Software Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Money Tree Financial Planning Software

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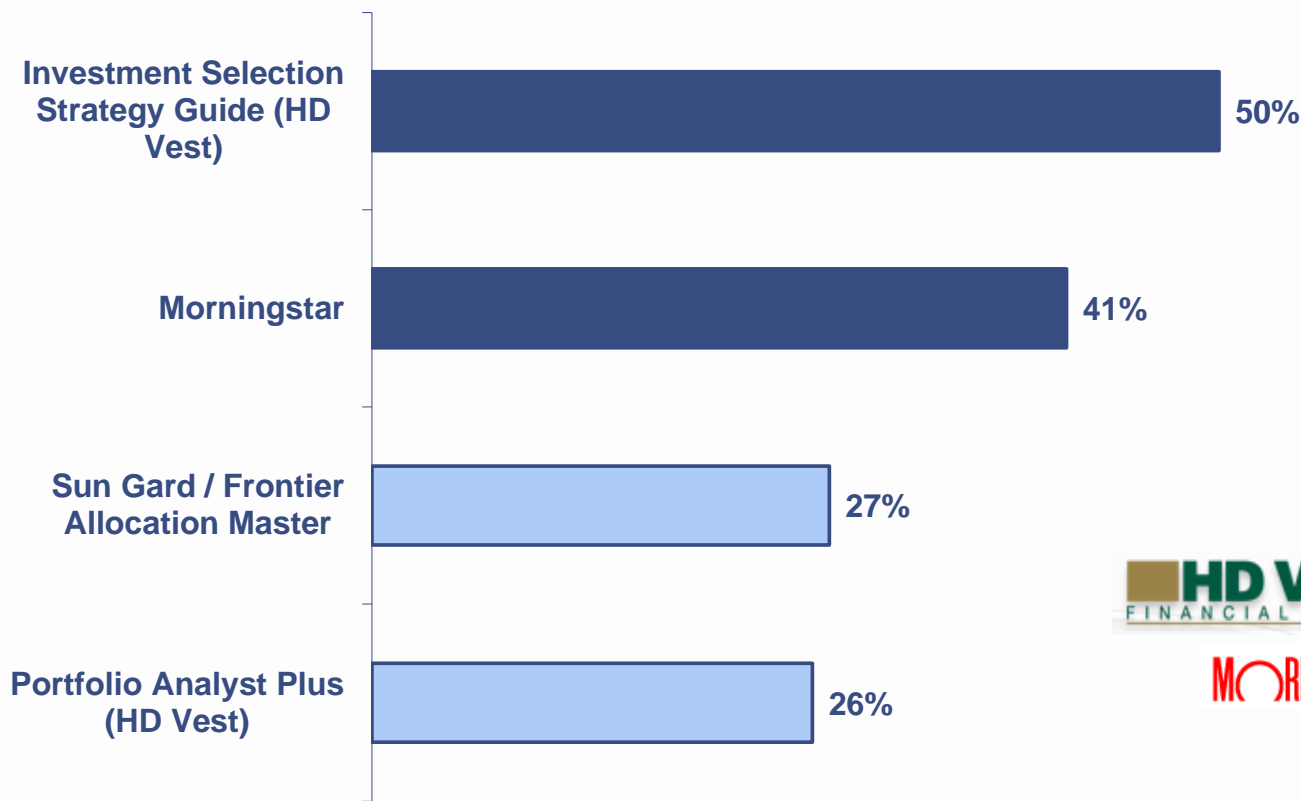
HD Vest Financial Services Financial Advisors By Satisfaction with Financial Planning Software



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

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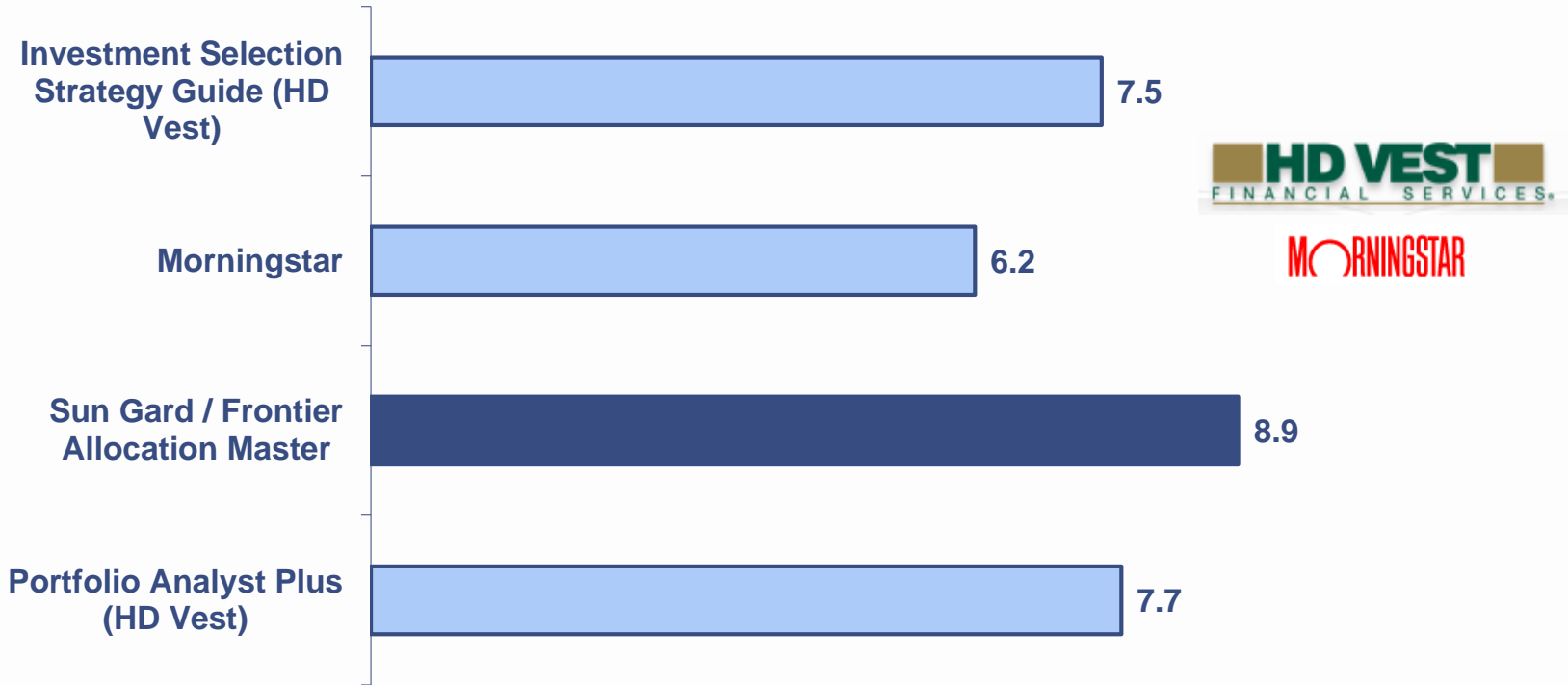
HD Vest Financial Services Financial Advisors By Asset Allocation Software Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Sun Guard / Frontier Allocation Master Asset Allocation Software

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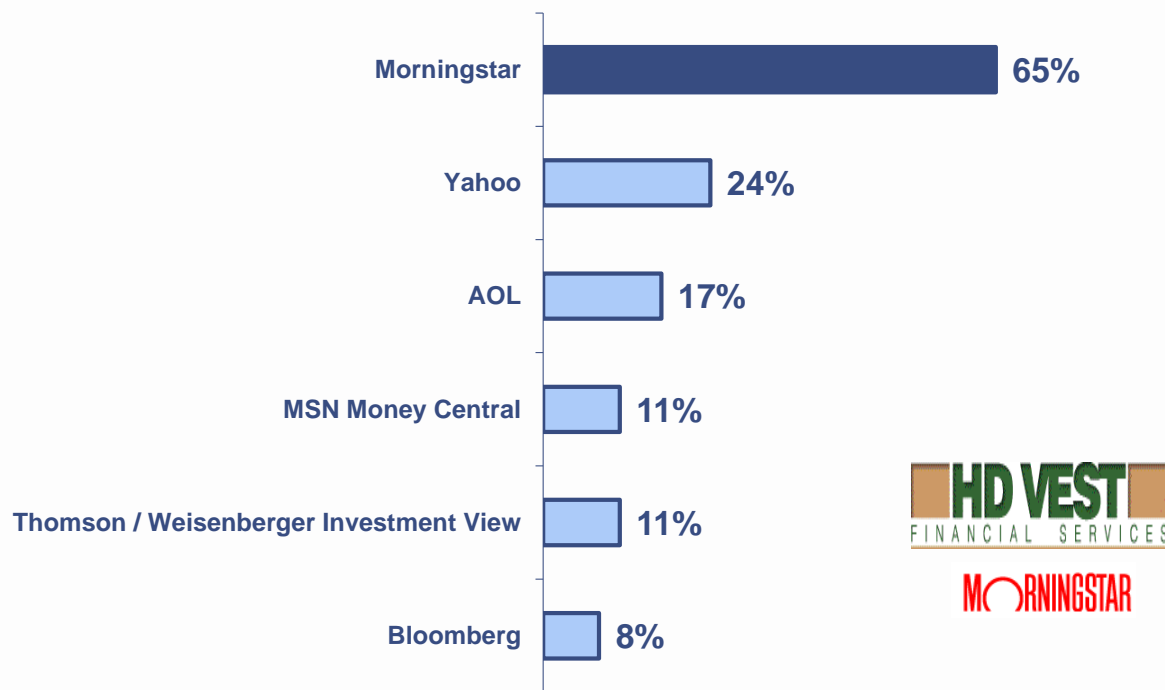
HD Vest Financial Services Reps By Satisfaction with Asset Allocation Software



Blucora's HD Vest Financial Services Financial Advisors Most Utilized Data & Research Services is Morningstar

Delete?

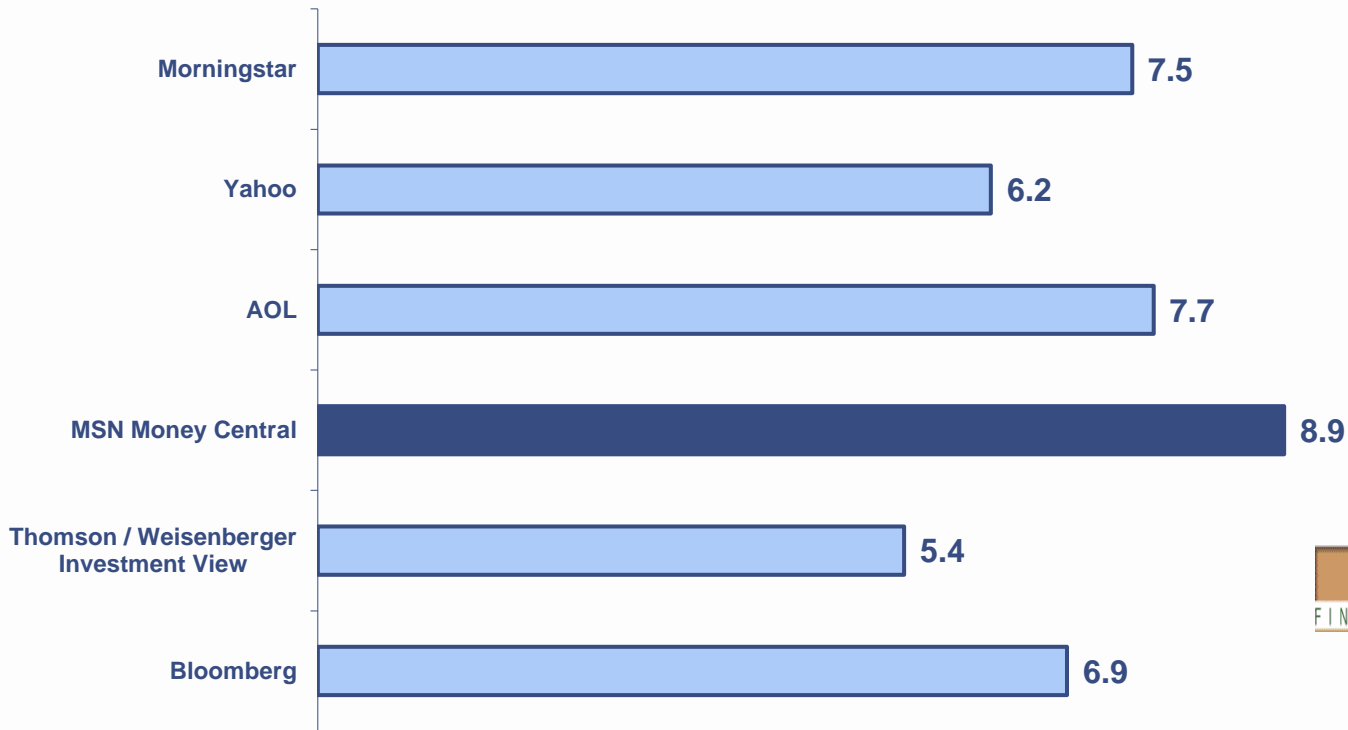
HD Vest Financial Services Reps By Data & Research Services Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with MSN Money Central Data & Research Services

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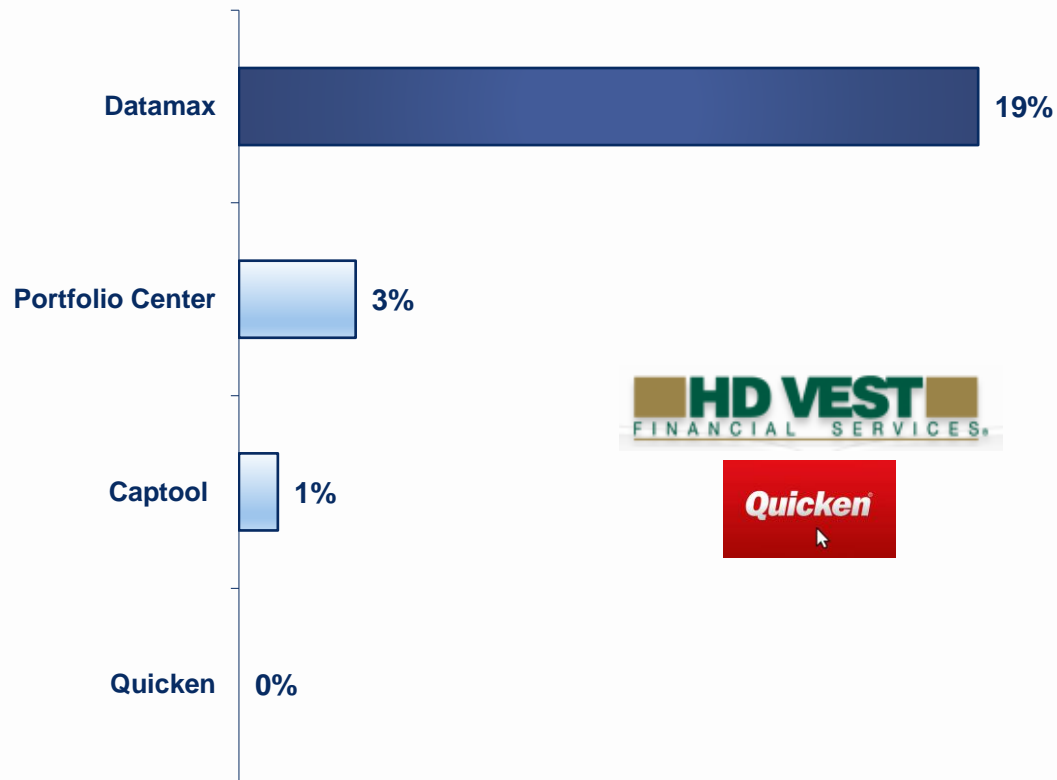
HD Vest Financial Services Reps By Satisfaction with Data & Research Services



Blucora's HD Vest Financial Services Financial Advisors Primarily Utilize Datamax's Portfolio Management Software Application

Delete?

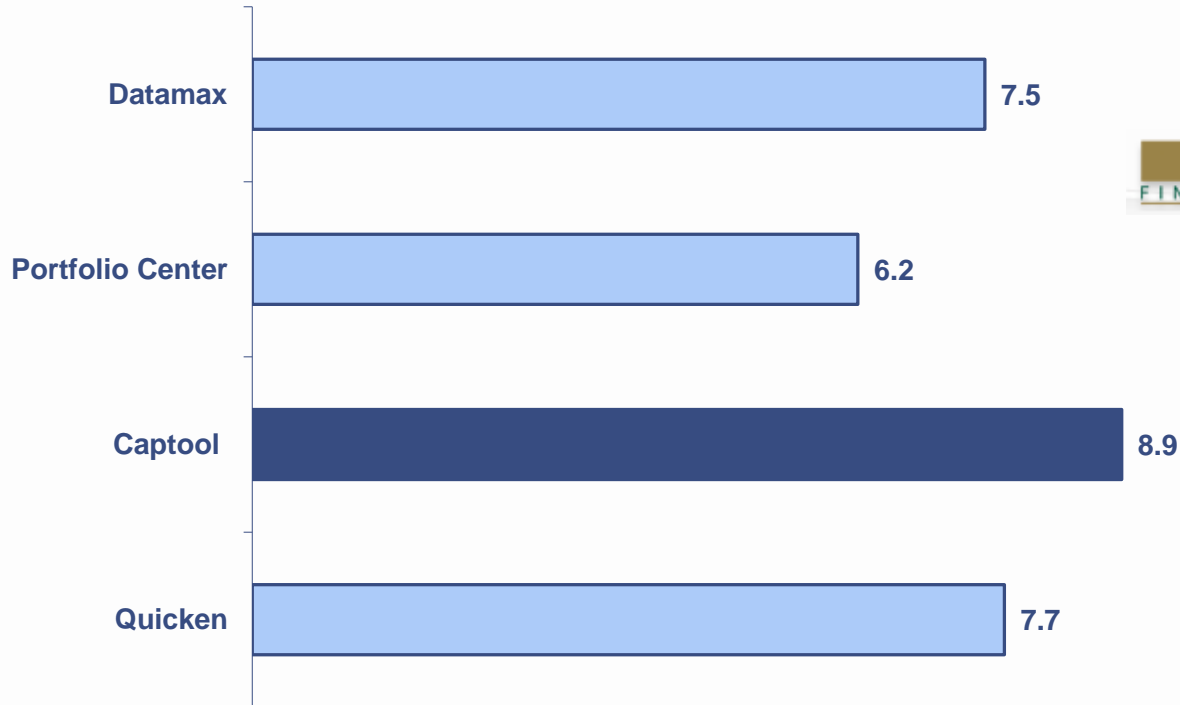
HD Vest Financial Services Financial Advisors By Portfolio Management Software Utilization



Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Captool Portfolio Management Software

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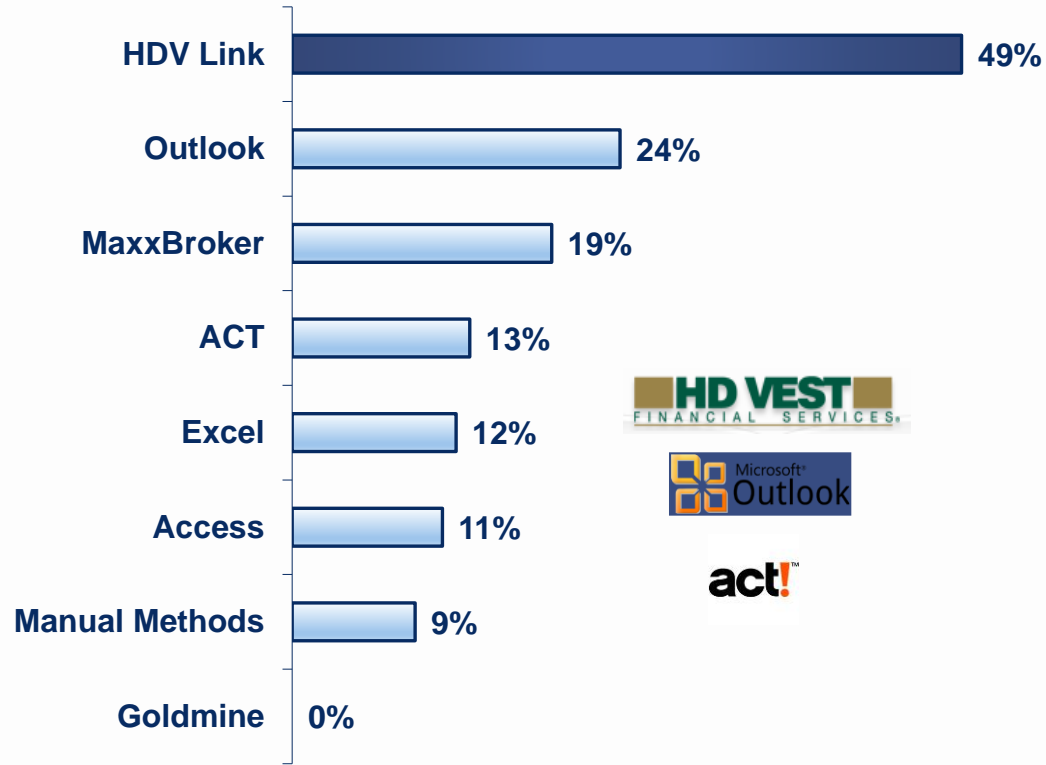
HD Vest Financial Services Reps By Satisfaction With Portfolio Management Software



Blucora's HD Vest Financial Services Financial Advisors Most Utilized Contact Management Software Application is HDV Link

Delete?

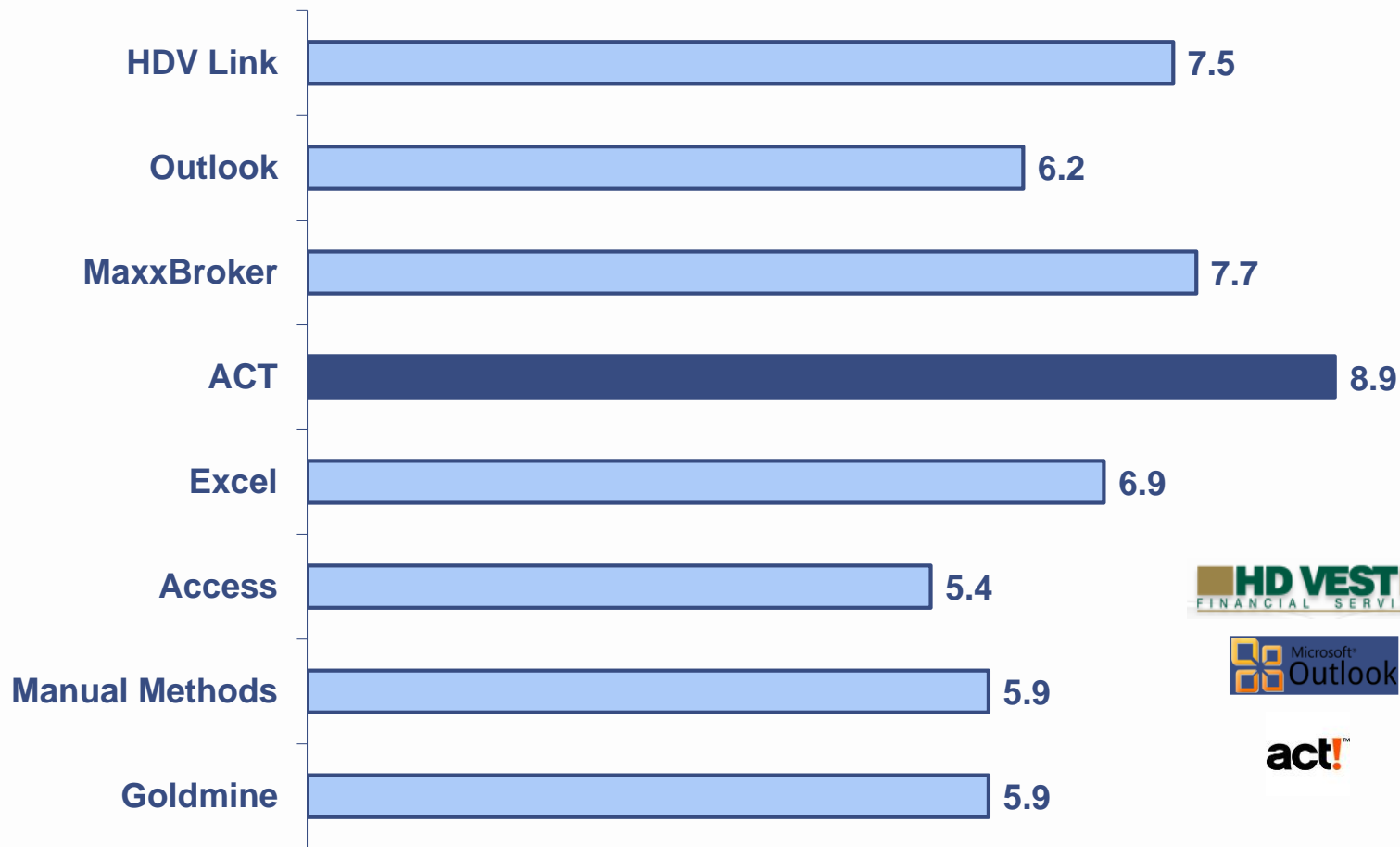
HD Vest Financial Services Reps By Contact Management Software Utilization



Blucora's HD Vest Financial Services Financial Advisors who Utilize ACT are Very Satisfied, Giving an Overall Score of 8.9 Out of 10

Delete?

HD Vest Financial Services Reps By Satisfaction with Contact Management Software



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Fourth Service is Operations

Comments

- --



Comments

Positive Comments

- "I have a direct contact, who is very helpful"
- "There are a lot of people to deal with, so there is a lot of voice mail going on; if there is no one available, there is someone in general support who is always there"
- "I love Naomi Dobson; she is the best customer service person"
- "Home office know their stuff"
- "Support is client based and they have a lot of integrity"
- "They get back to financial advisors in a timely manner"
- "They have been able to go into detail with background information, and the reason why certain things happen"
- "They seem to bend over backwards for their Reps"
- "People in customer service are passing the buck; before, they were incredible, now they do not know what they are doing"
- "Errors made by Vest employees on processing. When I try to get them corrected, they ask for incorrect items, or things I already sent. They do not seem to know what they're looking for."


Possible areas for Improvement

- "Follow through, especially with NFS, is an issue; there is always a piece of paper missing; this need work"
- "This support is available online; the problem is Financial Advisors do not see the resolution; they do not know why it is closed"
- "This has always been a challenge"
- "Boss to Vest letter; I have sent these to Barbara Vest because I could not get some things resolved"
- "When I call in regarding a problem log, the person who answers does not know and says they will look into it, and this goes on and on"



Blucora's HD Vest Financial Services Has Multiple Operations Departments (Page 1)


HD Vest Financial Services Operations Departments

Licensing	New Accounts	Account Transfers	Legal & Compliance
<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • Established a compliance and sales supervision department <div data-bbox="1367 729 1930 1110" style="border: 1px solid black; border-radius: 50%; padding: 10px; margin-top: 20px;"> <p>HD Vest Financial Services has a financial advisor licensing and renewal process; many low-producing Financial Advisors stay on for one of the following reasons: went through a lot to get licensed; like to say they offer these services; may use license in future</p> </div>

Blucora's HD Vest Financial Services Operations Departments (Page 2)

HD Vest Financial Services Operations Departments

HD Vest Financial Services provides a software support team for reps' technology support needs

Trading	Commissions	Statements	--
• --	• --	• --	• -- 

Source: 8/3/05 HD Vest Financial Services Web Site; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Legal Office Structure

Comment from Roger Ochs

HD Vest Financial Services Comment on Legal Office Structure

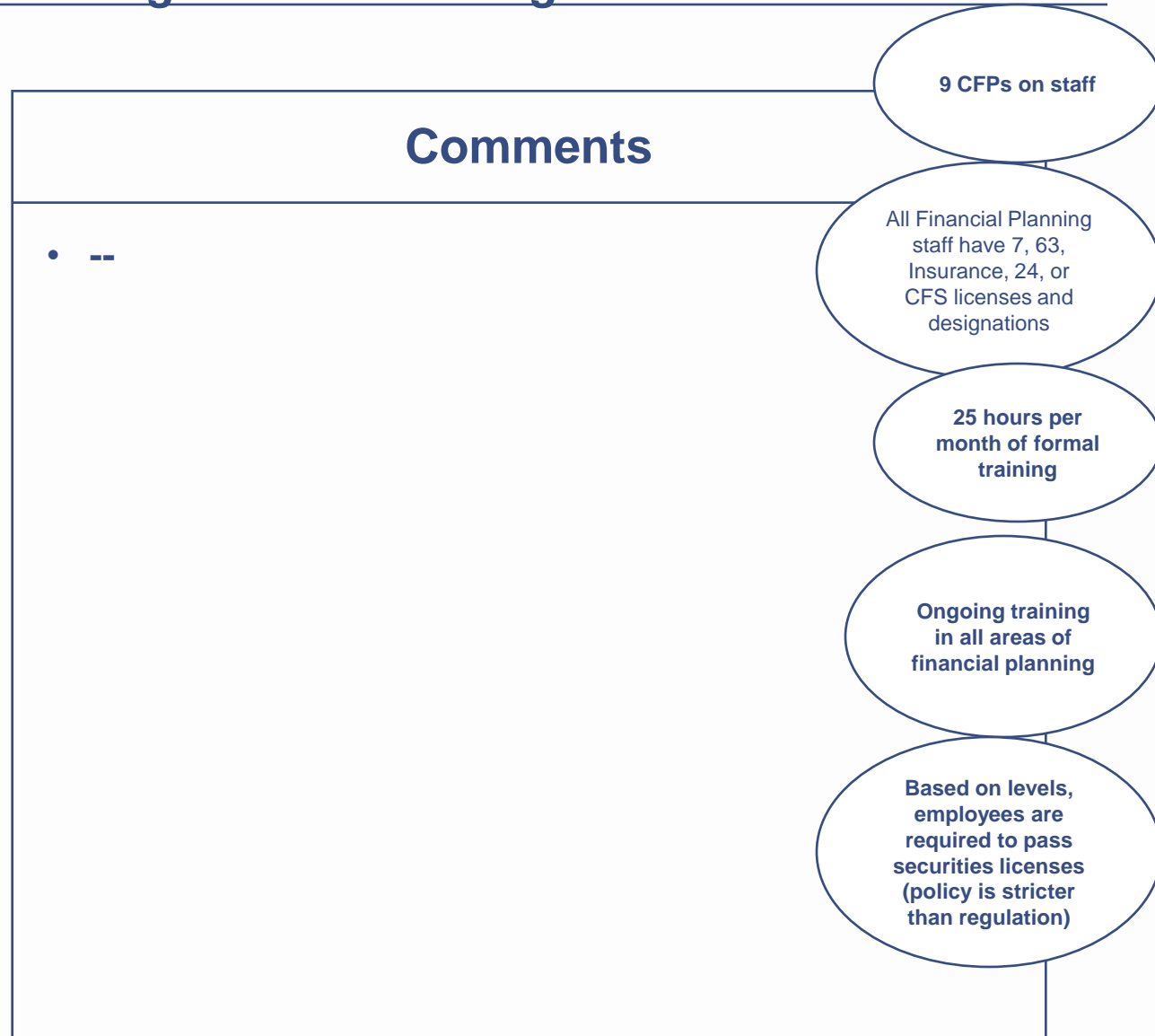
“At NPC and Royal, all are OSJs; the Financial Advisors take on all the liability, work direct with the product sponsors, and have to follow up all problems. Other firms (like HD Vest Financial Services) provide much more support with a lower payout”

**– Roger Ochs
CEO, HD Vest Financial Services**



Source: 4/26/00 IFG Employee Conversation (Hamil); 4/24/00 Raymond James Financial Advisor Conversation (Thomas); 4/00 FSC Financial Advisor Materials; 4/00 Raymond James Financial Advisor Material; 3/27/00 IFG Web Site; 1/24/00 Turning Point Conversation (Vigevano); 1/24/00 Turning Point Conversation (Sandstrom); 1/14/00 Turning Point Comment (Vigevano); 1/11/00 LPL Website; Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Support Staff is Well Qualified and is Required to Go through Formal Training Each Month



Source: 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Romero); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Bruno); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Fifth Service is Product Support

Comments


- --



Blucora's HD Vest Financial Services Has Product Support, Including for Mutual Funds, Annuities, Managed Accounts, and Life & Other Insurance Products (Page 1)


HD Vest Financial Services Product Support

Insurance products are the highest margin products for HD Vest Financial Services

Mutual Funds	Annuities	Managed Accounts	Life & Other Insurance Products
<ul style="list-style-type: none"> -- 	<ul style="list-style-type: none"> Fixed and variable annuities support 	<ul style="list-style-type: none"> Dedicated fee-based and fee-only planning support team to help Financial Advisors determine and execute fee-based account programs <ul style="list-style-type: none"> Recommends portfolio allocations Opens the account Invests the funds according to the allocation Distributes quarterly reports and performance summaries Portfolio accounting such as fee collection and disbursements Maintains registrations Supervises Financial Advisor activities 	<ul style="list-style-type: none"> Life insurance <ul style="list-style-type: none"> Whole life Universal life Variable life Term life Disability insurance Long-term care Underwriting and placement support Dedicated insurance planning support team <ul style="list-style-type: none"> Create complex strategies Understand policy details

Source: 8/3/05 HD Vest Financial Services Web Site; 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Romero); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); Tiburon Research & Analysis

HD Vest Financial Services Product Support

Alternative Investments	Financial Planning	Estate Planning	Tax Planning
<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • Business building strategies • Technical support • Case analysis • Product recommendations 	<ul style="list-style-type: none"> • Sponsors an attorney referral kit 	<ul style="list-style-type: none"> • Tax return review • Audit protection • Advice through network of tax pros nationwide • Preferred vendor for tax software • Information on site re attaining tax designations

Source: 8/3/05 HD Vest Financial Services Web Site; 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Romero); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Does Not Offer Proprietary Individual Securities Research

Comments

- --



Blucora's HD Vest Financial Services Offers ... Mutual Funds Research

Comments

- --



Blucora's HD Vest Financial Services Also Offers Business Clients Services for Retirement Programs, Employee Benefit Plans, and Risk Management



Comments	
• --	

Move up?

Estate Planning

Needs analysis

Reduce estate tax liability

Transfer of business for small business owners

Strategy recommendation

Charitable Remainder Trusts

Contracts maintained with more than 20 life insurance companies

Life insurance services

Investment management provided by HD Vest Financial Services Advisory services

Assist in identifying corporate trustee

Trustee identification and investment management

Tools and guidance to identify a competent professional

Legal assistance

Employee stock ownership plans

Life insurance

Blucora's HD Vest Financial Services' Financial Advisors Have Technical Financial Planning Resources Available Unlike Many Independent Broker/Dealers



Comments

- --

Technical Support

HD Vest Financial Services calls their financial planning support staff "technical support"

This includes specialists in the following areas: retirement programs; insurance services; estate planning; professional money management services; educational funding; investment services

All of HD Vest Financial Services' specialists are highly qualified and hold one or more of the following designations: CPA, CFP, CFS, CLU, AICPA-PFS, or CFA

Blucora's HD Vest Financial Services' Sixth Service is Sales & Marketing Support


Comments

- --




Blucora's HD Vest Financial Services Has Sales & Marketing Support (Page 1)

HD Vest Financial Services Sales & Marketing Support

Ads	Newsletters	Brochures	Direct Mailings
<ul style="list-style-type: none">• -- 	<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• --

Source: Tiburon Research & Analysis

HD Vest Financial Services Sales & Marketing Support

Conference Presentations	Web Site Building	Client Referral Programs	--
<ul style="list-style-type: none">• -- 	<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• --	<ul style="list-style-type: none">• --

Blucora's HD Vest Financial Services Spends a Great Deal on Marketing Support, However Its Financial Advisors would Still Like to See More Support

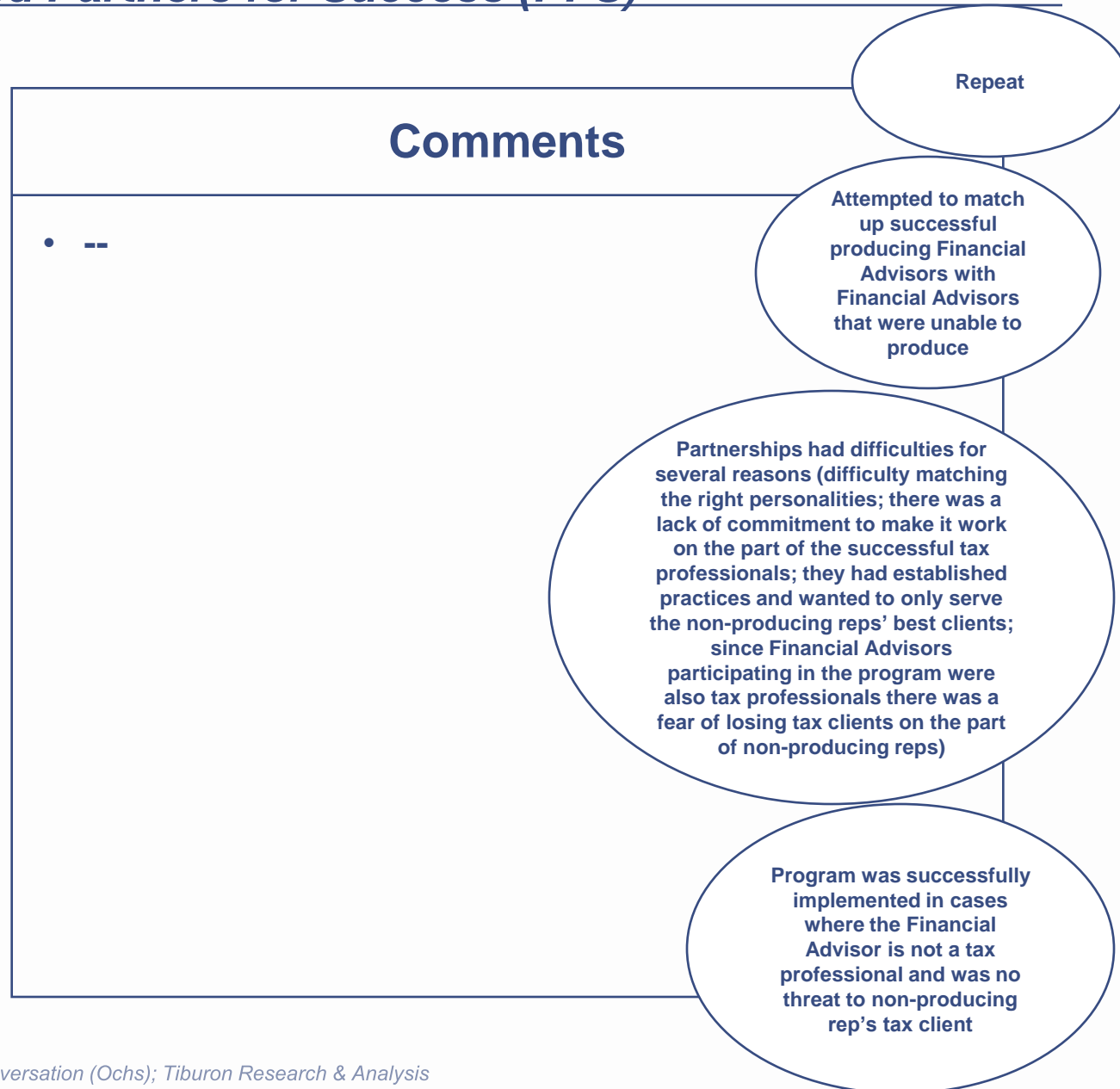


Comments

- **“One-third of HD Vest Financial Services' costs are from marketing support”**
- **“HD Vest Financial Services hasn't really got any marketing support; they have brochures, but they are far more effective with less experienced reps; they also offer software to market advisory programs and lots of little things in the office to help”**
- **“Up until now, it had been up to the Financial Advisor to bring in business; my largest investment client noticed the new ad campaign; I'm not sure how to read clients' reactions”**
- **“There's concern of the effort and time put into the initiative of tax preparation on the Internet to see if it is going to work; it changes a lot of things within the broker/dealer structure because now they're looking to generate business versus mining one's own tax practice and referrals, so there is a new source of business”**
- **“They do a decent job of making data available, but they do not implement or walk you through implementation”**
- **“Accountants are not good marketers, so it may be in the company's best interest to help accountants market to make it 'idiot proof’”**
- **“I wish they would have more advertising and promotion of the HD Vest Financial Services brand name; this has been a problem for a long time; clients ask who is HD Vest Financial Services or what is that HD Vest Financial Services logo on the business card, which is required”**

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Romero); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); 2/11/00 HD Vest Financial Services Financial Advisor Conversation (Wagner); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Also Attempted to Establish a Referral Model Called Partners for Success (PFS)



Source: 6/18/02 HD Vest Financial Services Conversation (Ochs); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Started Listing Tax Professionals on its Web Site So Consumers can Find a Tax Professional in their Neighborhood

Comments

To web site or marketing?

• --



HD Vest Financial Services affiliates receive free training, back office and compliance support, investment advice, access to specialists in a variety of investment vehicles, marketing programs tailored for CPA firm clients and licensing assistance

Affiliate turnover rate is 10% per year (majority low producers who are not HD Vest Financial Services quality reps; mostly loses affiliates to small broker/dealers who claim they will offer local support; some went to Charles Schwab because they were sick of the NASD rules)

Fees to get started range from \$350-\$550, depending on the state

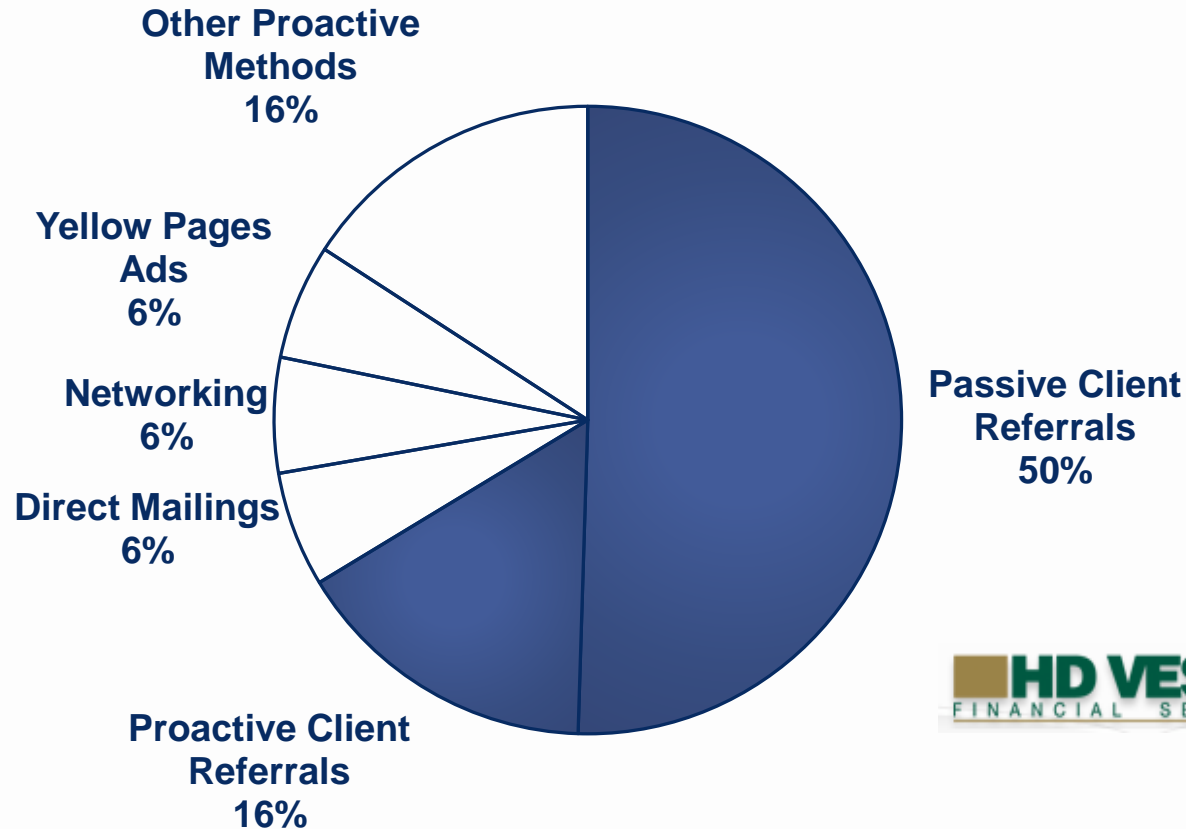
Payout 50%-89%

Source: 2/26/01 Accounting Today; 3/01 Electronic Accountant Web Site; 1/23/01 HD Vest Financial Services Web Site; 1/23/01 Electronic Accountant; 9/00 CPA Software News; 12/27/99 HD Vest Financial Services Web Site; 12/31/98 HD Vest Financial Services Web Site; 10/98 Journal of Accountancy; 9/10/98 Wall Street Journal; 6/98 Turning Point Analysis; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Report that Two-Thirds of New Clients' Assets Come from Referrals

Delete?

HD Vest Financial Services Financial Advisors New Client Assets By Marketing Methods



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has a Complete Set of Marketing Brochures for Financial Advisors to Use

Comments

-



HD Vest Financial Services offers Financial Advisors many client brochures for its products and services

These appear to be well designed and written

Blucora's HD Vest Financial Services Provides Creative Marketing Support through its 50 Marketing Ideas Guide



Comments

• --

HD Vest Financial Services provides tools to help Financial Advisors write a marketing plan, such as this guide called "50 Marketing Ideas"

This guide shares 50 best practice marketing ideas that will help a tax professional transition into the competitive world of investment advice

Ideas fall into nine categories (get your resume together; host events; work the phone; get publicity; be a source; show you care (e.g., birthday cards); networking/get your name out; direct mail; be a tax planner, not a salesperson; set up your office)

This guide also provides 38 pages of samples that Financial Advisors could use for marketing and advertising

Blucora's HD Vest Financial Services Financial Advisors Utilize Advisor Sites' as their Web Site Developer

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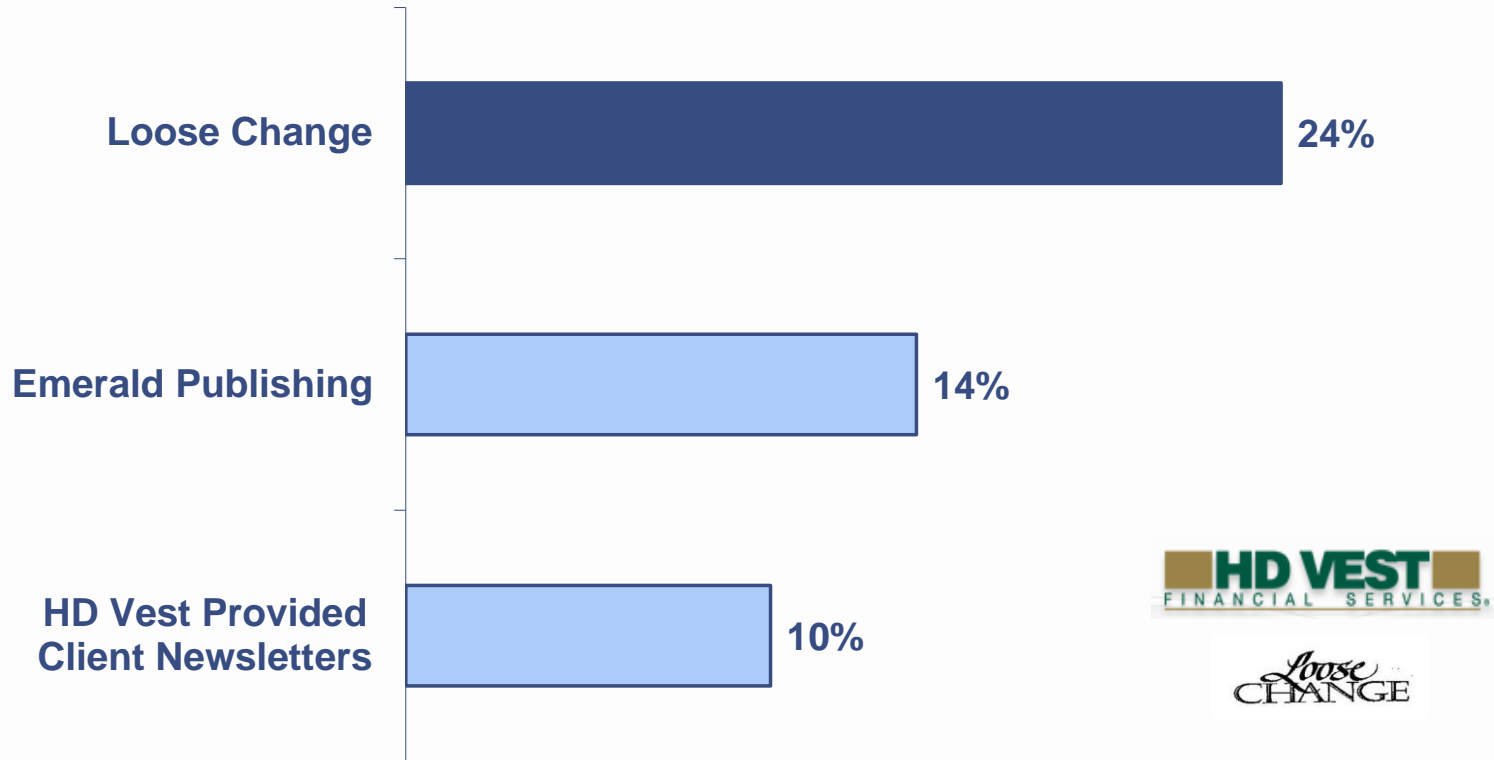
HD Vest Financial Services Reps By Web Site Developers Utilization



Blucora's HD Vest Financial Services Financial Advisors Primarily Utilize Loose Change Newsletters

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HD Vest Financial Services Reps By Newsletter Utilization

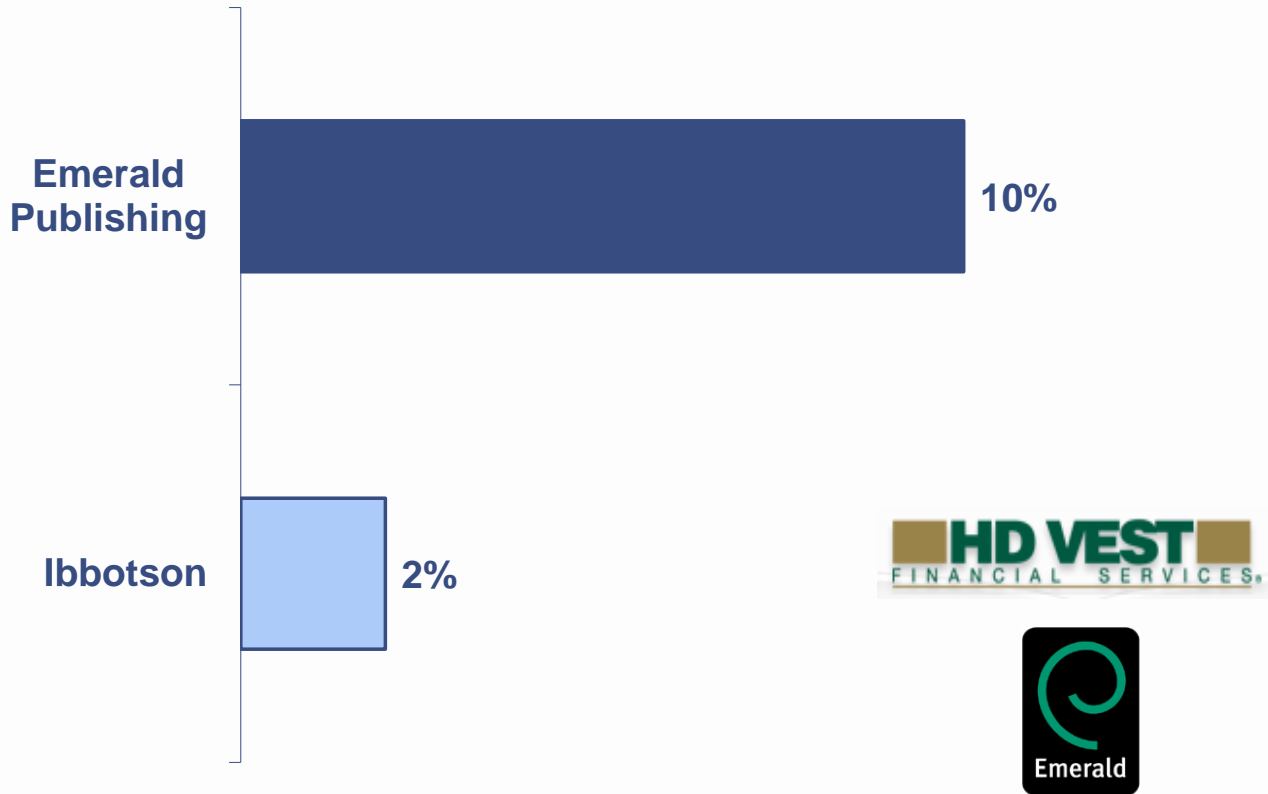


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Primarily Utilize Emerald Publishing's Seminar Materials

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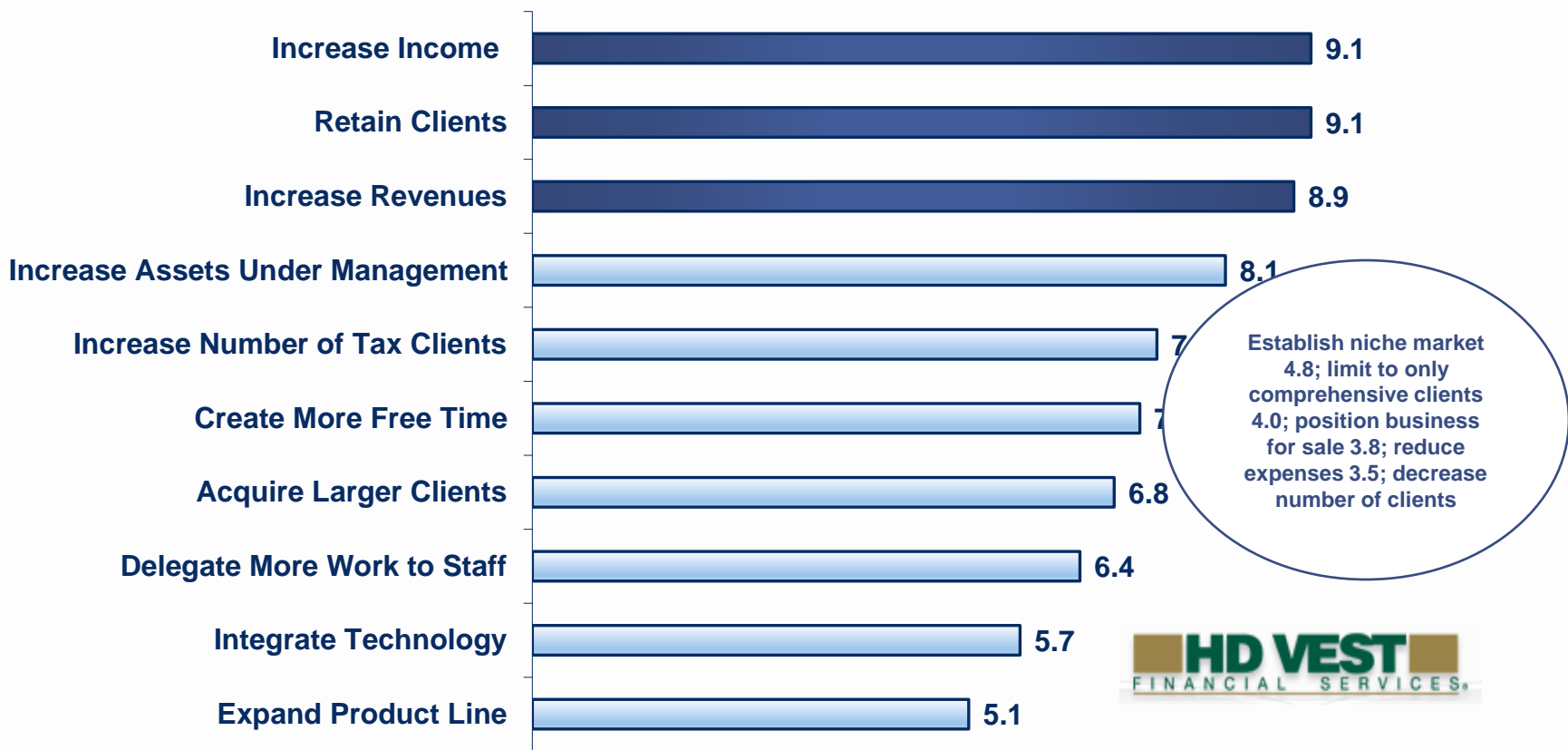
HD Vest Financial Services Reps By Seminar Materials Utilization



Blucora's HD Vest Financial Services Financial Advisors Report That Their Top Priorities are to Increase Income, Retain Clients, and Increase Revenues

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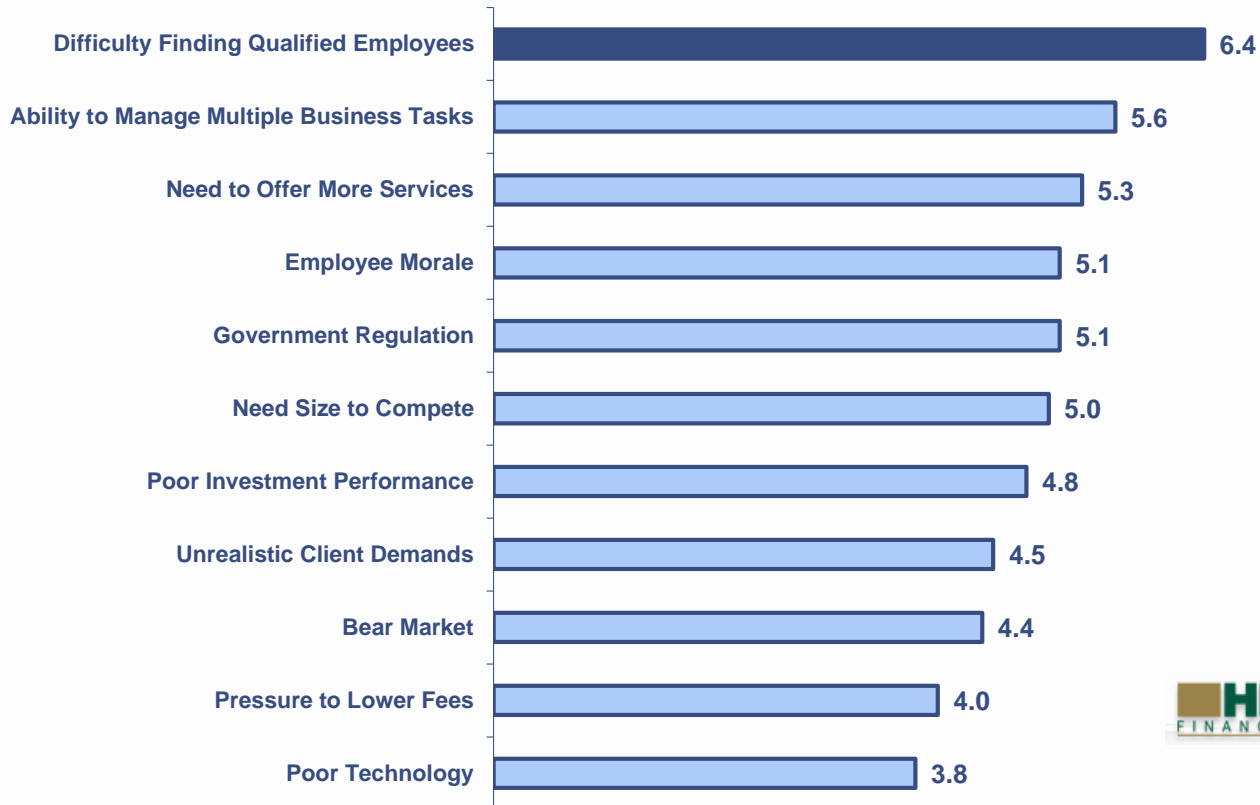
HD Vest Financial Services Reps By Business Goals



Well's Fargo's HD Vest Financial Services Financial Advisors Believe their Biggest Threat & Challenge is Finding Qualified Employees

Delete?

HD Vest Financial Services Reps By Perceived Business Threats & Challenges



Blucora's HD Vest Financial Services' Seventh Service is Business Building Support

Comments


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Blucora's HD Vest Financial Services Business Building Support Includes Start-Up Training for New Financial Advisors Entering the Investments Business

HD Vest Financial Services Business Building Support

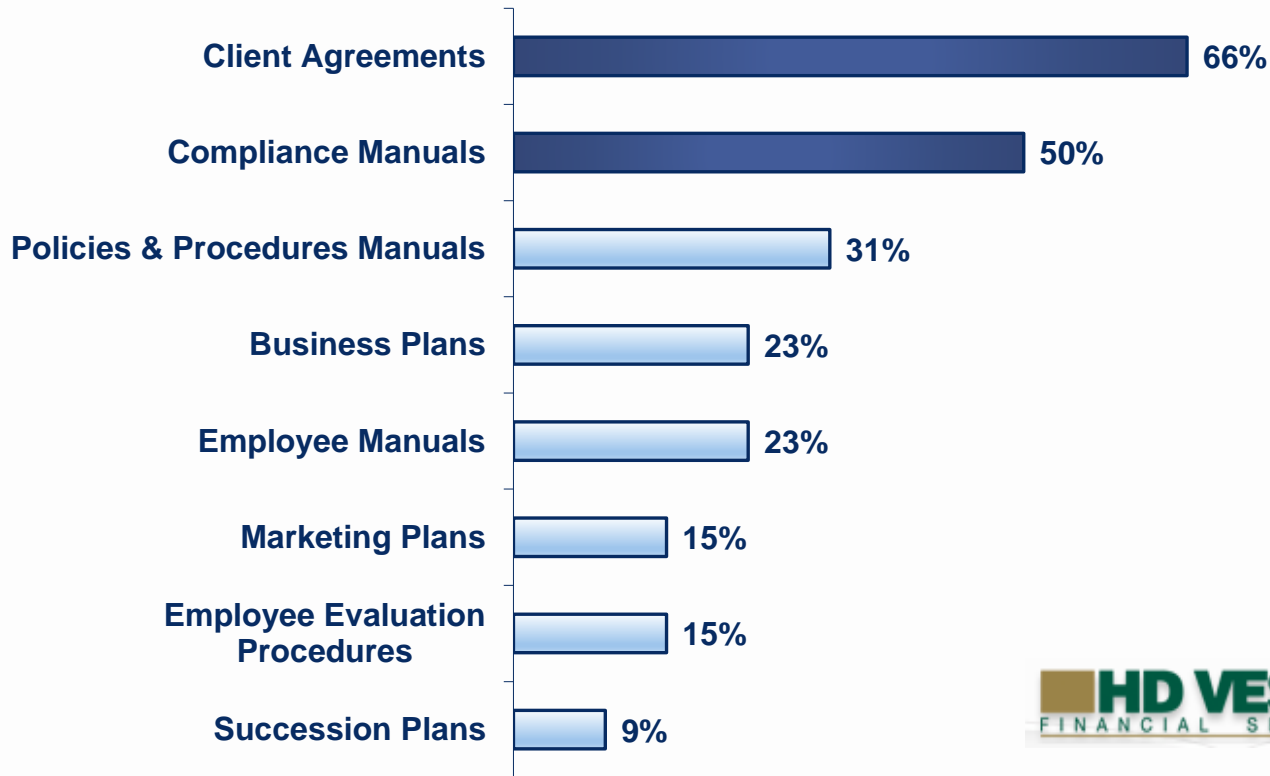
HD Vest Financial Services Also Pairs New Financial Advisors Up with Established Financial Advisor Mentors for Financial Planning Coaching

Start-Up	Marketing	Staffing & Compensation	Benchmarking	Succession Planning
<ul style="list-style-type: none"> • Sure Start Program <ul style="list-style-type: none"> - Computer based training program to help Financial Advisors understand the investment process • New Financial Advisor training offered at the national conferences and regional meetings 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<p>Tiered relationship program to accommodate smaller producers under bigger producers</p> 

Source: 2/23/00 HD Vest Financial Services Conversation (Frieder); Tiburon Research & Analysis



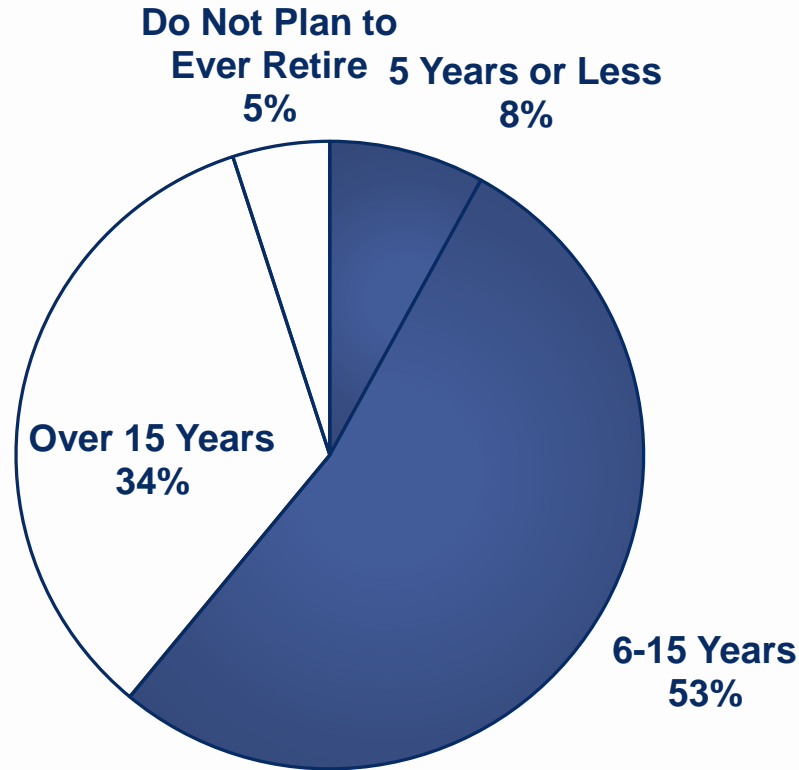
HD Vest Financial Services Reps By Prevalence of Written Business Documents



Blucora's HD Vest Financial Services Financial Advisors that Plan to Retire within Fifteen Years are Nearly Two-Thirds of HD Vest Financial Services Reps

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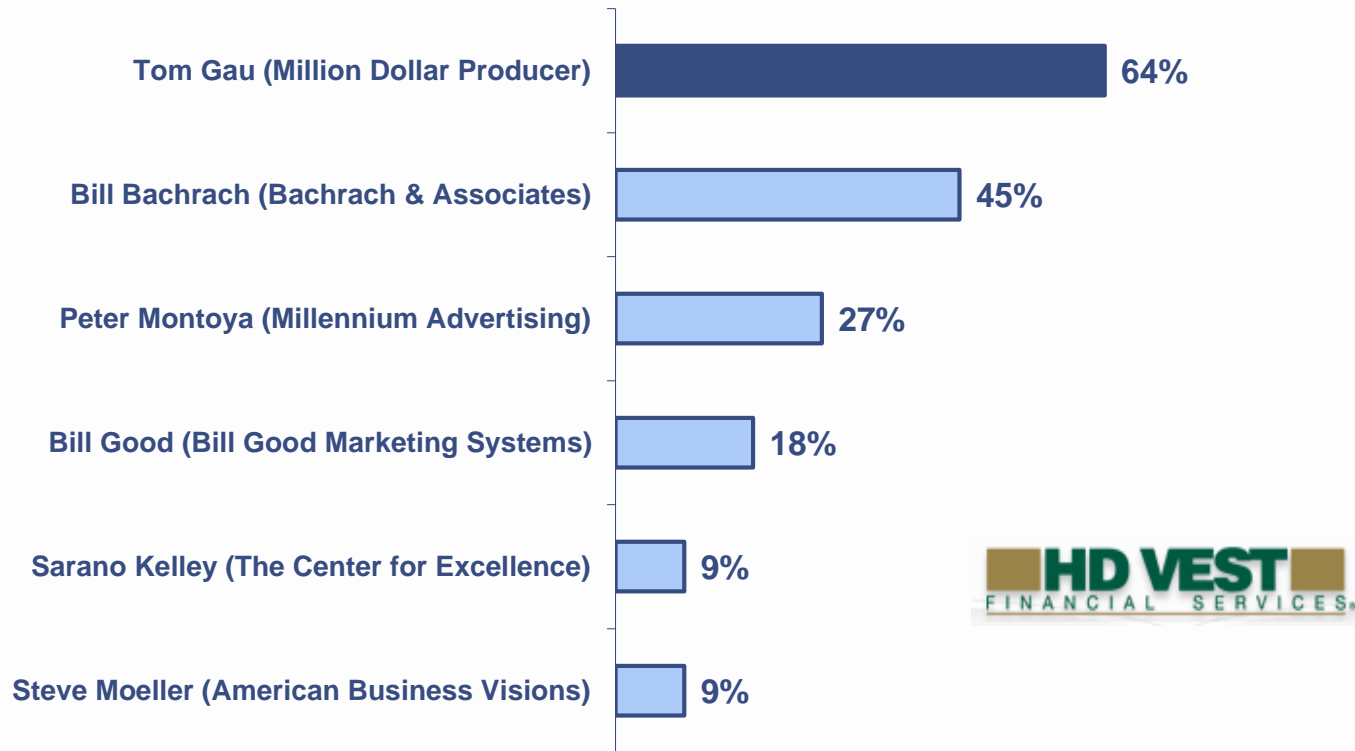
**HD Vest Financial Services
Financial Advisors
By Retirement Plans**



Blucora's HD Vest Financial Services Financial Advisors Primarily Utilize Tom Gau as their Financial Advisor Coach

Delete?

HD Vest Financial Services Reps By Financial Advisor Coaches Utilization

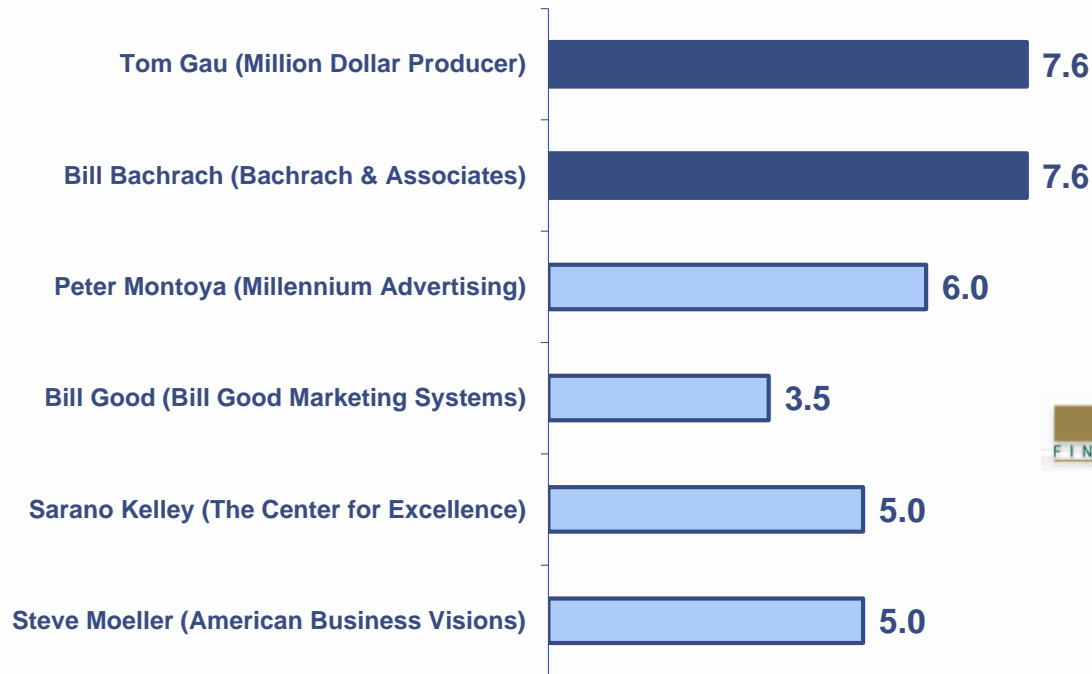


Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors are Most Satisfied with Tom Gau and Bill Bachrach as Financial Advisor Coaches Utilized

Delete?

HD Vest Financial Services Financial Advisors By Financial Advisor Coaches Utilization



Blucora's HD Vest Financial Services' Eighth Service is its Training & Education



Comments

- --

HD Vest Financial Services' Established the HD Vest Financial Services Financial Planning Instituted to Provide Financial Advisors with Training & Education on Transitioning from a Tax Practice to a Tax & Financial Planning Practice

HD Vest Financial Services Provides a High Level of Training and Support from the Home Office, as well as an Organized Local, Volunteer Program Leveraging Experienced Reps

Unbundle

HD Vest Financial Services' programs are registered to provide Financial Advisors with CPE credits

HD Vest Financial Services is also registered with the IRS as a continuing education sponsor for Enrolled Agents

Financial Advisors are offered several educational meeting opportunities per year: national conference (four day event held annually; intensive training in all areas of investment planning; all Financial Advisors are invited); Vest Fest (four day conference focusing on technology, marketing, sales techniques, and strategies); regional conferences (all Financial Advisors are invited to attend two day meeting; topics cover all aspects of training, both basic and advanced); & local workshops (The Regional Support System offers a local forum for networking and training; includes Chapter meetings and Mentor meetings)

Blucora's HD Vest Financial Services Financial Advisors Have a Variety of Comments on its Training & Education



Comments

- **“Excellent training for reps; they educate financial advisors on what’s available, the thing to do, and how to do it. But they should show us how to sell”**
- **“The most valuable program is the mentor program; you can sit down with a manageable group of people and be in an environment with feedback and scenarios”**
- **“Education (esp. at conferences) is outstanding. Some of the best people in the financial, investment, economics, marketing, and motivational industry are there”**
- **“People grumble, but Vest puts a lot into training that people do not pay a dime for”**
- **“Would like more training in the regional area, where Financial Advisors can go without having to take a plane or stay at a hotel”**

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Reps' General Comments Recognize HD Vest Financial Services' Strength with Low-End Reps

Merge to prior?

Comments

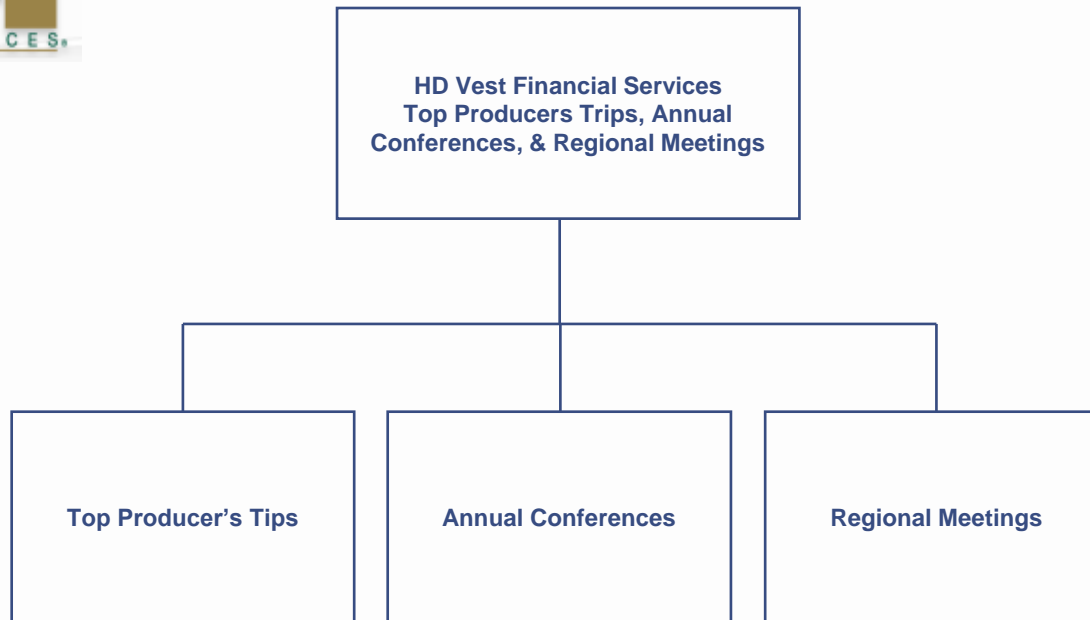


- “They can offer the low-end financial advisor a lot”
- “HD Vest Financial Services financial advisors occupy a niche that is so important to clients, but clients do not recognize this”
- “HD Vest Financial Services' strength is not with top producing Reps, but with middle-America, low producing Financial Advisors with about \$10,000 - \$100,000 per year”
- “They’re the weakest in supporting top producing Reps”
- “Overall, the company appears to be moving away from top producing guys; higher marks are for mid-range/lower-end range”
- “My business is doing taxes, so commissions do not concern me much”
- “We offer services to clients they would otherwise not get from a CPA firm”
- “Accountants adding financial planning makes sense. Unlike large brokerage firms, we can serve ‘poor’ people”
- “This business model makes a lot of sense”
- “HD Vest Financial Services understands the way to generate business and practices like no other broker

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Holds an Annual Conference and More than 150 Regional and Local Meetings Each Year

HD Vest Financial Services Top Producers Trips, Annual Conferences, & Regional Meetings



Blucora's HD Vest Financial Services' Top Producers' Trips

Top 75 reps

Comments


- --



Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); Tiburon Research & Analysis


Blucora's HD Vest Financial Services' Annual Conference

HD Vest Financial Services Annual Conference

2005	2006	2007	2008	2009
<ul style="list-style-type: none"> • 2005 National Conference <ul style="list-style-type: none"> - November 10-12 - Dallas, TX • 2005 Vest Fest Conference <ul style="list-style-type: none"> - June 8-10 - Orlando, Florida - 75 educational sessions 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- 	<ul style="list-style-type: none"> • -- <div style="text-align: right; margin-top: 20px;">  </div>

Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); Tiburon Research & Analysis

HD Vest Financial Services Annual Conference

2010	2011	2012	2013	2014
• --	• --	• --	• --	• -- 

Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); Tiburon Research & Analysis

Blucora's HD Vest Financial Services' Regional Meetings

Comments

Holds over 150 regional meetings and 120 local meetings each year for networking and education

- --



Source: 8/3/05 HD Vest Financial Services Web Site; 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has Created Two Self Study Programs Titled Financial Planning Fast Track and Keys to Asset Allocation

HD Vest Financial Services Self Study Programs

Financial Planning Fast Track

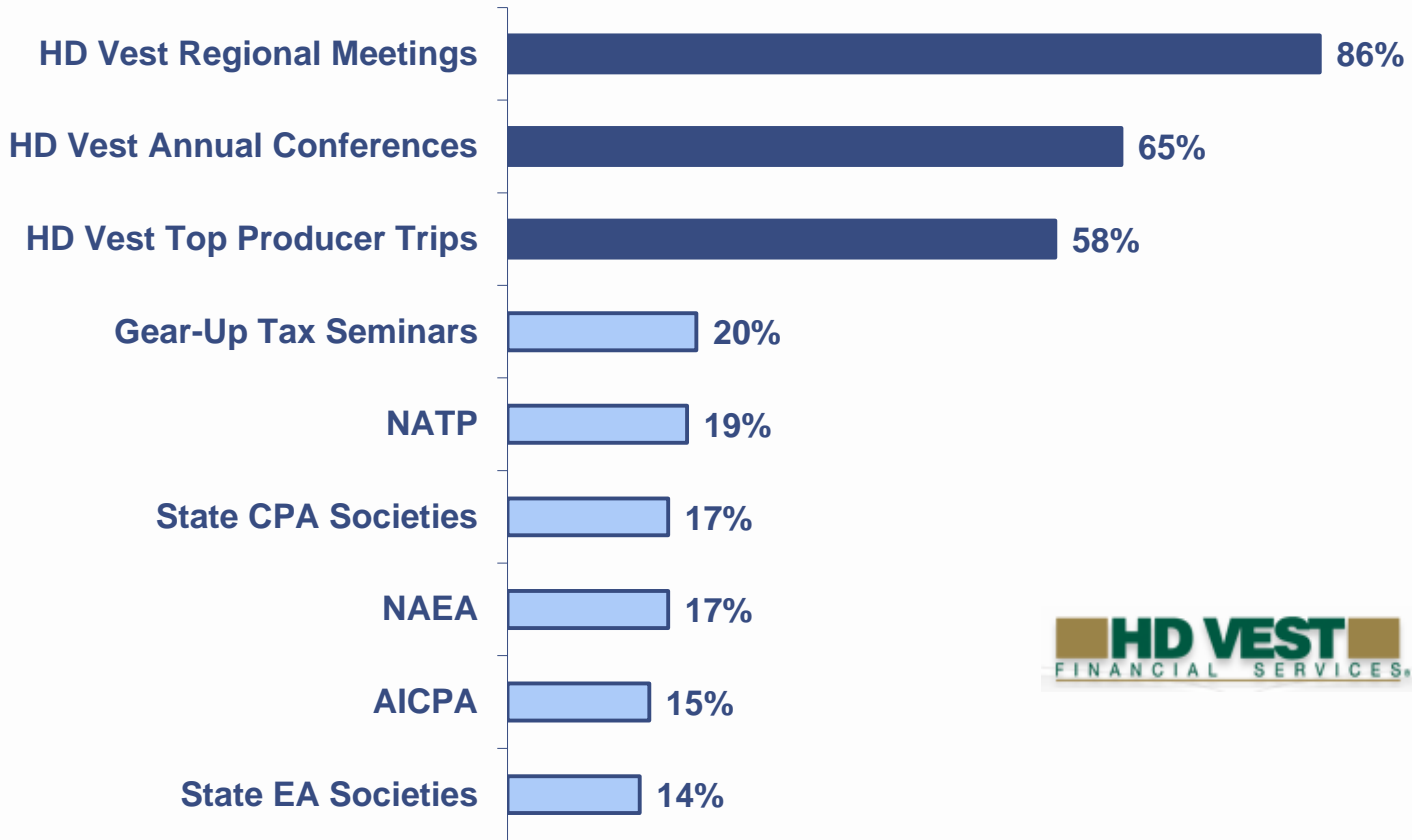
- **Getting started**
- **Marketing**
- **Implementing financial planning**
- **Completing client transactions**

Keys to Asset Allocation

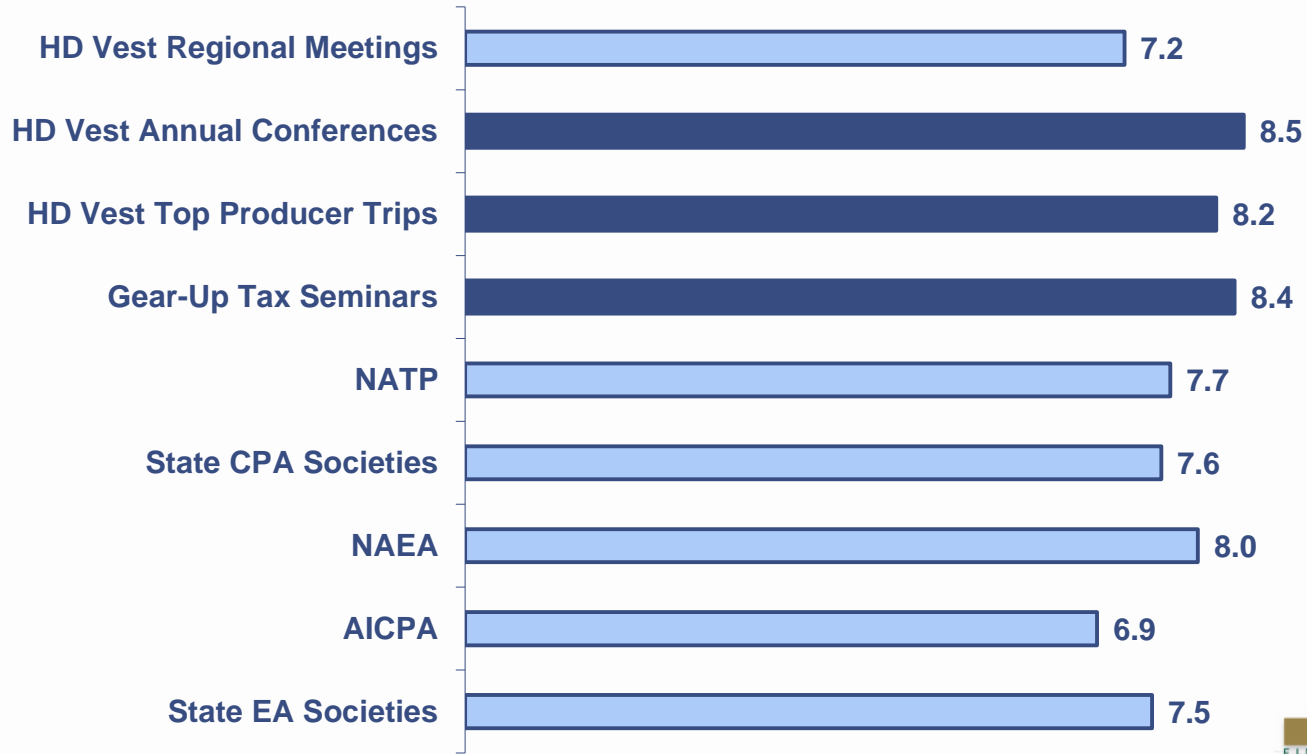
- **How to allocate client assets given various investment needs and unique situations**



HD Vest Financial Services Financial Advisors Conferences Attended



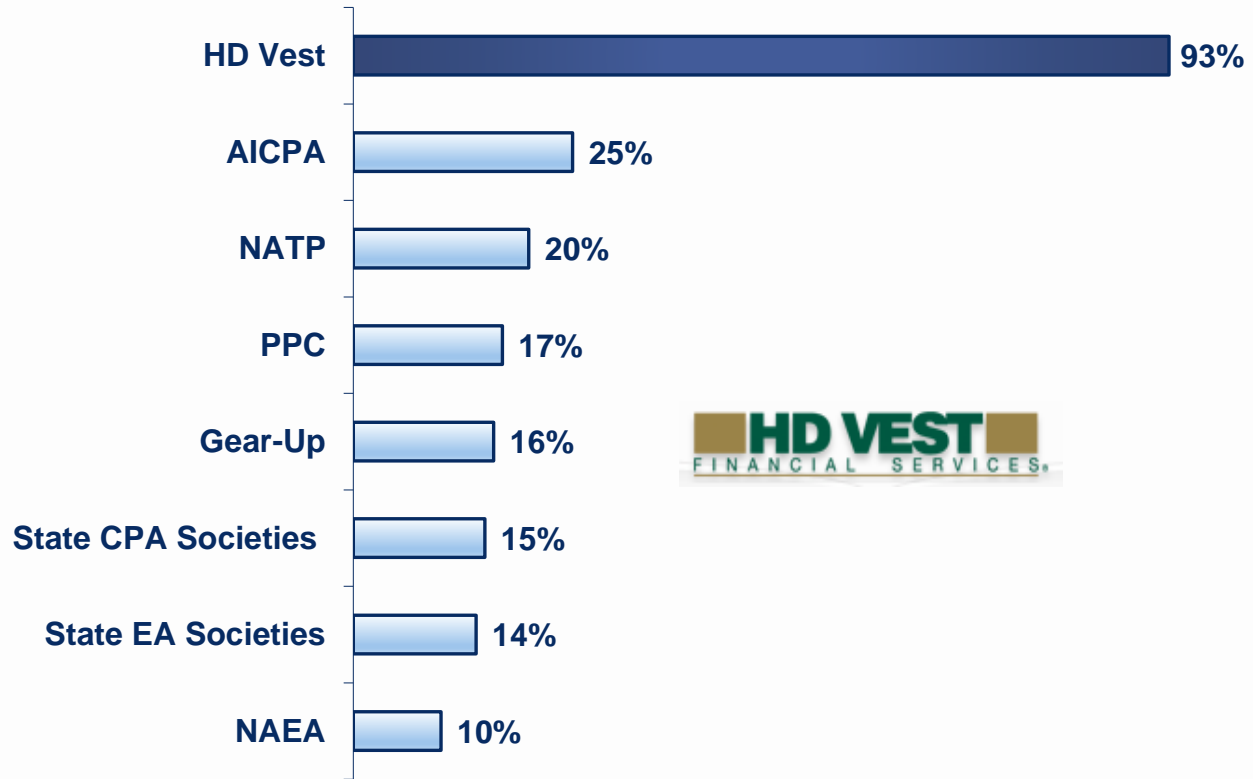
HD Vest Financial Services Financial Advisors Satisfaction with Conferences Attended



Blucora's HD Vest Financial Services is the Most Widely Utilized CE Provider by HD Vest Financial Services Reps

Delete?

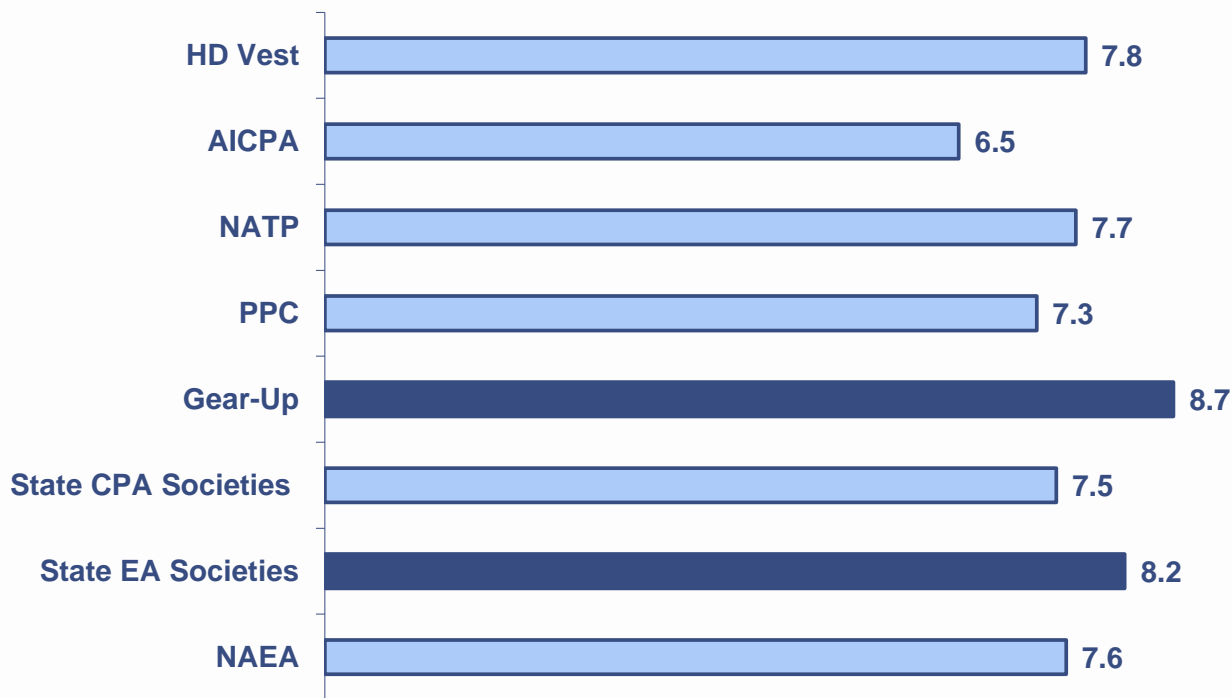
HD Vest Financial Services Reps By CE Providers Utilized



Blucora's HD Vest Financial Services Financial Advisors Gave Gear-Up and State EA Societies the Highest Satisfaction Scores of CE Providers

Delete?

HD Vest Financial Services Reps By Satisfaction with CE Providers



Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Regional Support System; HD Vest Financial Services is Unique Because it Provides a Lot of Entry-level Financial Planning Training



Comments

Unbundle

The HD Vest Financial Services Regional Support System (RSS) was developed to provide Financial Advisor support and training and is registered to provide CPE credits

RSS includes local chapters (has over 200 chapters nationwide; all Financial Advisors are members of a local chapter; 40 Financial Advisors per chapter; each led by a top HD Vest Financial Services rep; provide monthly workshops (May - December); programs materials provided by the Home Office; topics include technical issues, marketing, case study analysis, products, and sales); mentor teams (for newer Financial Advisors with high goals they hope to achieve; Financial Advisors commit to a 12 month intensive training program; mentor provides either team or one-on-one training; cover goal-setting, sales presentation skills, practice management, and case study analysis techniques; Financial Advisor and mentor split commissions); regional conferences (all Financial Advisors are invited to attend two day meeting; topics cover all aspects of training, both basic and advanced); & tax season crash courses

Source: 1/5/00 HD Vest Financial Services Meeting (Bellows); 2/99 HD Vest Financial Services Changing The Way America Invests Brochure; 1/2/99 HD Vest Financial Services Regional Support Systems Chapters and Mentors Map; Tiburon Research & Analysis

HD Vest Financial Services Comment on Conference Fees

“We may also start charging an educational fee. We put on conferences as good as those at IAFP”

**– Roger Ochs
CEO, HD Vest Financial Services**



Comments

- --



Blucora's HD Vest Financial Services Offers Training Starting from the Very Basics to Advanced; HD Vest Financial Services Encourages the Use of its Automated Tools



Comments

- --

Unbundle

Self-Study -
SureStart
Program

Written and
Computer Based
Materials available
to all new reps

A SureStart guide is provided that includes how to be a successful rep; setting goals; Level One (Mutual Fund) Sponsor Support; how to use the CD-ROM tutorial and test; how to use HD Vest Financial Services' customer service; & how to complete the necessary paperwork

The test covers adding Investment Planning to your practice and understanding investment concepts, mutual funds, client needs, setting appointments, and making presentations

Results of the test are automatically emailed to HD Vest Financial Services

HD Vest Financial Services provides training via CBT (Computer Based Training) modules on CD-ROM or on HDVLink

Blucora's HD Vest Financial Services Financial Advisors Read a Wide Variety of Publications, with the Wall Street Journal Being the Most Popular

HD Vest Financial Services Financial Advisors By Publications Read

Delete?

Accounting
Today 20%

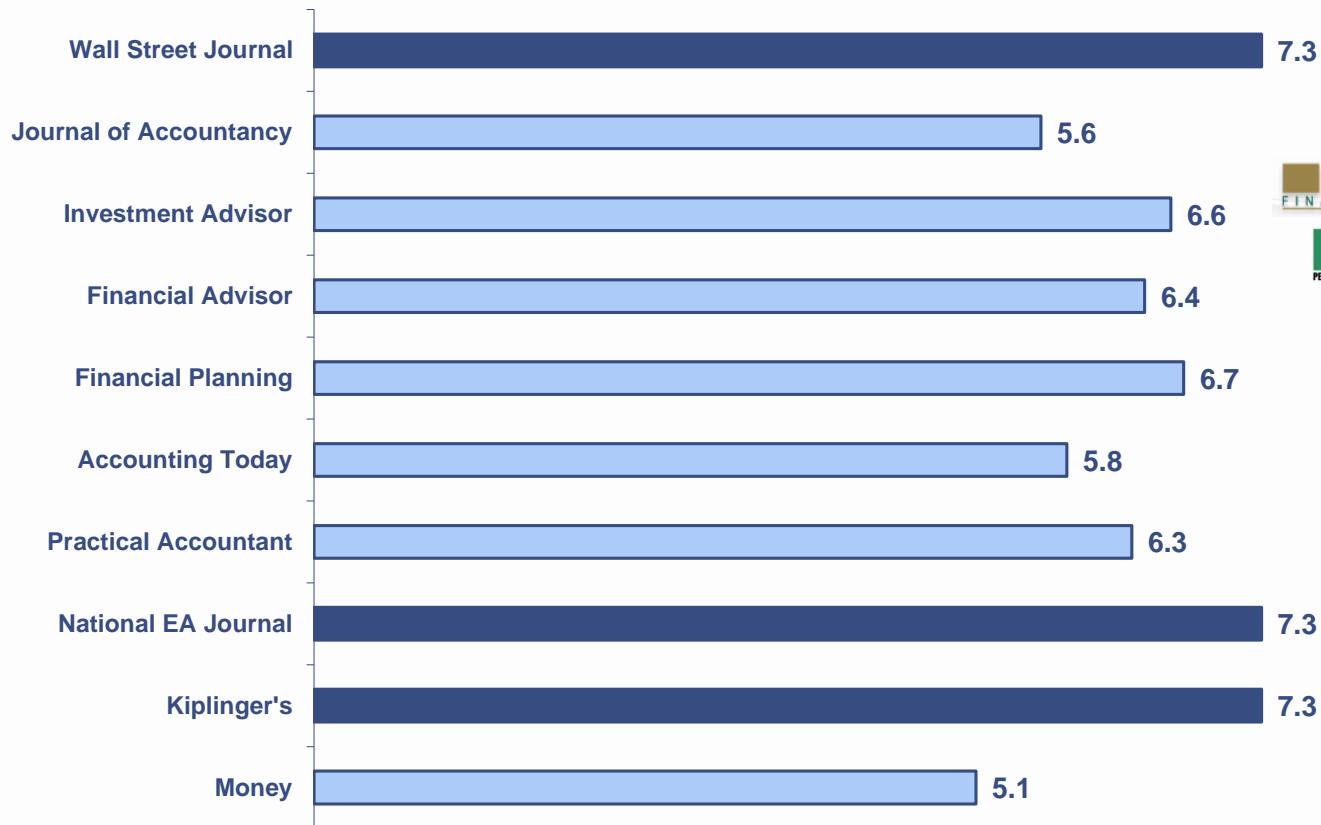


Blucora's HD Vest Financial Services Financial Advisors Gave The Wall Street Journal, National EA Journal, & Kiplinger's Highest Satisfaction Scores of Publications Read

**HD Vest Financial Services
Financial Advisors
By Satisfaction with Publications Read**

Delete?

Accounting
Technology 5.6



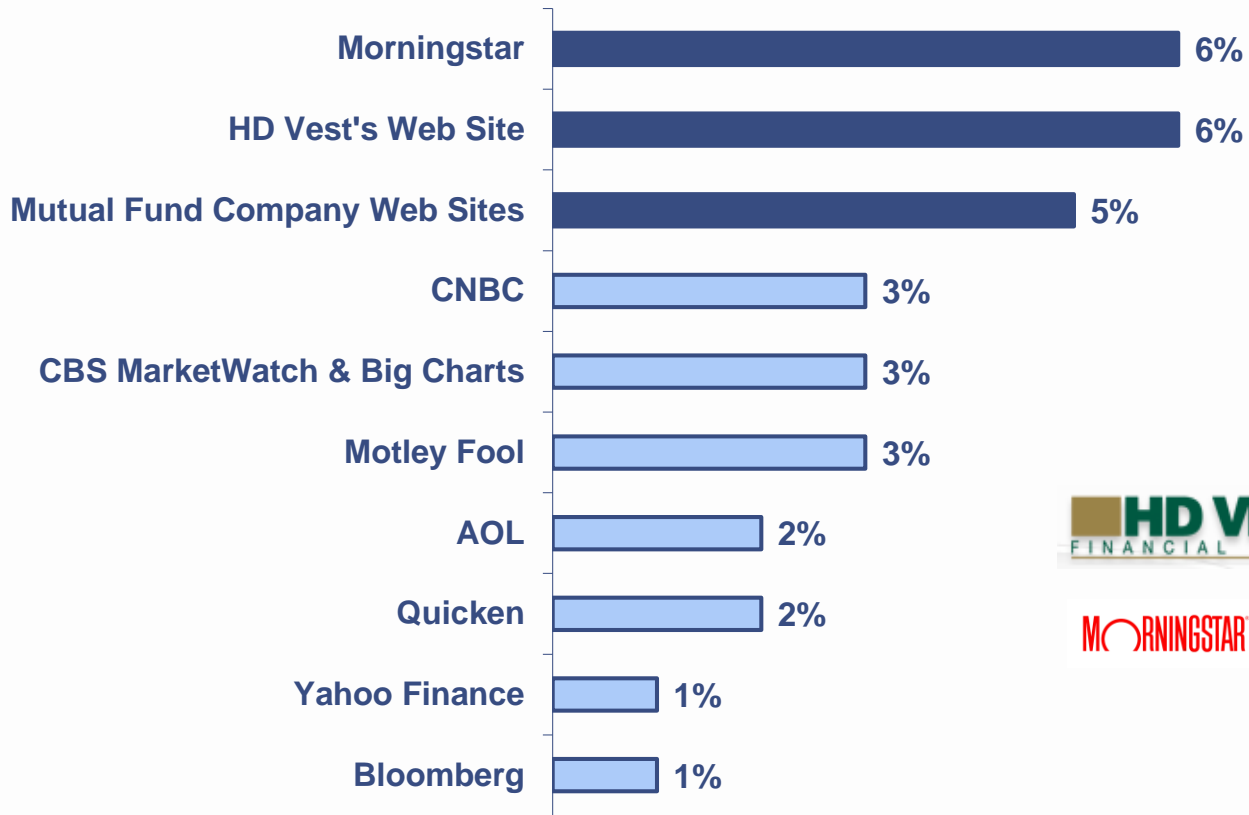
Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Most Visited Web Sites are Morningstar, HD Vest Financial Services' Web Site, & Mutual Fund Company Web Sites

**HD Vest Financial Services
Financial Advisors
By Web Sites Visited**

Delete?

Wall Street Journal 1%



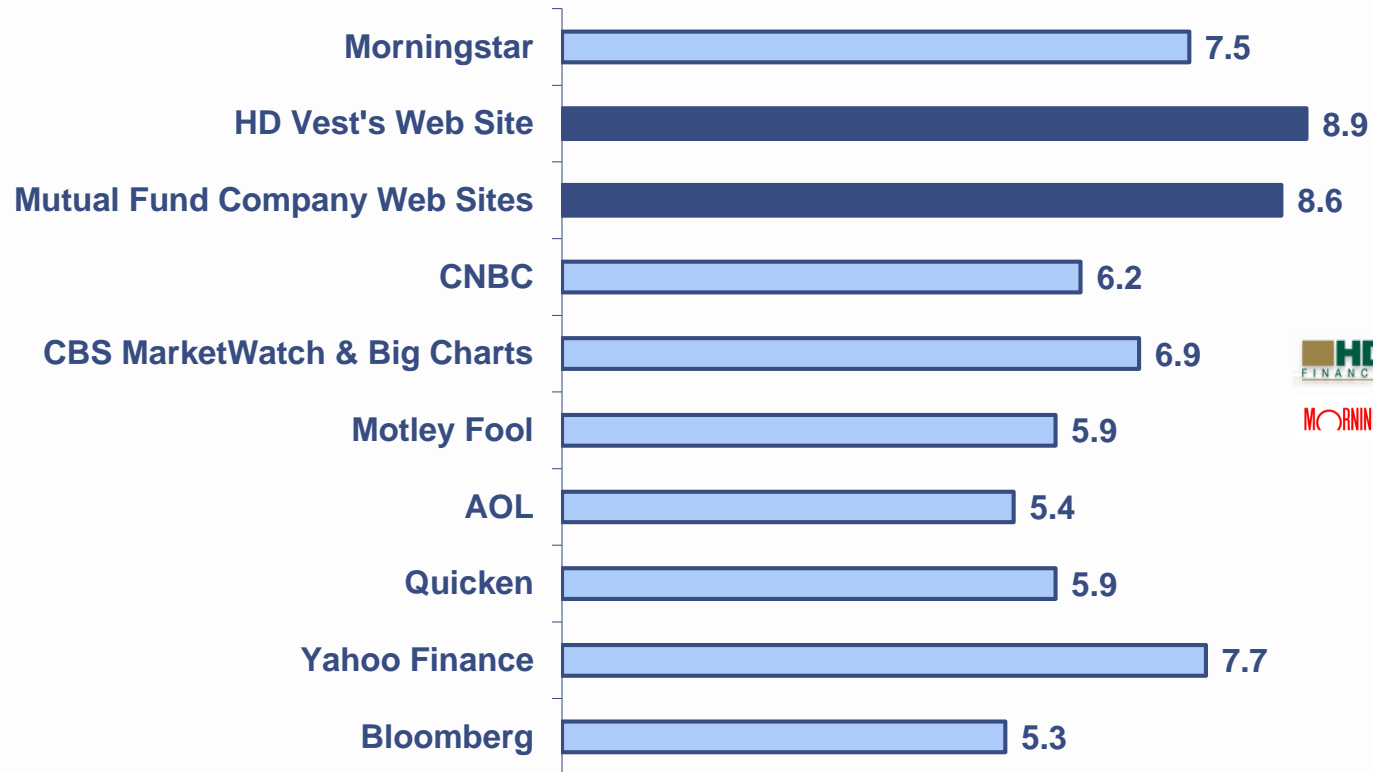
Source: 5/03 Tax Pro Best Practices Survey; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Gave HD Vest Financial Services' Web Site and Mutual Fund Company Web Sites the Highest Satisfaction Scores

HD Vest Financial Services Financial Advisors By Satisfaction with Web Sites Visited

Delete?

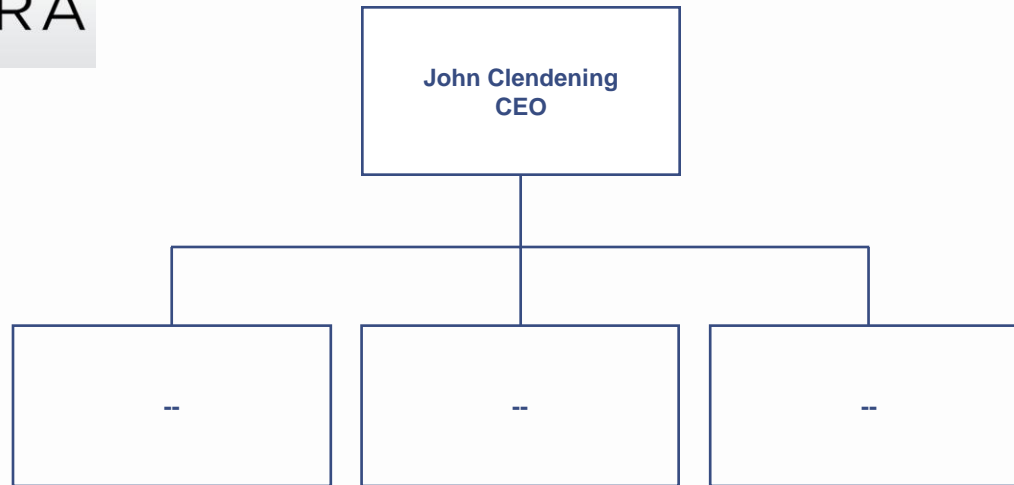
Wall Street
Journal 7.7



Blucora is Led by its CEO John Clendening

Blucora Organizational Chart

BLUCORA™

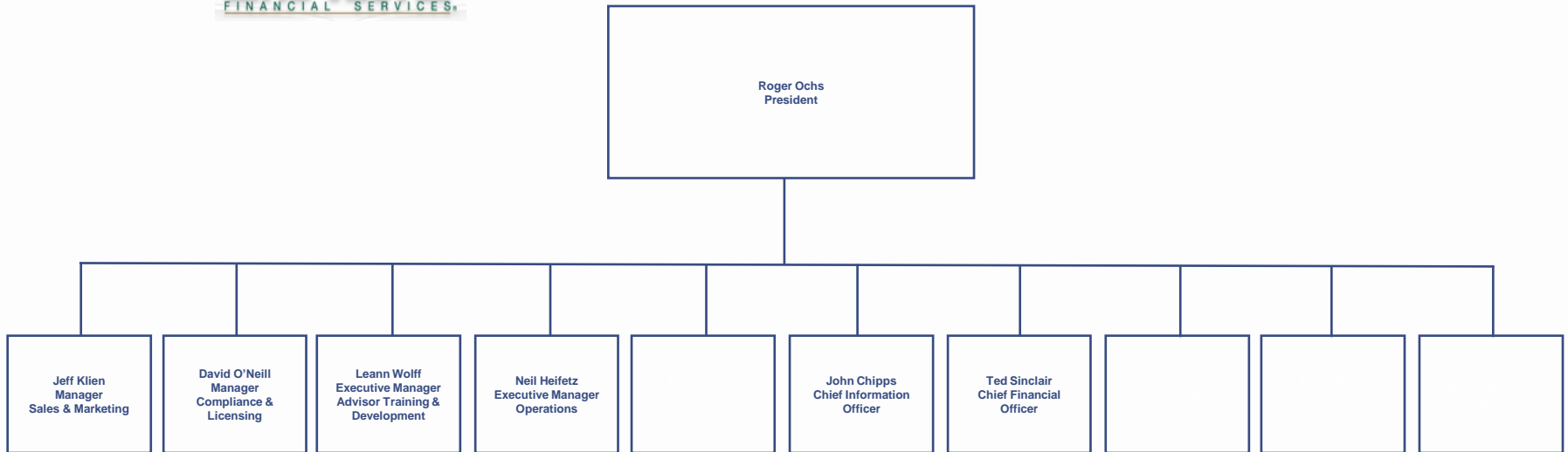


Note: John Clendening joined the firm in XXXX
Source: 1/11/19 Blucora Web Site; Tiburon Research & Analysis

Blucora's HD Vest Financial Services is Led by its President Roger Ochs

Dave Sawyer
(Web Management)

HD Vest Financial Services Organizational Chart



Source: 8/3/05 HD Vest Financial Services Web Site; 1/13/03 Securities Industry News; 5/6/02 Accounting Today; 1/5/00 HD Vest Financial Services Conversation (Ochs); 12/29/99 HD Vest Financial Services Web Site; 12/98 HD Vest Financial Services Annual Report; Tiburon Research & Analysis

Blucora's HD Vest Financial Services Financial Advisors Also Provide Comments on the Firm's Management



Comments


- **“Herb is a visionary, but he goes off on tangents and sucks out staff time on his tangents. When trying to implement the Financial Advisor View system, he got on one of his whims, so he pulled programming time away from correcting the core operation to focusing on internet tax returns. It’s more important to get the core operations running”**
- **“Very happy that Roger Ochs is president; it is good for the company. He ran it before he got the title”**
- **“The company has made major progress in the last 1-2 years; overall, the company gets high marks”**
- **“Information is coming from corporate headquarters late; they tell Financial Advisors things last; this is disconcerting”**
- **“There needs to be better communication from headquarters to reps”**

Source: 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Frieder); 2/23/00 HD Vest Financial Services Financial Advisor Conversation (Wu); 2/21/00 HD Vest Financial Services Financial Advisor Conversation (Rodabaugh); 2/17/00 HD Vest Financial Services Financial Advisor Conversation (Witmer); 2/16/00 HD Vest Financial Services Financial Advisor Conversation (Schexnayder); Tiburon Research & Analysis

Blucora Has a Board of Directors Led by its Chairman...

Blucora Board of Directors

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• --	• --	• --	• --	• --



Source: Tiburon Research & Analysis



Comments
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Blucora's HD Vest Financial Services is Privately Owned



Comments

- --

HD Vest Financial Services: --

HD Vest Investment Securities: CIK#: 0000719068; based in TX; incorporated in TX; fiscal year-end 9/30/XX

HD Vest Investment Services: --

HD Vest Advisor Services: --

Blucora Has Assets

Needs data

Blucora Assets (\$ Millions)

BLUCORA™

2018 2019

Blucora Has Liabilities

Needs data

Blucora Liabilities (\$ Millions)

BLUCORA™

2018 2019

Blucora Has Shareholders' Equity

Needs data

Blucora Shareholders Equity (\$ Millions)

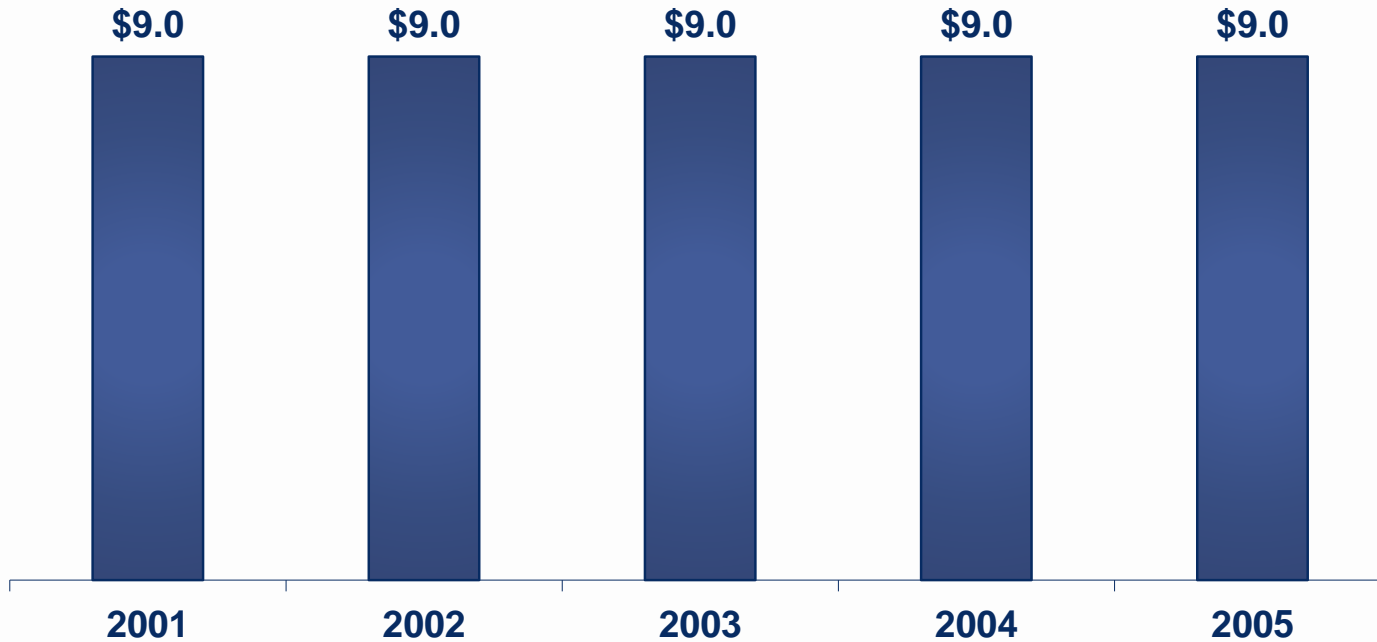


2018 2019

Source: Tiburon Research & Analysis

Blucora's HD Vest Financial Services Has \$9.0 Million Net Excess Capital, Consistent Since 2001

HD Vest Financial Services Net Excess Capital (\$ Millions)



Logical for subsidiary?

Needs update

Source: 6/05 Financial Advisor; 6/05 Financial Planning; 5/30/05 Investment News; 4/18/05 Investment News; 1/17/05 Investment News; 6/04 Financial Planning; 6/04 Investment Advisor; 6/04 Financial Advisor; 4/5/04 Investment News; 1/19/04 Investment News; 12/15/03 Investment News; 6/03 Financial Planning; 6/03 On Wall Street; 6/03 Investment Advisor; 6/03 Financial Advisor; 5/03 Ticker; 1/27/03 Investment News; Tiburon Research & Analysis

Blucora Earns ... Per Share

Needs data

Blucora Earnings Per Share



BLUCORA™

2018 2019

Source: Tiburon Research & Analysis

Blucora Declares ... Dividends Per Share

Needs data

Blucora Dividends Per Share



2018 2019

Source: Tiburon Research & Analysis

Blucora Has a ... Dividend Yield

Needs data

Blucora Dividend Yield

BLUCORA™

2018

2019

Blucora's Stock Price is ...

Needs data

Blucora Stock Price



2018 2019

Source: Tiburon Research & Analysis

Blucora Has ... Shares Outstanding

Needs data

Blucora Shares Outstanding

BLUCORA™

2018 2019

Blucora's Market Capitalization is ...

Needs data

Blucora Market Capitalization (\$ Millions)

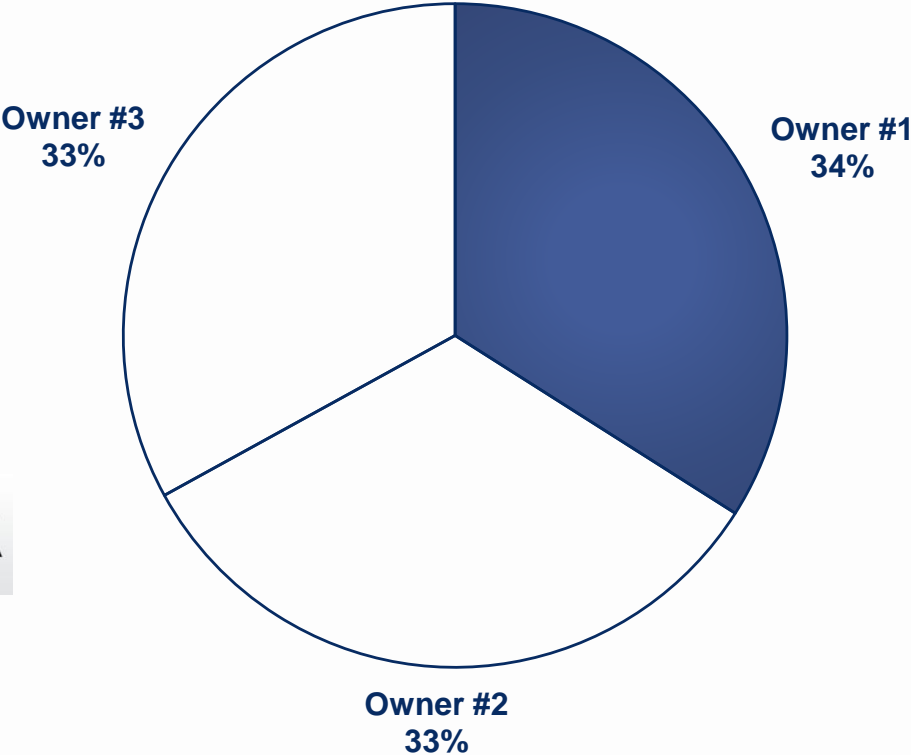


2018 2019

Source: Tiburon Research & Analysis

Needs real data

Blucora Ownership By Owner



Blucora's Stock Volume is....

Needs data

Blucora Stock Volume



BLUCORA™

2018 2019

Source: Tiburon Research & Analysis



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Industry Leading Think Tank, Advisor, and Investor in
Wealth & Investment Management (and Related WealthTech) Firms