

InvestmentNews

April 27-May 1, 2015

Snakebit

Retirees depending on COBRA for health care coverage may have a rude awakening. Page 6

crain \$4.00 / 50¢ Year

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InvestmentNews TOP INDEPENDENT BROKER-DEALERS 2015



Grinding out gains

It wasn't a great year for sales of variable annuities or alternative products such as nonrated PETFs, but the top 25 independent broker-dealers still managed to post a 10.3% revenue gain in 2014. Page 14

States may require continuity plans

NASAA disaster rule designed to protect clients

By Mark Schoeff Jr.

Investment advisers under state regulation could soon be required to prepare written continuity and succession plans.

State securities regulators have advanced a rule outlining policies advisers should have in place to respond to natural disasters or the death or incapacitation of an executive.

The rule, developed by the North American Securities Administrators Association and approved at the organization's spring conference this month in Washington, requires that every adviser adopt written procedures for business continuity and succession planning. It was posted online last Tuesday.

The plan must show how the firm will protect books and records, establish an alternative means of

communicating with clients, relocate the office, reassign key personnel and generally minimize disruption to the business.

"Advisers face significant risks if they become unable to serve clients, either temporarily or permanently," the rule states. "Failing to address these risks with a business continuity plan can result in harm to advisers' clients, exposure to regulatory actions and litigation for failure to satisfy legal, regulatory or contractual duties."

ALLOWS FOR FLEXIBILITY

The rule allows flexibility in the plans. They can vary based on the adviser's size, services and locations. State regulators oversee advisers with less than \$100 million in assets under management.

The rule must be adopted by individuals. Continued on Page 32

To: InvestmentNews.com

InvestmentNews TOP INDEPENDENT BROKER-DEALERS 2015

April 27, 2015 | InvestmentNews 20

Kovack Securities Inc.

6451 N. Federal Highway
Fort Lauderdale, FL 33300
(954) 584-6574
jinkai.com
Year founded: 1997
CEO: Ronald J. Kovack
Recruiting contact: Carlo A. Bidone Jr.

Staffing and compensation as of Dec. 31	2014	1-year % chg
# of producing reps	325	30.2%
# of CFPs	56	21.7%
Avg payout per rep/year	\$150,000	4.5%
# of fee-based advisers served	259	31.1%

Financials	2014	1-year % chg
Year-end, Dec. 31	(\$M)	
Total revenue	\$51.9	+12.1%
Commission	\$35.2	6.0%
Fee	\$16.7	25.6%
Other	\$0.0	N/A
Total account assets	\$6,021.3	+24.6%
Fee-based	\$1,236.9	21.6%
Other account assets	\$4,784.4	25.7%
Excess net capital	\$1.0	-27.6%
Total operating expenses	\$82.4	21.6%
Pretax earnings	\$2.3	-28.6%

Lincoln Financial Network, a unit of Lincoln Financial Group

2005 Market St.
Philadelphia, PA 19103
(866) 536-6630
jnlfn.com
Year founded: 1995
Top executive: David S. Berkowitz
Recruiting contact: Christopher Flint

Staffing and compensation as of Dec. 31	2014	1-year % chg
# of producing reps	1,467	0.0%
# of CFPs	N/D	N/A
Avg payout per rep/year	N/D	N/A
# of fee-based advisers served	N/D	N/A

Financials	2014	1-year % chg
Year-end, Dec. 31	(\$M)	
Total revenue	\$816.8	+2.9%
Commission	\$600.2	-0.7%
Fee	\$172.9	14.7%
Other	\$33.8	18.9%
Total account assets	\$21,306.2	+14.5%
Fee-based	N/D	N/A
Other account assets	N/D	N/A
Excess net capital	\$27.3	17.4%
Total operating expenses	N/D	N/A
Pretax earnings	N/D	N/A

LaSalle St. Securities

340 N. Industrial Drive
Evanston, IL 60120
(800) 777-1968
jnlst.com
Year founded: 1974
CEO: Jack McDermott
Recruiting contact: Mark Conroy

Staffing and compensation as of Dec. 31	2014	1-year % chg
# of producing reps	385	3.0%
# of CFPs	28	3.7%
Avg payout per rep/year	\$185,888	0.0%
# of fee-based advisers served	191	3.0%

Financials	2014	1-year % chg
Year-end, Dec. 31	(\$M)	
Total revenue	\$26.0	+6.2%
Commission	\$28.0	-1.2%



Avg payout per rep/year	\$138,178	9.5%	Total operating expenses	N/A	N/A
# of fee-based advisers served	495	-2.9%	Pretax earnings	N/A	N/A

Avg payout per rep/year	\$28
# of fee-based advisers served	

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