**Potential Conflicts of Interest Regarding Revenue Sharing with the Clearing Firm and Cost-Sharing Arrangements with Investment Product Providers**

BancWest Investment Services, Inc. (“BWIS”) provides comprehensive brokerage and insurance services to customers pursuant to a clearing agreement with Pershing, LLC (“Pershing”). BWIS and Pershing have an asset-based revenue sharing agreement in place. Pursuant to this agreement, BWIS receives a percentage of the service fees paid by customers. BWIS receives a larger percentage of these service fees as the program assets grow.

There are many investment products available in the marketplace, and BWIS has formed selling agreements with many providers in order to make a wide array of investment products available to the firm’s customers. Sales efforts largely focus on a limited group of approved providers, on which BWIS has conducted certain due diligence. A selected subset of these approved providers have also entered into special arrangements with BWIS to share the educational, training, recordkeeping, and other costs associated with offering investment products to customers of the firm. Investors should understand the fees and costs associated with their investments, as well as the potential conflicts of interest that may arise in the sale of investment products by BWIS.

The cost-sharing arrangements with selected mutual fund, Real Estate Investment Trusts (REITs) and annuity providers take the form of payments to BWIS that are based upon sales of the providers’ products to BWIS customers. The amounts of these payments vary by the type of product and by provider. Selected providers typically pay BWIS up to 0.35% on variable annuity sales, up to 0.30% on fixed annuity sales, up to 0.20% on mutual fund sales, and up to 1.00% on REIT sales. Thus, for every $1,000 invested by a BWIS customer in one of these selected providers' variable annuities, BWIS receives up to $3.50 at the time of sale. Selected providers also pay BWIS up to $20,000 per year to support administrative, marketing and recordkeeping activities.

In exchange for sharing costs, the selected investment providers who make these payments receive enhanced access to BWIS Financial Advisors, including exposure to its registered representatives and branch managers during training events, conference calls and private meetings. The selected providers also may reimburse BWIS for expenses incurred during training, educational conferences and seminars, and may sponsor recognition events for top-producers. Selected providers receive heightened visibility through the distribution of their sales literature and newsletters to the BWIS sales force, and by means of electronic links, information and lists posted on the firm’s intranet pages.

The BWIS Financial Advisors focus their sales efforts on approved investment products that have been subject to certain due diligence efforts by BWIS. Over the course of managing your relationship with BWIS, your sales agent may recommend investments in the products that are offered by selected providers who make cost-sharing payments to BWIS. Our sales agents do not, however, directly receive any portion of, or any additional compensation as a result of, the cost-sharing arrangements that BWIS has formed with the selected investment providers. These revenues are used by BWIS to defray the costs associated with offering investment products to our customers.
These cost-sharing payments from selected providers are generally described in investment contracts. These disclosure documents may be obtained from your sales agent. Customers should carefully review such disclosures for further information regarding the costs, fees and expenses of investing in an investment product.

The selected investment providers who have made cost-sharing arrangements with BWIS include but may not be limited to the following companies:

Selected Providers:

- American National
- CNL Healthcare Properties REIT
- Jackson National Life
- MetLife
- Nationwide Insurance
- New York Life
- Pacific Life
- Principal
- Prudential
- Putnam
- RiverSource
- AIG AnnuitySymetra Financial
- Transamerica
- Western Southern

This list is constantly maintained but subject to change. Requests for the most current list can be obtained by contacting the BWIS Call Center at 800-338-3919.