Exhibit 2.05 Reg. BI Process Flow Chart

Regulation Best Interest (Reg. BI) Process Flow Chart

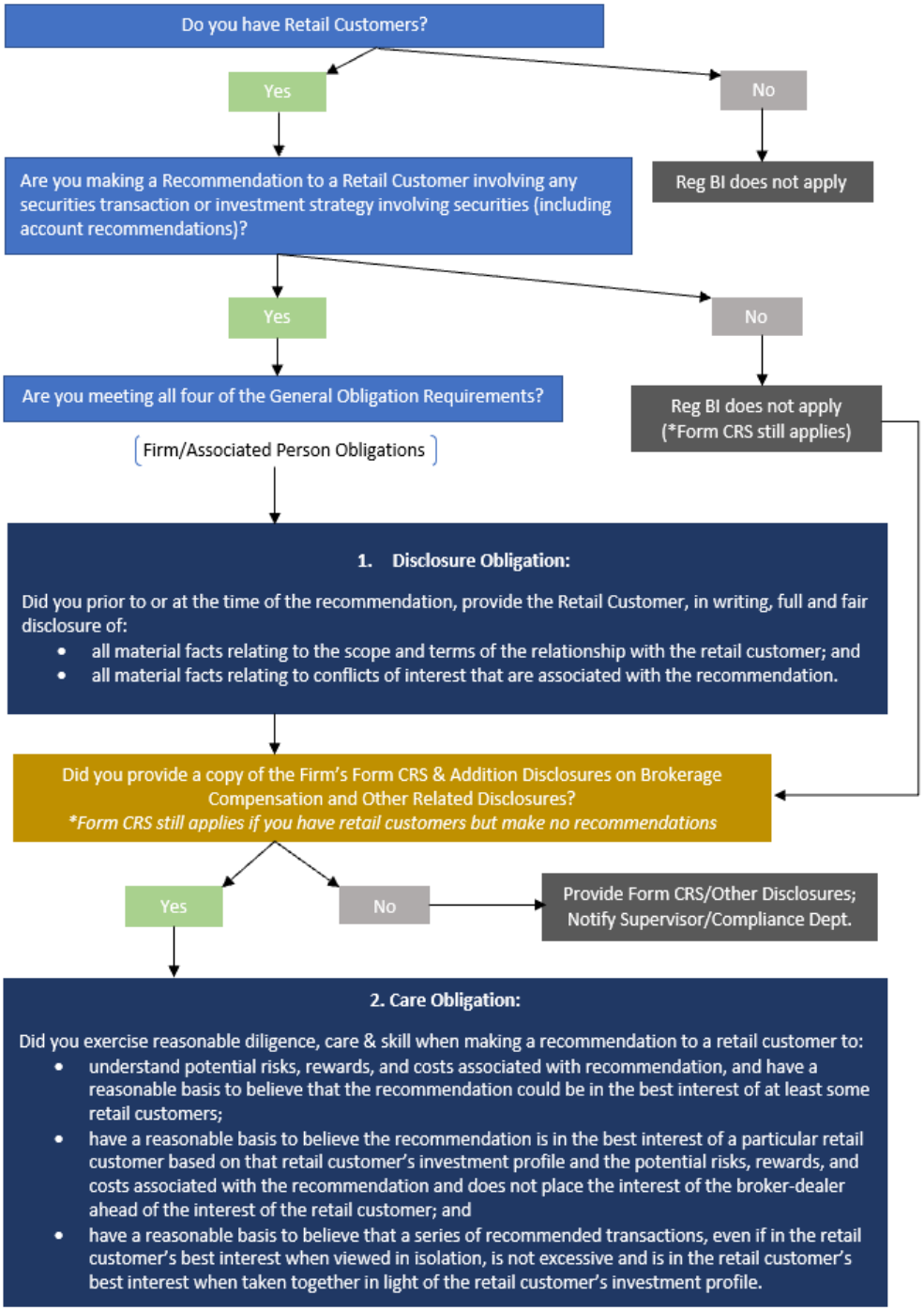

Exhibit 2.05 Reg. BI Process Flow Chart

(Continued)

Are you meeting all four of the Required Obligations?

Firm Only Obligations

3. Conflict of Interest Obligation

Did the firm establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with its recommendations to retail customers that:

- Identify and at a minimum disclose, pursuant to the Disclosure Obligation, or eliminate all conflicts of interest associated with such recommendations;
- Identify and mitigate any conflicts of interest associated with such recommendations that create an incentive to place the interest of the broker-dealer ahead of the retail customer's interest; and
- Identify and disclose any material limitations, such as a limited product menu or offering only proprietary products, placed on the securities or recommended investment strategies to a retail customer and any conflicts of interest associated with such limitations, and prevent such limitations and associated conflicts of interest from causing the broker-dealer or the associated person to place the interest of the broker-dealer or the associated person ahead of the retail customer's interest; and
- Identify and eliminate sales contests, sales quotas, bonuses, and non-cash compensation that are based on the sale of specific securities or specific types of securities within a limited period of time.

4. Compliance Obligation

Did the firm establish, maintain and enforce written policies and procedures reasonably designed to achieve compliance with Regulation Best Interest. In addition to the required policies and procedures, a reasonably designed compliance program generally would also include:

- Controls;
- remediation of non-compliance;
- training; and
- periodic review and testing.

Additional Books and Records Requirements

Did the firm establish, maintain and enforce new record-making and recordkeeping requirements with respect to certain information collected from or provided to retail customers in connection with Regulation Best Interest. This builds upon existing record-making and recordkeeping obligations

- For each retail customer to whom a recommendation of any securities transaction or investment strategy involving securities is or will be provided, you must keep a record of all information collected from and provided to the retail customer pursuant to Regulation Best Interest, as well as the identity of each natural person who is an associated person, if any, responsible for the account.
- You must retain all records of the information collected from or provided to each retail customer for at least six years after the earlier of the date the account was closed or the date on which the information was replaced or updated.