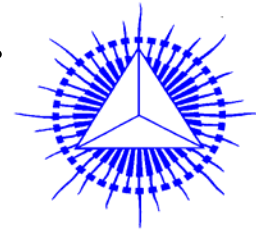


ATLANTIS INVESTMENT CO., INC.



Market Watchdog Congressional Staff Briefing

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The Role of Independent Research in Providing Unbiased Investment Recommendations and The Importance of Soft Dollar Compensation to Independent Research Producers

Summary Points:

- Independent Research Producers provide a unique service to institutional investors, providing unbiased opinions and analysis of public companies.
- The history of the independent research is full of examples of seemingly prescient forecasts that have confounded the better known investment pundits.
- Reasons for the success of Independent Research Producers include Incentives, Objectivity, and Experience.
- Who has access to our work? Although institutional clients pay for it, many investors have benefited through publication of our views.
- Payment is through commissions, but often without the involvement of the Independent Research Producer.
- Competition for commission dollars has created a shrinking pie of available funds to support the investment decisions of institutional investors.
- If commission payments for Independent Research were outlawed, it would no longer be available.
- What better use could be made of commissions?
 - Research should continue to be purchased using commission dollars.
 - Plan sponsors should be required to disclose what portion of commission dollars are used to fund their own purchases of services.
 - Guidelines should limit the use of commissions for services that do not directly contribute to the performance of client portfolios.
 - Practices such as commission payments to consultants who allocate client assets between money managers should be subject to review.
 - “Pay to play” has infected commission budgets, but not in the arena of pure research.