

Compensation and Reimbursement of Expenses to Securities America, Inc. and Representative

Securities America, Inc. (hereafter “Securities America”) and its representatives receive revenue on the products and services you purchase from several sources. These sources include fees and charges you pay and other arrangements we have in place with affiliated and non-affiliated entities including: sales charges; commissions; periodic fees; periodic expenses paid from product assets such as 12b-1 fees from mutual funds and the funds available in variable annuities; financial planning and advisory service fees; a portion of the organization and offering fees and expenses for REITs, limited partnerships and other non-public securities offerings.

Securities America receives compensation from mutual funds and variable product sponsors available to you through our representatives. These payments may include:

- sales charges (sometimes called loads); and
- trailing commissions (including service fees known as 12b-1 payments).

As described below, we may also receive additional payments called revenue sharing payments and/or marketing allowances from certain Product Sponsors under special agreements with those firms. Specific details regarding the Premier Funds and Premier Partners Programs and Non-Publicly Traded Products are set forth below. Other revenue and marketing allowance payment programs involving certain Real Estate Investment Trusts (commonly referred to as REITs) also exist. Representatives of Product Sponsors often referred to as “wholesalers” work with Securities America and its representatives to promote their products. These Product Sponsors are generally granted equal access to our representatives to promote their products. Consistent with rules set out by FINRA, these wholesalers and/or their firms may pay or make contributions to Securities America for training or education of representatives. Product Sponsors may also make payments to Securities America to promote the marketing of their products to clients which includes seminars for clients and potential clients. These firms may also invite representatives to due diligence or continuing education meetings regarding their products. From time to time Securities America may also recognize certain representatives through promotional programs that include attendance at off-site training sessions that may be sponsored or co-sponsored by these Product Sponsors. It is Securities America policy not to promote any fund family or insurance carrier’s products over another based solely on any additional payments or other considerations that might be received from the sale of their products. Representatives are encouraged to make recommendations to clients based on the clients’ needs and objectives; however, receipt of such reimbursements could create a greater incentive by your representative to recommend products that provide such payments. You are encouraged to talk with your representative about any fees or compensation they receive from the sale of investment products.

Representatives may be incented to join and remain affiliated with Securities America through certain Securities America compensation arrangements which could include bonuses, enhanced pay-outs, forgivable loans and/or business transition loans. The receipt of such compensation may be considered to be a conflict of interest.



Securities America may receive reimbursement from its Clearing Firm (National Financial Services, LLC “NFS” or Pershing LLC “Pershing”), for all or a portion of any transfer of asset fees which customers could incur from other clearing providers upon the transfer of accounts to an Securities America account carried by NFS or Pershing. If Securities America receives this type of reimbursement, Securities America may retain all or a portion of such reimbursements or, at its discretion, may pass through all or a portion of such reimbursement to its clients and/or its representatives.

Revenue Sharing Arrangements

Premier Partner Program

The Securities America Premier Partner Program includes certain mutual funds, exchange traded funds, retirement plan sponsors, and variable insurance sponsor firms selected to participate in the program based on several criteria including, but not limited to, brand recognition, product breadth, investment performance, representative training and education and wholesaler support. In exchange for certain benefits, such as an opportunity to participate in our national conference and broader access to our representatives, firms participate in the Premier Partner program by providing our representatives training, education and support and by sharing with Securities America a portion of the revenue generated from the sales of their products or services and/or paying a specified annual dollar amount. Certain product sponsors may also provide for the payment of a marketing allowance to Securities America which may be based upon a percentage of the amount of the sponsor’s product purchased by clients. It is important to understand that none of the payments made by the sponsor firms participating in the program are paid or directed to any representatives who sell the funds or insurance products of these program sponsors. Securities America representatives do not receive a greater amount of compensation for sales of mutual funds or insurance products of those firms from which Securities America receives revenue sharing; therefore, we do not believe that they are subject to a conflict of interest.

Certain other types of reimbursements for expenses directly incurred by our representatives, such as local media advertising or client event related expenses, may be paid through our Rep Reimbursement Process by program sponsors for their marketing and distribution expenditures incurred promoting the sponsor’s products. Receipt of such payments could create a greater incentive by your representative to focus on products of program sponsors that provide such payments.

In all cases, these payments are paid from the participating sponsors own resources and not from client funds or assets.

The following sponsor firms may pay Securities America up to \$300,000 in flat fees (not tied to sales or assets calculations):

American Funds	Nationwide Financial	Vanguard
Ameritas	Powershares	
Mutual of Omaha	Principal Financial Group	



While the revenue sharing arrangements with each participating sponsor firm may vary, the following mutual fund sponsor firms may pay Securities America up to 25 basis points on sales and up to 12 basis points on assets:

Advisors Asset Management	Franklin Templeton	Pacific Life
American Century	Good Harbor	PIMCO
Astor Asset Management	Hartford Mutual Funds	Pioneer Funds
BlackRock	Invesco	Principal Financial
Cedar Capital	Ivy Funds	Prudential
Columbia Threadneedle Management	John Hancock	Putnam Investments
Deutsche Asset Wealth Management	JP Morgan	Wells Fargo
	Lord Abbett	
Meeder	Nationwide Financial	
Fidelity Advisor	Oppenheimer	

While the revenue sharing arrangements with each insurance sponsor may vary, the following insurance sponsors may pay Securities America between 10 and 30 basis points on the gross amount of each sale, up to five basis points on assets, and a flat fee up to \$150,000:

AIG	ForeThought	Pacific Life
Allianz Life	Jackson National	Prudential
American General	Lincoln Financial	Sammons Retirement Solutions
Ameritas	MetLife Investors	Security Benefit Life
AXA Distributors	Nationwide	Transamerica
CUNA	Ohio National	VOYA

Premier Partners Program

Securities America Advisors, Inc. (hereafter "Securities America Advisors") is a SEC registered investment advisor and is an affiliate of Securities America. Securities America Advisors created the Premier Partners Program for independent investment advisors. Investment advisors are selected to participate based on several criteria including, investment strategy, investment performance, transaction reporting capabilities and training and wholesaling support. In exchange for certain benefits, such as an opportunity to participate in the Securities America National Conference and broader access to our representatives, investment advisors in the Premier Partners Program pay to participate in the program by sharing with Securities America Advisors a portion of the revenue generated from the sales of their services and or paying a specified annual dollar amount. It is important to understand that none of the payments made by the firms participating in



the program are paid or directed to any representative who utilizes the services of these investment advisors.

In addition, Securities America Advisors representatives may receive reimbursements, marketing and distribution allowances, due diligence fees, or other compensation based on deposits and/or assets under management directly from third-party asset manager program sponsors for the costs of marketing, distribution, business and client development, educational enhancement, and/or due diligence reviews incurred by Securities America Advisors and/or Securities America Advisors representatives relating to the promotion or sale of the program sponsor’s products or services.

Securities America Advisors Premier Partners pay a flat annual fee between \$10,000 and \$40,000. In addition to a flat fee, Premier Partners pay up to five (5) basis points on sales, up to three (3) basis points on assets, or a percentage (up to 20%) of the Partner’s net advisory fee derived from assets invested through their models.

The current sponsors participating in the Premier Partners Program include:

3D Asset Management	Ladenburg Thalmann Asset Management	Smedley Financial Services
Assetmark, Inc. *		SEI
AMG Funds	Lattice Strategies	
	Loring Ward	Symmetry Partners
CCMG (Clark Capital Management Group, Inc.)	Meeder Financial	Toews Corporation
CLS Investments, LLC	Portfolio Strategies, Inc.	TPFG (The Pacific Financial Group)
Envestnet Asset Management	Potomac Fund Management, Inc. *	Weatherstone Capital Management
Good Harbor Financial, LLC		
ICON Advisors	Redwood Investment Management	

** Does not participate in the Premier Partner Program, but provides a revenue share.*

Non-Publicly Traded Products

Securities America, through its representatives, also offers several non-publicly traded products, including, but not limited to non-listed real estate investment trusts (“REITS”), limited partnerships (“LPs”), and 1031 exchange programs; hedge fund or funds; managed futures; tax credit programs; oil and gas programs; venture capital funds; and private equity funds. Securities America conducts or causes to be conducted a due diligence analysis of these products prior to making them available to the public through its representatives. Such due diligence is not a guarantee or assurance the products will not lose their value and you should read any offering document or prospectus for such products carefully as they describe the risk associated with such investments. In addition to receiving commissions on the sale of these products, Securities America may receive due diligence and/or marketing allowance payments from certain sponsors. While the arrangements with each sponsor may vary, each product sponsor may pay a due diligence or marketing allowance fee based upon the amount of assets held at the sponsor or on the gross amount of each sale, depending on the product. In certain cases, these additional



payments are paid or directed to representatives who sell these products. This may create a conflict of interest based on the amount of compensation each representative receives when recommending one non-publicly traded product over another.

The current sponsors participating include:

CION	Hines Securities, Inc.	SC Distributors
CNL Securities Corp.	Inland Real Estate Investment Corporation	Walton International
Crystal Capital Partners, LLC	Northstar	
Dividend Capital	Realty Capital Securities, LLC	
Griffin Capital	Resource Real Estate, Inc.	

Income Distribution Partner Program

We created the Income Distribution Partner program for certain third party money managers, variable products, mutual fund and fixed insurance product sponsors. These Product Sponsors are selected to participate based on several criteria including brand recognition, product breadth, investment performance, training and wholesaling support. In exchange for certain benefits, such as broader access to Securities America representatives, sponsors participating in the Income Distribution Partners program are required to pay Securities America for participation. The Securities America income distribution planning desk is available to assist with the development of distribution plans for clients. The income distribution plans use suitable products available from both the Income Distribution Sponsor Partners and products on the Securities America Approved Product list. Advisors using the planning services are not required to use the products included in the proposal and do not receive a greater or lesser commission for utilizing these products. The marketing educational and distribution activities paid for with revenue sharing, however, could lead our representatives to focus more on those products that make revenue sharing payments to Securities America, as opposed to sponsors that do not make such payments.

The current Income Distribution Partner Program Participants include:

Mutual Fund Partners:

Ivy Funds	Nationwide	Pacific Life
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Variable Annuity Partners:

AIG Financial Distributors	Lincoln Financial	Transamerica
Allianz	Nationwide	
CUNA	Pacific Life	

Third Party Money Manager Partners:

3D Asset Management	Smedley Financial Services	Ladenburg Thalmann Asset Management
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Insurance Marketing Organization (IMO) Partners:

Highland

Due Diligence and Product Administration Expenses

Consistent with prudent product approval practices Securities America may require that an independent third party conduct a thorough review of a product sponsor, investment company, investment advisor, or one of their products or services prior to making the product or service available for solicitation to the general public by representatives. Securities America may incur costs in connection with the analysis provided by the due diligence analyst. Securities America may in turn require that the investment company or investment advisor reimburse Securities America for such expenses. In addition, Securities America may at its discretion require investment companies and investment advisors to pay annual fees to reimburse Securities America for ongoing due diligence and product administration expenses.

Revenue Sharing and Referral Arrangements with our Clearing Firms

Securities America receives various forms of revenue from NFS and Pershing based upon client activity, as well as the amount of assets custodied with these firms. In general, these revenue sources include, but are not limited to, a percentage or portion of fees and transaction charges collected by the clearing firms and shared with Securities America, which may include ticket charges, margin interest charges, IRA fees, inactivity fees, and other fees set forth in the Schedule of Client Fees and Charges and money market fund 12b-1 trails. Securities America may also participate in revenue sharing arrangements based on fees charged by no transaction fee (NTF) funds which are available on the NFS or Pershing platform.

Securities America has a referral arrangement with NFS, whereby Securities America may receive business credits or other compensation from NFS based on the amount of Securities America client assets currently custodied by NFS which may be transferred to the advisory platform maintained by Fidelity Institutional Wealth Services Group (IWS), a division of NFS' affiliated company Fidelity Brokerage Services, LLC, by representatives, as well as representatives who may terminate their registration with Securities America and FINRA and conduct business as an investment advisor representative of an independent registered investment advisor (IRIA). Securities America may recommend the IWS advisory platform and provide ongoing service and support to IRIAs representatives of Securities America. IRIAs are under no obligation to transfer client assets to IWS and do not receive any additional compensation or remuneration for selecting IWS. Similarly, clients do not incur any additional fees or expenses as a result of payments of business credits or compensation by NFS to Securities America.

Other Revenue Sharing

Revenue may be shared from transactions in fixed income, structured products and unit investment trusts (UITs). Based on the spread of a fixed income transaction both Advisors Asset Management (AAM) and Ladenburg Fixed Income (LFI), an affiliated company, will share a dealer concession that can float with the type of bond and maturity. Currently only AAM conducts structured products business and shares some revenue based on sales levels reached. Both AAM and LFI provide a revenue share component with UITs.



Nationwide Smart Credit is a collateralized loan product which may provide a revenue share with Securities America, none of which is paid to our representatives.

Fixed Insurance

Securities America is a licensed insurance agency and may receive commissions in connection with the sale of fixed insurance products by representatives who are licensed to sell fixed insurance products. Securities America, in addition to receiving commissions on the sale of these insurance products, receives payments from certain insurance sponsors for marketing, training, and distribution support. None of these additional payments, however, are paid or directed to any representative/insurance agent who sells these products. In addition, Securities America representatives/insurance agents do not receive a greater or lesser commission for sales of these insurance products from which Securities America receives revenue sharing payments. The marketing, educational, and distribution activities paid for with revenue sharing, however, could lead our representatives/insurance agents to focus more on those insurance products that make revenue sharing payments to Securities America – as opposed to insurance sponsors that do not make such payments – when recommending insurance products to their clients.