



*Woodbury Financial Services, Inc.
Guide to Investing*

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I. Who We Are

Woodbury Financial Services, Inc., (“Woodbury Financial”) is a broker/dealer registered with the Securities and Exchange Commission (“SEC”) in all 50 states and several U.S. territories. It is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Woodbury Financial is also an SEC registered investment adviser and state insurance agency. Woodbury Financial provides financial services to the public, including the sale of securities and insurance products, through a network of independent registered representatives, who are generally licensed as insurance agents and may also be investment adviser representatives. Through our registered representatives and investment advisory representatives, customers may purchase securities, insurance products, and financial planning services offered by many different companies, including affiliated and non-affiliated companies.

Woodbury Financial is not a bank or credit union. The financial products and services Woodbury Financial offers are not insured by the Federal Deposit Insurance Corporation, any federal government agency or the National Credit Union Association. Securities and certain insurance products obtained through Woodbury Financial will fluctuate in value and involve risks, including possible loss of the entire investment amount.

Your Woodbury Financial registered representative may offer some or all of the following products and services through Woodbury Financial:

Mutual Funds	Unit Investment Trusts
529 College Savings Plans	Alternative Investments
Annuities (variable, indexed and fixed)	Retirement Planning Products
General Securities (stocks, bonds, ETFs, options, etc.)	Investment Advisory Services
Life Insurance (variable, universal, whole and term)	Other investment products

Woodbury does not, as a practice, offer bearer bonds, many types of private placements or life settlements. Additionally, Woodbury does not offer unregistered investor notes, which are frequently used in Ponzi or similar fraudulent schemes.

For all transactions conducted with your Woodbury Financial representative, you will receive a confirmation from either the third party product company or Woodbury’s clearing firm, Pershing LLC. If you do not receive this confirmation, contact Woodbury’s Operations Service Center by calling 866-964-0602.

For more details regarding these types of schemes, visit the following sites:

FINRA – <http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/FraudsAndScams/P118010>

FBI – <http://www.fbi.gov/majcases/fraud/fraudschemes.htm>

Your registered representative may also offer some or all of the following products and services (list is not all inclusive) using a business name other than Woodbury Financial:

Accounting	Long-term care insurance
Traditional life insurance policies	Fixed income annuities
Tax preparation	Legal advice
Health insurance	Estate planning
Disability insurance	

These products and services are not offered through or directly supervised by Woodbury Financial and are generally not subject to direct oversight by securities regulators. Woodbury Financial cannot be held responsible for anything relating to these products or services.

Woodbury Financial is a separately incorporated subsidiary and affiliate of AIG Advisor Group, Inc., which in turn is a subsidiary and affiliate of SunAmerica Financial Group (“SunAmerica”), which is wholly-owned by American International Group, Inc. (“AIG”). Our affiliated companies generally have greater access to our registered representatives to provide training, marketing and product support, and educational presentations, including the presence of affiliated products personnel at our home office.

II. Our Commitment

With regard to all sales, Woodbury Financial and its registered representatives are committed to helping customers choose suitable financial products and services designed to meet their individual needs and goals. Honesty, integrity, and fairness are at the center of our culture and values. To best serve you, Woodbury Financial requires its registered representatives to adhere to a variety of rules regarding their dealing with our customers. Woodbury Financial specifically prohibits registered representatives from borrowing money from customers, accepting cash from customers, accepting customer checks payable to the registered representative or his/her business name, acting as a trustee for a client's trust account or guaranteeing profits or the price or performance of a security. Woodbury Financial also confirms customer information, including investment objectives, to customers within 30 days of a new account opening, and we thank you for taking the time to carefully review that information. Woodbury Financial also encourages our customers to carefully review their account statements and other information to ensure we continue to properly serve your needs.

Securities and insurance products can be very complicated. Woodbury Financial expects its registered representatives to fully explain all investments to you, and we encourage you to take the time to ask questions to ensure you fully understand a product or transaction before buying. In addition, there are a variety of educational resources available on-line to help you better understand the financial services industry. You can obtain information at: www.sec.gov, www.finra.org, www.nasaa.org, and at your state securities commission website, among others.

For specific information on any of these issues, contact the Woodbury Financial Compliance Department at (866) 964-0602.

III. Types of Relationships with Customers

As discussed above, Woodbury Financial offers customers a variety of ways to engage in a financial services relationship. Customers may have an advisory or transactional relationship with their Woodbury Financial registered representatives. The type of relationship may change over time, depending on the needs of the customer.

Advisory Relationships

Customers who desire an advisory relationship will receive Woodbury Financial's Form ADV Part 2A brochure and/or Wrap Appendix from their investment adviser representative describing in detail the advisory services and fees offered by Woodbury Financial. In addition to Woodbury's disclosure document your investment adviser representative will provide you with his/her Form ADV Part 2B brochure which provides information specific to him/her. Unless you enter into a written agreement with Woodbury Financial for investment advisory services, neither Woodbury Financial nor its registered representatives will be acting as an investment adviser with respect to your account(s)

Financial Planning and Related Advisory Services – For customers who desire a financial planning relationship, Woodbury Financial offers programs for a renewable fee or a one-time advisory fee, under which the customer may receive financial analysis and advice on a wide variety of topics. Woodbury Financial registered representatives who are affiliated as investment advisory representatives may offer a full range of financial advice services, from comprehensive financial planning to single issue consulting.

Use of Financial Planning Tools

Woodbury Financial registered representatives may utilize financial planning software and life insurance illustration tools to assist you in exploring hypothetical product-specific outcomes. Unless you have entered into an advisory relationship with your registered representative, the output from these tools does not constitute a financial plan and should not be considered by you to be comprehensive financial planning. Rather, such tools can aid you and your representative in determining whether a specific product is appropriate for you. The delivery alone of such output to you does not create an investment advisory or fiduciary relationship between you and Woodbury Financial or your Woodbury Financial registered representative.

Your Woodbury Financial registered representative may provide examples to help illustrate various product choices, based on certain assumptions detailed in the analysis. The accuracy of data provided by you will help ensure the value of this analysis. Accordingly, it is essential that you provide your registered representative accurate and comprehensive information. The calculations in these reports are only estimates and the rates of return are hypothetical and are not a guarantee of the future performance of any asset, including insurance or other financial products. The presentations do

not attempt to illustrate the precise legal, tax, accounting, or investment consequences of a particular planning alternative. Actual results may vary substantially from the figures shown. Unless otherwise indicated, the income, estate, gift, and generational skipping transfer tax implications of particular transactions are not reflected in the analysis.

Your own legal and tax adviser should be consulted before you make any insurance, estate or business planning decisions (changes in title to any assets or beneficiary designations) to determine (1) the suitability of a particular alternative, and (2) the precise legal, tax, investment, and accounting consequences of that alternative. Neither Woodbury Financial, nor its registered representatives provide legal, tax, or accounting advice and any oral or written communications should not be construed as such.

Wrap Fee Account – Woodbury Financial acts as the sponsor for an adviser “wrap-fee” product known as the Woodbury Financial Custom Allocation Program® (CAP®) or Advisory Choice Trading (ACT). CAP and ACT customers receive advice and brokerage trade execution services for one all-inclusive advisory fee. Advice normally includes, but is not limited to: risk tolerance and investment objective profiling, asset allocation modeling, security review and periodic updates.

Third-Party Asset Manager Programs – Woodbury has selling agreements with other SEC registered investment advisers that offer professional money management, tax sensitive trading platforms, and unified and separately managed accounts.

Transactional Relationships

For customers who do not desire to receive investment advisory services, Woodbury Financial offers a wide array of financial products, some of which are described within this *Guide to Investing*. In addition, customers who receive advisory services may, over time, decide to forego such services and may move to a transaction-based relationship with their registered representative.

If you enter into a solely transactional, non-advisory relationship with your registered representative and Woodbury Financial, your registered representative will not owe you a fiduciary duty with respect to your account or your transactions. Specifically:

1. Your registered representative is not providing ongoing advice or review of a financial plan.
2. The account(s) you are establishing are created as broker/dealer transaction or commission-based accounts and not investment advisory accounts.
3. The legal responsibility of your registered representative differs from the legal responsibility owed to you if you enter into an investment advisory relationship.
4. You can contact Woodbury’s Advisory Services Department by calling (866) 964-0602 to discuss any questions that you have concerning the different duties of a broker/dealer transaction-based relationship and an investment adviser relationship.

In determining what type of relationship you desire to have with your Woodbury Financial registered representative, you may want to consider the following chart, which shows some of the differences between the responsibilities of a transaction-based relationship and an advisory relationship.

Common Differences between Advisory and Transactional Relationships (not all-inclusive):

Transaction-based Relationship	Advisory Relationship
Legal standard = Duty of Fair Dealing	Legal standard = Fiduciary Duty
Must conduct business according to high standards of commercial honor and just and equitable principles of trade	Owes the client the duty of utmost good faith, integrity, and loyalty
Must disclose all material information in connection with an investment decision	Must make full and complete disclosure, including disclosure of all conflicts of interest
Must give equal consideration to the interest of the client and the interests of the representative	Must place the client’s interest above the advisor’s own personal interest
Must make suitable recommendations	Must act for the client’s benefit

Brokerage Accounts & Woodbury's Business Relationship with Pershing LLC

Woodbury Financial utilizes Pershing LLC ("Pershing"), a subsidiary of The Bank of New York Mellon Corporation, to provide trade execution and clearance services for a segment of our business. Products and services available through Pershing within the brokerage platform include, but are not limited to, stocks, bonds, exchange traded funds (ETFs), options, mutual funds, UITs, annuities and various cash management services.

Similar to advisory relationships versus transactional relationships, a Woodbury Financial registered representative can elect to conduct certain types of business either in a brokerage account ("brokerage") which can support a diverse portfolio of holdings and products within one singular account registration, or may opt to conduct directly-held ("direct") business at the product sponsor (or an assortment of product sponsors). Woodbury representatives may need additional licensure and approval to perform certain types of transactions within a brokerage account, yet all offerings must be from Woodbury Financial's approved selling agreement list regardless of the decision to utilize the brokerage or direct platform.

Brokerage accounts, though offering benefits such as consolidation of accounts, statements, and tax documents, may entail charges that are either:

- paid directly by the customer via a commission charged to the account for transactions; or,
- paid directly by the customer for administrative and maintenance purposes; or,
- assigned to and absorbed solely by the representative

Registered Representatives have the ability, within a range, to set the commission rates and ticket charges that are assessed to customers for various transaction execution services related to products purchased within a brokerage account. The amount of the commission charged can vary by registered representative and can generally be found on the confirmation received in connection with the transaction. Please review the Client Brokerage Account Fee Schedule (#103073) carefully and speak with your registered representative concerning such commissions or charges that could be applicable to your brokerage account.

To offset a portion of the expense Woodbury Financial incurs in establishing new and maintaining existing customer accounts – such as electronic access to client account information, books & records preparation and delivery charges, and internal and/or field infrastructure to support the brokerage platform – Pershing does provide Woodbury Financial monies based on particular assets, account values, and transactions performed through Pershing. These revenues are retained by Woodbury Financial and are not shared directly with your registered representative though such revenues do help offset expenses thereby creating a lower expense structure for your registered representative.

Additionally, as a result of the amount of business with Pershing, Woodbury Financial receives a credit of \$2.50 for each annual custodial fee collected from clients where Pershing is the custodian for IRAs and Roth IRAs. Woodbury does not elect to invoke any type of additional mark-up on such custodial charges, and there is no additional cost to the customer as a result of our decision and agreement with Pershing to accept such rendered credit. Finally, Woodbury may, at its discretion, pass on surcharges to the client or, in some cases, the representative, for items such as requests for home office assistance in processing trades, requests for disbursements by check or wire, overnight delivery charges, and/or account termination fees. Specific customer charges for various services related to a brokerage account are outlined in detail on the Client Brokerage Account Fee Schedule.

IV. Products

Woodbury Financial offers a number of investment products through its registered representatives, some of which are described in more detail below. With any investment product, there are a number of factors you should understand before making a purchase.

These include:

- the financial goals that you seek through an investment in the product;
- the risks of the particular investment product and how those risks relate to your goals;
- the relative costs versus benefits associated with the investment product, as investment product costs affect long-term investment performance and, in general, additional benefits have additional costs; and
- how Woodbury Financial and your registered representative are compensated on the investment product.

Your Woodbury Financial registered representative can help you to explore these inter-related considerations to determine the right product for you. With respect to any financial product, it is important that you read and understand the prospectus and other disclosure documents distributed by the product manufacturer or distributor.

The information set forth below is a summary only and cannot replace the more comprehensive information found in a product prospectus. Woodbury Financial reserves the right to reject any order upon its sole discretion.

Annuities

An annuity is an insurance contract between you and an insurance company, under which the insurance company agrees to make periodic payments to you, beginning either immediately or at some future date. You may purchase an annuity contract by either a single payment or by multiple, ongoing payments. Annuities are long-term investments that are designed to meet retirement and other long-range goals. They may also be purchased to provide an immediate or deferred income stream upon annuitization.

Annuities are insurance products; however, they are primarily investments with some insurance guarantees. One reason investors purchase annuities is that gains generally are deferred for tax purposes until funds are distributed to the investor.

Types of Annuities

There are three basic types of annuities: fixed, indexed and variable.

Fixed annuities guarantee a fixed rate of return for a specified period of time. It is generally designed to provide guaranteed level payments for a specified period of the annuitant's lifetime.

Equity indexed annuities ("EIAs"), sometimes referred to as Fixed Indexed Annuities ("FIAs"), have characteristics of both fixed and variable annuities. Their return varies more than a fixed annuity, but not as much as a variable annuity. Generally, EIAs may have more risk (but more potential return) than a fixed annuity but less risk (and less potential return) than a variable annuity. EIAs offer a minimum guaranteed interest rate combined with an interest rate linked to a market index.

EIAs also have the potential to earn returns better than traditional fixed annuities when the stock market is rising. Most EIAs are not registered products; therefore, they do not have a prospectus. Investors should receive and read carefully the Statement of Additional Information that is published by the EIA product manufacturer prior to investing.

A **variable annuity** combines many of the characteristics of mutual funds with the tax-deferred and life insurance aspects of other annuity products, such as a guaranteed minimum death benefit regardless of the current value of the account. Benefits may vary within retirement accounts. A variable annuity may be invested in an array of investments as described in the prospectus issued by the insurance company. Each variable annuity may offer a variety of sub-accounts that invest in stocks, bonds, money market instruments, or some combination of the three depending on the objectives and managers that may be utilized individually or in combination.

It is important to understand that the investments within a variable annuity can lose value, just like a mutual fund. The value of your investment as a variable annuity owner will vary depending on the performance of the investment options you choose and may go down over time. The promised income stream on any annuity product is only as good as the insurance company's ability to pay. Consequently, careful research is required before purchase.

Variable annuities differ from mutual funds in several important ways:

- Variable annuities allow you to receive periodic payments for a specified period of time, or the rest of your life, or the life of your designated annuitant or beneficiary. This feature offers some protection against the possibility that, after you retire, you will outlive your assets.
- Some variable annuities have a death benefit feature that is not available with mutual funds. If you die before the insurance company starts making payments to you, your beneficiary may receive a specified amount typically at least the amount of your purchase payments.
- Variable annuities are tax deferred. This means that you pay no taxes on the investment gains from your annuity until you withdraw your money. You may also transfer your money from one investment option to another within a variable annuity without paying tax at the time of the transfer. You should check the variable annuity prospectus for any transfer restrictions.
- Variable annuities have higher charges than mutual funds. You will pay for each benefit provided by a variable annuity. Be sure you understand these charges as they may reduce the value of your account and the return on your investment.

Variable annuities offer a wide array of potentially complex benefits and investment choices. Carefully consider the investment objectives, risks, charges and expenses of a variable annuity and its underlying funds before investing. The variable annuity prospectus is available from your registered representative and provides detailed information on all of the sub-account investment choices within the variable annuity. We encourage you to read it carefully in order to understand the benefits and risks of variable annuities before investing.

You should also consider visiting the SEC's educational website on variable annuities at:

<http://www.sec.gov/investor/pubs/varaquestions.htm>

<http://www.sec.gov/investor/pubs/sec-guide-to-variable-annuities.pdf>

FINRA's variable annuity website at:

<http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/AnnuitiesAndInsurance/p005976>

<http://www.finra.org/RulesRegulation/IssueCenter/VariableAnnuities/index.htm>

Variable annuities issued by insurance companies are long-term investment alternatives. Withdrawals of taxable amounts are subject to income tax and, if made prior to age 59 ½, may be subject to a 10% federal tax penalty. Because earnings within variable annuities are generally not taxed until withdrawal, investors must focus their investment decision on factors exclusive of tax deferral benefits when considering an individual retirement account or other tax-deferred account. Accordingly, you should weigh the total expenses of placing a variable annuity within a tax deferred account against other benefits that may be obtained in an alternate product.

An investment in variable annuities involves risk, including possible loss of principal. Upon redemption, variable annuity contracts may be worth more or less than the original investment.

Annuity Compensation

When you purchase an annuity through your Woodbury Financial Services representative, Woodbury Financial is compensated by commissions from the insurance company issuing your annuity contract. These commissions received from the issuing insurance company are advances from future annual fees to be paid by the investor. Subsequently, your registered representative receives a significant percentage of the annuity commissions.

The annuity contract usually includes a contingent deferred sales (surrender) charge (“CDSC”), which declines over time, to pay the insurance company for the advance of commissions and other front-end costs if the investor cancels during the surrender charge period.

Sample CDSC Schedule

Years Since Purchase	Contingent Deferred Sales Charge (CDSC)
0-1	8%
2	8%
3	8%
4	8%
5	7%
6	6%
7	5%
8	4%
9+	0%

Annual fees for annuities are usually higher than those charged by mutual funds with similar objectives. This is to pay for the insurance benefit and other potential guarantees, sub-account investment management and higher commissions. Mutual funds do not offer an insurance benefit or, generally, similar guarantees. Investors should compare both cost structures in conjunction with individual tax considerations before investing.

Commission schedules and amounts vary by insurance company and annuity product. What, and how, Woodbury Financial and your registered representative are compensated when you purchase a variable annuity depends on the type of annuity you purchase and the insurance company issuing the annuity. In addition to the payments described above, insurance companies and/or distributors will periodically reimburse Woodbury Financial for expenses incurred in connection with certain training and education meetings, conferences and seminars. Additionally, Woodbury Financial registered representatives may receive promotional items, meals or entertainment, or other similar “non-cash” compensation from representatives of the insurance companies.

Regarding early distributions from qualified retirement plans pursuant to IRC Section 72(t)

Internal Revenue Code Section 72(t) ("Section 72(t)") allows, under certain limited circumstances, distributions prior to age 59½ from a qualified retirement plan subject to payment of ordinary income taxes but without incurring a 10% federal tax penalty for premature distributions.

The rules regarding such distributions are complex, and such distributions should not be pursued without advice from a tax adviser. In addition, taking Section 72(t) distributions in order to reinvest the funds withdrawn may subject your retirement savings to increased risk due to fluctuating market conditions, which may result in the loss of some or all of your retirement savings. Moreover, the overall returns you receive from any reinvestment of Section 72(t) may be reduced by various fees and expenses associated with the purchase and ongoing administration of your subsequent investments. In addition, if you establish a schedule for distributions through a series of "substantially equal periodic payments" under Section 72(t), such a schedule of distributions may lead to the early depleting of your retirement savings, and any subsequent modification or discontinuation of the scheduled distributions may be subject to the 10% federal tax penalty plus interest.

Finally, you should understand that there have been instances in which investors have invested their 72(t) distributions from pension plans or other retirement vehicles, only to see the value of their investments fall dramatically during market corrections. Thus, you should carefully consider all of the implications before taking 72(t) distributions and reinvesting them, particularly reinvesting them in illiquid investments. For more information about Section 72(t), you may wish to visit the following links to material provided by the Internal Revenue Service ("IRS") and FINRA.

Internal Revenue Service's list of Frequently Asked 72(t) Questions:

http://www.irs.gov/retirement/article/0,,id=103045_00.html

FINRA Investor Alert: <http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/RetirementAccounts/P017365>

Life Insurance

A life insurance policy allows you to set aside money now to provide a measure of financial security for a variety of circumstances upon your death, including providing for family members or business partners. It can help meet financial needs previously covered by your income. If you decide to buy an insurance policy, your Woodbury Financial registered representative can help you determine how much protection you need and can afford, and what kind of insurance policy to buy. With some life insurance policies, you can build up a cash accumulation value to use as income after you retire. The main purpose of a life insurance policy, however, is to provide survivor benefits for beneficiaries, such as family members or creditors, after your death.

Types of Life Insurance

You have a choice of two types of life insurance, term and permanent, each of which can have several varieties or features as described below.

Term Insurance

- Generally provides more life insurance coverage for your premium dollar in the early years.
- Pays benefits only if the insured dies during the coverage period.
- Does not usually accumulate cash value.
- Is suitable for large amounts of coverage for specific periods (i.e., one, five, 10 or 20 years, etc.) or to age 60 or 65.
- Coverage ends after the term specified by your policy, unless it is renewable. Such a provision allows you to renew your policy without providing evidence of insurability, such as passing a physical exam. However, your premiums will increase as you age.
- Policy may be convertible. This means you can exchange the policy for a permanent life insurance policy without providing evidence of good health. Although the premium for the permanent life insurance policy will initially be higher, it will remain the same for the rest of your life.

Permanent Insurance - Whole Life Insurance

- Provides a fixed amount of life insurance coverage and a fixed premium amount.
- Benefits are payable upon the death of the insured or on the maturity date, often the policyholder's 100th birthday.
- The policy face amount is locked in after purchase.
- Coverage can increase only with the purchase of an additional policy, or, if available, through additional riders or dividends.
- The cash value accumulates from premiums paid and increases over the years. The earnings (for tax purposes) include only the amount accumulated in excess of the premiums paid. You may owe taxes on such earnings if you surrender the policy. In most cases, you will not owe taxes on the earnings if you do not surrender the policy. Check with your tax adviser.

- Policies with cash values include provisions that allow you to take out loans on your policy for up to the amount of the cash surrender value. The loans accumulate with interest, but repayment is not required prior to death.
- If you die and the loan has not been repaid, the insurance company deducts the owed amount, plus interest, from the death proceeds payable to your beneficiary.
- Each whole life policy contains a table that shows you how much cash value it accumulates. These policies provide larger values the longer you keep them. If you cancel your policy, you can receive its cash value in a lump sum.
- If you surrender your policy during its early years (for example, during its first or second year), you might receive much less than, or none of, what you paid into the policy. Read your policy carefully.

Permanent Insurance - Universal Life

- You can adjust the death benefit, or "face amount," of your insurance to meet changing needs.
- You can increase or decrease the death benefit after buying the original policy. You may have to provide evidence of insurability, such as a physical exam.
- You can decide, within policy guidelines, on the amount of premiums and the schedule of payments. There may be limits on premiums because of tax laws. Check with your tax adviser.
- You may select a policy that is interest sensitive or one that has a guaranteed rate.
- A combination of low interest rates and the rising cost of insurance could result in the future elimination of your policy's death benefit and cash value. Make sure you review your policy for specific information on this subject. Also, be sure you understand which cash values are guaranteed and which are not.
- As you get older, the cost of insurance rises. Therefore, if returns do not meet projections, your premium payments may need to increase to keep the policy in force. Refer to the guaranteed section of your policy.

Permanent Insurance - Variable Universal Life

- These policies allow for limited control over the investment of the policy's cash value.
- You can adjust the death benefit, or "face amount," of your insurance to meet changing needs.
- You can increase or decrease the death benefit after buying the original policy. You may have to provide evidence of insurability, such as a physical exam.
- You can decide, within policy guidelines, on the amount of premiums and the schedule of payments. There may be limits on premiums because of tax laws. Check with your tax adviser.
- The policy benefits and cash values fluctuate according to the performance of the investment account. Thus, you assume both the benefits of high-paying investments and the risks of negative investment performance.
- Since there are no guarantees, you could lose your entire investment.
- Some policies have optional guarantees available for an additional charge. Discuss with your registered representative policies for which guarantees may be available.

Variable universal life insurance policies offer a wide array of potentially complex benefits and investment choices. Carefully consider the investment objectives, risks, and charges and expenses of a variable life policy and its underlying funds before investing.

Each variable life insurance prospectus provides detailed information on all of the subaccount investment choices within the variable life insurance product. We encourage you to read it carefully in order to understand the benefits and risks of variable life insurance policies. The prospectus is available from your registered representative. Read this document carefully before investing to ensure understanding of the benefits and risks of a variable life insurance policy.

You should also consider visiting the SEC's question and answer website on variable life insurance policies at:

<http://www.sec.gov/investor/pubs/varaquestions.htm>

FINRA's variable insurance question and answer website at:

<http://www.finra.org/RulesRegulation/IssueCenter/VariableAnnuities/index.htm>

Risks of Purchasing Variable Life Insurance Policies

Variable life insurance policies issued by insurance companies are designed for insurance purposes. Variable life insurance products are not insured by the FDIC; are not insured by any federal agency; are not guaranteed by, or obligations or deposits of any bank or any affiliate, or credit unions; and are subject to investment risk, including possible loss of principal amount invested.

Premiums paid into variable life insurance policy sub-accounts involve risk, including possible loss of principal. Past performance of a variable life insurance policy is not a guarantee of future results. Underperformance of the

sub-accounts in the policy may cause the policy to lapse. All guarantees, including the death benefit guarantee of a variable life policy, are based on the claims-paying ability of the issuing company. The guarantee does not apply to the investment choices.

Loans and withdrawals from a variable life insurance policy will reduce the policy's account value and death benefit. Depending upon the performance of the investment options, the account value available for loans and withdrawals may be worth more or less than the original amount invested in the policy. There may be penalties and fees associated with the use of loans and withdrawals.

Variable and Non-Variable Life Insurance Compensation

Woodbury Financial registered representatives sell all variable life insurance policies through Woodbury Financial's agency. In addition, some non-variable insurance policies are also sold through Woodbury Financial. In cases in which the insurance policy is sold through Woodbury Financial, the company is compensated by commissions from the insurance company issuing your policy, which commissions the insurance company advances from future annual fees to be paid by the investor. Your registered representative receives a significant percentage of the commissions. Life insurance policies often include a contingent deferred sales (surrender) charge, which declines over time, to pay the insurance company for the advance of commissions and other front-end costs if the investor cancels during the surrender charge period. These charges can be substantial. Therefore, investors should select variable life insurance policies with a number of different investment options to avoid a surrender charge if their investment objectives or risk tolerances change.

Annual investment fund management fees and expenses charged by variable life insurance policies are generally similar to or lower than those charged by mutual funds with similar objectives. However, variable life insurance policies have additional fees and expenses not found in mutual funds. These additional fees and expenses pay for the life insurance death benefit, administrative costs associated with servicing the policy and compensation paid to the registered representative. These expenses have a significant impact upon policy account values. In addition, many variable life insurance policies will assess a surrender charge if you surrender your policy during the surrender charge period, which can be substantial. Therefore, investors should select variable life insurance policies with a number of different investment options to avoid a surrender charge if their investment objectives or risk tolerances change.

Commission schedules and amounts vary by insurance company and insurance product. What, and how, Woodbury Financial and your registered representative are compensated when you purchase an insurance policy depends on the type of policy you purchase and the insurance company issuing the policy.

In addition to the payments described above, insurance companies and/or distributors will periodically reimburse Woodbury Financial for expenses incurred in connection with certain training and education meetings, conferences and seminars. Additionally, Woodbury Financial registered representatives may receive promotional items, meals or entertainment, or other similar "non-cash" compensation from representatives of the insurance companies.

Outstanding life insurance policy loan issues

Any loans taken may negatively impact the objective, performance and value of the policy. An outstanding policy loan is considered part of the policy's cash value. It will be part of any reportable gain from your policy's cash value if the policy is surrendered. This is true even if a 1035 exchange is done in most circumstances. The policy loan, in most instances, is treated as a separate distribution, taxable to the extent of gain on the contract at the time of the 1035 exchange. Speak with your tax adviser for more details.

Mutual Funds

Working with some of the most prominent mutual fund families, Woodbury Financial offers a wide variety of mutual funds. Our registered representatives can access these funds to various investment objectives and sectors, including: emerging growth, international equity, domestic growth and income, government bonds, and real estate, just to name a few.

A mutual fund pools investments from many investors in a single portfolio under professional management. To

manage risk, the investment manager diversifies the fund's investments according to the fund's investment objective. Funds can invest in a variety of investments, including domestic or international stocks, bonds, money market instruments, other mutual funds, or any combination. Individual investors own shares of the fund, while the fund or investment company owns the underlying investments chosen by the investment manager.

Risks of Investing in Mutual Funds

All investments carry some risk, and mutual funds are no exception. Depending on the type of fund, the risks may include market risk, interest rate risk, and credit risk. Among other things, the prospectus contains information about the risks associated with the particular fund. Investors that purchase mutual funds must make certain choices, including which funds to purchase and which class share is most advantageous. Each mutual fund has a specified investment strategy. Furthermore, investors should carefully consider whether the mutual fund's investment strategy is compatible with their investment objectives. Carefully read the prospectus and discuss your investment goals, objectives, and risk tolerances with your registered representative before investing in any fund.

Costs of Investing in Mutual Funds

A fund's prospectus includes a fee table listing the charges you pay, including sales charges and annual operating expenses. You can pay these charges in a variety of ways, depending on the share class you choose.

Mutual Fund Operating Expenses

Many of the costs associated with running a mutual fund are operating expenses. Fund operating expenses are deducted from the fund's assets. Included in fund operating expenses are management fees, distribution fees, shareholder mailings and other expenses. Management fees are paid to the fund's investment adviser. One type of operating expense is called a "12b-1 fee."

Named after an SEC Rule, 12b-1 fees are intended to cover the costs of marketing and distributing the fund to investors. Like sales charges (discussed below), 12b-1 fees can be used to compensate a broker or other investment professional. Operating expenses are not paid directly as a fee, but they are deducted, generally annually, from the fund's assets and are expressed as a percentage of the fund's net assets or expense ratio. Operating expenses reduce investment returns. The fund's prospectus will note the fund's expense ratio, which helps you compare the annual expenses of various funds. Note: certain mutual fund families do not assess 12(b)-1 fees on assets held in institutional and advisor share classes.

Mutual Fund Sales Charges

Sales charges on mutual funds are fees that are paid directly out of your investment. These charges provide compensation for the fund company, Woodbury Financial, and your registered representative, for helping you select funds to pursue your investment objectives. Most sales charges, also known as "loads," are either "front-end" or "back-end." Front-end loads are charged when shares are purchased. Back-end charges, also known as contingent deferred sales charges ("CDSC"), are assessed when shares are sold and decrease over time, ultimately to zero.

Mutual Fund Share Classes

A single mutual fund, with one portfolio and one investment adviser, may offer more than one "class" of its shares to investors. Each class represents a similar interest in the mutual fund's portfolio. The principle difference between the classes is that the mutual fund will charge you different fees and expenses depending upon the class that you choose.

As a general rule, Class A shares carry a "front-end" sales charge or "load" that is deducted from your investment at the time you buy fund shares. This sales charge is a percentage of your total purchase.

As explained below, many mutual funds offer volume discounts to the front-end sales charge assessed on Class A shares at certain pre-determined levels of investment, which are called "breakpoint discounts." In contrast, Class B and C shares usually do not carry any front-end sales charges. Instead, investors that purchase Class B or C shares pay asset-based sales charges, which, over time, may be higher over time than the charges associated with Class A shares.

Investors who purchase Class B and C shares may also be required to pay a CDSC upon the sale of their shares, depending upon the rules of the particular mutual fund and the length of time the fund has been held. Some mutual fund families may also provide other share classes, but you will most commonly choose between Class A, B or C shares.

Class A shares

These shares typically charge a front-end sales charge which is deducted from your initial investment. Often Class A shares offer discounts, called breakpoints, on the front-end sales charge if you:

- make a large purchase;
- already hold other mutual funds offered by the same fund family;
- commit to regularly purchasing mutual fund shares; or
- have family members (or others with whom you may link accounts according to fund rules) who hold funds in the same fund family.

Class A shares may also charge 12b-1 fees, but they are generally lower than the 12b-1 fees of Class B and C shares. Because of the lower 12b-1 fees, the total annual fund operating expenses on Class A shares is generally lower as well. Typically, there are several breakpoints, and as you invest more and reach each of these thresholds, there is a greater reduction in the sales load.

Breakpoint Discounts

Most mutual funds offer investors a variety of ways to qualify for breakpoint discounts on the sales charge associated with the purchase of Class A shares. In general, most mutual funds provide breakpoint discounts to investors who make large purchases at one time. The extent of the discount depends upon the size of the purchase. Generally, as the amount of the purchase increases, the percentage used to determine the sales load decreases. In fact, the entire sales charge may be waived for investors that make very large purchases of Class A shares.

Net Asset Value Transfers –

Certain mutual funds allow you to buy Class A shares without paying the front-end sales load if you use the proceeds from the sale of shares in a different mutual fund family for which you paid a front-end or back-end sales charge. These transactions are called net asset value ("NAV") transfers because you can purchase Class A shares of a new fund at NAV without paying a front-end sales load. Although NAV transfers are only offered by a limited number of funds, they can eliminate the sales charges when switching between load funds in different fund families.

To find out whether the mutual fund you are purchasing offers NAV transfers, refer to the prospectus and Statement of Additional Information. You will need to read the information carefully because most mutual funds do not use the term "NAV transfer." You can typically find information about NAV transfers in the section of these documents that discuss "sales charge reductions and waivers."

As you can see, understanding the availability of breakpoint discounts is important because it may allow you to purchase Class A shares at a lower price. The availability of breakpoint discounts may save you money and may also affect your decision regarding the appropriate share class in which to invest.

Alternatively, if you spread your investment among different fund families you may spread your investment risk but also may incur a higher sales charge than if you aggregate your purchase into one fund family and qualify for a reduction in sales charge for reaching a breakpoint. Thus, it is important to discuss the availability of breakpoint discounts with your registered representative and carefully review the mutual fund prospectus and its Statement of Additional Information, which you can get from your registered representative, when choosing among the share classes offered by a mutual fund.

Rights of Accumulation –

Many mutual funds allow investors to count the value of previous purchases of the same fund, or another fund within the same fund family, with the value of the current purchase, to qualify for breakpoint discounts. Moreover, mutual funds allow investors to count existing holdings in multiple accounts, such as IRAs or accounts at other broker/dealers, to qualify for breakpoint discounts. In addition, many mutual funds allow investors to count the value of holdings in accounts of certain related parties, such as spouses or children, to qualify for breakpoint discounts.

Each mutual fund has different rules that govern when relatives may rely upon each other's holdings to qualify for breakpoint discounts. Therefore, if you or any related parties have accounts at other broker/dealers and wish to take advantage of the balances in these accounts to qualify for a breakpoint discount, you must advise your Woodbury Financial registered representative about those balances. You may need to provide documentation of the holdings in those other accounts to your registered representative if you wish to rely upon balances in accounts at another firm.

Mutual funds also follow different rules to determine the value of existing holdings. Some funds use the current net asset value ("NAV") of existing investments in determining whether an investor qualifies for a breakpoint discount. However, a small number of funds use the historical cost, which is the cost of the initial purchase, to determine eligibility for breakpoint discounts. If the mutual fund uses historical costs, you may need to provide account records, such as confirmation statements

or monthly statements, to qualify for a breakpoint discount based upon previous purchases.

Consult with your registered representative and review the mutual fund's prospectus to determine whether the mutual fund uses either NAV or historical costs to determine breakpoint eligibility.

Note: To enable your registered representative to determine whether your purchase is eligible for a reduction in sales charge through Rights of Accumulation, you must disclose information about any accounts you or your immediate family members have with another broker/dealer outside of Woodbury Financial. A failure to disclose all such accounts may prevent you from taking advantage of a breakpoint.

Letters of Intent –

Most mutual funds allow investors to qualify for breakpoint discounts by signing a Letter of Intent. This commits the investor to purchasing a specified amount of Class A shares within a defined period of time, usually 13 months.

For example, if an investor plans to purchase \$50,000 worth of Class A shares over a period of 13 months, but each individual purchase would not qualify for a breakpoint discount; the investor could sign a Letter of Intent at the time of the first purchase and receive the breakpoint discount associated with \$50,000 investments on the first and all subsequent purchases.

Additionally, some funds offer retroactive Letters of Intent that allow investors to rely upon purchases in the recent past to qualify for a breakpoint discount. However, if an investor fails to invest the amount required by the Letter of Intent, the fund is entitled to retroactively deduct the correct sales charges based upon the amount that the investor actually invested.

If you intend to make several purchases within a 13-month period, consult your registered representative and the mutual fund prospectus to determine if it is beneficial for you to sign a Letter of Intent.

Mutual fund prospectuses contain tables that illustrate the available breakpoint discounts and the investment levels at which breakpoint discounts apply. Generally, there are multiple breakpoint levels, each offering a greater reduction in the sales load, as in the sample and example below.

Sample Breakpoint Schedule

Investment Amount	Sales Load
Less than \$25,000	5%
Greater than or equal to \$25,000 but less than \$50,000	4.25%
Greater than or equal to \$50,000 but less than \$100,000	3.75%
Greater than or equal to \$100,000 but less than \$250,000	3.25%
Greater than or equal to \$250,000 but less than \$500,000	2.75%
Greater than or equal to \$500,000 but less than \$1 million	2.0%
\$1 million or more	0%

Example: XYZ Fund's offering price is \$10 per share. Its net asset value is \$9.50 per share. It has a 5% front-end sales load. If you invested \$10,000 in XYZ Fund, your sales charge would be \$500 leaving you with a \$9,500 investment, represented by 950 shares.

Class A shares may charge a Short Term Trading Fee of up to 2% for shares held for a less than a set period of time, usually 30–90 days. Class A shares may also charge 12b-1 fees, but they are generally lower than the 12b-1 fees of Class B and C shares. Because of the lower 12b-1 fees, the total annual fund operating expenses on Class A shares is generally lower as well.

Because each fund family may have different rules for qualification, you should discuss these issues with your registered representative and review the mutual fund prospectus and Statement of Additional Information to determine the specific terms upon which a mutual fund offers these discounts.

Class B shares

These shares do not impose a front-end sales charge that is deducted from the initial investment, but they do impose a 12b-1 fee that may be higher than those that you would incur if you purchased Class A shares. Class B shares also normally impose a contingent deferred sales charge (CDSC) that you pay if you sell your shares within a certain number of years. The CDSC normally gets smaller each year and eventually is eliminated after several years.

Selling your Class B shares during the period in which the CDSC applies can significantly diminish the overall return on your investment, especially when coupled with the higher annual expenses charged on Class B shares. Most Class B shares "convert" into Class A shares after a certain number years. When Class B shares convert, they will generally charge the same annual fund operating expenses as Class A shares.

Sample CDSC Schedule (Class B Shares)

Years Since Purchase	Contingent Deferred Sales Charge (CDSC)
0-1	5%
1-2	4%
2-3	3%
3-4	3%
4-5	2%
5-6	1%
6 +	0%

Example:

B Share Contingent Deferred Sales Charge

Value of shares redeemed: \$1000

Less CDSC of 2% (\$20)

Net proceeds to investor \$980

Example:

B Share Mutual Fund Redemption

XYZ Fund has a current share price of \$30 per share.

It imposes a back-end sales load of 3%.

If you sold 100 shares, you would receive \$3000 minus the \$90 load.

Your net proceeds would be \$2,910.

Woodbury Financial will generally not accept Class B share mutual fund purchases greater than \$100,000, per fund family, except in certain circumstances where it may be in the customer's interest. Because of these limits, Woodbury reserves the right to not accept funding over these limits.

If you own Class B shares, be sure to keep track of when they are scheduled to convert to Class A shares, particularly if your fund shares are held in an account that has been transferred from one brokerage firm to another. You can find out when your B shares convert to A shares by looking at the prospectus or checking with your registered representative.

Class C Shares

These shares typically do not charge a front-end sales charge. Class C shares also generally impose a lower CDSC than Class B shares, e.g., 1%, and for a shorter period, such as one year. Like Class B shares, Class C shares typically impose higher annual fund operating expenses than Class A shares, due primarily to higher 12b-1 fees. Unlike Class B shares, they typically do not convert to Class A shares and instead continue to charge higher annual expenses-including 12b-1 fees - for as long as the shares are held.

Class C shares may be less expensive than Class A or B shares if you have a shorter-term investment horizon, because you will pay little or no sales charge. However, your annual expenses could be higher than Class A shares, and even Class B shares, if you hold your shares for a long time.

Woodbury Financial will generally not accept Class C share mutual fund purchases greater than \$250,000, per fund family with an aggregate total of \$1 million for Class C shares, except in certain circumstances where it may be in the customer's best interest.

No Load Mutual Funds

Many mutual funds charge no sales loads. Called no load funds, these funds do not charge a front-end sale charge or a deferred sales charge, such as a CDSC. FINRA rules also require that the 12b-1 fees not exceed 0.25% of the funds average annual net assets for a fund to be called a no load fund. Other transactional charges may apply.

If you wish to learn more about mutual fund share classes or mutual fund breakpoints, you can review the following Investor Alerts available on FINRA's website and/or visit the many mutual fund websites available to the public:

- <http://www.finra.org/InvestorInformation/InvestorAlerts/MutualFunds/UnderstandingMutualFundClasses/p006022>
- <http://www.finra.org/InvestorInformation/InvestorAlerts/MutualFunds/MutualFundBreakpointsABreakWorthTaking/p006008>
- <http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/MutualFunds/P005963>
- or visit the many mutual fund websites available to the public

Choosing the Right Share Class for You

Selecting the appropriate program and mutual funds for your investment objectives involves a number of factors, including fund strategy, fund performance history, risks, investment time horizon, fees, and expenses. An investment in mutual funds is generally long-term in nature and under normal circumstances should not be considered for short-term investment goals due to the higher annual expenses. You should review the fund's prospectus to fully understand your investment and you should speak with your registered representative for

assistance in evaluating options most suitable for you.

Reduced sales charges via Letters of Intent, Rights of Accumulation, and breakpoints may only apply to purchases of Class A shares. Depending on how long a mutual fund investment is held, Woodbury Financial and its registered representatives will generally receive a commission for a Class B or C share transaction that, over time, may be greater than a comparable Class A share transaction.

Mutual Fund Compensation

Woodbury Financial and your registered representative are paid in ways that vary with the type of mutual fund (equity or fixed income), the amount invested, and the share class. Woodbury Financial is paid by the mutual fund family from the fees you pay. A substantial portion of that payment then goes to your registered representative.

- For most purchases, registered representatives' compensation is based on a compensation formula applied (for A shares) to the front-end sales charge described in the fund's prospectus, or (for B and C shares) to the selling fee which is set and paid by the fund family. The selling fee is also called the "sales concession."
- Ongoing payments, also known as "residuals" or "trails," on mutual fund shares that are held in your account for more than one year are set by the fund family and generally paid through Woodbury Financial to its registered representatives.
- In certain fee-based accounts, registered representatives' compensation is based on a percentage of the assets in the account, rather than on concessions or trails as mentioned above.

The compensation formula Woodbury Financial uses to determine the amount of payment to your registered representative is the same for all mutual funds. However, some funds may carry higher sales charges than others, and that may create an incentive for registered representatives to sell such funds. Woodbury Financial encourages you to ask your registered representative how he or she will be compensated for any mutual fund transaction. Information regarding mutual fund fees, investment styles and policies can be found in a fund's prospectus and Statement of Additional Information. If you have any questions about these practices, please contact your registered representative.

In addition to the payments described above, mutual fund companies and/or distributors will periodically reimburse Woodbury Financial for expenses incurred in connection with certain training and education meetings, conferences and seminars. Additionally, Woodbury Financial registered representatives may receive promotional items, meals or entertainment, or other similar "non-cash" compensation from representatives of the mutual fund companies.

To learn more about mutual funds, ask your registered representative or visit the following websites:

Investment Company Institute: www.ici.org

The Financial Industry Regulatory Authority: www.finra.org

Securities and Exchange Commission: www.sec.gov

Securities Industry Financial Markets Association: www.sifma.org

529 College Savings Plans

A 529 College Savings Plan is a tax-deferred savings vehicle utilized for anticipated higher education expenses. Mutual funds are typically the underlying investment used in 529 plans; please refer to the prior summary information herein surrounding mutual funds or other investments, where applicable.

In general, there are two classifications of 529 plans currently available – in-state plans (a plan offered by the state in which you live) and out-of-state plans (a plan offered by a state in which you do not live). While most plans allow investors from out of state, there can be state tax advantages and other benefits, such as matching grant opportunities, protection from creditors, and exemption from state financial aid calculations for investors who invest in 529 plans offered in conjunction with their resident state.

It is important for you, as an investor, to understand the various fees, investment options and tax consequences related to 529 plans and the underlying investment(s). Before choosing a plan, review the plan documents carefully since plans vary from state to state. Depending on the laws of your home state, or the home state of the designated

beneficiary, favorable state tax treatment or other benefits offered may only be available if you invest in your state's 529 college savings plan.

In-state plan benefits should be one of an assortment of factors considered in making an investment decision, and you may wish to consult with your tax adviser regarding how such plan benefits may apply to your circumstances. Furthermore, it may be beneficial to contact your state agency supporting education, review materials from the Internal Revenue Service, and/or visit finra.org to learn more about 529 plan features.

Participation in a 529 plan does not guarantee that the investment return on contributions, if any, will be adequate to cover future tuition and other qualifying higher education expenses. Federal income tax on earnings and a 10% penalty on distributions for non-qualifying expenses may also apply. Woodbury Financial, its representatives and employees are not tax or legal advisers.

Unit Investment Trusts

A unit investment trust ("UIT") is a registered investment company that buys and holds a generally fixed portfolio of stocks, bonds, or other securities. Woodbury Financial offers UITs from various sponsors. These UITs have a variety of investment objectives. "Units" in the trust are sold to investors (unit holders) who receive a share of principal and dividends (or interest).

A UIT has a stated date for termination that varies according to the investments held in its portfolio. A UIT investing in long-term bonds may remain outstanding for 20 to 30 years. UITs that invest in stocks may seek to capture capital appreciation over a period of a year or a few years. When these trusts are dissolved, proceeds from the securities are either paid to unit holders or reinvested in another trust.

Risks of Investing in a UIT

All investments carry some degree of risk. Depending on the type of UIT, the risk may include market risk, interest rate risk, and credit risk. Each UIT has a specified investment strategy. The prospectus contains information about the strategy and the risks involved with the strategy. You should determine whether the UIT's investment strategy is compatible with your investment objectives. You should read the prospectus carefully and discuss your investment goals, objectives, and risk tolerances with your registered representative before investing in any fund.

Costs of Investing in a UIT

UIT investors generally pay a sales charge, or load, at the time of initial purchase, and often pay deferred sales charges. The offering price, which is the price paid to purchase units, reflects the current NAV plus the initial sales charge. Sales charge discounts may be available for large purchases.

UITs pay an annual fee to cover operating expenses and often to reimburse the trust sponsor for its supervisory activities, organization costs, and a creation and development fee. Since UITs offer a fixed portfolio, there are no investment management fees and, because the buying and selling of portfolio securities is limited, transaction costs are minimal.

UIT Compensation

Woodbury Financial and your registered representative are paid in ways that vary with the type of UIT and the amount invested. Woodbury Financial is paid by the UIT sponsor from the fees you pay. A significant portion of the payment goes to your registered representative. Woodbury Financial encourages you to ask your registered representative how he or she will be compensated for any UIT transaction. Information about fees and investment styles can be found in the prospectus. If you have any questions, please contact your registered representative.

Alternative Investments

This group of products typically represents privately offered investments, or private placements. Privately offered investments are purchased directly through the offering entity by delivering a signed agreement and requisite funds – similar to purchasing insurance-related products.

Non-Registered Private Placements are offerings recorded, but not registered with the SEC (i.e. the SEC does not

review these offerings). They are typically limited partnerships collectively making alternative investments and are offered pursuant to Regulation D filing exemption and sold by a private placement memorandum that normally contains disclosures similar to those found in a prospectus. These offerings are typically available only to accredited investors and cannot be sold through general solicitation.

Registered (Public) Private Placements are registered with the SEC (i.e., the SEC only reviews and issues a no objection letter for these securities – it does not “approve” them) and are sold by prospectus similar to other publicly offered investments. They have significantly reduced minimum financial suitability requirements. These investments can be presented to all potential investors.

These investments also typically represent investments in asset classes that have reduced correlation to public stock and bond markets. Examples of these investments include Real Estate Investment Trusts (“REITs”), other real estate partnerships, oil & gas partnerships, etc.

REITs are regulated as a closed-end management company. REITs purchase different kinds of real estate investments such as: buildings, mortgages or short term construction loans. REITs can invest in property (Equity REIT), or can buy mortgages other than real estate loans (Mortgage REIT).

Alternative Investments, particularly non-registered private placements, will typically have significantly higher risk, including the entire loss of principal. While these risks may include the use of leverage and other investing risk, the primary source of additional risk will be diminished transparency due to lower filing requirements and lack of SEC oversight.

These investments also typically have little to no liquidity. Private placements are subject to certain restrictions on transferability. Further, public trading of partnership units may cause a private partnership to be deemed a publicly-traded partnership by the IRS, thus losing its pass-through tax treatment. As a result, no public trading market will be permitted to develop for these securities. In exceptional cases, sponsors may voluntarily provide for repurchasing a very limited amount of units each year. Generally, however, investors will not be able to liquidate their investment in the event of an emergency, and units may not be readily accepted as collateral for a loan. Thus, private placements should be considered only as a long-term investment.

Alternative Investments also typically carry significantly higher fees compared to mutual funds and other publicly offered investments. These investments may not be able to provide a higher return compared to publicly offered investments due to higher fees.

Woodbury Financial’s Position Regarding Replacement Activity

Because life insurance and annuity policies are designed to meet the long-term financial needs of our customers, Woodbury Financial does not promote or encourage replacing the policies or products of customers. However, we understand there may be circumstances when it is in the customer's interest to replace a product. In most cases, replacements occur when you lapse, surrender, convert to paid-up insurance, or borrow all or part of the value from an existing insurance product to purchase or fund a new product with the same insurer (internal replacement) or with another insurer (external replacement).

Before considering a replacement, you should consider whether or not there are product enhancements and improvements that are worth the cost, if there is a new surrender period or any increased fees, or loss of existing benefits. If there is not a clear benefit from a product enhancement or improvement, Woodbury discourages the replacement. You will also be asked, on the Point of Sale document, if an exchange occurred within the previous 36 months.

Changes in a grandfathered policy may cause the imposition of the Modified Endowment Contract (MEC) rules. See your tax adviser for more information.

Full 1035 annuity exchanges into existing contracts

The Internal Revenue Service has not yet issued definitive guidance regarding the permissibility of 1035 exchanges into existing contracts. Accordingly, such exchanges should be approached cautiously, and should not be pursued

without advice and counsel from a tax adviser. See your tax adviser for more details.

V. Types of Affiliation and Management Compensation

Our investment professionals may affiliate with Woodbury in one of four ways - through our Regional Vice President (“RVP”) Channel, our Diversified Financial Concepts (“DFC”) Channel, our Independent Producer Group Channel (“IPG”) Channel, or lastly, our Field Office of Supervisory Jurisdiction (“Field OSJ”) Channel.

Generally, the IPG Channel is composed of larger groups of investment professionals with an existing organizational structure that is independent of Woodbury. These groups are primarily managed and supervised by Registered Securities Principals within the group itself, however, compliance oversight and all business processing is provided by Woodbury home office staff.

Woodbury’s Field OSJ Channel consists of larger groups of independent investment professionals that are directly recruited, managed and supervised by Registered Securities Principals that are not employees of the firm. Such principals are responsible for the day-to-day supervision of their investment professionals including the review and processing of any business submitted. Field OSJ principals receive a portion of the compensation derived from the production of their investment professionals for which they are responsible. Compensation rates for Field OSJ principals are set by Woodbury with increasing rates for higher levels of production. Woodbury maintains oversight responsibilities for the Field OSJ and performs inspections of the Field OSJ’s location at least annually.

The DFC Channel consists of independent investment professionals that are recruited and supervised by Branch Managers who are employed by Woodbury. Business is processed by Woodbury with Woodbury providing more direct support (compared to our Field OSJ Channel) for these investment professionals. DFC Branch Managers, and many of the DFC investment professionals, operate out of regional offices leased and operated by Woodbury.

Lastly, the RVP Channel consists of independent investment professionals. The majority of the investment professionals registered with Woodbury are affiliated through this channel. Supervision is done for compliance purposes by Woodbury RVPs, oversight, monitoring, and business processing is provided by Woodbury’s home office staff. Our RVPs are generally assigned a geographic region within the United States, and most are employees of the firm.

Our RVPs, DFC Branch Managers, and field principals in the OSJ and IPG channel (collectively, “Field Supervisors”) have a variety of duties, including the following:

- Acting as field compliance supervisors for investment professionals in their associated region or hierarchy;
- Acting as sales advocates for insurance and other products, including those offered by SunAmerica and other AIG entities;
- Acting as general sales technique coaches and providing training;
- Providing general product support on all products approved for sale within the Woodbury system, including acting as a liaison with other product wholesalers for their region;
- Recruiting new investment professionals to the firm;
- Providing general support on Woodbury policies, procedures, etc.; and
- Acting as a general liaison between the investment professional and the Woodbury home office.

The compensation of Field Supervisors is based on: (i) sales and asset-based Gross Dealer Concession (GDC) and/or advisory fees of the investment professionals within their hierarchy or region, (ii) recruiting additional investment professionals, and (iii) achieving GDC and profitability goals within their region. As such, Field Supervisors could have a financial incentive to promote certain products over others because Woodbury’s selling agreements with product and service providers may allow for certain products to offer greater sales compensation than others. As employees of Woodbury, most RVPs and DFC Branch Managers receive benefits such as medical & dental insurance, retirement plans, employee stock purchase plan, and a travel and expense account.

The bonus compensation of other Woodbury employees and managers, at all levels, who work with or supervise the RVP, DFC, IPG, or Field OSJ channels, are also significantly influenced by the sales of investment professionals. As

such, these individuals could also have a financial incentive to promote certain products over others because Woodbury's selling agreements with product and service providers may allow for certain products to offer greater sales compensation than others.

How Compensation Is Paid to Woodbury Financial and your Registered Representative

Compensation in General

Woodbury Financial registered representatives are compensated in a variety of ways. The sale of certain products may result in higher compensation to the registered representative who sells your products to you, your registered representative's managers, and/or Woodbury Financial. This may also create an incentive to favor one financial product over another because Woodbury's selling agreements with product and service providers may allow for certain products to offer greater sales compensation than others. Such differences in compensation, however, do not affect the returns you will receive on the net amount that is invested in a financial product.

Net Commission

Woodbury Financial registered representatives receive different levels of commission depending on the type and volume of products they sell. Net commission on a particular sale is influenced by three primary factors.

First, Woodbury Financial receives different levels of gross commission from the companies whose products it sells. These levels may be individually negotiated with each company and may vary from company to company. Because there are a myriad of compensation structures, investors should consult the specific product prospectus to understand the compensation that could be paid to Woodbury Financial. Different investment products have different compensation structures. For example, a variable annuity sale generally provides more total compensation than an individual mutual fund sale.

Second, Woodbury Financial deducts a portion of gross commission to cover its overhead before passing on a "net commission" to the representative. As a result, net commissions will vary between different products. On sales of life insurance products, the amount of first year premium is generally used to calculate net commission. Different insurance products have different amounts of first year premium that the insured must pay. Currently, some registered representatives may be eligible to receive advanced commissions only on Hartford life insurance products.

Third, net commission rates are affected by the volume of products sold. In some cases, these levels are individually negotiated with a representative or with the organization by which the representative is affiliated. In other cases, they are based on one of two commission level "grids" set by Woodbury Financial based on volume. Woodbury Financial's two-grid system passes through increasingly higher commission percentages to certain representatives as their total sales increase.

The first grid is based on aggregate sales of life insurance products and fixed Broker General Agency ("BGA") sales, while the second grid is based on aggregate sales of investment products and advisory services. The second grid currently involves higher sales thresholds to reach compensation percentages comparable to the first grid. This two-grid system may result in an incentive for a representative to concentrate sales on one grid or the other. Since the compensation percentages representatives receive increase with sales volume, representatives making sales which are predominantly applied on one grid will achieve higher percentages more quickly.

The compensation described above relates to sales of securities and insurance products. In an advisory relationship, which may include financial planning services, the investment advisor representative generally will receive either a flat fee payment for the provision of a plan or a percentage of a customer's assets under management. Such fees may be in addition to commissions received for product sales in connection with such services. Please read Woodbury Financial's ADV Part II brochure for more information.

Residual Compensation

Companies that offer securities and insurance products may compensate registered representatives through smaller on-going payments that often continue for many years. This type of compensation is called residual or "trail" compensation. The residual compensation offered by some companies may be more advantageous to a registered representative than the residual compensation offered by other companies.

Furthermore, only certain products and/or share classes provide residual compensation for representatives, which is applied towards Woodbury's compensation system. Where applicable, residual compensation received is credited to a representative's grid and may increase their compensation percentage. Woodbury may also receive renewal and servicing fees from product companies based on your investment. Such fees compensate Woodbury and your representative for various services rendered for as long as you maintain the product. These amounts vary by product and company.

Deferred Compensation

Woodbury Financial registered representatives may be eligible to receive deferred compensation payments from Woodbury Financial once they have reached certain sales commission thresholds. Clients should be aware that sales commissions from life insurance provide a higher deposit rate to the registered representative than other investment products. As such, a registered representative may have a financial incentive to promote certain life insurance products over other investment products.

Forgivable Loans

Woodbury Financial may extend forgivable loans to certain registered representatives at various times including when they first become affiliated with the firm. A representative's obligation to repay a loan may be forgiven over a period of time based on the registered representative's total sales commission.

Other Marketing Payments

From time to time, Woodbury Financial may provide payments to representatives to offset certain marketing and training costs. It is also possible that a source other than Woodbury Financial could offer registered representative additional compensation, which may create a conflict of interest. All compensation from an outside source to a representative must be disclosed to, approved by and paid through Woodbury Financial.

Wholesaling Compensation

Woodbury Financial may receive wholesaling compensation from product companies in connection with the sale of certain variable life insurance products. These fees vary by product and company.

Sales Incentive Contests

Periodically, Woodbury Financial may conduct sales incentive contests for its registered representatives to the extent permitted under applicable law. These sales contests generally must take into account a registered representative's total commission and do not focus on any one product or company.

How Compensation Is Paid to Woodbury Financial Compensation in General

The sale of certain products may result in higher compensation to Woodbury Financial, and may create an incentive to favor one financial product over another. Such differences in compensation do not affect the returns you will receive on the net amount that is invested in a financial product.

Commissions, Residual and Wholesaling Compensation

Woodbury Financial deducts a portion of gross commissions from the sale of securities and insurance products to cover its overhead before passing on a net commission to the representative.

Woodbury Financial receives residual compensation in the form of servicing fees from product companies, which is meant to compensate Woodbury Financial for various services it provides in connection with selling a product. These fees vary by product and company. Residual compensation paid to Woodbury Financial also includes payment for renewals of certain insurance products, which payments vary by insurance product and company, and which may provide different incentives depending on the amount of the renewal payment. For further information regarding renewal compensation, please see the discussion in this *Guide to Investing* under the heading "How Compensation Is Paid to Your Registered Representative."

Woodbury may receive a portion of the fees Pershing LLC charges for maintaining or terminating certain accounts. The amount received by Woodbury varies depending upon the type of account maintained and/or the type of

transaction. Woodbury could receive a payment up to \$25 from Pershing. We do not believe that this fee sharing compromises the advice your registered representative gives you.

Woodbury Financial may receive wholesaling compensation from product companies in connection with the sale of certain variable life insurance products. These fees vary by product and company. As discussed above, Woodbury Financial may pass on all, or a portion, of such wholesaling compensation to its registered representatives.

Marketing Allowances

Affiliated and non-affiliated companies may make payments to Woodbury Financial in addition to the transaction-based compensation received in connection with product sales (see Woodbury Partnership Program below for details). SunAmerica and some non-affiliated companies with which Woodbury Financial does business may, in recognition of our sales and marketing efforts, agree to pay marketing allowances to Woodbury Financial. The marketing allowances compensate Woodbury Financial for providing the companies with additional opportunities to work with our registered representatives regarding features of their products and services and to provide our representatives with training, marketing support, and educational presentations,, the products they offer, industry trends, new investment ideas, and other issues. These amounts are paid to Woodbury Financial, which utilizes these payments to provide education, tools, marketing and other support to representatives. AIG and SunAmerica may provide additional revenue to Woodbury Financial as needed to break-even and balance our operating expenses.

Woodbury Financial Partnership Program

Woodbury Financial's partner program is a testament to our strong growth since 2001. Our partner firms are well regarded as some of the top selling product distributors. Firms are selected based on their overall value to Woodbury Financial such as their sales potential, distribution capabilities, and product scope. Consideration is also given to any unique value or product they can provide. Woodbury Financial takes great care in affiliating ourselves with reputable companies that adhere to our genuine interest and strategy.

The marketing support amount from product companies can be as high as 1.5% of product sales at Woodbury Financial. For example, if you invest \$10,000 in a product through Woodbury Financial, we could be paid up to \$150 for marketing support. In addition, for any product you continue to hold in your account, we may receive an additional payment of up to .01 percent annually of the dollar value. On a \$10,000 holding, for example, Woodbury would receive \$10 per year.

These amounts are not part of the compensation formula for your registered representative. We believe that these financial arrangements do not compromise the advice your registered representative offers you and Woodbury registered representatives are not obligated to recommend these firms' products. Additionally, these arrangements do not affect your sales charge.

Mutual Fund Partners

Woodbury Financial receives compensation from the mutual fund families that are available to our clients. These payments include commissions (sometimes referred to as "loads"), trailing commissions (including 12b-1 fees), and payments made in connection with programs that support our marketing as well as representative education and training efforts, such as our annual national sales and education conference and other regional training meetings.

The mutual fund families that participate in the Partnership Program are listed below. While the terms of our Partnership Program may vary by product distributor, the payments made are generally calculated in three ways: (1) based upon the assets that are held at the participating mutual fund family (Note: certain of the mutual fund families do not assess 12(b)-1 fees on assets held in institutional and advisor share classes); (2) based upon the new payments made to that mutual fund family; and (3) lump-sum contributions to sales and educational conferences.

Woodbury may receive compensation of up to 0.10 percent of the assets held at the mutual fund family. For example, if you held \$10,000 dollars with a participating mutual fund family for one year, Woodbury Financial could receive a payment of up to \$10 from the mutual fund sponsor.

Woodbury Financial may receive compensation of up to 0.15 percent of the new contributions made to that

mutual fund family. For example, if you deposited \$10,000 dollars with a participating mutual fund family, Woodbury Financial could receive a payment of up to \$15 from the mutual fund sponsor.

Woodbury Financial may receive compensation in the form of a lump-sum payment to support our annual national sales conference or other educational meetings. For example, Woodbury Financial may receive up to \$125,000 to support our entire calendar-year of educational, sales, and training events.

Woodbury Financial registered representatives do not receive any part of these Partnership Program payments. We believe that these programs do not compromise the advice your registered representative gives you.

The following Mutual Fund companies participate in this program:

Hartford Mutual Funds	Lord Abbett
Invesco	Pacific Life Mutual Funds
John Hancock Mutual Funds	Putnam Investments

Variable Annuity Partners

Woodbury Financial receives compensation from the variable annuity product manufacturers that are available to our clients. These payments include commissions, trailing commissions, and payments made in connection with programs that support our marketing and representative education and training efforts, such as our annual national sales and education conference and other regional training meetings.

The variable annuity companies that participate in the Partnership Program are listed below. While the terms of our Partnership Program may vary by product distributor, the payments made are generally calculated in three ways: (1) based upon the assets that are held at the participating variable annuity partners, excluding assets held in fee-based advisory programs at Woodbury; (2) based upon the new contributions made to that variable annuity company; and (3) lump-sum contributions to sales and educational conferences.

Woodbury Financial may receive compensation of up to 0.04 percent of the assets held at the variable annuity company. For example, if you held \$10,000 dollars with a participating variable annuity company for one year, Woodbury Financial could receive a payment of up to \$4 from the variable annuity partner.

Woodbury Financial may receive compensation of up to 0.25 percent of the new contributions made to that variable annuity company. For example, if you deposited \$10,000 dollars with a participating variable annuity company, Woodbury Financial could receive a payment of up to \$25 from variable annuity partner.

Woodbury Financial may receive compensation in the form of a lump-sum payment to support our annual national sales conference or other educational meetings. For example, Woodbury Financial may receive up to \$125,000 to support our entire calendar-year of educational, sales, and training events.

Woodbury Financial registered representatives do not receive any part of these Partnership Program payments. We believe that these programs do not compromise the advice your registered representative gives you.

The following Variable Annuity companies participate in this program:

Allianz Life Insurance Company of North America	Lincoln Financial Distributors
Hartford Life	MetLife Investors
ING	Nationwide
Jackson National Life Insurance Company	Pacific Life Insurance Company
John Hancock Life Insurance Company	Prudential
	Sun Life Insurance Company

Life Insurance Partners

Woodbury Financial receives compensation from life insurance product manufacturers that are available to our clients. These payments include commissions, trailing commissions, and payments made in connection with programs that support our marketing and representative education and training.

In particular, some representatives of Woodbury sell non-variable traditional life insurance products through Hartford Life's Monarch Program. Such representatives receive special training and marketing support and receive additional commissions as part of being in the Monarch Program.

Alternative Investment Partners

Woodbury Financial receives compensation from Alternative Investment product distributors for products sold to our clients. Payments made to Woodbury Financial include commissions, marketing support re-allowance, and due diligence reimbursement. These payments compensate Woodbury Financial for selling these products and support our due diligence, marketing, and sales and training efforts, such as our annual national sales and education conference and other regional training meetings.

While the terms of our Partnership Program are negotiated separately with each distributor, payments are generally calculated in three ways: (1) as a percentage of amount invested to support marketing and sales; (2) as a percentage of the amount invested as reimbursement for bona fide due diligence expenses; (3) as a lump-sum contribution to sales and educational conferences.

The aggregate marketing support compensation paid by the sponsor to the managing broker-dealer is disclosed in the offering documents. A portion of this is "re-allowed" to selling group member broker/dealers, like Woodbury Financial, by the managing broker/dealer. The amount of this re-allowance, however, is not disclosed in the offering documents. It is separately negotiated between the selling group member and the managing broker/dealer as a portion of the aggregate amount paid to the managing broker-dealer. This amount typically ranges between 0.5 percent and 2.0 percent of the amount invested, or \$50 to \$200 for every \$10,000 invested.

The maximum bona fide due diligence reimbursement, stated as a percentage of the amount invested, is disclosed in the offering documents. This amount is typically 0.5 percent, or \$50 for every \$10,000 invested.

Lump-sum contributions to support Woodbury Financial's national sales conference and regional training meetings are negotiated with each sponsor. This amount will vary from sponsor to sponsor, and the amount can be from \$1,000 to as much as \$35,000.

Woodbury Financial registered representatives do not receive any part of these Partnership Program payments. We believe that these programs do not compromise the advice your registered representative gives you.

The following Alternative Investment companies participate in this program:

Atlas Energy	Cypress Equipment Leasing	Inland Securities, Inc
Behringer Harvard	Grubb and Ellis	Macquarie
CNL	Hines Real Estate	U.S. Energy
Cole Capital	Icon Securities Corporation	Wells Real Estate

Group Retirement Plan Partners

Woodbury Financial receives compensation from the group retirement plan product manufacturers that are available to our clients. These payments include commissions, trailing commissions, and payments made in connection with programs that support our marketing and representative education and training efforts, such as our annual national sales and education conference and other regional training meetings.

The group retirement plan companies that participate in the Partnership Program are listed below. While the terms of our Partnership Program may vary by product distributor, the payments made are generally calculated in three ways: (1) based upon the assets that are held at the participating group retirement plan partners, excluding assets held in fee-based advisory programs at Woodbury; (2) based upon the new contributions made to that group retirement plan company; and (3) lump-sum contributions to sales and educational conferences.

Woodbury Financial may receive compensation of up to 0.04 percent of the assets held at the group retirement plan company. For example, if you held \$10,000 dollars with a participating group retirement plan company for one year, Woodbury Financial could receive a payment of up to \$4 from the group retirement plan partner.

Woodbury Financial may receive compensation of up to 0.25 percent of the new contributions made to that group retirement plan company. For example, if you deposited \$10,000 dollars with a participating group retirement plan company, Woodbury Financial could receive a payment of up to \$25 from group retirement plan partner.

Woodbury Financial may receive compensation in the form of a lump-sum payment to support our annual national sales conference or other educational meetings. For example, Woodbury Financial may receive up to \$125,000 to support our entire calendar-year of educational, sales, and training events.

Woodbury Financial registered representatives do not receive any part of these Partnership Program payments. We believe that these programs do not compromise the advice your registered representative gives you.

The following Group retirement plan companies participate in this program: Hartford

VI. Prohibited Practices

Woodbury and its Representatives are prohibited from engaging in any dishonest or unethical business practices or from taking unfair advantage of a customer. Representatives have an independent duty to evaluate whether certain activities represent a conflict of interest. A conflict of interest occurs when a Representative's interests are put ahead of a customer's interests. The list below, although not all-inclusive, provides several important practices for you to be aware of.

Immediately contact Compliance at (800) 800-2638 if your representative suggests you engage in any of the following activities.

Beneficiary, Executor, Custodian, Conservatorship, Trustee, Joint Tenant

You should not appoint your representative as a beneficiary, executor, personal representative, custodian, conservator, trustee or joint tenant of your account.

Cash and Checks Payable to the Representative or Agency

You should never make a check payable to your representative or your representative's agency. In addition, your representatives should not accompany you to the bank to convert cash or checks, intended for a transaction involving securities, into the Representative's own bank account or insurance business account, regardless of the amount of money or length of time the money will remain within the account.

Customer Guarantees

You should never receive a guarantee against loss of principal or receive reimbursement for investment or other losses from your representative.

Day Trading

You should not accept a recommendation from your representative to participate in day trading. Day trading involves a high level of risk and may result in substantial financial losses in a very short period of time.

Financing, Borrowing and Lending

You should not receive any financing, borrowing or lending offers, or promissory notes from your representative.

Forgery and Falsification of Documents

Your representative should never sign any documents on your behalf, even if for your convenience.

Market Timing

Your representative should not promote or advocate the use of any market timing services or strategies.

Mortgages – Reverse and Refinancing

You should not be encouraged by your representative to refinance a mortgage and use the equity to purchase investment products or life insurance.

Reciprocal Arrangements to Reimburse Customer for a Loss

You should never receive an offer from your representative to make up for any losses suffered in your account by reciprocating business at your place of business or in another manner.

VII. Sales to Seniors, Retirees, and Pre-Retirees

Woodbury Financial has stringent policies and procedures in light of special issues that are common to many senior investors. Additionally, Woodbury Financial provides opportunities for senior-related training to its registered representatives through education, workshops, and company sponsored conferences.

Additional information regarding sales to seniors, retirees and pre-retirees can be found at www.finra.org.

VIII. Use of Designations by Registered Representatives

Woodbury Financial allows its registered representatives to utilize certain industry designations or certifications¹ when marketing their services. Although Woodbury Financial has developed a review and approval process for designation and certification usage by its registered representatives, Woodbury Financial does not guarantee or claim that any particular designation or certification conferred on a registered representative will result in that registered representative being able to provide specialized or expert advice.

Moreover, customers should understand that designations and certifications do not: (i) confer any state, federal, or other jurisdictional securities, insurance or other license, or (ii) ensure qualification to render advice within the genre of financial services identified by the designation or certification.

Furthermore, customers should understand that Woodbury Financial and its registered representatives disclaim any liability if a registered representative fails to adhere to a particular standard that is required by any organization granting the designation or certification.

IX. Woodbury Financial Business Continuity Plan

Woodbury Financial has developed a Business Continuity Plan addressing how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information from our business continuity plan.

Our Business Continuity Plan

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses: data back up and recovery; critical technology systems/applications; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our firm has developed back up and recovery plans for all of its critical technology systems/applications and data. Data is backed up and stored at alternate locations. Our clearing firm and third party technology partners have data system/application back-up and recovery procedures. We test these procedures annually for critical business functions.

¹ Some examples of notable designations or certifications include, but are not limited to: (i) Certified Financial Planner, (ii) Enrolled Agent, (iii) Certified Financial Analyst, and (iv) Accredited Estate Planner.

Varying Disruptions

Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where the firm is located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe.

In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within twelve hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and our objective are to recover and resume business within twenty-four hours.

We have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within four hours. In either situation, we plan to continue business and will notify you through our website www.woodburyfinancial.com and our customer emergency number (866) 964-0602. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customers prompt access to their funds and securities.

Although we have developed a detailed business continuity plan, we cannot guarantee that we will be successful in achieving recovery in the times noted above. Please note that certain components of our business continuity plan are dependent on the performance of third parties, and we are limited in our ability to control whether third parties properly adhere to our plans and otherwise respond appropriately in the event of a business disruption. In the event a business disruption results in the unavailability our key employees to perform their duties, the recovery times describe above may be significantly increased.

Your Representative's Business Continuity Plan

Woodbury Financial has provided business continuity plan guidance and best practices to our Independent Representatives to ensure that each Representative can quickly recover and resume business operations.

Contacting Us

If you have questions about our business continuity planning, you can contact us at (866) 964-0602. If after a significant business disruption you cannot contact Woodbury at (866) 964-0602 or through www.woodburyfinancial.com, you should contact your representative or the product manufacturer for instructions on how it may execute trades, accept deposits, remit funds or otherwise provide ongoing transaction processing for your account. Refer to your account statement for how to contact the appropriate product manufacturer.

X. Securities Investor Protection Corporation (SIPC)

SIPC was created by Congress in 1970 to assist investors in the event a brokerage firm is closed due to bankruptcy or other financial difficulties. For more information about SIPC, or to request a brochure please contact them at (202) 371-8300 or www.sipc.org.

XI. Filing a Grievance

If you wish to express a grievance regarding the service you received on an investment or insurance contract you have purchased, please send your written complaint to:

Woodbury Financial Services, Inc.
Attn: Compliance
PO Box 64284
St. Paul, MN 55164
Fax: 888-802-0032
Email: compliance@woodburyfinancial.com

XII. Arbitration

Woodbury Financial supports arbitrating disputes with its customers. To that end, account paperwork signed by a customer contains a pre-dispute arbitration clause. By signing an arbitration agreement Woodbury Financial and its customers agree upon certain matters.

The arbitration clause reads as follows:

- A) *All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.*
- B) *Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.*
- C) *The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.*
- D) *The arbitrators do not have to explain the reason(s) for their award unless; the type of case is eligible for an explained decision and a joint request is submitted by all parties to the arbitration at least 20 days before the first scheduled hearing date.*
- E) *The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.*
- F) *The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.*
- G) *The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.*

I agree that any controversy arising out of or relating directly or indirectly to (i) the construction, performance or breach of this Agreement or any related agreements; (ii) my accounts with my Representative or Woodbury Financial Services, Inc.; (iii) any investment made in my accounts or pursuant to this Agreement; or (iv) any transaction of any kind executed by or with my Representative or Woodbury Financial Services, Inc. (or its officers, directors, agents, employees or affiliates) shall be settled by arbitration pursuant to the Federal Arbitration Act and before and in accordance with the rules of the Financial Industry Regulatory Authority Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. I make this arbitration agreement on behalf of myself and my heirs, administrators, representatives, executors, successors, assigns and all other persons claiming a legal or beneficial interest in my investments or accounts. Nothing in this agreement will be construed contrary to the Investment Advisers Act of 1940.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

XIII. Conclusion

This information was written to support the promotion or marketing of the matters(s) addressed in the material, and provide investors with educational content and disclosure to make informed investment decisions. Neither Woodbury Financial Services, Inc., nor its registered representatives or employees, provide tax or legal advice. Any tax information provided cannot be used or relied upon for the purposes of avoiding IRS penalties. As with all matters of a tax or legal nature, you should consult with your own tax or legal counsel for advice. Any questions or regarding the content provided herein or concerns involving your investment account(s) can be directed to our office at the contact information provided below.

WOODBURY FINANCIAL SERVICES, INC.

Attn: Compliance

PO Box 64284

St. Paul, MN 55164-0274

(866) 964-0602

www.woodburyfinancial.com