

FOUNDERS FINANCIAL SECURITIES, LLC

FORM ADV – PART 2A

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Phone:
888-523-1162

Address:
1020 Cromwell Bridge Road
Towson, Maryland 21286

Website:
www.foundersfinancial.com

This Brochure provides information about the qualifications and business practices of Founders Financial Securities, LLC (“FFS” or “the Firm”). If you have any questions about the contents of this Brochure, please call us at 888-523-1162. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Firm offers and delivers information about our qualifications and business practices to clients at least annually. Pursuant to SEC Rules, we will notify you of material changes to this brochure within 120 days of the close of the fiscal year. Further, we may disclose material changes to you as necessary throughout the fiscal year.

FFS is a Registered Investment Adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

With this Brochure, the Firm offers and delivers information about its qualifications and business practices to clients at least annually. FFS will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of the Firm's fiscal year. FFS will provide other ongoing disclosure information about material changes as necessary.

The following is a summary of the material changes made to this Brochure on and since the last annual update that were made on February 21, 2018:

Item 4: Advisory Business

- Updated advisory programs to include the Independence Advisory Accounts Custodied at TCA by E*Trade
- Updated information regarding the use of wrap-fee programs by third-party money managers

Item 5: Fees and Compensation

- Updated information on the Independence Advisory Accounts offered with TCA by E*Trade as Custodian.
- Updated the language for all advisory programs to give clarity to account terminations
- Updated the language for all advisory programs to give clarity to mutual fund share class selection

This Brochure may be requested by contacting the Firm at 888-523-1162.

Additional information about FFS is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with us who are registered, or are required to be registered, as Investment Adviser Representatives.

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Item 4 - Advisory Business

About FFS

FFS was founded in 2004 and became registered with the SEC as an Investment Advisor in 2006. FFS is a wholly-owned subsidiary of Founders Financial, Inc. FFS is an SEC Registered Investment Adviser. Listed below is a description of the various investment advisory services offered by FFS through registered individuals associated with FFS as Investment Adviser Representatives (“IAR”). IARs are independent contractors of FFS and not employees. Consequently, IARs hold themselves out to the public using business names other than FFS. These are known as “doing business as” names or, more commonly, “DBAs.” IARs must disclose on their advertising and correspondence materials that they are an IAR of FFS and that securities are offered through FFS.

Description of Services Available

FFS’ IARs provide investment management services on both a discretionary and non-discretionary basis. These services include, but are not limited to, providing ongoing investment advice, management of investment advisory accounts, and access to third-party money managers. IARs also provide advice to clients on matters not directly involving securities, such as financial planning, retirement planning and estate planning.

FFS does not determine investment philosophies and strategies for clients. Investment philosophies and strategies may vary by IAR and how they interpret individual client investment needs. IARs are responsible for recommending and implementing investment advice under the supervision of FFS. Clients are advised that there is no guarantee, stated or implied, that the client’s investment goals or objectives will be achieved.

The following is a list of our advisory programs:

- Independence Advisory Accounts Custodied at Pershing
- Independence Advisory Accounts Custodied at TCA by E*Trade
- Third-Party Money Managers
- Freedom Capital Management Strategies®
- Freedom Portfolios
- Freedom Independence Plan™
- Managed Portfolio Program
- Jefferson National Variable Annuity
- Independence Manager Exchange
- TheFreedomStrategies.com

Each of the above programs have their own independent set of agreements and documents that will be provided to the client for review and execution. Each agreement outlines specific roles of the IAR and program, fees, charges, and risk. Client should refer to the specific program documents for a full description of their products and services and all related terms, conditions fees and expenses.

Financial Planning and Consulting

FFS IARs offer financial planning and consulting. Financial planning typically involves providing a variety of services to individuals or entities regarding the management of their financial resources based upon an analysis of their individual needs. Generally, financial planning services involve preparing a financial analysis for a client based on the client’s stated life-goals, income, and financial needs, and may also include a review of the client’s investment objectives and risk tolerance. The information provided as part of this service would normally cover present and anticipated assets and liabilities, including insurance, savings, investments, and anticipated retirement or other employee benefits. Traditional financial planning involves meeting with the client to determine financial goals and objectives and then developing and delivering a written financial plan.

The advice that is provided by the IAR may include general recommendations for a course of activity, or specific actions, to be taken. Typical financial planning and consulting may include the following:

Initial Client Meeting

The purpose of an initial meeting is to discuss specific areas of concern and potential planning areas. During this meeting, the IAR will work with the client to determine whether or not a financial plan is appropriate or whether the client seeks investment management advice only.

As part of the initial meeting, or as a separate meeting, the IAR will review all necessary documents to develop a financial plan. These documents may include, but are not limited to, brokerage statements, insurance policies, income tax statements, estate documents, previously completed financial plans, business agreements, retirement information.

Developing a Financial Plan or Investment Analysis

Based on the information the IAR gathers, a financial plan or investment analysis will be developed. The IAR may use various computer software tools to assist them in creating the plan. While the IAR will not provide tax or legal advice, with client permission the IAR may speak with the client's attorney or tax professional.

Financial plans may consist of:

- Financial Position
Financial position review encompasses a review of current financial position, including a review of current cash flow. This type of review typically involves reviewing client net worth, cash flow, budget, debt, and investment accounts.
- Retirement Planning
Retirement planning typically consists of analyzing current or expected future retirement needs. Based on the current level of retirement savings, additional retirement accounts (such as an IRA or Roth IRA) may be recommended, or additional contributions to existing company retirement plan may be recommended.

If the client has an account in a company retirement plan that falls under ERISA (such as a 401(k), defined benefit plan, etc.), the IAR may provide education on the company's retirement account or recommendations for the investment allocation based on the client's risk tolerance for their consideration.
- Insurance Analysis
Insurance analysis typically consists of analyzing current or expected insurance needs. Based on the client's specific circumstances, such as, number of dependents and the age of the members in a household, the IAR may suggest the need to increase or decrease the amount of insurance or modify or change the type of policy.
- Education Planning
The IAR may review current or future needs as it relates to paying for education expenses for the client or their dependents. This type of review typically analyzes the amount of money being saved for education expenses in addition to what might be needed based on client's goals.
- Tax Efficient Investing Strategies
As part of the consulting services, the IAR may not provide tax advice. However, the IAR may assist in designing an investment strategy to maximize the tax efficiency of a portfolio.

Recommendations

The client is under no obligation to implement investment recommendations provided by the IAR. If the client chooses to act on any of the advice given, they are under no obligation to open any accounts with FFS or the IAR, and may, in fact, open accounts with firms that are not affiliated with FFS. If the client implements any investment recommendations through an IAR who is also associated with the Firm as a registered representative, FFS and the IAR may receive commissions and/or fees for executing the client's transactions or implementing the investment management recommendations. This may

create a conflict of interest for the IAR and the Firm because the IAR and the Firm would receive both the original consulting fee and the commissions or fees associated with the securities purchased or sold for the client.

Individualized Services and Client-Imposed Restrictions

The investment advisory services provided by FFS IARs depend largely on the personal information the client provides to the IAR. For FFS IARs to provide appropriate investment advice to, or, in the case of discretionary accounts, make appropriate investment decisions for, the client, it is very important that clients provide accurate and complete responses to their IAR's questions about their financial condition, needs and objectives, and any reasonable restrictions they wish to apply to the securities or types of securities to be bought, sold, or held in their account. It is also important that clients promptly inform their IAR of any changes in their financial condition, investment objectives, personal circumstances, and reasonable investment restrictions pertaining to the management of the account, if any, that may affect the client's overall investment goals and strategies.

Wrap Fee Programs

Most third-party money managers utilized by client's IAR such as, but not limited to, AssetMark, SEI Asset Management, and Independence Manager Exchange, are considered "wrap fee" programs in which the client pays a specified fee for portfolio management services and trade execution. Wrap fee programs differ from other programs in that the asset management fee structure for wrap programs is intended to be largely all-inclusive, whereas non-wrap fee programs assess trade execution costs that are typically in addition to the asset management fee. For example, the Freedom Capital Management Strategies and either of the FFS Independence Advisory programs are not considered a wrap fee program because clients generally pay trade-by-trade transaction costs that are in addition to the asset management fee. Third party model portfolio wrap fee programs available through FFS are managed in accordance with the investment methodology and philosophy used by the respective third-party portfolio manager, investment adviser, or strategist. Client should refer to the specific program documents and the third-party manager's wrap fee brochure for a full description of their services and all related terms, conditions fees and expenses.

Assets Under Management

As of May 31, 2018, FFS manages \$1,030,145,176 in assets. FFS manages \$771,718,781 on a discretionary basis, and \$258,426,394 is managed on a non-discretionary basis.

Program Choice Conflicts of Interest

Clients should be aware that the compensation to FFS and your IAR will differ according to the specific advisory program chosen. This compensation to FFS and your advisor may be more than the amounts that would otherwise be received if a client participated in another program or paid for investment advice, brokerage, and/or other relevant services separately. As a result of the differences in fee schedules and other sources of compensation that exist among the various advisory programs and services offered, FFS and the IAR may have a financial incentive to recommend a particular program or service over other programs or services available through FFS.

Item 5 - Fees and Compensation

How FFS and IAR are Compensated

Investment Management Fees

All fees are determined separately for each account. The fee rates applied by the IAR depend on, but are not limited to, the type of assets under management, the composition or structure of the account, the size of the account, and the services required by the client. Fees, including flat dollar rates and combination method are negotiable at the account opening. Other investment advisors may offer programs that charge similar fees that may not charge separately for brokerage and transaction costs.

Generally, fees are based on the application of a percentage rate to the amount of assets under management. Fees may be charged quarterly or monthly, in advance or in arrears. IARs may also charge a flat dollar rate or percentage for managing multiple accounts held away or may receive a combination of percentage of assets under management and commissions.

Complete information regarding fees and charges assessed are described in applicable prospectus and account opening documents. Clients are advised to review these documents thoroughly prior to opening any account.

Financial Planning

An IAR can be engaged to create a financial plan and provide guidance on an on-going basis, at specified intervals, or as a one-time event. The IAR may request a deposit prior to the delivery of the financial plan and recommendations. Fees may be charged at a flat rate or a certain fee per hour. In the case of ongoing plan management, the fee can be based as a percentage of the asset value of client's accounts for the plan provided. Financial plans are priced according to the degree of complexity associated with the client's situation. Financial planning fees shall generally not exceed a flat rate of \$10,000, \$500 per hour, or \$5,000 per year. However, based upon individual circumstances, a higher fee may be negotiated.

Plans must be delivered no later than six months from the date of the financial planning agreement. If a plan is not delivered within six months from the date of the agreement, the IAR is required to return any funds received or be granted an extension by the client for the plan delivery. A client may terminate a financial planning agreement without penalty by providing written notice within five (5) business days of receiving the agreement.

Independence Advisory Accounts Custodied with Pershing

Clients will pay FFS an annual fee to participate in the account, as negotiated by the IAR and the client. The fee, which may not exceed 2.50%, annually, is due and will be assessed at the beginning of each month based on the account value as of the close of business on the last business day of the preceding month. The fee shall be paid monthly in advance and FFS will deduct the fee from the account. The breakdown of the total fee is provided in detail in the client's executed Independence Advisory Agreement. Information on all fees and charges will also be provided to the client via confirmations and/or statements.

Independence Advisory accounts require a minimum account balance of \$25,000 before fee billing is initiated. Once account assets reach \$25,000 it will be billed from that time forward. For accounts that are opened with less than \$25,000, or if account value falls below \$25,000, the fee is not to exceed 2.50% or the \$125 minimum annual fee, prorated monthly, whichever is greater. Accordingly, a client might pay an effective rate greater than 2.50%. FFS, in its sole discretion, can waive its minimum fee and/or charge a lesser investment advisory fee based on certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Client may also incur certain charges imposed by investment company, mutual fund, or third parties other than FFS and the IAR in connection with investments made through the account, including, but not limited to, the following types of charges: 12(b)-1 fees, management fees, administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees. FFS will receive a portion of some of these third-party fees. All fees are fully disclosed in the Independence Advisory Agreement or in the applicable prospectus. The Firm's clearing/custodial firm has been instructed to credit any 12b-1 fees they receive from the client's account holdings to the client's account.

Neither FFS nor IAR will be compensated on the basis of a share capital gains or capital appreciation of the funds and/or securities maintained in the account. Account fees and transaction charges shall continue until thirty days after FFS has notified the client in writing of any change in the amount of the fees and charges. At the expiration of the thirty-day period, the new fees and charges will become effective unless the client notifies FFS in writing that the account is to be closed.

Either the client or FFS may terminate the account for any reason. Client may terminate effective upon written notice to FFS and/or the IAR. FFS and IAR may terminate for any reason, including client's failure to promptly pay fees and charges, or for any conduct or situation that in FFS' judgment impairs an effective relationship between the parties effective upon written notice to client.

FFS will refund the pro-rated fee received for the calendar month to the extent that such fee exceeds the execution charges that would have been owed based upon FFS' regular commission and execution rates. If the client terminates the relationship

within five (5) business days of signing the Independence Advisory agreement, the client will receive a full refund of fees paid. The fee received by FFS and the IAR Fee does not include transaction charges and other account related fees, which are described fully in the agreement provided to the client at, or before, establishing an account. The initial fee is due upon account funding and will be calculated at a pro-rated amount.

*Independence Advisory Accounts Custodied at TCA by E*Trade*

Clients will pay FFS an annual fee to participate in the account, as negotiated by the IAR and the client. The fee, which may not exceed 2.50% annually, is due and will be assessed at the beginning of each month based on the account value as of the close of business on the last business day of the preceding quarter. The fee shall be paid monthly in arrears and FFS will deduct the fee from the account. The breakdown of the total fee is provided in detail in the client's executed Independence Advisory Agreement. All fees and charges will also be provided to the client via confirmations and/or statements.

Client may also incur certain charges imposed by investment company, mutual fund, or third parties other than FFS and the IAR in connection with investments made through the account, including, but not limited to, the following types of charges: 12(b)-1 fees, management fees, administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees. FFS will receive a portion of some of these third-party fees. All fees are fully disclosed in the Independence Advisory Agreement or in the applicable prospectus. The Firm's clearing/custodial firm has been instructed to offset custodial fees applied to a client's account with any 12b-1 fees received from the client's account holdings.

Neither FFS nor the IAR will be compensated on the basis of a share capital gains or capital appreciation of the funds and/or securities maintained in the account. Fees and charges shall continue until 30 days after FFS has notified the client in writing of any change in the amount of the Fees and charges. At the expiration of the 30-day period, the new fees and charges will become effective unless the client notifies FFS in writing that the account is to be closed.

Either the client or FFS may terminate the account for any reason. Client may terminate effective upon written notice to FFS and/or the IAR. FFS and IAR may terminate for any reason, including client's failure to promptly pay fees and charges, or for any conduct or situation that in FFS' judgement impairs an effective relationship between the parties effective upon written notice to client.

In the event of termination, FFS will advise the custodian to deliver securities and funds held in the account as directed by the client, unless client requests that the account be liquidated. All fees and charges will remain in effect for 30 days from the termination date. Should client not provide delivery instructions upon termination, FFS reserves the right to register securities in the client's name and ship such securities to the client, all at the expense of the client.

Termination of an account will not affect the liabilities or obligations of the client as to transactions initiated prior to termination. If the client terminates the relationship within five (5) business days of signing the Independence Advisory agreement, the client will receive a full refund of fees paid.

Third-Party Money Managers

Client fees for accounts managed directly with third-party money managers will be billed to the account maintained by the third-party money manager. The client authorizes the third-party money manager under the third-party money manager's account agreement to charge the client's account directly for investment services rendered and directly remit the fees owed to FFS and IAR on a periodic basis as called for in the third-party money manager's client agreement.

Fees and transaction charges differ between each third-party money manager and may be negotiated by the IAR and the client. The client must read the separate client agreements and Form ADV of the third-party money manager to determine what the specific policy is for each different third-party money manager and client circumstance.

In the event of termination, FFS will not advise the third-party money manager to deliver securities and funds held in the account. Client is to provide termination instructions to third-party money manager. Client is to contact the third-party money manager directly regarding all fees and charges that may remain in effect from the termination date.

Freedom Capital Management Strategies®

Client will pay FFS an annual fee to participate in the program, as negotiated by IAR and Client. The fee is paid in quarterly installments, in advance and will be deducted from the account.

The amount of the fee will vary depending on the strategy selected and assets within the program but may not exceed 2.75% annually. A client may terminate the account for any reason and FFS will refund the pro-rata fee received for the calendar quarter to the extent that such fee exceeds the execution charges that would have been owed based upon FFS's regular commission and execution rates. The initial fee is due at the beginning of the quarter following execution of the agreement and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter.

Client may also incur certain charges imposed by investment company, mutual fund, or the third-parties other than FFS and the IAR in connection with investments made through the account, including, but not limited to, the following types of charges: 12(b)-1 fees, management fees, administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees. FFS will receive a portion of some of these third-party fees. All fees are fully disclosed in the client agreement or in the applicable prospectus. The Firm's clearing/custodial firm has been instructed to offset custodial fees applied to a client's account with any 12b-1 fees received by clearing/custodial firm from the clients account holdings.

Neither FFS nor the IAR will be compensated on the basis of a share capital gains or capital appreciation of the funds and/or securities maintained in the account. Fees and charges shall continue until 30 days after FFS has notified the client in writing of any change in the amount of the fees and charges. At the expiration of the 30-day period, the new fees and charges will become effective unless the client notifies FFS in writing that the account is to be closed.

Client may terminate their account effective upon written notice to FFS and/or the IAR. FFS may terminate for any reason, including client's failure to promptly pay fees and charges, or for any conduct or situation that in FFS' judgment impairs an effective relationship between the parties effective upon written notice to client.

In the event of termination, FFS may advise the custodian to deliver securities and funds held in the account as directed by the client, unless client requests that the account be liquidated. All fees and charges will remain in effect for 30 days from the termination date. Should a client not provide delivery instructions upon termination, FFS reserves the right to register securities in the client's name and ship such securities to the client, all at the expense of the client.

Termination of an account will not affect the liabilities or obligations of the client as to transactions initiated prior to termination. In the event of a termination, FFS will refund the pro-rata fee received for the calendar quarter to the extent that such fee exceeds the execution charges that would have been owed based upon FFS' regular commission and execution rates. If the client terminates the relationship within five (5) business days of signing the Freedom Capital Management Strategies agreement, the client will receive a full refund of fees paid.

Freedom Portfolios

FFS established a relationship with Horizon Investments, LLC ("Horizon") to jointly sponsor and manage five (5) Freedom Portfolios exclusively for distribution by FFS IARs. The portfolios can purchase mutual funds or ETFs. Horizon serves as the Registered Investment Advisor and FFS serves as the sub-advisor on the Freedom Portfolios. Fees are paid by the client to Horizon to participate in the program, as negotiated by IAR and client. The fee is paid in quarterly installments, in arrears and will be deducted from the account. The fees may be billed directly to the client if so requested in writing by the client. The amount of the fee will vary depending on the strategy selected and assets within the program but may not exceed 2.75% annually. FFS, Horizon, and the IAR share in the fees and charges as compensation for the services performed.

The Freedom Portfolios may be terminated at any time by either client or FFS upon 30 days prior written notice of such termination.

Further information regarding the Freedom Portfolios can be found in Horizon's Form ADV2A.

Freedom Independence Plan™

Client will pay FFS an annual fee to participate in the program, as negotiated by IAR and Client. The fee is paid in quarterly installments, in arrears, and the client authorizes the plan to remit the fees to be paid directly to FFS from the plan assets to be deducted from the client's account.

The amount of the fee will vary depending on the strategy selected and assets within the plan but may not exceed 2.00% annually. The client will pay the fees to FFS and the IAR for services provided. The client will pay these fees through their plan's record keeper (or other custodian of the plan's assets) directly to FFS and/or IAR from the plan assets. Notwithstanding the obligation to pay the fees, a client may elect within their sole discretion to pay any or all fees to FFS and/or the IAR in lieu of payment through the plan. Any fees remaining unpaid after 30 days from date of invoice shall be due and payable immediately through the plan.

Client acknowledges that FFS and/or its affiliates may receive fees from mutual funds, or their distributors, that are offered as investment alternatives under the plan. These fees consist of 12b-1 fees, sub-transfer agency fees, and/or other similar fees, and are in addition to the fees charged for investment advisory services. Any 12b-1 fees, sub-transfer agency fees, and/or other similar fees received by FFS or its affiliates from mutual funds, or their distributors, shall be used to offset the investment expenses of the plan or remitted to the plan.

Client shall be entitled to terminate the plan agreement within five (5) business days of the execution of without incurring a penalty or charge. Otherwise, either party may terminate upon 30 days prior written notice to the other party. FFS and the IAR shall be entitled to a pro-rata amount of compensation. Such termination will not, however, affect the liabilities or obligations arising from transactions initiated prior to such termination, and such liabilities and obligations shall survive any expiration or termination of the account.

Managed Portfolio Program

Client will pay FFS an annual fee to participate in the program, as negotiated by IAR and Client. The fee is paid in quarterly installments, in arrears, and will be deducted from the account. The investment advisory fee for Managed Portfolio Program for all dollar amounts invested is 1.65%.

Client may also incur certain charges imposed by investment companies, mutual funds, or the third-parties other than FFS and the IAR in connection with investments made through the account, including, but not limited to, the following types of charges: 12(b)-1 fees, management fees, administrative servicing fees, other transaction charges and service fees, and IRA and Qualified Retirement Plan fees. FFS will receive a portion of some of these third-party fees. All fees are fully disclosed in the client agreement or in the applicable prospectus. The Firm's clearing/custodial firm has been instructed to offset custodial fees applied to a client's account with any 12b-1 fees received by the clearing/custodial firm from the client account holdings.

FFS and the IAR share in the fees and charges as compensation for the services performed. Neither FFS nor the IAR will be compensated on the basis of a share capital gains or capital appreciation of the funds and/or securities maintained in the account. Fees and charges shall continue until 30 days after FFS has notified the client in writing of any change in the amount of the Fees and charges. At the expiration of the 30-day period, the new fees and charges will become effective unless the client notifies FFS in writing that the account is to be closed.

Client may terminate effective upon written notice to FFS and/or the IAR. FFS may terminate for any reason, including client's failure to promptly pay fees and charges, or for any conduct or situation that in FFS' judgment impairs an effective relationship between the parties effective upon written notice to client.

In the event of termination, FFS will advise the clearing/custodian to deliver securities and funds held in the account as directed by the client, unless client requests that the account be liquidated. All fees and charges will remain in effect for 30 days from the termination date. Should a client not provide delivery instructions upon termination, FFS reserves the right to register securities in the client's name and ship such securities to the client, all at the expense of the client.

Termination of an account will not affect the liabilities or obligations of the client as to transactions initiated prior to

termination. If the client terminates the relationship within five (5) business days of signing the agreement, the client will receive a full refund of fees paid.

Jefferson National Variable Annuity

Client will pay FFS an annual fee to participate in the program, as negotiated by IAR and the client. The fee is paid in quarterly installments, in arrears. The amount of the advisory fee will vary depending on the strategy selected and assets within the program but may not exceed 1.50% annually.

Client fees for accounts held directly with Jefferson National will be billed to the account designated by the client. These fees could come directly from the client's Jefferson National variable annuity or an account held with another custodian. Through the account agreement, the client authorizes these fees to be directly remitted to FFS on a periodic basis. FFS will provide a portion of these fees to the IAR for services provided. If client fees are deducted from client's Jefferson National variable annuity, it may create a taxable event for the client. Client should review any tax implications regarding fees paid from their Jefferson National variable annuity with their tax professional. Further, if securities are liquidated from other accounts to pay client fees it may also have tax implications that should be reviewed with client's tax professional.

The investment selections for the variable annuity may be limited to the choices offered through the specific product. Specifics regarding the annuity are found in the annuity prospectus and application documents. The IAR builds an appropriate asset allocation for each client based on their unique risk tolerance, using sub-accounts available within Jefferson National Variable Annuity. On-going monitoring of the account is performed by the IAR and recommendations for changes to asset allocations or sub-accounts must be approved by the client.

Client authorizes FFS to act upon instruction from client to pay the advisory fees charges by IAR from the account pursuant to the written advisory agreement between client and IAR. The payment of such fees will be treated as a withdrawal under the terms of the account. Client acknowledges that a withdrawal from the Account to pay such fees may incur a withdrawal charge, if applicable, during the surrender charge period and thus may require FFS to liquidate a larger dollar amount than the advisory fees. Client further acknowledges that withdrawals may negatively impact any guarantees associated with certain optional benefit riders.

Fees will be pulled pro rata as the default. Systematic fees will be executed on the last calendar day of each month-end/quarter-end. Any recurring systematic fees billed in arrears will be prorated and paid upon surrender or annuitization of the Account, or removal of IAR from the Account.

In the event of termination, FFS will not advise Jefferson National to deliver securities and funds held in the account. Client is to provide instructions to Jefferson National. Client is to contact Jefferson National directly regarding all fees and charges that may remain in effect from the termination date.

Independence Manager Exchange

The terms and conditions under which the client shall engage FTJ FundChoice, LLC will be set forth in separate written agreements between (1) the client and FFS and (2) the client and FTJ FundChoice. Client will pay FFS an annual fee to participate in the program, as negotiated by IAR and client. The administration fees charged by FTJ FundChoice are exclusive of, and in addition to, FFS' investment advisory fee. All fees will be assessed monthly, in arrears, and will be collected from client's TD Ameritrade account by FTJ FundChoice. Complete disclosures regarding the fees, expenses and other charges for participation in this program are set forth in FTJ's Application Addendum, FTJ's Form ADV, and FTJ's Wrap Fee brochure which is provided to the client prior to establishing the account.

The amount of the fee will vary depending on the strategy selected and assets within the program but may not exceed 2.75% annually. FTJ may change the fees at any time and will inform the client by posting changes on its websites or by other means. FFS and the IAR share in the fees and charges as compensation for the services performed.

Client will also incur certain charges associated with securities transactions in clients' accounts, including: (a) dealer markups, markdowns or spreads charged on transactions in over the counter securities; (b) costs relating to trading in certain foreign securities; (c) the internal charges and fees that may be imposed by any funds, such as fund operating expenses,

management fees, redemption fees, 12b-1 fees and other fees and expenses; (d) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; and (e) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law. Further information regarding charges and fees assessed by funds may be found in the appropriate prospectus or offering document.

Mutual funds (including money market funds) charge fees separate and apart from the fees outlined above. The amounts of such fees are described in the applicable prospectus under fund expenses and are also reflected on the mutual fund's financial statements. These separate fees may include 12b-1 fees and sub transfer fees. Investment strategists available through Independence Manager Exchange make all investment decisions and will, from time to time, own share classes that charge 12b-1 fees when lower cost share classes may be available. Neither these payments nor other payments received by Custodian with respect to the client's assets invested, will be credited back to client in calculating the above-described fees. FFS and IAR do not receive any portion of such 12b-1 fees.

Clients may terminate effective upon written notice to FFS and/or the IAR. FFS may terminate for any reason, including client's failure to promptly pay fees and charges, or for any conduct or situation that in FFS' judgment impairs an effective relationship between the parties effective upon written notice to client.

Termination of an account will not affect the liabilities or obligations of the client as to transactions initiated prior to termination. If the client terminates the relationship within five (5) business days of signing the agreement, the client will receive a full refund of fees paid.

FTJ's services may be terminated by the client, FTJ or the Firm in accordance with FTJ's Terms of Services and Use Agreement. Client is responsible to pay for services rendered until the termination of the agreement.

Additional Information

Breakpoints

A breakpoint schedule looks at the account value and compares it to a set fee schedule. Based upon the value of the account at the end of the billing period, the account's billable fee rate may decline as the value of the account reaches the next fee rate, or "breakpoint." The total value of the account is compared against the fee rate for the respective value range that corresponds with the account value to determine the total account fee for that period. Breakpoints vary for each program. There is no requirement that a client or account fee schedule use a breakpoint structure and no requirement that FFS or IAR offer a client a breakpoint structure.

All fees and arrangements are negotiable and FFS and/or the IAR may waive a particular fee whether on an ongoing or a one-time basis, in its sole discretion. The Firm may also allow for the aggregation of assets among a client's "related" managed accounts for purposes of determining the total value and the applicable advisory fee to be paid by a client. FFS reserves the right to determine whether client accounts are "related" for purposes of aggregating a client's accounts together for a reduction in the percentage fee amount. FFS does not automatically aggregate assets from "related" accounts for purposes of providing a breakpoint. This is determined by IAR and the client as they negotiate the overall client fee structure. The absence of such automation creates a conflict of interest.

Client may request that FFS and IAR consider the size of the total household relationship. An example of a household could include, but is not necessarily, the main account holder, his or her spouse, parents, grandparents, children, and grandchildren. It is the client's responsibility to inform the IAR of the potential opportunity to household accounts.

Other Termination Considerations

Upon receipt of written notice from the client to terminate any advisory account from any of the listed services above that does not provide specific transfer instructions, FFS and the IAR reserves the right to, in an orderly and efficient manner, proceed with the liquidation of the client's account. This could result in negative tax implications for the client. The client should be aware that certain custodians and mutual funds impose redemption or account closing fees as stated in each

company's fund prospectus in certain circumstances. Each custodian used by FFS may charge a fee to close an account; in addition, transaction fees and/or transfer fees may apply.

Factors that may affect the orderly and efficient manner would be size and types of issues or securities, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following the markets reopening. Due to the administrative processing time needed to terminate the client's investment advisory service, it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. FFS and the IAR are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

Mutual Fund Share Class Selection

Mutual funds offer many different share classes for purchase by clients. In determining which share class to purchase for a client's account, it is the Firm's intention to always select the share class with the lowest total expenses that are available for purchase through our custodians that also meet any required purchase guidelines of the mutual fund. The Firm and IAR do not have a financial incentive to select and recommend share classes with 12b-1 fees.

When an account holds mutual funds that charge 12b-1 fees, the Firm has instructed our custodians to return the cost of the 12b-1 fees to the client by rebating the amounts to the client's accounts through credits, offsets, or similar adjustments that benefit the client. FFS will work with the custodian firm to perform a share class conversion when instructed by a client.

FFS maintains guidelines on share class selection that generally prohibit IARs from selecting or recommending share classes that pay 12b-1 fees when a lower-cost share class is available. There are circumstances where a client account will purchase or continue to hold a fund that pays 12b-1 fees. This includes but is not limited to the following examples:

- The mutual fund company does not provide any other share class for the purchase of the fund.
- The client already owns the fund and transfers the fund into an account managed by IAR and does not provide instructions to convert to a lower cost share class.
- Client account is invested with a third-party manager through which the Firm and IAR have no control over the share class selected by third-party manager.

As stated previously, in these cases, as well as any others where the client account holds a mutual fund that pays 12b-1 fees in an advisory account through FFS and not managed by a third-party manager, FFS has implemented policies to ensure that the client receives the financial benefit of those fees where possible.

The Firm has a designated supervisor who is responsible for managing any potential conflicts of interest related to the Firm's and IAR's selection of share classes.

Item 6 - Performance-Based Fees and Side-By-Side Management

This item does not apply. FFS and its IARs do not accept performance-based fees.

Item 7 - Types of Clients

FFS provides and offers investment advisory services to a broad array of clients, including individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or other businesses. The majority of FFS clients are retail clients that fall under the "Individuals (other than high-net-worth individuals)" category. This category includes, but is not limited to, individual, joint, trust, IRA, 401(k) participant, and custodial accounts.

The minimum account size varies by the advisory service:

- Independence Advisory Accounts Custodied at Pershing – \$25,000
- Independence Advisory Accounts Custodied at TCA by E*Trade – \$5,000

- Third-Party Money Managers – will vary based upon sponsoring company standards
- Freedom Capital Management Strategies® – will vary based upon investment strategy selected
- Freedom Portfolios – \$25,000
- Freedom Independence Plan™ – no minimum
- Managed Portfolio Program – \$10,000
- Jefferson National Variable Annuity – \$15,000
- Independence Manager Exchange – will vary based upon sponsoring company standards
- TheFreedomStrategies.com

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

IARs are responsible for determining and implementing investment advice under the supervision of the Firm. The IAR may perform various techniques in analyzing investments for advisory clients which may include, but are not limited to, fundamental analysis, technical analysis, and cyclical analysis. The client is advised that there is no guarantee, stated or implied, that the client's investment goals or objectives will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. As a result of this inherent risk, FFS and its IARs cannot represent, guarantee or even imply that the methods of analysis used can accurately forecast future returns, accurately identify market highs and lows, or protect clients from investment losses as a result of economic downturns and market corrections.

All methods of analysis and investment strategies involve some material risks, including the risk of loss. Some of the material risks involved in technical analysis includes the potential for a lack of consideration given to the intrinsic value of specific investments. Technical analysis focuses primarily on economic factors and market conditions, which may overlook variables specific to a particular investment. Conversely, fundamental analysis generally focuses on more specific variables, such as a public companies financials, sales, earnings, debt, management, and assets. As a result, there is a risk that fundamental analysis omits the overall state of the economy and markets as a factor. Cyclical analysis is also subject to material risks, which include uncertainty over how long cycles will last, when they will peak and when they will reach a bottom.

The majority of investment recommendations made by IARs through the Firm's advisory services programs involve material risks, including the risk of loss. Many of the investment recommendations made by IAR's through the Firm's advisory services programs involve the potential for tax implications as a result of income and capital gains distributions. Clients may have to pay taxes on these distributions even if the fund went on to perform poorly after shares were purchased. Lack of control is also a risk that clients encounter, clients and IARs typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. Another risk is price uncertainty, mutual fund investors face this risk because the price at which shares are purchased and sold is based on the fund's net asset value, which may not be calculated until many hours after the transaction has already been processed. Clients should read the mutual fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks.

Some of the common risks clients should consider prior to investing include, but are not limited to:

- Market Risk
Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer- specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that a client will lose money and investments may be worth more or less upon liquidation.
- Interest Rate Risk
When interest rates increase, the value of the account's fixed income investments may decline and the account's share value may be reduced. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgage- and other asset-backed securities, the value of which may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

- Inflation Risk
Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.
- Reinvestment Risk
This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk
These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk
Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk
Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.

Item 9 - Disciplinary Information

As a Registered Investment Adviser, FFS is required to disclose all material facts regarding any legal or disciplinary events that are material to a client's evaluation of the FFS or the integrity of its management. FFS currently has no applicable information to include for this Item.

Item 10 - Other Financial Industry Activities and Affiliations

FFS is also a broker-dealer registered with the Securities Exchange Commission ("SEC") and a member of Financial Industry Regulatory Authority ("FINRA"). FFS uses Pershing, LLC as their clearing firm for brokerage business. In an IAR's separate capacity as a Registered Representative of the broker-dealer, they are able to implement securities transactions for advisory clients for separate and typical compensation. This means that IAR's of FFS may also receive commissions for the sale of investment products through the registered broker-dealer, if a client purchases a commissionable product as recommended. Commissions received for the sale of these investment products may be in addition to advisory fees received for services rendered as an IAR of FFS. As stated earlier, all fees earned by an IAR of FFS will be fully disclosed and agreed to in writing by all clients prior to the execution of an advisory account or transaction. Commissions charged by FFS will be higher than commissions charged by some other broker-dealers. Recommending that such transactions be executed with FFS is a conflict of interest.

For broker-dealer services, FFS or the IAR may receive compensation for such transactions, where such compensation is separate and distinct from the IAR's compensation related to its investment advisory services. From time to time, IAR's of the Firm may recommend that clients buy or sell securities or investment products that the IAR also owns. In such circumstances, the IAR shall adhere to the Firm's Code of Ethics.

FFS has executed a tri-party agreement with ProEquities, LLC and Pershing. In addition to being a conduit to Pershing custodial services, ProEquities also assist FFS' back-office functions. These include, but are not limited to, account transfers, cashing, and establishing new accounts on the Pershing platform.

FFS representatives have access to insurance products through Founders Financial Securities Insurance Agency ("FFS Ins. Agency"). As such, FFS Ins. Agency distributes products and does not open or maintain customer accounts or hold

customer funds or securities.

Some IARs are also licensed independent insurance agents and may recommend or sell clients insurance products. Clients are under no obligation to purchase these products from the associated person. In their separate capacities as an independent insurance agent, the associated person will be able to implement insurance transactions for advisory clients for separate and typical compensation.

All clients are advised that broker-dealer services (and insurance) are separate from advisory services offered pursuant to this brochure, and IARs may be compensated for making recommendations under the broker-dealer, including a share of commissions.

Some IARs are also Certified Public Accountants (“CPA”) and may recommend or offer accounting and tax advice and/or services. Clients are under no obligation to purchase these services from the associated person. In their separate capacities as CPA, these individuals will be able to provide accounting and tax services for advisory clients for separate and typical compensation.

Item 12 includes additional details regarding brokerage practices and related disclosures.

FFS has arrangements with certain investment product companies. These companies are provided the opportunity to communicate and educate IARs about their products and how they are used for the achievement of client’s financial needs. They engage with the Firm’s IARs via the Firm’s electronic platforms and, in some cases, in person. Sponsors pay FFS a fee for these opportunities.

As of the date of this brochure, sponsors include:

CNL Securities Corp.	Lincoln Financial Distributors
Brighthouse Financial	Legg Mason
Franklin Templeton Distributors	

In addition, some firms that FFS partners with may provide contributions toward annual Firm events. Current sponsors to these events include:

Horizon Investments

FFS may add or eliminate sponsors from time-to-time without prior notice.

FFS Registered Representatives and IARs do not receive additional compensation for selling securities offered by a sponsor. Furthermore, they are not required to achieve a sales quota with respect to investments or services offered by any sponsor. The Firm also has a policy against accepting reimbursement through brokerage transactions directed to FFS by sponsors. However, the opportunity that sponsors have to communicate with FFS and the IARs could influence investment decisions or investment recommendations and may constitute a conflict of interest.

The Firm believes that, in general, these firms offer investment and advisory products and services of a high quality. However, FFS does not guarantee that these products and services will perform better than others that may be available, and encourages its Registered Representatives, IARs, and clients to consider any company whose products and services might be suitable for the customer.

Item 11 - Code of Ethics

FFS has adopted a Code of Ethics (“the Code”) for the Firm’s supervised persons to comply with SEC Rule 204A. The Code describes our standards of business conduct and our fiduciary duty to our clients. The Code includes, but is not limited to, provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the

acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code annually, or as amended.

FFS supervised persons may buy or sell securities that are recommended to clients. FFS employees and persons associated with us are required to follow the Code. Subject to satisfying this policy and applicable laws, employees and persons associated with us and our affiliates may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code is designed to ensure that the personal securities transactions, activities, and interests of our employees will not interfere with making decisions in the best interest of advisory clients and implementing such decisions, while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of our clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between employees and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. FFS will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is FFS policy not to affect any principal or agency cross-securities transactions for client accounts. FFS will not affect cross trades between client accounts either. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Clients or prospective clients may request a copy of our Code of Ethics by contacting us at 888-523-1162.

Item 12 - Brokerage Practices

FFS does not engage in any soft dollar practice.

FFS utilizes TCA by E*Trade, Pershing, LT Trust, and TD Ameritrade to custody/record-keep advisory assets and to execute advisory account transactions in connection with investment advisory programs the Firm offers to clients. Transactions executed through any of these firms are subject to FFS duty to obtain "best execution," i.e., a price that is as favorable to the client as possible under the prevailing market conditions. While FFS will make every attempt to obtain the best execution possible, there is no assurance that it will be obtained.

FFS will act in the best interests of the client to seek to obtain the best price and execution for transactions. The Firm will seek the best price in the marketplace as well as ensure that, in executing client transactions, clients do not incur unnecessary costs and charges. This may mean that FFS does not get the lowest possible commission cost if a transaction represents the best qualitative value for a client. In addition, whenever trading may create a conflicting interest between FFS and clients, the Firm will obtain consent from the client before engaging in the activity after providing full and fair disclosure of all material facts.

In connection with all third-party money managers, the third-party money managers choice of custodian and executing broker will be limited to those choices offered by the third-party money managers.

The Firm may aggregate client orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account included in the bunched trade, FFS must reasonably believe that the bunched order is consistent with the Firm's duty to seek best execution and benefit each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in bunched trades are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

The aggregation and allocation practices of mutual funds and third-party money managers that the Firm's IARs recommend to a client are disclosed in the respective mutual fund prospectuses and third-party money manager disclosure documents which will be provided to the client.

Item 13 - Review of Accounts

A portion of all accounts will be reviewed on a quarterly basis by FFS' Chief Compliance Officer ("CCO"), or designated individual(s) under the supervision of the CCO. FFS will consider several factors to determine which accounts should be reviewed, including but not limited to: investment objectives versus management style, targeted allocation versus current allocation, suitability, performance, number of trades, and concentrated positions/diversification.

Further, each advisory program has its own unique characteristics that FFS will also consider when assessing how many accounts make an appropriate representative sample and what factors should be considered in said review.

Supervisory review of advisory accounts will include general account activity and other triggering factors such as fees charged, account performance and performance reports, customer complaints, products used, best execution, security concentration and other triggering factors as determined by reviewer.

Financial planning services and/or fee-based insurance plans may include some of the above but review will mainly focus on fees charged in relation to financial and/or insurance plan, documents in support of the financial and/or insurance plan which may include worksheets, schedules, diagrams and other pertinent information.

Some potential examples of situations that may prompt us to conduct more frequent reviews include the following: performance is not in line with the client's risk tolerance, change in investment objective, a significant addition or withdrawal of capital is made, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, frequency of trades is not in line with objectives and current account type, or a concentrated position that is leading to account volatility.

For all accounts, at least annually, FFS will contact the client and request current information to determine whether there have been any changes in the current information provided in the risk tolerance or objectives. The client must inform FFS in writing of any material changes to their account information or financial circumstances that might affect the manner in which their assets should be invested. Clients may contact FFS during normal business hours to consult regarding the management of their account(s).

Item 14 - Client Referrals and Other Compensation

The Firm will occasionally enter into solicitor's agreements that comply with SEC rule 206(4)-3 promulgated under the Investment Advisors Act of 1940. If a client is introduced to FFS by a solicitor, FFS may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940, and any corresponding state securities law requirements. Any such referral fee will be paid solely from advisory fees and will not result in any additional charge to the client. The solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship, and provide each prospective client with a copy of the Firm's Part 2A and Part 2B of Form ADV, together with a copy of

the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Firm and the solicitor, including the compensation to be received by the solicitor from FFS.

Item 15 – Custody

Client assets may be maintained by an unaffiliated, qualified custodian (e.g. TCA by E*TRADE), bank, broker/dealer (e.g. Pershing, LLC), mutual fund companies or transfer agent. Client assets are not held by FFS or any of its affiliates. The client should receive at least quarterly statements from the custodian that holds and maintains their investment assets. Client understands that the custodian may charge a fee such as, but not limited to: custodial fees, deferred sales charges, odd-lot differentials, transfer fees, transfer taxes, lost certificate fees, wire transfer and electronic fund fees, postage and handling for paper delivery of statement and trade confirmations, margin and pre-payment fees, and other fees and taxes on brokerage accounts and securities transactions. FFS and IARs advises the client to carefully review the official custodial records provided to them by the custodian(s) and compare them to all account documents and agreements held by the client. FFS urges the client to carefully review their official custodial records and compare them to any additional account documents that the Firm may provide to the client.

Item 16 - Investment Discretion

FFS services client accounts on a discretionary or non-discretionary basis. FFS receives discretionary authority from the client at any time of an advisory relationship, if chosen, through the Investment Advisory Agreement. Investment discretion allows FFS and/or the IAR to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives of the client account. When IARs select securities and determine amounts, they observe the investment policies, limitations, and restrictions of the client. Investment guidelines and restrictions must be provided by the client to FFS in writing.

Item 17 - Voting Client Securities

For all the advisory services and programs offered through the Firm, neither FFS nor IARs have any authority to vote proxies on the client's behalf. Clients are solely responsible for receiving and voting proxies for the securities maintained within accounts. Client will receive proxies or other solicitations directly from the custodian and/or transfer agent.

For accounts held with third-party money managers, – depending on the third-party money manager's proxy voting policies and procedures, the third-party money manager may require the client to appoint them as agent and attorney-in-fact with discretion to vote proxies on the client's behalf. Clients should review the third-party money manager's disclosure brochure to understand their proxy voting policies and procedures.

Item 18 - Financial Information

As a Registered Investment Adviser, FFS does not allow IARs to take prepayment of more than \$1,200 in fees six months or more in advance. FFS does not have a financial condition that could impair our ability to meet contractual obligations. Therefore, FFS is not required to provide audited balance sheets.

Additional Information

Privacy Policy

The Firm collects non-public personal information about clients from information received on applications or other forms and information about client transactions with Firm affiliates, others, or the Firm itself. FFS does not disclose any non-public personal information about current or former clients to anyone, except as permitted by law or in order to provide the current services. Firm employees have limited access to client personal information based on their responsibilities to provide products or services to clients. The Firm maintains physical, electronic and procedural safeguards in compliance with federal standards to protect client information. If the IAR servicing a client account leaves FFS to join another firm, the IAR is permitted to retain copies of client information so that he/she can assist with the transfer of the client account and continue to serve the client at their new firm.

“Opting-out” of Third-Party Disclosures

If a client does not want an IAR to retain copies of client sensitive information when he/she leaves FFS to join another firm, the client may contact the FFS Compliance Department by calling 888-523-1162.

Business Continuity Plan

FFS has developed a Business Continuity Plan to address how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions are unpredictable, we will be flexible in responding to actual events as they occur.

Within 24 hours after a significant business disruption, we plan to quickly recover and resume business operations 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.

The Firm’s business continuity plan addresses: data back-up and recovery; all mission critical systems; 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.

The Firm’s sub-clearing firm, ProEquities, backs up important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, FFS has been advised by ProEquities that its objective is to restore operations and be able to complete existing transactions and accept new transactions and payments within four hours of the disruptive event. Client orders and requests for funds and securities could be delayed during this period.

Contacting Us

If, after a significant business disruption, a client is unable to contact FFS at 888-523-1162, please visit the parent company’s website at wwwFOUNDERSFINANCIAL.COM to review updated contact information.

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 we are 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 24 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 recover and resume business within three (3) days. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and provide you with instructions on how to contact us through our parent company’s web site: wwwFOUNDERSFINANCIAL.COM. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our client’s prompt access to their funds and securities.

This information is provided solely to our clients and no further distribution or disclosure is permitted without our prior written consent. No person other than our clients may rely on any statement herein. Our Business Continuity Plan is reviewed and updated regularly and is subject to change.

Please visit our parent company’s web site at wwwFOUNDERSFINANCIAL.COM for the most current copy of this disclosure. You may request an updated copy by writing us at the following address:

Founders Financial Securities, LLC.
ATTN: Compliance Department
1020 Cromwell Bridge Road
Towson, Maryland 21286