



WFG Advisors, LP

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9/28/2013

ADV Part 2

This Brochure provides information about the qualifications and business practices of WFG Advisors, LP. If you have any questions about the contents of this Brochure, please contact the WFG Compliance Department at 800.225.3650 or Compliance@Williams-financial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

WFG Advisors, LP is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about WFG Advisors, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section of the disclosed brochure (“Brochure”) will summarize the specific material changes that have been made since the previous version of the Brochure was published. The types of changes in the summary will relate to the nature of the material changes made to the firm’s policies, procedures and/or conflicts of interest.

The previous version of this Brochure, dated September 15, 2012, has been amended as follows:

Under the section entitled “Wrap Fee Program Services,” we amend the list of current available asset managers to include: Dean Investment Associates, First Republic, Barrington Capital Management, Leonetti and Associates, and Lyons Wealth Management.

Under the section entitled “Nonproprietary ‘wrap fee programs’- TAMPS, we amend the list of current available asset managers to include: Retirement Management Solution, Rochdale, Verity, Verity 403b, Clark Capital Management, SEM, and BTS Asset Management.

Under the section entitled “Disciplinary Information,” we amend this section to include disclosed events that relate to Wilson Williams, President of Williams Financial Group and CEO of WFG Investments, Inc.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 90 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Advisor Services at 800.225.3650 or advisorservices@williams-financial.com.

Additional information about WFG Advisors, LP is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with WFG Advisors, LP who are registered, or are required to be registered, as investment advisor representatives of WFG Advisors, LP.

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Item 4 – Advisory Business

WFG Advisors, LP is located in Dallas, TX and has been offering investment advisory services since 2003.

WFG Advisors, LP is 100% owned by Williams Financial Group, a wholly owned subsidiary of W.H. Williams Family L.P. WFG, through a common parent, is affiliated with the broker-dealer of WFG Investments, Inc. Officers/Directors/Employees of WFG are registered representatives/principals of WFG Investments, Inc. and therefore are licensed to sell securities for separate commission compensation.

WFG Advisors, LP (hereinafter “WFG” or the “Firm”) provides investment advisory services including asset management, and financial planning to individuals, high net worth individuals, Pension and profit sharing plans, Charitable Organizations, Corporations and other Investment Advisers. The asset management services, as described more fully below, are made available to Clients through “wrap fee” programs, which are sponsored by WFG.

Individuals associated with WFG will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of WFG. Such individuals are known as Investment Advisor Representatives.

As of June 31, 2013 the firm has assets under management totaling \$ 1,252,671,654.55.

Wrap Fee Program Services

WFG Select Program

WFG acts as the program sponsor for one wrap fee program called *WFG Select*, where clients pay a single fee to WFG which encompasses WFG’s money management fees, certain transaction costs, custody, performance measurement and administrative cost (referred to as “wrap fee” arrangements). A condition of this program is that transactions for clients’ accounts are executed by WFG Investments, Inc., an affiliate broker dealer through common control and ownership, or other approved broker dealers.

The *WFG Select Program* provides Clients with discretionary and non-discretionary portfolio management, and/or access to multiple money managers who will provide investment advice to the Client portfolios through the Client’s choice of two investment/relationship options.

The Program is offered through WFG through WFG Investment Advisor Representatives acting in their separate capacity as IARs of WFG based on its independent registration as an investment advisor with the Securities and Exchange Commission. This practice creates a conflict of interest and gives those IAR’s an incentive to recommend investment products/programs based upon the compensation received relating to securities executions, rather

than on the client's needs. In order to alleviate this potential conflict, WFG conducts daily and periodic reviews of trading activity and general account activity and holdings to ensure consistency with client investment objectives and financial status. Fee billing is also periodically reconciled to ensure accuracy and appropriateness of overall fees paid by clients to WFG. Clients who participate in the Select Program will receive the equivalent wrap fee brochure also provided by WFG.

Clients participating in this Program will pay a monthly fee, in advance, based on the aggregate amount of assets under management. For the *WFG Select Program* the fee is based on the average daily balance of the assets as of the last business day of the preceding calendar month. In those instances where the fee may be billed in arrears, it may include a prorated adjustment for any new investment capital added or withdrawn during the billable period.

Fee Schedule:

Program fees are based on the following fee schedule:

Total Account Value	Maximum Account Fee*
First \$1,000,000	2.80%
Next \$2,000,000	2.20%
Assets Over \$3,000,000	1.75%

*Fees may be negotiated and may vary based on the type of account, account size, historical relationship with the client, or other factors.

Client may receive the firm's Wrap fee disclosure brochure in lieu of Form ADV Part II. If the Wrap Fee Disclosure brochure is not delivered to the Client at least 48 hours prior to entering into the management agreement, the Client may terminate the agreement for services within five business days of execution without penalty. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the month in which the cancellation notice was given and any unearned fees will be returned to the client.

The firm offers Client access to various independent Third Party Sub Advisors. These programs typically take into consideration a Client's particular investment objectives, financial status and risk tolerance to allocate client assets among one or more Third-Party Sub Advisors or managed asset programs that may invest in different types of securities and/or Third Party Sub Advisor portfolios.

The firm does not itself directly provide portfolio management or specific security selection for clients participating in such various money management programs. Rather, the firm has entered

into contractual relationships with various Third-Party Sub Advisors and assists clients in selecting the program and/or sub-advisor appropriate for the client's needs. The Investment Advisory Representative is responsible for aligning the client's stated investment objectives, financial status and risk tolerance with the portfolios available to/from those sub-advisors. In addition, some Third Party Sub Advisors may provide additional administrative services to include fee calculation, trade management and/or investment strategy selection guidance that is acted on solely by the client.

Each third-party sub-advisor program may involve different account minimum(s), custodial, administrative and fee arrangements. In the case of retirement plans the firm, via the Investment Advisory Representative, and the selected Third Party Sub Advisor will need to take into consideration each plan's allowances and limitations. The firm does not take custody of client assets that are designated to be managed by a third-party manager. The firm does not directly place securities transactions on behalf of the client. Rather, investments are made by the selected third-party sub advisor in accordance with the agreement between the client and manager.

Fee Schedule:

Typically, the firm's annual compensation under this type of arrangement with third-party managers ranges between .5% to 1.75% of the standard annual fee charged by the third-party sub-advisor. No separate fee is paid by the client to the firm. Rather, fees are paid to the firm out of the fee charged to the client by the third-party money manager.

Clients are advised that programs substantially similar to those conducted by participating third-party sub-advisors may be available elsewhere at a lower fee. Clients are advised that a conflict of interest may exist for the firm to recommend the services of a third-party sub-advisor who has agreed to share a portion of its fee with the firm. Clients are encouraged to read the disclosure brochure of the third-party sub-advisor recommended for participation.

The firm currently has contractual relationships with the following third-party sub-advisors which may be recommended to clients dependent upon a client's particular needs and investment objectives:

- Lindner Capital Advisors
- Horizon Asset Management
- Lunt Capital
- SNW Asset Management
- Verity
- Fulcrum EQ
- Dean Investment Associates
- First Republic
- Barrington Capital Management
- Leonetti and Associates

- Lyons Wealth Management

Williams Financial Group Asset Management

Pursuant to a consulting agreement between Horizon Investments, LLC (“Horizon”) and WFG Advisors, LP, (“WFG”), Horizon provides investment advice, analysis and consultation (“Sub-advisory Services”) concerning the management of various client’s assets managed using the portfolios listed below:

1. **The Williams Strategic Portfolio** – This mutual fund portfolio is designed to help mitigate unnecessary portfolio risk while maximizing return potential. It is actively managed across domestic/international equity, large/small cap equity and growth/value styles with fixed income allocations situated among unique core bond funds with exposure to other flexible Non U.S. short-term instruments. This portfolio is positioned towards the Strategic Long Term and is available to Risk Tolerances from Conservative to Aggressive.
2. **The Williams Tactical Portfolio** – These portfolios are either comprised of mutual funds or ETFs and are designed to limit active portfolio risk and temporary market dislocations utilizing a flexible approach that takes into account Economic, Quantitative and Fundamental research. The specificity of ETFs allows for a more precise targeting of specific sectors or markets. These portfolios are positioned towards the short-term being active between 3 to 6 months. The mutual fund variant is available to Risk Tolerances from Moderate to Aggressive and the ETF variant is available to Risk Tolerances from Growth to Aggressive.
3. **The Williams Alternative Portfolio** – This mutual fund portfolio is designed to hedge traditional Beta exposures by employing a wider set of multiple alternative investment strategies that can potentially limit volatility while maximizing Alpha. This portfolio is positioned towards the Intermediate and Long Term and is available to Risk Tolerances from Moderate to Aggressive.

Horizon acts as sub-advisor to WFG with respect to the Portfolios and provides services to WFG including making recommendations regarding fund selection, asset allocation of the Portfolios, providing recommendations in relation to the strategic rebalancing of the allocations of the Portfolios and assisting in the marketing of the Portfolios (the Portfolios are referred to and marketed publicly as the Williams Portfolio Strategies). Horizon, in exchange for providing these Sub-advisory Services, pays to WFG a portion of the fee that Horizon receives (equal to .125% of the client’s assets under management). All accounts to be custodied at National Financial Services (NFS).

<u>Model</u>	<u>WFGAM</u>	<u>Horizon</u>	<u>Principal Protection – Add on</u>
Williams Strategic Portfolios	.25	.20	.25
Williams Tactical Portfolios	.30	.35	.25
Williams Alternative Portfolios	.35	.40	No Principal Protection available

Nonproprietary “wrap fee programs” - TAMPS

The firm permits certain of its Investment Advisor Representatives to offer “non-proprietary” wrap fee programs of non-affiliated registered investment advisers (program sponsors). Currently, various non-proprietary wrap fee programs are made available including but not limited to, the following program sponsors

- SEI Investment Management Corporation
- Genworth Financial Wealth Management, INC
- Curian Capital, LLC
- Envestnet Asset Management, INC available through Managed Account Solutions at National Financial Services, INC.
- CLS
- TIAA-CREF Advisor Network Program
- Sowell
- Morningstar
- Fulcrum EQ
- Retirement Management Solutions
- Rochdale
- Verity
- Verity 403b
- Clark Capital Management
- SEM
- BTS Asset Management

Through TIAA-CREF's Advisor Network, WFG Advisors, LP may provide investment advisory services to participants in retirement plans offered through TIAA-CREF. In order to participate in the program, the RIA firm and any participating, approved Investment Advisor Representatives must meet minimum due diligence standards set by the program and must agree to limit their fees to 1.25% on assets maintained on the TIAA-CREF retirement platform.

Each Nonproprietary “wrap fee program” may involve different account minimum(s), custodial, administrative and fee arrangements. The firm does not take custody of client assets that are

designated to be managed by a third-party manager. The firm does not directly place securities transactions on behalf of the client. Rather, investments are made by the selected non-proprietary wrap fee provider in accordance with the agreement between the client and manager.

WFG Advisors, LP also participates in revenue sharing with some of our chosen program sponsors in regards to your advisory business. Currently we have such an arrangement with SEI Investment Management Corporation and this compensation generally takes form of the program sponsor sharing with us a portion of the advisory fee the program sponsor charges you for providing investment management services. This is a conflict of interest for the firm as we have an incentive to refer business to those non-affiliated registered investment advisers, such as SEI, who participate in revenue sharing with us rather than those program sponsors who do not.

Fee Schedule:

More information regarding a client's total annual fee and the portion received by WFG Advisors, LP, the program sponsor and any additional third parties is provided in the relevant Form ADV Part II and/or Schedule H (the wrap fee program brochure) of the sponsor of the wrap fee program and the applicable client agreement the client will execute with respect to the program (the "Client Agreement") and/or separate fee disclosure statement that will be provided to the client with the Client Agreement (the "Fee Disclosure").

Solicitor Referrals

The firm has entered into an Agreement with SEI Investments Management Corporation ("SEI") whereby in consideration for the firm providing SEI with marketing and distribution support, including without limitation, designating SEI as a preferred provider/sponsor in connection with the SEI Advisor Network, the firm will receive a marketing and distribution services and administrative fee from SEI. Under the terms of this Agreement, the firm will make the SEI family of mutual funds, managed account programs and related proprietary investment products available to the firm's investment advisory clients and will provide marketing and distribution opportunities to SEI to make its suite of products and programs available to the firm's advisory representatives and clients. This Agreement represents a conflict of interest in that the firm will receive compensation from SEI which could influence the recommendations of advisory representatives for client participation in SEI products and/or programs. To mitigate this conflict, the firm reviews accounts when opened to ensure appropriate suitability and as well on a least annual basis for continued suitability and consistency with client objectives and goals.

WFG will provide asset allocation services and/or portfolio monitoring/review services to clients on a non-continuous basis. These services will be provided on a pre-determined basis, such as monthly, quarterly, semi-annually or annually. The frequency of the services provided will be agreed upon by the client and WFG and detailed in the client agreement. Such services may include a review of the client's existing portfolio with asset allocation recommendations, a

review/evaluation of recommendations made by other advisory professionals for suitability, security analysis, management and/or monitoring of a participant's investments in a 401(k) plan, assistance in evaluating the services of third party money managers, or on-going portfolio monitoring services.

Fee Schedule:

The amount of the fee and the fee-paying arrangements are based on a fixed rate that starts at \$200 or an hourly rate that ranges between \$100 and \$200, negotiated on a case-by-case basis depending on the scope and complexity of the requested services. Specific services to be provided, the anticipated fee, and fee paying arrangements are detailed in the written advisory agreement.

If the disclosure brochure - Part II of the Form ADV - is not delivered to the Client on or before the entering into the management agreement, the Client may terminate the agreement for services within five business days of execution without penalty. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. Any prepaid fees will be pro-rated to the date of termination and unearned fees will be returned to the client.

Financial Planning

WFG engages in broad-based and structured financial planning. Such planning services typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. The process typically begins with an initial complementary consultation during which the various services provided by WFG are explained. If it is the desire of the Client to use WFG's services, the Firm and the client enter into a financial planning agreement. The Client may elect to have WFG prepare a financial plan for a set fee and then manage the client's assets under its wrap fee program defined above for an annual percentage of assets under management. Alternatively, the client may engage WFG for financial planning services only without an additional advisory or portfolio management services.

During or after the initial consultation, if the Client decides to engage WFG, pertinent information about the client's personal and financial circumstances and objectives is collected. As required, an IAR of WFG will conduct follow-up interviews for the purpose of reviewing and/or collecting financial data. Once such information has been studied and analyzed, a written financial plan--designed to achieve the clients' expressed financial goals and objectives--is produced and presented to the Client.

Some Clients may only require advice on a single aspect of the management of their financial resources. For these clients, WFG offers financial plans and/or general consulting services in a

format that addresses only those specific areas of interest or concern, depending on each client's unique circumstances.

Financial planning services may be rendered in the areas of retirement planning, financial planning, personal tax and cash flow planning, estate planning, insurance planning, divorce planning, college planning, and compensation and benefits planning, among others.

Fee Schedule:

WFG charges a fixed fee for financial planning services that typically ranges between \$500 and \$5,000, or more. There is no “typical” plan as services are customized to the particular needs of the client: thus there is a wide range of fees that may be imposed as some plans may involve more analysis and research and accordingly be broader in scope than other more simplified and limited scope plan reviews. The fee schedule may be dependent on the scope including but not limited to; the client’s needs, net worth, net income, age, and the use of outside expertise. Additionally, WFG Advisors, LP charges an hourly fee of \$250 for clients that request a specific service and do not desire a complete written financial plan.

When the scope of the financial planning and/or consulting services has been agreed upon, a determination will be made as to applicable fee. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or service(s) requested. *In limited circumstances*, the cost/time could potentially exceed the initial estimate. In such cases, WFG will notify the Client and may request that the client pay an additional fee. 50% percent of the estimated fee is payable upon signing the advisory agreement, the remaining 50% is due upon delivery of the final plan.

Over time as the economic climate and personal circumstances change, the client may wish to adjust their goals which may result in a change in planning strategies. As a result the client at his/her option can engage WFG Advisors to prepare a review or update of his/her plan. This reappraisal can include updates and projections regarding cash flow, net worth, tax liabilities and retirement projections, etc.

This engagement would be at the client’s option, based upon the updated information provided by the client. Either the client or WFG Advisors, LP could terminate the engagement at any time with notice.

The fee for completing such annual review will range from \$250 and \$3,000 based on the complexity of the annual review and appropriate plan revisions.

WFG reserves the right to determine whether the financial planning and/or consulting fees will be waived or offset by the advisory fees and/or additional compensation earned in the implementation process. The scope and complexity of the financial planning services that were provided will determine the waiver or offset of the fee.

If the disclosure brochure is not delivered to the Client at least 48 hours prior to entering into a financial planning agreement, the Client may terminate the agreement for services within five business days of entering into the agreement without penalty. After the five day period, either party may terminate the agreement by providing written notice to the other. Upon termination, any prepaid fees will be prorated to the date of termination and unearned fees will be returned to the Client.

Reviews of financial plans are available at the client's request. Updates to the written financial plan may be provided in conjunction with the review. Such reviews and updates are subject to the firm's then current hourly rate.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by WFG is established in a client's written agreement with WFG. WFG will generally bill its fees on a monthly basis.

Clients participating in the Program will generally pay a monthly fee, in advance, based on the aggregate amount of assets under management. For the WFG Select, WFG Select Plus and the Williams Financial Group Asset Management Program the fee is based on the average daily balance of the assets as of the last business day of the preceding calendar month. Clients may elect to be billed directly for fees or to authorize WFG to directly debit fees from client accounts. In certain situations certain product types or money managers will bill quarterly in advance based on the aggregate amount of assets under management. The fee is based on the average daily balance of the assets as of the last business day of the preceding quarter end. Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Program fees are based on the following fee schedule:

Total Account Value	Maximum Account Fee*
First \$1,000,000	2.80%
Next \$2,000,000	2.20%
Assets Over \$3,000,000	1.75%

*Fees may be negotiated and may vary from Client-to-Client based upon a number of factors, including but not limited to, Investment Manager(s) selected, type of account, account size, historical relationship with the Client, services to be provided, or other factors. Moreover, fees may vary as a result of the application of prior fee schedules depending upon the specific date the Client began participation in the Program.

These fees may include account management, administrative and execution services. The level of the fee is unaffected by the number of transactions effected for the Account. Fees are assessed on all assets in the Account, including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets in the Account. The Provider may in their sole discretion pay all or a portion of the above stated fees to other parties involved in providing service with respect to the Program Account and as permitted by law. All such shared payments will be fully disclosed to the Client.

These fees may include account management, administrative and execution services. The level of the fee is unaffected by the number of transactions effected for the Account. Fees are assessed on all assets in the Account, including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets in the Account. The Provider may in their sole discretion pay all or a portion of the above stated fees to other parties involved in providing service with respect to the Program Account and as permitted by law. All such shared payments will be fully disclosed to the Client.

These fees do not include mark-ups/mark-downs in principal transactions; certain odd-lot differentials; national securities exchange fees; clearing; custody; postage and handling; and other transaction and service fees (i.e. Brokerage Portfolio Accounts or other cash management type accounts), annual, maintenance and/or termination fees for retirement accounts or qualified plans; ACAT transfer fees; interest on debit account balances; electronic fund transfer fees; IRA and qualified plan fees; and transfer taxes and other costs or charges associated with securities transactions mandated by law. All fees and charges, including the above, may be charged to the Program Account. Client understands that WFG IARs receive compensation for providing advisory and client-related services in connection with the Programs based on the value of the assets under their management. The Client may also incur certain charges imposed by other third-parties in connection with investments made through the Program Account, including among others the following types of charges: mutual fund 12b-1 fees, mutual fund management and administrative servicing fees, fees charged by Investment Managers, and certain deferred sales charges on previously purchased mutual funds. WFG IARs may receive a portion of the mutual fund 12b-1 fees as part of their compensation.

This compensation may be more than what the Client would pay if the Client participated in other programs of the IAR, programs of another IAR, or paid separately for investment advice, brokerage commissions and other services. Therefore, the IAR may have a financial incentive to recommend this wrap-fee program over other programs or services. In order to compare the cost of Client's program with an unbundled service, Client should consider the turnover rate in the investment strategies, trading activity in the account, and standard advisory fees and brokerage commissions that would be charged at other broker dealers or investment advisors.

Advice offered by WFG may involve investments in mutual funds. Clients are hereby advised that all fees paid to WFG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. WFG does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The Client should review all fees charged by mutual funds, WFG, and others to fully understand the total amount of fees to be paid by the Client.

A conflict of interest may exist between the interests of the firm and/or its advisory representatives and the interests of the client in that the firm and advisory representatives offer financial planning and investment advisory services for a fee and also offer various securities products in their concurrent capacities as registered representatives of a broker dealer on which they may also be paid a commission. Advisory representatives should inform clients with respect to any recommended securities transaction on which a separate commission will be earned so that client can make an informed decision prior to deciding on the recommending action.

Certain advisor representatives may also be separately licensed through various states to sell traditional and variable life insurance products for which they may receive usual and customary commission compensation. Traditional insurance product transactions such as term, universal and whole life insurance and fixed or index annuities may be purchased through insurance companies with which an advisor representative maintains an appointment as an independent agent. Variable insurance products carry fees and expenses relating to providing insurance guarantees that are in addition to the expenses associated with investment features. Such fees and expenses may include without limitation, mortality and expense risk fees, premium taxes, optional riders, annual contract administration fees, and in the case of life insurance, the cost of life insurance risk as assessed by the insurance company issuing the policy. These fees are in addition to the advisory fees charged by WFG and contracts may have significant withdrawal or surrender penalties if contract holding periods are not met. These insurance product related fees are explained in detail in the prospectus for the product being recommended. Item 12 further describes the factors that WFG considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

WFG does not charge any performance-based fees. Fees are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

Item 7 – Types of Clients

The firm currently provides investment advisory services including asset management, and financial planning to individuals, high net worth individuals, Pension and profit sharing plans, Charitable Organizations, Corporations and other Investment Advisers.

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

IAR reps are given full discretion to manage client assets without guidance from WFG based upon information obtained from the client, including without limitation, a client's current financial status, investment objectives/goals, and risk tolerances. IAR's will accordingly make recommendations based upon the information provided and may allocate a client's portfolio into any range of various investment products, such as mutual funds, stocks, bonds, options, exchange traded funds (EFT's) and others that are suitable based upon a client's individual needs. IAR's are charged with continuous monitoring of client portfolios to respond to a change in a client's investment objectives, risk tolerances or financial condition that may warrant a change in the strategy employed or recommendations made. Likewise, client accounts are periodically reviewed by WFG to ensure consistency of program strategies and performance with clients' stated objectives.

Each IAR employs several methods of analysis in order to formulate investment advice, including but not limited to Charting, Fundamental, Technical and Cyclical Analysis. The IAR's may use several sources to gather information including by not limited to Financial Newspapers and Magazines, Research Materials prepared by others, Corporate rating services, Timing services Annual reports, prospectuses, filings with the SEC, Company press releases and other materials providing investment related information.

Strategies employed by WFG may include, but are not limited to: Preservation of Capital, Income, Capital Appreciation, Trading Profits and Speculation. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

William H. Wilson, President of Williams Financial Group, has three disclosed events that relate to WFG Investments, Inc. For further information regarding the specifics of these items please contact Advisor Services at 800.225.3650 or advisorservices@williams-financial.com.

Item 10 – Other Financial Industry Activities and Affiliations

WFG is 100% owned by Williams Financial Group, a wholly owned subsidiary of W.H. Williams Family L.P. WFG, through a common parent, is affiliated with the broker-dealer and registered investment advisor of WFG Investments, Inc. In its capacity as an introducing broker dealer, WFG Investments Inc. has a fully disclosed clearing relationship with NFS, Pershing and TD Ameritrade to provide clearance and settlement services. Officers/Directors/Employees of

WFG are registered representatives/principals of WFG Investments, Inc. and therefore are licensed to sell securities for separate commission compensation.

If a client chooses to implement the advisory recommendations of their IAR and then elects a program where WFG Investments, Inc. is the executing broker dealer (i.e. the Select program) or elects to execute brokerage transactions recommended through other advisory services or programs through WFG Investments, Inc., such IAR may receive commissions as a result of such brokerage transactions exclusive of and in addition to advisory fees. However, Clients participating in wrap programs sponsored by WFG will not pay a separate commission for transactions in their account(s). All Officers/Directors/Employees of WFG spend the majority of their professional time in their capacity as registered representatives/principals of WFG Investments, Inc. This practice does represent a conflict of interest to the extent that the IAR recommends a product or program through which the IAR receives a commission in their capacity as a registered representative of WFG Investments, Inc. and also receives a portion of the advisory fee paid by the client for recommendations made through their capacity as an IAR of WFG, which may result in a higher overall cost paid by the client. In some cases, clients may pay higher commissions and transaction costs for executing transactions through WFG Investments, Inc. than through other executing broker dealers and in most cases, than through a discount broker dealer.

WFG, through common control and ownership is affiliated with WFG Strategic Alliance, a licensed insurance agency that provides insurance products and selection advice to other financial advisors. Related persons of WFG are licensed as agents to sell insurance related products, for separate compensation, through WFG Strategic Alliance.

Item 11 – Code of Ethics

WFG, its officers and associated persons may personally invest in securities of the same securities as are purchased for clients and may own securities of issuers whose securities are subsequently purchased for clients. WFG has adopted a “Code of Ethics”, (the “Code”) to alleviate conflicts of interest in such situations. The Code requires that all associated persons, access persons and administrative staff of WFG place the interests of our clients first, avoid taking inappropriate advantage of their position, and conduct all personal securities transactions in compliance with the Code. A full copy of our Code is available to our Client or prospective clients upon written request.

WFG or individuals associated with the Firm may buy or sell – for their personal account(s) – investment products identical to those recommended to Clients. It is the expressed policy of WFG that no person employed by the Firm may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations may represent a conflict of interest, WFG has established the following restrictions in order to ensure its fiduciary responsibilities:

1. Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived, in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the Firm shall prefer his or her own interest to that of the advisory Client.
2. Records will be maintained of all securities bought or sold by the Firm and its associated persons.
3. The Firm emphasizes the unrestricted right of the client to decline to implement any advice rendered by WFG.
4. The Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

It is further noted that WFG is in, and shall continue to be in, compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, WFG has adopted a firm wide policy statement outlining insider-trading compliance by the Firm, its associated persons, and other employees.

Item 12 – Brokerage Practices

Generally, Clients grant WFG complete discretion over the selection and amount of securities to be bought or sold, the broker or dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, the Firm's investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the Client. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations as required. Such amendments must be submitted in writing.

WFG will recommend that a client in need of brokerage and custodial services utilize WFG Investments, Inc. Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through such broker as WFG recommends. WFG Advisors and WFG Select clients are required to utilize WFG Investments Inc. to participate in these programs and to direct all program trades to WFG Investments, Inc. or other approved broker dealer. Clients may pay a higher commission rate for transactions as a result of this arrangement than might be charged if executed through an unaffiliated broker dealer. WFG, reserves the right to not accept a client account if the Client wishes to select a broker or dealer other than WFG Investments, Inc.

WFG will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help WFG in providing investment management services to clients. WFG may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

Item 13 – Review of Accounts

WFG Select accounts are reviewed by the Branch Manager if there are transactions in the account. Additionally, Client accounts are reviewed at least annually by the advisory representative assigned to the account.

Client account reviews will be reviewed by the Firm's compliance staff on at least an annual basis unless an occurrence triggers a more frequent review or upon a customer's request. Reviews may also be triggered by unusual activity. The review will be conducted by the CCO or a designee, who will review account activity in concert with relevant opening account documentation to ensure that account activity, is consistent with the customer's investment objectives and financial status. The review will also reconcile account documentation, including advisory agreements vs. advisory fees charged to ensure that customer accounts are being charged appropriately per the terms of their advisory agreement. The CCO or designee will document any exceptional items and follow up with the IAR and/or client when deemed necessary and appropriate as a result of such review. In connection with such reviews, the Firm may utilize a firm generated questionnaire to provide a template and uniform review process across its IAR base. Such questionnaire would be completed by the IAR based upon current discussions with the Client and signed off by both an appropriate supervisor as well as the Firm. The questionnaire would contain information including but not limited to, trading activity consistency with client stated objectives, suitability of a particular program or investment manager based upon a client's stated objectives, investment goals, and current trading history, fee suitability and reconciliation; updates on client financial status, investment objectives, and/or risk tolerance, and existence of complaints or concerns relative to the account, IAR, or Firm. Client accounts will likewise be reviewed by the CCO or her designee in connection with the opening of the account to ensure suitability of a particular program (including but not limited to wrap fee programs) for a client based upon the client's trading history or intended volume of trading if history is not known or nonexistent, stated objectives, investment goals, risk tolerance and similar factors. In the event such account reviews reflect that an advisory program may not

be appropriate given a particular client's financial objectives and risk tolerance level, the client will be accordingly transitioned to a more appropriate trading program, including but not limited to a commission-based brokerage account. Additional reviews under both programs may be provided based on a significant change in the market or the program in which the Client is participating, or at the Client's request.

The custodian typically sends Clients a confirmation of every securities transaction and a quarterly brokerage statement, which reflects all transactions in the Client's account held by the custodian. WFG IARs will provide reports to Clients on at least an annual basis with the recommendation for a more frequent time frame such as quarterly as well as at the Client's request. Any account statements provided to Clients by WFG (in addition to those which are already provided by the qualified custodian) will contain legends as required pursuant to regulatory requirements under the Advisors Act.

Item 14 – Client Referrals and Other Compensation

Broker dealers, other investment advisors, or other financial intermediaries who are directly responsible for referring a client to WFG for advisory services may receive a referral fee from WFG. In each instance, appropriate disclosure is made to each prospective client, pursuant to SEC Rule 206(4)-3 under the Investment Advisors Act of 1940, and/or applicable state statutes, to the extent they apply.

WFG serves as solicitor for other advisers, some of whom may or may not be affiliated with WFG. WFG receives direct and indirect compensation from these advisers as a result of Client's ultimate participation in these advisers' management. In accordance with regulatory requirements, WFG receives a referral fee at a negotiated rate from these firms in accordance with the terms of a written Solicitor Agreement and after execution of a written referral fee disclosure statement by each Client in respect of such persons. These firms may provide marketing support or services to assist its solicitors and their firms. The Client pays no additional fee by reason of the payment of these fees.

The firm has entered into an Agreement with SEI Investments Management Corporation ("SEI") whereby in consideration for the firm providing SEI with marketing and distribution support, including without limitation, designating SEI as a preferred provider/sponsor in connection with the SEI Advisor Network, the firm will receive a marketing and distribution services and administrative fee from SEI. Under the terms of this Agreement, the firm will make the SEI family of mutual funds, managed account programs and related proprietary investment products available to the firm's investment advisory clients and will provide marketing and distribution opportunities to SEI to make its suite of products and programs available to the firm's advisory representatives and clients. This Agreement represents a conflict of interest in that the firm will receive compensation from SEI which could influence the recommendations of advisory

representatives for client participation in SEI products and/or programs. To mitigate this conflict, the firm reviews accounts when opened to ensure appropriate suitability and as well on a least annual basis for continued suitability and consistency with client objectives and goals.

Item 15 – Custody

WFG shall never actually have physical custody of any Client funds or securities, as the services of an independent qualified custodian will be used for these asset management services. However, because WFG does deduct advisory management fees directly from accounts held by WFG Investments, a related affiliate of WFG Advisors, LP through clearing arrangements with qualified custodians, WFG Advisors, LP is deemed to have custody of client assets under the Investment Advisors Act of 1940 (“the Advisor’s Act”).

Clients should receive at least quarterly statements from the broker dealer or other qualified custodian that holds and maintains client’s investment assets. WFG urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Generally, Clients grant WFG complete discretion over the selection and amount of securities to be bought or sold, the broker or dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, the Firm’s investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the Client. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry. Clients may amend these limitations as required. Such amendments must be submitted in writing.

Item 17 – Voting Client Securities

WFG will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client assets may be invested. Although WFG may, on rare occasions and only at the Client’s request, offer clients advice regarding corporate actions and the exercise of proxy voting rights. Third-party Investment Managers chosen to manage client assets, however, may vote proxies on behalf of clients. Clients should refer to that Investment Manager’s ADV for more information.

Item 18 – Financial Information

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about WFG’s financial condition. WFG has no financial commitment

that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Important Notices and Disclosures

Business Continuity Plan

WFG Advisors, LP has developed a Business Continuity Plan on 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 on our business continuity plan.

After a significant business disruption you should be able to contact us as you usually do at (972) 661-8700, (800) 225-3650, fax (972) 661-5031 or our website at <http://www.williams-financial.com>. If necessary our offices will be relocated to three different residential locations in the DFW area, which are designated in our formal Business Continuity Plan and our phone numbers will be transferred to one of these locations. If these other locations in Dallas are not accessible then communication systems will be put into place utilizing VOIP's (voice over internet protocol) phones with key personnel from the main office. If you cannot access us, please contact the appropriate clearing firm, National Financial Services or Pershing at the posted phone numbers that will be listed on our web site, <http://www.williams-financial.com>, should such business disruption occur. They will be able to handle the services of accessing your funds and securities, enter orders and process other trade related, cash, and security transfer transactions for you. If you should have accounts that are not held by either of these clearing firms, then contact the investment provider directly by calling the phone number that is listed on your account statements, which you periodically receive from the investment company.

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 backup 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.

Our clearing firms, National Financial Services and Pershing back up our 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, our clearing firms have advised us that its objectives are to restore their own operations and be able to complete existing transactions and accept new transactions and payments within one to four hours. Your orders and requests for funds and securities could be delayed during this period.

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 approximately four hours. In a disruption affecting our business district, city, or region, we will attempt to transfer our operations to a site outside of the affected area, and recover and resume business within the same time period. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site <http://www.williams-financial.com> so that you know how to contact us or another entity that will be able to service your financial needs. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer's prompt access to their funds and securities through the notification process on our website.

Potential of Flu Pandemic such as Influenza A (H1N1), Swine Flu, etc. . - Recognizing that a flu pandemic is not a "normal" business risk, our planning has focused on augmenting our existing plans and practices to take into account the following aspects:

- Global impact with no differentiation by culture, industry, geography.
- Potential to escalate quickly and continue for several months in more than one wave.
- A high projected rate of infection potentially causing heavy absenteeism.
- Overtaxed health care facilities, public health agencies, and personnel.

This Firm is continually reviewing many strategic options as part of our business continuity planning, such as: assigning associates and management staff and other personnel responsible for critical processes to multiple geographically dispersed locations, providing personnel with electronic access to work from home where appropriate, and assessing ways to make our facilities more biohazard resistant.

For more information - If you have questions about our business continuity planning, you can contact us at (972) 661-8700, (800) 225-3650 or website <http://www.williams-financial.com>.

Privacy Policy

WFG Advisors, LP ("WFG"), as your Registered Investment Adviser (RIA), relies on access to your personal financial information so that we can make appropriate recommendations to you regarding the financial products and services offered through us.

WFG is committed to safeguarding your personal information provided to us by you. This notice, required under SEC Regulation S-P, describes our privacy policy and how we handle and protect your personal information. The provisions of this notice apply to all present and former WFG customers.

Why and how we collect personal information - As stated above, we collect personal information about you so that we can make recommendations about products and services we offer that may be of interest to you. We collect nonpublic personal information from the following sources:

- Information you provide to WFG on applications and other forms (such as your name, address, occupation, assets, and income);
- Information about your transactions with WFG, our affiliates, or others, and/or;
- Information we receive from consumer reporting agencies (such as your credit history and creditworthiness) and other entities not affiliated with WFG.

How we protect personal information - We restrict access to your personal information to those employees who need to know that information in order to provide products and services to you. Our employees are required to maintain and protect the confidentiality of your personal information and must follow established procedures to do so. To comply with applicable laws and regulations, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to protect your personal information.

Sharing information with our affiliates - We may share your personal information described above with our affiliates for business purposes, such as marketing new products and services, servicing your account, and as permitted by law. Our affiliates are companies controlled or under common control of our holding company. The information we share with affiliates may include the information described above (such as name, address, income and information related to your account with WFG).

Disclosure to nonaffiliated third parties - In the normal course of business, personal information may be shared with persons or entities involved in servicing and administering products and services on our behalf, including:

- Financial service institutions, such as mutual fund companies, securities brokers, insurance agencies, clearing brokers, and banks, with whom we have joint marketing agreements (such as agreements to market financial services or products that they jointly offer, endorse or sponsor with us);
- Companies under contract to perform services for us or on our behalf (such as vendors providing data processing, computer software maintenance and development, transaction processing and marketing services).

We may also disclose personal information with non-affiliated companies and regulatory authorities as permitted by applicable law. For example, we may disclose personal information to cooperate with regulatory authorities and law enforcement agencies and as necessary to protect our rights or property. Except as described in this privacy policy, we will not use your personal information for any other purpose unless we describe how such information will be used at the time you disclose it to us or we obtain your permission to do so.

If your financial advisor terminates his or her relationship with us and moves to another securities or investment advisory firm ("New Firm"), we or your financial advisor may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial advisor to disclose your personal information to the New Firm, and if you do not want your financial advisor to retain copies of your personal information when your financial advisor terminates his or her relationship with us, you may request that we and/or your financial advisor limit the information that is shared with the New Firm by filling out the Privacy Choices Notice, which is available on our website, www.williams-financial.com, and mailing it to WFG Investments, Inc., c/o Compliance Department, 2711 N. Haskell Avenue, Suite 2900, Dallas TX, 75204.

If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California or Vermont), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm. You can withdraw your consent at any time by contacting us in writing at the address provided above.

If you want to follow your financial advisor to their New Firm when your financial advisor terminates his or her relationship with us, please do not send in the Privacy Choices Notice form.