

TRANSAMERICA FINANCIAL ADVISORS, INC.

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This Wrap Fee Programs Brochure provides information about the qualifications and business practices of Transamerica Financial Advisors, Inc. If you have any questions about the contents of this Wrap Fee Programs Brochure, please contact us at 727-299-1800. The information in this Wrap Fee Programs Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any State Securities Authority.

Additional information about Transamerica Financial Advisors, Inc. is also available at the SEC's website www.adviserinfo.sec.gov.

We are a registered investment adviser with the SEC. Our registration as an investment adviser does not imply any particular level of skill or training. The oral and written communications we provide to you, including this Wrap Fee Programs Brochure, is information you may wish to use in considering whether to hire or retain TFA as your advisor.

ITEM 2 – MATERIAL CHANGES

This is our initial filing of the new Part 2A Appendix 1, Wrap Fee Programs Brochure of our Form ADV 2. This document was developed in response to new requirements adopted and imposed by the SEC under the Investment Advisers Act of 1940. This Wrap Fee Programs Brochure is substantially different from previous versions and includes disclosures not specifically required by the previous Schedule H of Form ADV. This filing is made as of March 31, 2011.

As a result, this Wrap Fee Programs Brochure should be considered “materially new” although you will recognize most of the disclosures as similar or identical to what you have read in the past. New disclosures in this document include new disciplinary events under Item 9.

In future filings, this section of the Wrap Fee Programs Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.

When we update this Wrap Fee Programs Brochure, we will either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

If you would like another copy of this Disclosure Brochure, you may download it from the SEC website as indicated above, download it at <https://TFA.Transamerica.com>, or contact our Rep Relations Department at (800) 322-7161 extension 123-6535.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

The Company

Transamerica Financial Advisors, Inc. (“we/our/us/TFA”) is an investment advisor firm registered with the SEC since 1991. Our name was changed in the fall of 2009 when one of our affiliate firms merged with us. We are also a general securities broker-dealer firm and a member of the Financial Industry Regulatory Authority since 1984. This enables us to provide a full range of financial products to our clients such as stocks, bonds, mutual funds and direct investments. Some of our advisory programs require our investment advisor Advisors (“Advisors”) to act as broker-dealer representatives, as well.

We are directly owned by AUSA Holding Company who is wholly owned subsidiary of the ultimate parent, AEGON N.V., a publicly traded company listed on the stock exchange NASDAQ and trading under the symbol AEG.

Services, Fees and Compensation

At the time we offer you our advisory services, our Advisors conduct interviews with you to determine your financial needs and objectives. They will analyze your current financial situation, investment goals, and present strategies. They will then provide recommendations to you based on their analysis. If your Advisor determines that your investments are best suited within a wrap fee program, your Advisor will offer you one of our three wrap fee programs:

- The Advantage Program
- The Sterling Program
- Transamerica I-Series®

In this Wrap Fee Programs Brochure, we also provide information about two other wrap fee programs that are now *closed to new investors*:

- Elite Capital Advisors
- InterSecurities Managed Account Program

A wrap fee program is an advisory program in which you are charged only one annual fee. Your annual fee will most likely be deducted from your wrap fee program account quarterly either in arrears (at the end of each calendar quarter) or in advance (at the beginning of each calendar quarter). A portion of these annual fees are paid to us and your

Advisor for our advisory services. The wrap account fee also covers brokerage and transactions charges associated with placing trades in your account and administration costs associated with maintaining your account.

Each of the five wrap fee programs we offer differ slightly. A more detailed description of the services, fees and compensation for each of our five wrap fee programs is described below.

CURRENT WRAP FEE PROGRAMS

THE ADVANTAGE PROGRAM

SERVICES

This wrap fee program offers you a fee-based investment management program. The Advantage Program is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. We have entered into an agreement with Envestnet Asset Management, Inc. ("Envestnet"), whereby we will administer and sponsor the Advantage Program using Envestnet's internet-based platform ("Platform"). Envestnet, in turn, has entered into contractual arrangements with various money managers ("Money Managers") to develop model portfolios ("Model Portfolios") to include in the Platform and the Advantage Program.

Your Advisor can access the Advantage Program web site and offer these portfolios to you. The web site also contains online analytical tools to assist your Advisor in conducting a review of your circumstances and situation. After conducting a suitability analysis, including consideration of your investment objectives, time horizon and risk tolerance, your Advisor will assist you with the selection of one or more Model Portfolios that will meet your investment needs. Your Advisor will ask you from time to time whether information in your Confidential Client Questionnaire has changed so that updated investments can be made, if warranted. Your information is considered confidential and will be provided to Envestnet.

The Advantage Program offers two types of investment alternatives:

- a. The Advantage Program Separately Managed Accounts ("SMA") offers investment portfolios consisting primarily of individual stocks and bonds that are directed by Money Managers.

- b. The Advantage Program Mutual Fund and Exchange Traded Fund Wrap Account offers professionally managed, model mutual fund and Exchange Traded Fund portfolios designed to match your investment objectives.

As a broker-dealer, we will provide certain services to the investment advisory portion of our business, and the Advantage Program. Your Advantage Program account's transactions will be executed by Envestnet through us. As noted above, we act in the capacity of a broker-dealer whose principal business is executing transactions in mutual funds, variable products, general securities and other investment products. We utilize the clearing and custody services of Pershing LLC ("Pershing"), a BNY Securities Group Company, which is both a registered broker-dealer and registered investment advisor.

In connection with the Advantage Program, Envestnet is a sub-advisor to us. In Envestnet's capacity as a sub-advisor, the firm will:

- be responsible for effecting transactions for TFA's Client accounts based on Model Portfolios selected by the Client and communicated to Envestnet by TFA
- automatically effect one or more transactions for TFA's Client accounts where such transactions are required because one or more Money Managers have re-balanced the underlying Model Portfolios. Transactions executed by Envestnet for TFA Client accounts, under normal circumstances, will mirror those transactions the Money Managers make in their Client accounts with the same investment strategies, unless a TFA Client has placed restrictions on their Advantage Program account.

You are not a client of any of the Money Managers. The Money Managers and Envestnet have entered into agreements in which the Money Managers make their strategies available to Envestnet for use within your Advantage Program account. Your Advisor will assist you in determining whether these strategies are suitable for you. In certain circumstances, Envestnet may not fully follow the Model Portfolios of the Money Managers in investing your funds. For example, thinly traded securities in which the Money Managers invest may not be available to you. In other instances, your self-imposed strategy restrictions might limit your investment. You also may not have sufficient assets or may not be qualified to take part in a transaction. Other similar circumstances may lead Envestnet to use its investment discretion and not mirror trades of the Money Managers.

You will receive quarterly performance reports describing account performance and positions. In addition to these reports, you will also receive trade confirmations and account statements. Your account statements show your account balance, transactions, positions, deposits, and withdrawals occurring in your account for a specific timeframe. You may elect to suppress trade confirmations. Your trade confirmations and account

statements will be sent by our clearing firm, Pershing. Account statements are sent monthly when the account has had activity or quarterly if there has been no activity.

Investnet will also provide a web based quarterly review of your account showing historical performance, positions and activity. These web based quarterly reports are prepared solely for informational purposes and to assist you in reviewing your account. In the event of a discrepancy between the information on the account statements produced by Pershing and the quarterly reports produced by Investnet, the Pershing account statements will take precedence. Investnet's performance reporting is calculated according to industry standards and is applied to each account or combination of several related accounts for a household's or family's assets.

On a daily basis, TFA's Suitability Review Department reviews new activity in advisory accounts held at the custodian, Pershing LLC for deviation from a Client's stated risk tolerance through an automated surveillance program. The purpose of our surveillance is to review the propriety of the transactions occurring in your Advantage Program account. At least annually, your Advisors will meet or speak by telephone with you. This review is intended to help determine whether your portfolio continues to meet your needs. We may also use other third-party systems to help monitor account performance information provided by Investnet.

You may also incur certain charges imposed by third-parties other than us. These charges may include mutual fund fees and expenses; certain deferred sales charges on previously purchased mutual funds transferred into your account, custodial, and qualified retirement plan fees. We and your Advisor may receive a portion of these third-party fees. Further information regarding charges and fees assessed are available in the product's prospectus.

PROXY VOTING

Unless you provide written instructions to the contrary, we will not vote proxies for you, but will instead advise Investnet to vote proxies for securities held in your account. You may delegate this authority to vote proxies to another person. Neither we nor Investnet will be responsible or liable for failing to vote any proxy where Investnet has not received such proxy or related shareholder communications on a timely basis. In connection with its responsibility to vote your proxies, Investnet has adopted a set of Proxy Voting Policies and Procedures. These proxy procedures state that Investnet will exercise voting rights on all decisions that Investnet determines have a material effect of the value of a security. You may obtain a copy of Investnet's Proxy Voting Policies and Procedures and/or information about how Investnet voted specific proxies, by sending your written request

to Envestnet Asset Management, 477 East Evelyn Ave, Sunnyvale, CA 94086, (408) 524-8000.

FEES AND COMPENSATION

You will pay a Total Annual Account Fee (“Fee”) as outlined in the Advantage Program’s Fee Schedule. The Fee is comprised of our administrative fee and your Advisor’s investment advisory fee. This compensation may be more than what your Advisor would receive if you participated in our other programs or paid separately for investment advice, brokerage services, or other service. Therefore, your Advisor may have a financial incentive to recommend this wrap fee program over other programs or services. Your advisory fees may be higher or lower than other fees charged by other Advisors participating in the Advantage Program.

Transaction costs are included in the Fee. Your Advisor’s investment advisory fee is negotiable; however the Fee may not exceed 2.50% of the portfolio value. Additionally, the Fee is paid quarterly in advance (at the beginning of each calendar quarter). Upon entering into an Advisory Agreement, you authorize us, through our custodian, Pershing, to collect the Fee owed by debiting your account directly. You will be able to view your Fee statement through the Platform when the statement is sent to Pershing for payment. The payment of the Fee will be reflected on your Pershing account statements.

All brokerage, custodial, and administrative costs associated with this program will be clearly noted on your statements. Envestnet will collect its portion of the fees (the “Envestnet Program Fees”) and sub-advisory fees (the “Sub-advisor Fees”) from us according to a agreement between us and Envestnet. Of the remaining Fees, we will pay the advisor portion (“the Advisor Program Fee”) to the Advisor and retain the Administration Fee. In addition, we will receive a supervision fee based on the Advisor Program Fee. Your participation in this program may cost you more or less than purchasing the Advantage Program’s services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

We and your Advisor may also utilize the services of solicitors in establishing client accounts. The referral fee that we pay solicitors is part of your Fee.

FEE SCHEDULE

<u>*ADVANTAGE PROGRAM ANNUAL FEE SCHEDULE</u>			
SERVICES	TFA'S AND PLATFORM FEES	IAR'S FEE	TOTAL CLIENT FEE
SIGMA PMC MUTUAL FUND SOLUTION	Ranges from 0.00% to 0.88% per year depending on account size	The IAR fee is negotiable for each of the services listed in this schedule.	The total client fee will not exceed 2.50% for all services listed in this schedule.
SEPARATELY MANAGED ACCOUNT PROGRAM/MANAGER BLENDS – FIXED INCOME	Ranges from 0.25% to 1.10% per year depending on account size	The IAR fee is negotiable for each of the services listed in this schedule.	The total client fee will not exceed 2.50% for all services listed in this schedule.

* Third-Party Money Manager fees and/or custody fees are not included in the above fee schedule.

TERMINATION PROVISIONS

Your agreement with us may be terminated by providing us a written notice from the individuals whose names are on the Advantage Program Advisory Agreement. A full refund will be paid to you if you terminate your agreement within the first 5 business days. After five business days, any prepaid fees will be prorated and you will receive the unearned portion. The fee (earned portion) is for the services rendered in connection with the termination of the account. Some of the services include:

- transferring the account assets in kind to another custodian of your choice;
- liquidating your account assets as you instruct; or
- issuing you the account proceeds

Your agreement will also terminate in the event TFA and Envestnet terminate the agreement between them.

THE STERLING PROGRAM

Services

The Sterling Program offers you a fee-based investment management wrap fee program in which your Advisor will direct and manage your assets. Your Advisor will assist you in determining the suitability of the Sterling Program for you by identifying your investment objectives, time horizons and risk tolerance. Our Advisors will manage your Sterling Program account using their own analysis and research methods; investment style and

strategy; and management philosophy. On an ongoing basis, your Advisor will be available for you to receive deposit and withdrawal instructions and to ascertain any changes in your financial circumstances or investment objectives.

Using various asset allocation tools, your Advisor will assist you in choosing securities to purchase and/or sell within your account. When recommending mutual funds, your Advisor will primarily use no-load and load-waived mutual funds. In addition, your Advisor may recommend other types of securities such as stocks, bonds, load waived REITS, and income oriented securities. Many different share classes of mutual funds exist, and some share classes are less expensive than other share classes. Your Advisor is under no obligation to recommend the least expensive share class to you. However, as a fiduciary, we endeavor at all times to act in your best interest. We will permit you to transfer mutual fund class A, B and C shares into your account. However, we place certain restrictions on your Advisor when recommending the purchase of mutual fund class B, C or loaded class A shares for your account.

You are required to deposit a minimum of \$50,000 into your Sterling Program account. The Sterling Program's Billing Form requires you to identify which other related persons' accounts you wish to aggregate. If you select aggregation of accounts, you must also complete the accompanying Group Billing Form which identifies the eligible accounts to be linked.

You will receive quarterly performance reports describing account performance and positions. In addition to these reports, you will also receive trade confirmations and account statements. Your account statements show your account balance, transactions, positions, deposits, and withdrawals occurring in your account for a specific timeframe. You may elect to suppress trade confirmations. Your trade confirmations and account statements will be sent by our clearing firm, Pershing. Account statements are sent monthly when the account has had activity or quarterly if there has been no activity.

Proxy Voting

You will retain the right to vote all proxies for your securities within your account. We do not vote proxies for your securities. In addition, we are not required to take any action or render any advice with respect to proxy voting.

Fees and Compensation

You will pay a Total Annual Account Fee ("Fee") as outlined in the Sterling Program's Fee Schedule ("Schedule"). The Schedule is part of the Sterling Program's Client Agreement, which you will receive and sign prior to opening a Sterling Program account.

The Fee is comprised of our administrative fee and your Advisor's investment advisory fee. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other client services. Therefore, your Advisor may or may not have a financial incentive to recommend this wrap fee program over other programs or services. Your advisory fees may be higher or lower than other fees charged by other Advisors participating in this Program.

Transaction costs are included in the Fee. Your Advisor's investment advisory fee is negotiable; however, the Fee may not exceed 2.50% of your portfolio value regardless of the amount of assets under management. Additionally, the Fee is paid quarterly and in advance (at the beginning of each calendar quarter). Upon entering into an Agreement, the Client authorizes us through our custodian, Pershing, to collect the Fee owed in accordance with the Fee Schedule by debiting your account directly. You will be able to view your Fee statement through the Platform on or before your statement is sent to Pershing for payment. The collection of the Fees will be documented on your Pershing account statements.

You will receive quarterly performance reports describing account performance and positions. In addition to these reports, you will also receive trade confirmations and account statements. Your account statements show your account balance, transactions, positions, deposits, and withdrawals occurring in your account for a specific timeframe. You may elect to suppress trade confirmations. Your trade confirmations and account statements will be sent by our clearing firm, Pershing. Account statements are sent monthly when the account has had activity or quarterly if there has been no activity.

Fee Schedule

STERLING PROGRAM ANNUAL FEE SCHEDULE			
RANGE OF ASSETS	TFA'S FEE (INCLUDES SPONSOR AND CUSTODY FEES)	IAR's FEES	TOTAL MAXIMUM FEE
First \$500,000	0.35%	Negotiable	Not to exceed 2.50%
Next \$500,000	0.30%		

Thereafter	0.25%		
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Your participation in the Sterling Program may cost you more or less than purchasing this program's services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

All fees are paid quarterly in advance (at the beginning of each calendar quarter) and will be pro-rated if applicable. If you invest in mutual funds in this Program, these securities charge their own separate internal fees and expenses which will be in addition to the advisory fee you pay us and our Advisor. We may receive, either directly or indirectly, a certain portion of those fees paid out by mutual funds. Such fee arrangements typically are disclosed in a fund's prospectus. Your Advisor may also receive a portion of these fees. You may elect to allow your Advisor to manage your Sterling Program account on a discretionary basis. Discretionary management allows your Advisor to place trades in your account prior to consulting with you. For those Advisors who manage your Sterling Program accounts on a discretionary basis, certain mutual fund fees will be credited to your account.

TERMINATION PROVISIONS

Your agreement with us may be terminated with a written notice to us from the individuals whose names are on the Sterling Program advisory agreement. A full refund will be paid to you if you terminate your agreement within the first 5 business days. After five business days, any prepaid fees will be prorated and you will receive the unearned portion. The fee (earned portion) is for the services rendered in connection with the termination of the account. Some of the services include:

- transferring the account assets in kind to another custodian of your choice;
- liquidating your account assets as you instruct; or
- issuing you the account proceeds

Your agreement will also terminate in the event TFA and Envestnet terminate their agreement between them.

TRANSAMERICA I-SERIES® PROGRAM

Services

The Transamerica I-Series® Program ("I-Series") is a fee-based separately managed account program based on model portfolios recommended by your Advisor and selected by you. I-Series is available to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. We have entered into an agreement with FOLIOfn Investments, Inc. ("FOLIOfn"), an unaffiliated web-based broker-dealer, to provide custody and brokerage services for I-Series. We have three roles in I-Series:

- administer the Program using FOLIOfn's internet-based platform;
- act as the Sponsor; and
- act as the Investment Advisor

Our Investment Management Team will use discretion to direct your investments without first consulting with you. For instance, we will buy, sell, exchange, convert or otherwise trade only in Exchange Traded Funds, Exchange Traded Notes, Mutual Funds, or other similar securities. At times, we may hold all or a portion of your assets in cash, similar to our other wrap fee programs. Specifically, we will direct and manage your assets as authorized by you and according to your selected asset allocation model or models. In managing your assets, we will primarily use exchange traded products or other similar securities designed to track asset categories in our model portfolios. The I-Series' model portfolios are desirable for clients seeking professional investment management, marketability, liquidity in the investment, and a broad diversification among traditional and non-traditional asset classes. Currently, we offer three types of models:

- strategic asset allocation models that provide varying levels of risk and return;
- alternative asset allocation strategy model; and
- third-party models

In the future, we may adjust our existing asset allocation models and/or create additional asset allocation models.

Some of the mutual funds in which you invest have their own internal fees and expenses.

FOLIOfn generally receives, either directly or indirectly, a certain portion of those fees. Such fee arrangements are disclosed in a mutual fund's prospectus.

On-Going Portfolio Research and Due Diligence

TFA's Chief Financial Officer and Investment Management Team will evaluate at least semi-annually the performance of the model portfolios as well as their underlying holdings.

TFA's Investment Committee has the responsibility of overseeing I-Series. This committee will review the performance of I-Series model portfolios at least semi-annually.

Performance reports and other portfolio statistics will be provided to the committee members at regularly scheduled committee meetings. Material changes made to the asset allocation models or the holdings of the I-Series model portfolios are presented to TFA's Investment Committee for consideration and approval.

Custody/Trade Execution

FOLIO*fn* performs all broker-dealer and clearing functions for I-Series. As the broker-dealer, FOLIO*fn* provides the following broker-dealer functions:

- Executes trades for your I-Series Client account based on your selected model portfolios
- Electronically delivers trade confirms and prospectuses to you
- Provides you with on-line access to your account(s) to view your account holdings, monthly statements, trade confirmations, order status, tax information, performance indicators and statistics, and cash)
- Provides you paper statements upon your request for an additional fee
- Maintains and preserves books and records related to your account(s)
- Electronically distributes new and updated letters
- Collects dividends and interest
- Transmits proxy material
- Transmits and handles tenders and exchanges
- Distributes shareholder communications
- Maintains a TFA Manager interface to create, update and manage I-Series models
- Provides safekeeping of all customer funds
- Provides secure access to all customer information
- Retains BCP procedures for continued operations

Once the account is funded, we will begin to assign the account to the models selected by you and your Advisor. Generally, once the account is assigned to its respective models, the

account will be placed in queue for the next FOLIO^{fn} trading window. Each account that is subscribed to a model will be rebalanced on a quarterly or annual basis depending upon the strategy. Material changes in model holdings will be reviewed and approved by TFA's Investment Committee.

You may instruct us or your Advisor to transfer, switch, or reallocate your assets into existing and new model portfolios by completing and submitting the I-Series Investment Selection form.

Your Advisor's Responsibility

Your Advisor will consult with you to determine your suitability for I-Series and your selection of one or more I-Series model portfolios. When making recommendations, your Advisor will consider your investment objectives, time horizon, risk tolerance, and any other relevant factors.

We require your Advisor to meet with you at least annually to review your account(s). Your Advisor will review your current situation, investment objectives, and suitability of selected investments. When you select I-Series, your Advisor will ask you to notify us of any changes such as your investment objectives, financial circumstances or investment objectives. Your changes may impact your asset allocation model(s) portfolios.

Advisors of Other Registered Investment Advisers

I-Series is available to separately registered investment advisers whose Investment Advisor Representatives are Registered Representatives of us. Such registered investment advisers will enter into a Solicitor's Agreement with us. Through this agreement, the registered investment adviser will receive a portion of the portfolio management fees that you pay us. An Advisor of a registered investment adviser will provide you with various portfolio management services such as initial consultation to determine financial objectives and recommendations.

These particular Advisors will provide you with a copy of the Solicitor's Disclosure Statement and our Form ADV, Part 2A and Appendix 1.

To participate in I-Series, you must deposit at least \$25,000. We may waive this minimum or you may aggregate assets amongst your other accounts to reach the minimum. Your accounts will be aggregated through your Social Security Number. You must consider whether the cost of I-Series remains beneficial when account assets are lower than

\$25,000. If you have an account with \$25,000 or more in assets, we generally grant an exception to the minimum when you establish another account.

Our business continuity planning program contains procedures to continue the operations of I-Series in the event of a disaster.

PROGRAM FEES

You will pay a Total Annual Account Fee ("Fee") as described in the fee schedule contained in your client agreement. Fees are paid monthly in arrears (at the end of the month), and are prorated if applicable. The Fee compensates us, your Advisor and others including FOLIOfn. Transaction charges are included in the Fee and at no time may the Fee exceed 2.0% of your portfolio value. The Fee is based on an average daily balance of your account during the preceding month.

TRANSAMERICA I-SERIES® ANNUAL FEE SCHEDULE			
RANGE OF ASSETS	TFA'S FEE (Includes Sponsor and Clearing Fees)	ADVISOR'S FEE	TOTAL CLIENT FEE
\$25,000 to \$500,000	0.50%	1.00%	1.50%
\$500,001 to \$1,000,000	0.45%	0.95%	1.40%
\$1,000,001 to \$1,500,000	0.375%	0.875%	1.25%
\$1,500,001 to \$2,000,000	0.325%	0.825%	1.15%
Overt \$2,000,000	0.30%	0.80%	1.10%

A quarterly maintenance fee of \$25 per quarter will be assessed to any account that is valued at less than \$100,000. This maintenance fee is in addition to, and separate from the Fee described above. The maintenance fee will be based on the closing value of an account as of the last business day of each calendar quarter. Accounts under the same Social Security Number or Tax Identification number may be aggregated for the purposes of quarterly fee assessment. FOLIOfn will collect the various fees owed by debiting your account directly. The amount of fees will be documented on your FOLIOfn statement.

Additionally, an Advance Notice IA Billing Report is available to you within your electronic account.

Your participation in this program may cost you more or less than purchasing I-Series' services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

Your Advisor receives compensation as a result of your participation in I-Series. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, your Advisor may have a financial incentive to recommend this Program over other services.

Additionally, we and your Advisor may also utilize the services of solicitors in establishing your account. Solicitors may receive a portion of the Fee paid by you.

Account Statements and Performance Reports

You and your Advisor can access monthly account statements, trade confirmations and performance reports from FOLIO*fn*'s website. FOLIO*fn* will send e-mail notifications to you and your Advisor when statements and confirmations are posted to your account (your electronic filing cabinet). In addition, we provide your Advisor access to Albridge's consolidated reporting package. TFA has entered into an agreement with Albridge for account recordkeeping services. If you wish to receive paper statements or performance reports, you can initiate one of the following:

- request those documents from FOLIO*fn* for an additional fee; or
- request your Advisor to provide them through Albridge, a portfolio management system.

Proxy Voting

Upon entering into an I-Series advisory agreement with us, you give us authority to vote proxies for the securities held in your account. We vote these proxies through our TFA Proxy Committee (who reports to the TFA Investment Committee) unless you instruct us

otherwise. You may withdraw our authority to vote such proxies by giving us a written notice. You may then cast your votes through FOLIO*fn*'s website.

We consider only those factors that relate to your investment, including consideration for how a vote would economically impact and affect the value of your investment. Proxy votes are generally cast in favor of the following proposals:

- maintain or strengthen the shared interests of shareholders and management
- increase shareholder value
- maintain or increase shareholder influence over the issuer's board of directors and management
- maintain or increase the rights of shareholders

Proxy votes are generally cast against proposals having the opposite effect of those described above.

TERMINATION PROVISIONS

Your I-Series advisory agreement with us may be terminated by any party effective upon receipt of written notice to the other party. If the agreement is terminated after five business days of signing, your account will be debited for fees earned prior to the termination. All account fees paid to us for investment advice are separate from any additional fees and expenses that FOLIO*fn* may charge for the termination of your account. Please refer to the FOLIO*fn*'s client agreement for more information.

CLOSED WRAP FEE PROGRAMS

TFA ELITE PROGRAM

Services

On May 21, 2010, we discontinued offering the TFA Elite Program to new investors. Existing investors were permitted to remain in this program to continue to deposit and withdraw monies from their accounts.

Your Advisor assists you in completing a profiling questionnaire and in the selection of a model general securities portfolio. There are four critical areas to determine proper distribution of assets:

- asset allocation between equity and fixed income investments
- investment discipline selection
- suggested number of portfolio managers
- portfolio manager selection

The selection of your model portfolio will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather other important information such as income, age, and net-worth to help determine the appropriateness of your selected model portfolio.

Your Advisor will assist you with the completion of all documentation necessary to establish your TFA Elite account. Your information will be forwarded the portfolio manager (“Portfolio Manager”) who will manage your account assets (“Account Assets”) on a discretionary basis. Your Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Advisor will notify the Portfolio Manager who will continue to manage your account based upon your changes.

Lockwood Advisors, Inc. (“Lockwood”), through a clearing and custody arrangement with its affiliate, Pershing, will provide services such as securities clearing, custody, statements and confirmations. Pershing will execute and clear all purchase and sale orders received from your Portfolio Manager. Pershing will maintain custody of all TFA Elite Program assets. These custodial functions will include the following:

- crediting of interest and dividends on your Account Assets and
- crediting of principal on called or matured securities in your Account

The costs of these custodial brokerage services are included as part of your advisory fee. There are no additional charges for these services.

Pershing will forward confirmations of each purchase and sale to you and, if requested, to your Portfolio Manager. Additionally, Pershing will forward your account statements to you, us, and, if requested, your Portfolio Manager for each month in which activity occurs in your account and each quarter.

Lockwood is the general administrator of the TFA Elite Program. These administrative services include the following:

- ❖ charging and collecting account fees
- ❖ processing deposits and withdrawals within your account
- ❖ providing a web-based tool: Lockwood Advisor Workstation to your Advisor

On a daily basis, the Lockwood Advisor Workstation provides access to the following information:

- account status
- account maintenance service orders
- holdings and values
- tax reporting tools
- transactions
- performance

In addition, Lockwood will provide you and us with quarterly performance reports that analyze the performance of your account. Generally, you will not have any direct contact with your Portfolio Manager.

PROGRAM FEES

You will pay only one fee called a “wrap fee” for all services provided under this Program. You will not incur other charges. Your wrap fee is calculated quarterly in advance (at the beginning of each calendar quarter), based on an annual rate of 2.5% or less of the value of your Account Assets under management. This fee is calculated at the close of business on the last business day of the preceding calendar quarter (or, in the case of the commencement of your TFA Elite account, on assets under management on the first day services are provided). If your account is managed for only a portion of a quarter, your fee will be prorated based upon a ninety day quarter. The minimum account size may vary depending on the Portfolio Manager(s) selected. Portfolio Managers will generally not accept accounts under \$100,000.

If assets are deposited after the inception of a quarter and subsequently withdrawn prior to the end of the same quarter, the fee charged will be prorated based on the number of days during the quarter the assets were held in your account. For valuation purposes, the assets will be treated as if they were held in your account as of the end of the quarter.

We do not negotiate brokerage commissions within your account. Instead, transactions are effected “net” (that is without commission), and a portion of the wrap fee is generally considered as being in lieu of commissions. Trades are generally executed with Pershing. Therefore, we are not free to seek best price and execution by placing transactions with other broker-dealers.

Your participation in the TFA Elite Program may cost you more or less than purchasing this program’s services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

Your Advisor receives compensation as a result of your participation in the TFA Elite Program. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, your Advisor may have a financial incentive to recommend this program over other services.

FEE SCHEDULE

Your total wrap fee for your TFA Elite account is comprised of four (4) components:

- our fee
- Pershing's fee
- your Portfolio Manager's fee
- your Advisor's fee

The total annual fee will not exceed the stated maximum annual fee as noted in your Client Services Agreement. In some cases, your Portfolio Manager may contract with us for a lower maximum annual fee. Such fees will be assessed on the first day of each calendar quarter based on the value of your Account Assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service or otherwise as reflected on your quarterly performance report. Accounts reaching a breakpoint realize the benefit on the total account assets. We offer the group billing system through Pershing to aggregate your related accounts for the purposes of fee schedule breakpoint determination.

The portion of the program fee paid to Portfolio Managers of equity and balanced accounts varies from 65 basis points to 1.05% per year. Portfolio Managers of fixed income accounts are paid 42 to 80 basis points per year.

TFA ELITE PROGRAM

ACCOUNT SIZE	*EQUITY & BALANCED (Includes Portfolio Manager, Platform, and Clearing and Custody Fees)	*FIXED INCOME (Includes Portfolio Manager, Platform, and Clearing and Custody Fees)	MAXIMUM ANNUAL FEE EQUITY & BALANCED	MAXIMUM ANNUAL FEE FIXED INCOME
\$100,000 - \$200,000	Ranges from 1.05% to 65 basis points per annum	Ranges from 80 basis points to 42 basis points per annum	2.50%	2.15%
\$200,001 - \$500,000			2.50%	2.15%
\$500,001 - \$750,000			2.40%	1.80%
\$750,001 - \$1,000,000			2.20%	1.50%
\$1,000,001 - \$2,000,000			2.00%	1.50%
\$2,000,001 - \$5,000,000			1.80%	1.25%
\$5,000,001 - \$8,000,000			1.60%	0.90%
\$8,000,001 - \$10,000,000			1.40%	0.75%
over \$10,000,000			1.10% or negotiable	1.10% or negotiable

* These ranges of fees do not include your Advisor's fee which is negotiable. However, as noted above your total annual fee will not exceed the stated maximum annual fee of 2.50%.

Through your Client Services Agreement, you will authorize Pershing to deduct all applicable fees from your TFA Elite account. All brokerage, custodial, and administrative costs associated with your TFA Elite account will be clearly noted on your statements.

PORTFOLIO MANAGER REVIEW AND SELECTION

We will provide you with a schedule of Portfolio Managers, which may be modified from time to time. This schedule contains the investment styles and other information pertaining to each of the Portfolio Managers. Those Portfolio Managers listed on the schedule will enter into agreements with Lockwood, whereby Lockwood will furnish the administrative services.

The Portfolio Manager(s) that you appoint to manage your account will utilize your chosen investment style to initiate transactions through Pershing. Your account will be deemed activated only upon Lockwood receiving notification that the Portfolio Manager has accepted your appointment.

Notification to your Portfolio Manager that your assets are available for investment into the allocated portfolio(s) may take up to 7 business days from when the following criteria are met:

- your account(s) is fully funded
- your account is in good order
- your account documentation has been reviewed and approved by TFA.

TERMINATION PROVISIONS

You may close your account by submitting notice in writing. If you close your account within the first year or your withdrawals bring your account value below your Portfolio Manager's required minimum, you will be required to pay an early closing fee. We will process this fee which is calculated as the lesser of one additional quarterly fee or \$750.00, in addition to any paid quarterly fee. This early closing fee covers the administrative cost of establishing your account. According to your instructions, Pershing will deliver securities held in your account unless you request that your account be liquidated. After the first four calendar quarters, no early closing fee will apply. Instead you will be entitled

to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter at termination.

INTERSECURITIES MANAGED ACCOUNT PROGRAM

Services

On December 31, 2001, we discontinued offering InterSecurities Managed Account Program to new investors. Existing investors were permitted to remain in this program to continue to deposit and withdraw monies from their account.

Your Advisor will assist you in the selection of a model general securities portfolio. The model portfolio may fit one of three categories: conservative, moderate, or aggressive. Your model portfolio may also be any combination of these three.

The selection of your model portfolio will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather other important information such as income, age, and net-worth to help determine the appropriateness of your selected model portfolio. Your Advisor will assist you with the completion of all documentation necessary to establish your InterSecurities Managed account. Your information will be forwarded to the portfolio manager ("Portfolio Manager") who will manage your account assets ("Account Assets") on a discretionary basis. Your Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Advisor will notify the Portfolio Manager who will continue to manage your account based upon your changes.

We utilize the clearing and custody services of Pershing through a clearing agreement. Your account will be maintained at this brokerage firm ("Account Custodian"). We have agreements with the Portfolio Managers participating in the InterSecurities Managed Account Program to direct all trades through us. The costs of custodial and brokerage are included as part of your advisory fee. There is no additional charge to you for these services.

PORTFOLIO MANAGER REVIEW AND SELECTION

We have not made an independent verification of the qualifications or performance records of the Portfolio Managers. However, TFA's Chief Financial Officer and our Investment Advisory Team will on a regular basis and at least annually, obtain and review

each Portfolio Manager's performance information. The information will be evaluated for accuracy and measured against both industry standards and the Portfolio Manager's objectives. If the Portfolio Manager is underperforming for an extended time period, defined as one year, the appropriate Advisors will be contacted and asked to meet with each of you to discuss the portfolio management performance. After completion of this review, the Chief Financial Officer, the Investment Advisory Team, the Investment Committee and our RIA Due Diligence Committee will proceed, if warranted, to replace a particular Portfolio Manager. Generally, you will not have any direct contact or consultation with your Portfolio Manager.

You will need to notify your Advisor of the following:

- ❖ any policies or restrictions on your Account Assets
- ❖ any specific objectives concerning your Account Assets
- ❖ any investment decision made by your Portfolio Manager which you consider to be in violation of your policies, restrictions, or objectives.

FEES AND FEE SCHEDULE

You will pay only one fee ("wrap fee") for all services provided under the InterSecurities Managed Account Program. You will not incur other charges. Your wrap fee is calculated quarterly, in advance, based on an annual rate of 2.6% or less of the value of your Account Assets under management. This fee is calculated at the close of business on the last business day of the preceding calendar quarter (or, in the case of the commencement of your InterSecurities Managed Account Program account, on assets under management on the first day services are provided). If your account is managed for only a portion of a quarter, your fee will be prorated based upon a ninety day quarter. The minimum account size may vary depending on the Portfolio Manager(s) selected.

We do not negotiate brokerage commissions within your account. Instead, transactions are effected "net" (that is without commission), and a portion of the wrap fee is generally considered as being in lieu of commissions. Trades are generally executed with Pershing. Therefore, we are not free to seek best price and execution by placing transactions with other broker-dealers.

Your participation in the InterSecurities Managed Account Program may cost you more or less than purchasing this program's services separately. Factors that impact the overall cost of this program in relation to the cost of the same services purchased separately may include the following:

- ✓ size of the account
- ✓ trading activity in the account
- ✓ types of investments
- ✓ scope of advisory and other services provided by your Advisor

Your Advisor receives compensation as a result of your participation in the InterSecurities Managed Account Program. The amount of this compensation may be more or less than what your Advisor would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, your Advisor may have a financial incentive to recommend the InterSecurities Managed Account Program over other services.

In no event will the total annual fee exceed the stated maximum annual fee. In some cases, the Portfolio Manager may contract with us for a lower maximum annual fee to you.

IMAP ANNUAL FEE SCHEDULE			
RANGE OF ASSETS	TFA'S FEE (Includes Sponsor and Clearing Fees)	IAR'S FEE	TOTAL CLIENT FEE
\$100,000 - \$200,000	1.40%	1.20%	2.60%
\$200,001 - \$500,000	1.40%	1.20%	2.50%
\$500,001 - \$750,000	1.27%	1.10%	2.30%
\$750,001 - \$1,000,000	1.25%	.80%	2.00%
\$1,000,001 - \$2,000,000	1.05%	.60%	1.65%
\$2,000,001 - \$5,000,000	.78%	.52%	1.30%
\$5,000,001 - \$8,000,000	.68%	.42%	1.10%
\$8,000,001 - \$10,000,000	.63%	.27%	.90%

Over \$10,000,000	Negotiable
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An amount up to 0.20% of your Account Assets may be charged in addition to the above fee schedule for the administration of qualified plans. The exact amount of this additional charge is dependent upon the size and complexity of the qualified plan. Any such charge for the administration of a qualified plan will be paid entirely to your Portfolio Manager.

The wrap fee charged to your account is negotiable at the Advisor's discretion. The above schedule reflects the maximum allowable charges for the InterSecurities Managed Account Program. For all negotiated fee rates, the above schedule will apply to the portfolio manager's share of the fee. The discounted portion will be deducted from our share. All brokerage, custodial, and administrative costs associated with the InterSecurities Managed Account Program will be paid by us.

TERMINATION PROVISIONS

You may close your account by submitting notice in writing. If your account is managed for only a portion of a quarter, the fee will be prorated based upon a ninety day quarter. If you terminated your account within six months of opening your account, the fee will be prorated. We will deduct from this fee actual clearing, execution, and custodial costs for the administration of your account.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We provide advisory services to many types of clients. The majority of our clients are individuals, some of which may be high-net worth individuals. We also provide these services to pension and profit sharing plans, charitable organizations, state or municipal government entities, and other corporations or businesses.

We have established conditions for opening wrap fee program accounts. Specifically, advisory clients must complete a Customer Account Information form for certain programs. This form will provide us with information such as name, address, date of birth and other information used to identify you. We may use third-party sources to verify and/or update the information provided and may also request to see your driver's license or other identifying documents. Depending upon the wrap fee program, we will impose a minimum dollar value of assets. All our wrap fee programs will have a client advisory agreement for

you to review carefully and agree to the conditions. Below is a table which outlines some of our wrap fee program's requirements.

Name of Advisory Program	Customer Identification /Account Forms	Minimum Account Assets and Balance Required	Minimum New Account Size
Advantage	Yes	Yes	\$20,000 or higher depending upon the portfolio manager
Sterling	Yes	Yes	\$50,000
Transamerica I-Series®	Yes	Yes	\$25,000 – amount may be waived
TFA Elite Capital Advisors	Yes	Yes	\$100,000 or higher depending upon the portfolio manager
InterSecurities Managed Account	Yes	Yes	\$100,000 or higher depending upon the portfolio manager

Our compensation differs amongst our wrap fee programs. You will need to examine carefully your advisory agreement. It will provide you with greater detail of any fees and compensation that you will pay.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

We have not made an independent verification of the qualifications or performance records of our Portfolio Managers. However, TFA's Chief Financial Officer and our Investment Advisory Team will on a regular basis and at least annually, obtain and review each Portfolio Manager's performance information. The information will be evaluated for accuracy and measured against both industry standards and the Portfolio Manager's objectives. If the Portfolio Manager is underperforming for an extended time period, the Chief Financial Officer, the Investment Advisory Team, and the Investment Committee will decide if it is warranted to remove a particular Portfolio Manager from the platform.

Generally, you will not have any direct contact or consultation with your Portfolio Manager. However, your Portfolio Manager may waive this requirement at his/her discretion. We do not have any of our related persons acting as Portfolio Managers for our wrap fee program described in this Disclosure Brochure. We do act as a Portfolio Manager for the Transamerica I-Series® Program as described in Item 4 of this Disclosure Brochure.

We do not charge advisory fees based on a share of the capital gains on or capital appreciation of funds or securities in your account. These fees are also called performance-based fees. Our advisory fee compensation is charged only as disclosed in Item 4 of this Disclosure Brochure.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your Advisor assists you in completing the Portfolio Manager’s questionnaire and in the selection of a model general securities portfolio. There are four critical areas to determine proper distribution of assets:

- asset allocation between equity and fixed income investments
- investment discipline selection
- suggested number of portfolio managers
- portfolio manager selection

The selection of your model portfolio will be based upon your stated investment objectives, risk tolerance, and financial circumstances. In addition, your Advisor will gather this information to assist in this selection:

- income
- age
- number of dependents
- employment status
- marital status
- tax bracket
- net worth
- risk tolerance
- financial goals
- investment experience.

Your Advisor will assist you with the completion of all documentation necessary to establish your account. Your information will be forwarded the portfolio manager (“Portfolio Manager”) who will manage your account assets (“Account Assets”) on a discretionary basis. Your Advisor will be available to you on an ongoing basis to receive deposit and withdrawal instructions and to consult with you regarding any changes in your financial circumstances or investment objectives. When there are changes, your Advisor will notify the Portfolio Manager who will continue to manage your account based upon your changes.

We require your Advisor to meet with you at least annually to review your account(s). Your Advisor will review your current situation, investment objectives, and suitability of selected investments. When you select any of our wrap fee programs, your Advisor will ask you to notify us of any changes such as your investment objectives, financial circumstances or investment objectives. Your changes may impact your asset allocation model(s) portfolios.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

Generally, you will not have any direct contact or consultation with your Portfolio Manager. At the Portfolio Manager's discretion, he/she may waive this requirement.

ITEM 9 – ADDITIONAL INFORMATION

Disciplinary Information

As mentioned in Item 4, we are both a broker-dealer and an investment advisor. The disciplinary events that are described below pertain to the broker-dealer only.

In the last ten years, we have had nine disciplinary events that are material to your evaluation of us. Four of the events involve charges brought by our self-regulatory organization, Financial Industry Regulatory Authority, Inc. ("FINRA") formerly known as the National Association of Securities Dealers. Six of the events involve charges brought by state regulatory agencies.

FINRA Proceedings

On April 10, 2003 the NASD accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. We agreed to a censure and fine of \$125,000. This matter pertained to our policies and procedures relating to the identification of customer complaints, complaint handling and reporting, providing suitability guidance to our representatives, collection of information needed to determine the suitability of recommendations, and client account reviews.

On November 30, 2004, the NASD accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. We agreed to a censure and a fine of \$125,000. We further agreed to conduct periodic audits to assess the

effectiveness of our system and procedures relating to the timely filing of amendments to Forms U4 and U5. We also agreed to provide audit reports and written certifications relating to these procedures to the NASD.

On March 23, 2009, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. We agreed to a censure and fine of \$50,000. This matter related to the trade-by-trade review we conducted as part of a breakpoint assessment required by FINRA.

On December 21, 2010, FINRA accepted our Letter of Acceptance, Waiver and Consent in which we proposed a settlement of alleged NASD rule violations. We agreed to a fine of \$50,000. We further agreed to review the adequacy of our policies, systems and procedures for determining whether new products are securities and to provide a written description of the policies, systems and procedures and certification to FINRA.

State Proceedings

On October 20, 2004, we entered into a Consent Order with the Arizona Corporation Commission relating to the supervision of a registered representative who had sold payphone investments. Without admitting or denying these allegations, we paid an administrative penalty of \$50,000 and agreed to establish a claim resolution process to resolve any claims brought by Arizona residents who purchased a payphone investment from the registered representative. We also enhanced our procedures relating to the review of outside business activities and the documentation of the reviews. We also conducted audits of all registered representatives working in Arizona and submitted audit documentation to the State.

On February 9, 2006, we entered into a Consent Order with the Maryland Securities Commissioner relating to the supervision of a registered representative and his associated representatives who had sold unregistered promissory notes. Without admitting or denying these allegations, we consented to pay an amount not to exceed \$364,811.34 for disbursement to certain clients; to notify the State of all complaints brought by Maryland residents and their dispositions for two years; and to provide information to the State regarding examinations of our Maryland registered representatives for two years.

On July 12, 2006, the Pennsylvania Securities Commission accepted our Offer of Settlement in which we proposed a settlement of alleged violations of the Pennsylvania Securities Act of 1972. Without admitting or denying the allegations, we agreed to pay an administrative

assessment of \$100,000 and \$5,500 for the costs of investigation. We also agreed to retain an expert to examine certain supervisory records and to review our supervisory procedures. This matter related to our supervision of an OSJ Branch Manager who was obligated to oversee a registered representative who had been placed under heightened supervision.

On February 17, 2009, we entered into a consent order with the State of North Dakota Securities Department relating to the supervision of a registered representative who had sold unregistered promissory notes. Without admitting or denying these allegations, we paid a fine of \$90,000. In addition, we informed our supervisory and compliance officers and field auditors about the Order; reminded them of the importance of uncovering and preventing selling away activities; and instructed them to review bank records of our registered representatives and investment advisor representatives.

Other Financial Industry Activities and Affiliations

As stated in Item 4, we are also a broker-dealer. In general, our Advisors, our management team, and most of our Investment Committee members are Registered Representatives of our broker-dealer.

We are a member of the AEGON Group of companies. These companies include investment companies that offer mutual funds and variable insurance products. Many of these products are allowed to be purchased in or transferred into our proprietary advisory accounts. Based on our affiliation with various investment companies and variable insurance companies, a conflict of interest may exist due to the compensation paid to us by these companies and compensation gained by our affiliates through fees and expenses charged to you on their products. This compensation is in addition to the advisory fees you pay to us. We resolve this conflict by monitoring the appropriateness of the recommendations made to you by our Advisors on all products you purchase including those products issued by our affiliates.

In our Advisory Agreements, we describe any additional compensation received from transferred assets. We have placed the following restrictions on the transfer of assets into the Capital Account and the Sterling programs:

- Any assets that are transferred and generate additional compensation to the Advisor may not represent more than 25 percent (25%) of your portfolio.

- The total annualized advisory fee may not exceed 1.50% annually if any asset transferred into the account generates additional compensation to the Advisor.
- Limitations placed on the transfer of assets into the Capital Account and Sterling programs when our Advisor has received a prior commission on such assets.

We have contracts with third-party money managers who are also investment advisors that offer fee-based advisory programs. These relationships were described in Item 4. These third-party money managers are not affiliated with us and they pay us a portion of the fees you pay to them. This is considered a material conflict of interest. The cost of placing your assets with one of these third-party money managers may be higher than placing your assets in one of our Advisor or Firm managed advisory accounts.

In certain cases, third-party money managers may pay us amounts in addition to our portion of the advisory fee, for marketing purposes. The amount and terms of this marketing compensation may increase or decrease from time to time, and may only relate to certain types of accounts. Any additional marketing compensation paid by the third-party money managers to us will not affect your account, the services provided to you, the fee for advisory services that you pay to the third-party money manager, or the compensation paid by us to your Advisor. The existence of a marketing compensation agreement with certain, but not all, third-party money managers can create a conflict of interest for your Advisor and us. We will earn more revenue when you open an account with a third-party money manager that has a marketing compensation agreement with us, and our Advisor may indirectly benefit from this additional revenue through different educational and marketing initiatives conducted by us.

Each of the third-party money managers and other service providers that have marketing and referral agreements with us, may attend, contribute to, or sponsor education and training meetings for our Advisors. A third-party money manager may reimburse us for up to 100% of the cost of these meetings. These contributions and reimbursements create a potential conflict of interest because meeting sponsors have more opportunities to provide our Advisors with education on investments, their investment management services, industry trends, and other issues and because we benefit from these contributions and reimbursements.

Some of our Advisors are registered directly with the SEC or the state as investment advisors. These Advisors have formed their own company and hold this company out as a Registered Investment Advisor ("Independent Registered Investment Advisors"). Some of our Advisors are associated with other Independent Registered Investment Advisors; that is, they are registered as an Advisor both with us and with an unaffiliated firm. Both of these types of Advisors will provide you with a Disclosure Brochure or Form ADV, Part 2A,

for us and for the Independent Registered Investment Advisor. Our Independent Registered Investment Advisers offer some of our advisory programs to their advisory clients. It is important that you understand the registration relationships of your Advisor. Ask your Advisor to explain these relationships thoroughly.

Broker-Dealers under Common Control with AEGON N.V.

The following FINRA registered broker-dealers are under common control with us. We and each of these broker-dealers are indirect wholly owned subsidiaries of AEGON N.V.

- Diversified Investors Securities Corp
- Transamerica Capital, Inc.
- World Group Securities, Inc.
- Clark Securities, Inc.

Transamerica Capital, Inc. is the principal underwriter for variable annuity and life insurance products offered by our affiliated insurance companies. We have a selling agreement with this broker-dealer that compensates us for selling these products. This firm is also a wholesale distributor of Transamerica Products.

Investment Companies under Common Control with AEGON N.V.

We have agreements with Transamerica Capital, Inc. that allow us to sell mutual funds of our related investment companies such as Transamerica Funds, Transamerica Series Trust, and Transamerica Insurance & Investments and receive compensation from these sales.

Investment Advisers that are under Common Control with AEGON N.V.

The following advisory affiliates are investment advisers that are under common control with us as they are also indirect wholly owned subsidiaries of AEGON N.V.:

- Transamerica Asset Management, Inc.;
- AEGON USA Investment Management, LLC (AUIM);
- Diversified Investment Advisors, Inc.;
- Transamerica Investment Management, LLC;
- Prisma Capital Partners LP;
- Investment Advisors International, Inc.;
- Clark Investment Strategies, Inc.; and

- Transamerica Investment Services, Inc.

Insurance Companies or Agencies under Common Control with AEGON N.V.

We are related to many insurance companies because of common control under AEGON N.V. Some of our officers are personally affiliated with Western Reserve Life Assurance Co. of Ohio and TFA Insurance Agency, Inc.

Transamerica Retirement Management, Inc. (“TRM”)

TRM is a marketing affiliate of Transamerica Life Insurance Company and Transamerica Financial Life Insurance Company and an affiliate of TFA. TRM offers securities and investment advisory services through TFA. TRM Financial Advisors are Advisors of TFA. Multiple TRM Financial Advisors may work together when offering services to you.

TRM markets TFA’s investment advisory services through the brand name SecurePath Advisory Services (“SecurePath”). Depending upon the needs of the client, SecurePath offers financial services that include investment and insurance products that have been approved by TFA. As part of SecurePath, TRM Financial Advisors may offer Financial Planning, Consulting, Advisor Managed, TFA Managed, and/or Third-Party Money Management Programs through TFA as described in Items 4 and 5 of this Disclosure Brochure. In addition, TRM may impose account minimums greater than those listed in Item 7 of this disclosure brochure.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics and an Insider Trading Policy (“Code”). This Code is designed to ensure that we meet our fiduciary obligation to you and our prospective clients, that we conduct our advisory services with the highest level of ethical standards, and that we instill a culture of compliance within our firm.

Our Code is comprehensive and is distributed to each home office employee and Advisor (collectively “Access Persons”) at the time of hire, and annually thereafter. We also supplement the Code with annual training and ongoing monitoring of the activity of Access Persons.

Our Code includes the following requirements for our Access Persons:

- maintain the principles of honesty, integrity, professionalism and comply with federal and state securities laws;
- follow all policies and procedures contained in our manuals, bulletins, and supervisory directives and cooperate with any investigation or inquiries;
- maintain the privacy and confidentiality of information provided by our clients;
- refrain from:
 - insider trading (if we are in possession of material, non-public information)
 - accepting gifts and entertainment that exceed our policy standards
 - participating in any initial public offerings
 - executing a personal transaction in a security for which the Access Person already has a pending buy or sell order for a client.
- report all gifts and business entertainment;
- pre-clear personal securities transactions;
- report on a quarterly basis all personal securities transactions;
- annually review and certify compliance with our Code;
- identify members of the Advisor's household and any account for which they have a beneficial ownership (they "own" the account or have "authority" over the account);
- identify household members' securities held in certificate form and all securities they own

We also have established the following guidelines for our Access Persons:

- Our directors, officers and employees are not allowed to buy or sell securities for their personal portfolio(s) unless the sales information is also available to the investing public. Access Persons are not to place their own interests above yours.
- At the time of entering into an advisory relationship with us, you will be informed that our Advisors may receive separate compensation in addition to advisory fees when arranging for transactions on your behalf.
- Access Persons are to emphasize the rights of the Client to decline to follow any advice given by our Advisors.
- Any Access Person not complying with these guidelines may be subject to disciplinary action including termination.

You may request a complete copy of our Code by contacting our Rep Relations Department at the address or telephone number displayed on the cover page of this Disclosure Brochure.

Review of Accounts

Our Advisors are required to review their client advisory accounts regularly and at least annually. They review and discuss the client's account performance and the client's financial circumstances and investment objective information. All Advisors must annually complete a client meeting worksheet that contains the details of the meeting with the client.

A Compliance Officer and the Supervisor of our Suitability Team review initial account applications and approve or reject them. A Compliance Officer and the Manager of Compliance Monitoring & Surveillance review monthly a sampling of advisory accounts for consistency with our clients' objectives and restrictions. This team will also review and compare the personal securities holdings of the Advisor with the client's securities holdings.

Client Referrals and Other Compensation

We may, from time to time, enter into Solicitor Agreements with separately registered investment advisers that may be affiliated with us. These agreements allow these affiliated registered investment advisers to offer our advisory programs on a solicitor's basis, pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940.

On occasion, persons who are not associated with us refer their clients to an Advisor who will offer our advisory programs. We enter into Referral Agreements with these third persons pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940. The Advisor will compensate that person/solicitor directly if you agree to accept our advisory services. A portion of your advisory fee will be paid to this solicitor. At the time of the referral your solicitor will provide you with a compensation statement disclosing the terms of his/her agreement with us.

Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you and we have never been the subject of a bankruptcy proceeding.