

QUESTAR ASSET MANAGEMENT PROGRAM

PART 2A

APPENDIX 1

PROGRAM BROCHURE

Current as of March 30, 2020.

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This Brochure provides information about the qualifications and business practices of Woodbury Financial Services, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 800-2638. Woodbury Financial Services, Inc. is registered with the Securities and Exchange Commission ("SEC") as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not approved or verified by the SEC or by any state securities authority.

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

Item 2 – Material Changes

This Item discusses only specific material changes that are made to this Brochure and provides clients with a summary of such changes. The last amendment of Woodbury Financial Questar Asset Management Program Part 2A, Appendix 1 (“WFS Questar”), was March 30, 2019. Since the last amendment, WFS Questar has made material changes to the Form ADV Part 2A as follows:

- Item 4 - Services, Fees and Compensation: WFS ownership was updated.

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Item 4 – Services, Fees and Compensation

The Questar Asset Management Program (also referred to as, the “Program”) is sponsored by Woodbury Financial Services, Inc. Woodbury Financial Services, Inc. is a subsidiary of Advisor Group, Inc., a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2016 Trust.

Woodbury Financial Services, Inc. is registered with the Financial Industry Regulatory Authority (“FINRA”) as a broker-dealer engaged in the offer and sale of securities products. Woodbury Financial Services, Inc. is also registered as an investment adviser with the Securities and Exchange Commission (“SEC”), SEC File No. 801-54905, in order to offer investment advisory products and services to its advisory clients. Such services are offered through certain Financial Advisers who have registered as its Investment Adviser Representatives (“Advisory Representative”).

Henceforth, Woodbury Financial Services, Inc., in its role as Program Sponsor, will be referred to as “we”, “us”, “our” or the “Firm”. Woodbury Financial Services, Inc., in its role as securities broker-dealer, will be referred to as “Woodbury”.

The Program is presented to the client (“Client”, “you” or “your”) by Advisory Representatives of a registered investment adviser that may be a “Related Person” (as defined in Form ADV) to us.

In March 2019, Woodbury Financial Services, Inc. entered into an agreement with Questar Asset Management (“QAM”), a registered investment adviser, and Questar Capital, QAM’s affiliated broker dealer, to acquire certain advisory business and investment adviser representatives (the “Transferred Questar Accounts”). As a result of this agreement, We and Woodbury replaced QAM and Questar Capital, as the associated registered investment adviser and broker dealer, respectively, on the Transferred Questar Accounts in the Questar Portfolio Designs (“Portfolio Designs”), Questar Fund Strategist Portfolios (“FSP”), Questar Separately Managed Accounts (“SMA”), and Questar Unified Managed Accounts (“UMA”) programs. (collectively referred to as the “Questar Asset Management Program”). The Questar Asset Management Program is not being offered to new customers and is only available to the existing owners of the Transferred Questar Accounts.

The Firm is the sponsor of Portfolio Designs Program. The Firm also makes available investment advisory accounts that may invest in Fund Strategist Portfolios (“FSP”), Separately Managed Accounts (“SMA”), and Unified Managed Accounts (“UMA”). A UMA is a combination of two or more programs listed above. All are offered as investment advisory options under a wrap fee arrangement.

A “wrap-fee” program provides a client with investment advisory and brokerage execution services for an all-inclusive fee. Clients in the Program are not charged separate fees for the respective components of the total service. The Program may cost clients more or less than purchasing such services separately depending on how included services are utilized, such as trading frequency, for example.

Wrap account advisory fees are subject to negotiation and typically fall within a range of 0.5%-2.00% annually. Because SMA and UMA strategies require a higher level of management by the underlying manager and/or the IAR, they may be subject to a fee of up to 3.0% annually. The

specific fee schedule, and the manner in which fees are charged by the Firm, is established in the written agreement you received when you opened the account. The Firm will generally bill its fees on a quarterly basis in advance of each calendar quarter. Some third-party managed programs may bill after the quarter is complete. Management fees will be prorated for each contribution or withdrawal made to an account during the applicable calendar quarter (with the exception of certain de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter 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 by the client.

The Firm's fees are intended to be all-inclusive of brokerage commissions, transaction fees, and other related costs and expenses necessary to provide investment advisory services. However, we do not have control over the fees passed through to the client by third party investment managers. Clients may incur certain charges imposed by custodians, brokers, third-party investment managers and other third parties if assessed outside of their wrapped fees, such as fees charged by managers, custodial fees, statement fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. When possible, the Firm will make available an institutional or advisory mutual fund share class. Such charges, fees and commissions are exclusive of, and in addition to, The Firm's fee. The Firm does not receive any portion of these commissions, fees, and costs.

I) QUESTAR PORTFOLIO DESIGNS

Portfolio Designs accounts are opened by clients who wish to have a portfolio of securities managed on a discretionary or nondiscretionary basis by The Firm's Investment Adviser Representatives ("IARs"). Eligible assets include, among others, no load and load waived mutual funds, inverse funds, ETFs, stocks, bonds, REITs, BDCs, UITs, structured CDs and Notes, and Options. To establish a Portfolio Designs account, a client must consult with an IAR and complete a risk-based questionnaire. The risk-based questionnaire is used to help determine the client's risk tolerance, time horizon and investment objectives. The client's risk tolerance, time horizon and investment objectives are used to help match a client's portfolio allocation with an asset allocation strategy.

The standard fee schedule for this Program is as follows:

Assets under Management	Annual Fee
First \$500,000	2.00%
Next \$500,000	1.75%
Next \$500,000	1.50%
Over \$1,500,000	1.25%

Total fees for this Program are negotiable within a range of 0.5 – 2.0%, subject to a minimum fee of \$125 per account.

2) QUESTAR FUND STRATEGIST PORTFOLIOS (FSP) ACCOUNTS, QUESTAR SEPARATELY MANAGED ACCOUNTS (SMA), AND QUESTAR UNIFIED MANAGED ACCOUNTS (UMA)

The Firm offers certain Services that are available through a web-based platform offered by Envestnet Asset Management, Inc. (“Envestnet”). Envestnet is a non-affiliated registered investment adviser. Envestnet services include providing access to Separately Managed Account (“SMA”) investment managers, and Fund Strategist Account (“FSP”) managers. SMA and FSP investment managers offered to investors through the Envestnet platform have entered into a sub-management agreement with Envestnet to provide discretionary investment services. SMA investment managers may offer equity, fixed income, balanced, or other investment strategies and may invest in mutual funds, ETFs, individual securities, among other investment types. If a FSP or SMA investment manager invests in mutual funds, advisory class funds are offered. The Firm relies upon Envestnet for analysis and information and the identified selection and monitoring of the various FSPs and SMAs offered through the platform. Envestnet seeks to offer a wide variety of FSPs and SMAs with a wide range of investment objectives and risk tolerances. Review Envestnet’s Form ADV, Part 2A Appendix I for more information about its investment advisory business.

The Firm has contracted with PMC, an affiliate of Envestnet to conduct initial and ongoing analysis on the FSP and SMA investment managers available through the platform. PMC will conduct different levels of initial and ongoing diligence on investment managers available through Envestnet. The Firm only makes available FSP and SMA investment managers that have been “approved” by PMC. “Approved” is the highest level of diligence and ongoing monitoring offered by PMC. PMC reviews the investment strategies and performance of FSP and SMA investment managers and in its sole discretion determines if a FSP or SMA investment manager will be considered “approved”. Note: There is no guarantee that a FSP or SMA investment manager will reach its investment goal or performance target solely because it has been “approved” by PMC.

The Firm may, in its sole discretion and at any time, terminate the FSP or SMA investment manager’s participation in a Managed Account offered through the platform, or discontinue the Investment Manager’s services with respect to a particular investment strategy with thirty (30) days prior written notice to the client. If the Firm terminates a FSP or SMA investment manager, clients with accounts held at the respective investment manager may reinvest with another FSP or SMA investment manager available through the Firm. Reinvesting with another investment manager may result in portfolio turnover and tax implications for non-qualified accounts. Clients should discuss potential implications with a tax professional.

The FSP or SMA investment manager may manage institutional or other client accounts that are not a part of the Firm’s program. In the event an investment manager purchases or sells a security for all of its client accounts using a particular strategy offered by the FSP or SMA investment manager, the investment manager may determine that it will receive more favorable execution, including better pricing and enhanced investment opportunities, if it aggregates all such client transactions into a block trade that is executed through one Executing Party. Alternatively, the FSP or SMA investment manager may utilize a trade rotation process where one group of its client accounts may have a transaction executed before or after another group of the FSP or SMA investment manager’s client accounts. The FSP or SMA investment manager’s trade rotation practices may result in transactions placed on behalf of a client account receiving a more or less favorable net price than other client accounts. Before selecting a FSP or SMA investment manager, clients should carefully review all material related

to the investment manager and the specific investment strategy, including information in the investment manager's disclosure document (Part 2A of Form ADV) regarding the investment manager's best execution, trade aggregation and trade allocation practices, if any, as well as investment manager's "soft dollar" practices.

FEE SECTION

Fee rates vary with each FSP or SMA Investment Manager, based on their own expenses to implement varying strategies. Clients should review the FSP or SMA investment manager's disclosure document (Part 2A of Form ADV) to determine the fees charged to the client by the investment manager. The Firm's fee is in addition to the fee charged by the FSP or SMA investment manager.

The total fee charged to the client will typically not exceed 2.0% per annum for FSP management, or 3.0% per annum for SMA management, of the market value of the assets invested in the investment account, but are subject to a minimum account fee of \$200 annually, assessed fractionally quarterly.

QUESTAR UNIFIED MANAGED ACCOUNTS (UMA)

Questar-affiliated financial advisors may elect to package multiple programs together in one UMA managed on behalf of the Client. Investments in the portfolios may include pre- designed allocations created and managed on a discretionary basis by the selected sub- adviser, and/or investments managed by the Questar Financial Advisor, and may be made up of mutual funds, exchange-traded funds ("ETFs"), individual securities, or other investments. All or a portion of the Account may be held in cash, cash equivalents, or money market mutual funds.

Total fees for this Program are negotiable within a range of 0.5 – 3.0%, subject to a minimum fee of \$200 per annum, assessed fractionally quarterly.

Item 5 – Account Requirements and Types of Clients

The Firm provides advisory services to individuals, high-net-worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trust programs.

The minimum account size varies by program but is typically \$30,000 for Portfolio Design accounts, \$100,000 for each SMA account, and \$150,000 for a UMA account. The Firm may consider aggregated assets of a household to meet these requirements. Occasionally, the Firm may consider amounts less than the minimum for the establishment of a wrap fee account.

Item 6 – Portfolio Manager Selection and Evaluation

Advisory Business

The Firm acts as portfolio manager, sponsor, or co-sponsor in the investment programs described in this wrap fee program brochure. Each model portfolio is designed to meet a particular investment goal. Through personal discussions with the client in which the client's goals

and objectives are established, the Firm's IARs will assist the client in determining which program and model portfolio is suitable to the client's circumstances.

In the Portfolio Designs program, once the appropriate model has been determined, the portfolio will typically be managed on each client's individual needs. Clients have the opportunity to place reasonable restrictions on the types of investments to be held in the client's account and account supervision will be guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). Clients retain individual ownership of all securities.

In order to help ensure that the initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances, the Firm will maintain client suitability information in the client's file. The Firm requires IARs to contact clients at least annually to determine whether there have been any changes in the client's financial situation and whether the client wishes to impose investment restrictions or modify existing restrictions, and to assess if the recommended investment program remains in the best interest of the client to deliver stated objectives.

Methods of Analysis, Investment Strategies and Risk of Loss

The Firm and its IARs divide the design and implementation of the advisory programs into three steps:

1. Allocation across asset classes (e.g., stocks, bonds, domestic, overseas, large companies, small companies, real estate, commodities);
2. Strategy/manager selection within each asset class; and
3. Executing the program.

The Firm and its IARs review and monitor the investments chosen for clients to confirm that the investments are meeting the clients' performance objectives. The majority of the investments are made using third party sub-advisors, including mutual funds, exchange traded funds, separate account managers, and other private investment partnerships. IARs may also make recommendations regarding certain individual securities.

IARs have access to a variety of investment analysis and research sources as well as model portfolios which may be used when providing investment advice to clients. IARs do not employ a standard investment strategy across all accounts. Instead, the IAR chooses his/her own investment strategy, research methods and portfolio management philosophy.

Clients participating in third-party asset management programs should read the disclosure documents of the respective third-party to understand the investment strategy and methods of analysis employed by the third-party, and the risks associated with these. Investing in securities involves risk of loss that clients should be prepared to bear. As with any investment, there can be no assurance that a client will achieve its investment objective or that a client will not lose a portion or all of his/her investment.

The Firm and its IARs may use a variety of analysis and research sources to identify securities to purchase and sell in the various investment programs available through the Firm, in an effort to help clients meet their investment objectives. These types of analysis and research may include:

Fundamental Analysis: this type of analysis typically focuses on both qualitative and quantitative criteria, such as earnings, growth and value in the market, of specific companies.

Technical Analysis: this type of analysis typically focuses on statistics generated by market activity, such as price movement and volume of specific securities, to identify trading patterns that can suggest future activity.

Various independent research sources may be used to aid in decisions related to security selection for the investment programs available through the Firm.

Investment Strategies

Tactical Asset Allocation or Management: Clients should be aware that an active management strategy, often referred to as tactical asset allocation, attempts to create extra value by taking advantage of potential market pricing anomalies or market sectors that are perceived to be strong. This means that certain sectors within a tactical asset allocation strategy may be over-weighted or under-weighted at certain times and that a tactical asset allocation strategy may involve more risk than a traditional buy-and-hold strategy. These managers may utilize technical market indicators to aid buy and sell decisions within the portfolios they manage.

Strategic Asset Allocation or Management: managers that employ a strategic approach to asset management typically believe that the capital markets are efficient and that the best way to maximize returns, while minimizing potential risk, is to diversify a portfolio among many different asset classes. Modern Portfolio Theory ("MPT"), recognized as one of the most influential economic theories of finance, is based upon the idea that diversification can produce superior returns for less risk, as measured by the standard deviation. MPT is a mathematical formulation of the concept of diversification in investing with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset. A strategic asset allocation manager may utilize fundamental analysis and historical asset class statistics to select individual portfolio holdings.

Because the Firm does not employ a standard investment strategy across all accounts, the material risks attached to each tailored investment strategy will vary to the extent the strategy uses different investment allocations or approaches. Each of the following risks is material to the extent a client's investment strategy uses such investment allocations or approaches:

Stock market risk: the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Fixed income risks: including: interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates; income risk, which is the chance that a strategy's income will decline because of falling interest rates; credit risk, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; and call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The strategy would then lose any price appreciation above the bond's call price and would be

forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the strategy's income.

Municipal security risks: municipal bonds are subject to the fixed income risks described above as well as the following risks: legislative risk- the risk that a change in the tax code could affect the value of tax-exempt interest income; and liquidity risk- the risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer.

Foreign investment risk: investments in foreign securities involve considerations and risks not typically associated with investments in securities of domestic companies. These include, for example, unfavorable changes in currency exchange rates, substantial changes in governmental policies, political and economic instability and changes in relations between nations. Foreign markets are not subject to the same regulation as domestic markets. In addition, there is often less publicly available information about foreign markets and issuers than about domestic markets and issuers.

Asset allocation risk: asset allocation may have a more significant effect on account value when one of the more heavily weighted asset classes is performing more poorly than the others. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

Options risk: QAM allows certain types of options trading, specifically the selling, or writing, of covered call options for the purpose of generating income in clients advisory accounts. The use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply and causing the security to be called away which results in the client account no longer holding the security. Because all strategies are actively managed, they are all subject to management risk, which is the chance that the adviser will not successfully execute the strategies described above even after applying its investment techniques and risk analysis.

There can be no guarantee that the adviser's decisions will produce the intended result, and there can be no assurance that an investment strategy will succeed.

Additionally, there are material risks involved in our manager selection process. Although the Firm has prudent selection methodology in place, there are general business and operational risks associated with firms that manage money on a client's behalf that could lead to unexpected and unfavorable developments including but not limited to: unethical or unlawful behavior by the manager, staff turnover which disrupts the investment decision making process at the manager, and/or a change in control of the manager including sale or dissolution. Other materials risks include returns being significantly different than a corresponding benchmark as well as the risk of underperforming the benchmark in any time period and currency risk.

As noted above, the Firm utilizes economic, financial and market data from third-party sources believed to be reliable but generally does not seek to independently confirm the accuracy of such information. Similarly, The Firm relies on a variety of third-party financial applications to perform numerous financial calculations related to asset allocation, financial planning projections, and investment manager evaluations. Although the quality of these services is reviewed, there can be no guarantee the calculations will be performed correctly going forward.

Performance-Based Fees and Side-By-Side Management

The Firm does not charge any performance-based fees which are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Voting Client Securities

As a matter of firm policy and practice, the Firm does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving from their custodian and voting proxies for any and all securities maintained in client portfolios the Firm's IARs may assist clients by answering questions they may have about proxies they have received.

Item 7 – Client Information Provided to Portfolio Managers

The Firm collects the information described above in Item 4 in order to help ensure that the initial determination of an appropriate portfolio continues to be suitable and that the client's account continues to be managed in a manner suitable to the client's financial circumstances. The Firm will maintain client suitability information in the client's file. In addition, the Firm requires IARs to contact each client at least annually to determine whether there have been any changes in the client's financial situation, whether the client wishes to impose investment restrictions or modify existing restrictions, and to assess if the recommended investment program remains in the best interest of the client to deliver desired objectives. The Firm retains all client information and shares with Portfolio Managers only that information necessary to properly register an account.

Item 8 – Client Contact with Portfolio Managers

The Firm does not place restrictions on a client's ability to consult or contact his or her IAR.

Item 9 – Additional Information

I) Disciplinary Information

- Financial Industry Regulatory Authority ("FINRA") (November 2015): Woodbury (the "Firm"), in its capacity as a broker-dealer, without admitting or denying the findings, entered into an Acceptance, Waiver and Consent order ("AWC") with the FINRA regarding the Firm's alleged failure to identify and apply sales charge discounts to certain customers' eligible purchases of unit investment trusts ("UIT") resulting in customers paying excessive sales charges of approximately \$98,937.31. The findings also stated the Firm paid restitution to all affected customers. FINRA also alleged the Firm failed to establish, maintain and enforce a supervisory system and Written Supervisory Procedures ("WSP") reasonably designed to ensure that customers receive sales charge discounts on all eligible UIT purchases. The Firm has enhanced its policies and procedures related to identifying and applying sales charge discounts for eligible UIT purchases. Pursuant to the order, the Firm's payment of the \$100,000 fine was completed on December 16, 2015.
- New York State Department of Financial Services ("Department") (June 2015): Woodbury, in its capacity as an agent pursuant to Section 2103(a) of the New York Insurance Law (the "Insurance Law") entered into a stipulation agreement with the

Department and paid a \$5,000 penalty for violations of (1) Section 110(i) of the Insurance Law, in connection with Woodbury's failure to report to the Superintendent within 30 days the final disposition of certain disciplinary matters and (2) as a result, providing materially incorrect and untrue information within the meaning of Section 2110(a)(2) of the Insurance Law in its renewal application for its agent license. Woodbury will take all necessary steps to prevent the recurrence of similar violations in the future that are a result of failure of reporting.

- Missouri Securities Division (June 2014): Woodbury, in its capacity as a broker-dealer, without admitting or denying the findings, entered into a Consent Order with the Missouri Securities Division regarding the Firm's alleged failure to detect a scheme perpetrated by one of its former representatives who circumvented Firm policies related to third party wire transactions. The Firm has resolved the matter with all customers impacted by the former representative's actions. Pursuant to the consent order, the Firm's payment of a \$150,000 fine was completed on July 8, 2014.
- Financial Industry Regulatory Authority ("FINRA") (December 2013): Woodbury, in its capacity as a broker-dealer, signed a letter of acceptance, waiver and consent for failure to retain certain business related electronic communications between July 2007 and December 2011 for a small subset of associated persons. Woodbury paid a \$60,000 fine and has enhanced its supervisory system and procedures relating to electronic communications retention.
- Financial Industry Regulatory Authority ("FINRA") (January 2012): Woodbury, in its capacity as a broker-dealer, signed a letter of acceptance, waiver and consent for failure to establish, maintain and enforce an adequate supervisory system from January 2008 through May 2009 to review equity trades for excessive trading and consequently did not detect a registered representative who entered excessive and discretionary trades in two customer accounts, as required under NASD Rules 3010 and 2110 and FINRA Rule 2010. Woodbury paid a \$45,000 fine and has enhanced its supervisory system and procedures relating to equity trading review.
- Financial Industry Regulatory Authority ("FINRA") (August 2011): Woodbury, in its capacity as a broker-dealer, signed a letter of acceptance, waiver and consent for a failure to establish an adequate supervisory control system from November 2008 to September 2010 to adequately review and monitor the transmittal of funds from the accounts of customers to third party accounts, as required under NASD conduct rules 3010, 3012(A) (2) (B) (i) and 2110, and FINRA Rule 2010. Woodbury paid a \$75,000 fine and has enhanced its supervisory system and procedures related to the transmittal of funds from customer accounts to third party accounts.
- Vermont Department of Banking, Insurance, Securities and Health Care Administration (June 2009): Woodbury paid a \$15,000 administrative penalty and enforcement cost for failing to reasonably supervise variable annuity subaccount allocations made by two representatives. In selecting subaccounts for the applicable clients, the representatives used an asset allocation model derived from a known industry profiler used to assess the risk tolerance of a client.
- The Arizona Corporation Commission, Securities Division (May 2009): Woodbury, in its capacity as a broker-dealer, pursuant to a final order, paid an administrative penalty of \$250,000 for failure to reasonably supervise two representatives. The representatives

were defrauding clients by creating false statements and routing original statements to post office boxes under their control. Woodbury has since modified and updated its policies and procedures designed to detect such activity.

- Securities and Exchange Commission (“SEC”) (April 2009): Woodbury entered into a settlement agreement with the SEC and paid a \$65,000 penalty for violations of Regulation S-P, based upon departing representatives taking information related to clients the representatives brought to the firm or secured while acting as a representative for Woodbury. Woodbury no longer allows departing representatives to take client information unless the client has specifically authorized such dissemination.

2) Other Financial Industry Activities and Affiliations

Overview

This section of contains information about our financial industry activities and affiliations. We provide information about the material relationships and arrangements we have with any related persons, including broker-dealers and investments advisers. We identify if any of these relationships or arrangements creates a material conflict of interests with clients and discuss how we address these conflicts.

Related Persons are defined as entities that we control or control us or are under common control with us.

Corporate Structure

Woodbury is a subsidiary of Advisor Group, Inc., a wholly-owned subsidiary of Advisor Group Holdings, Inc., which is owned by a consortium of investors that includes Lightyear Fund III, L.P. (an investment fund affiliated with Lightyear Capital LLC) and PSPIB Lunar Investments Inc. (a wholly-owned vehicle of the Public Sector Pension Investment Board). Advisor Group, Inc. is a network of independent broker-dealers and investment advisers.

Broker-Dealer Registration

As noted in Item 4, Woodbury Financial Services, Inc. is dually registered as both a broker-dealer with FINRA engaged in the offer and sale of securities products and as an Investment Adviser with the SEC in order to offer investment advisory products and services to its advisory clients.

Woodbury is a SEC registered investment adviser and broker-dealer. Woodbury’s principal business is to offer variable annuities, variable life insurance, mutual funds and general securities to retail clients as a member broker-dealer firm with FINRA.

In addition, many of Woodbury’s management persons, which include its principal executive officers (e.g., its Chief Executive Officer, Chief Compliance Officer, etc.); its directors; and individuals with similar status; members of the firm’s investment committee and individuals who determine the general investment advice provided to clients, are registered representatives of Woodbury.

When Advisory Representatives are acting as registered representatives, their activities are regulated by FINRA. Under FINRA rules, Woodbury’s Advisory Representative(s) acting as registered representatives can provide advice on the securities products offered through Woodbury. In addition,

some of Woodbury's affiliated representatives are permitted to be employed by, or own, a financial services business entity, including an investment adviser business, separate from Woodbury. Although this is not considered a conflict of interest, clients should be aware that these situations can exist. Advisory Representatives are licensed to sell securities as a registered representative and can sell products such as stocks, bonds, mutual funds, exchange traded funds, variable annuity and variable life contracts through commission based accounts. Registered representatives are also permitted to act as an insurance agent, accountant or real estate broker or dealer. Your Advisory Representative will disclose specific activities through the applicable Form ADV Part 2B brochure supplement.

Since registered representatives are independent contractors of Woodbury, they have the ability to engage in certain other business activities separate and unrelated to the activities they conduct through Woodbury. Prior to doing so, the firm must review, and when appropriate, approve the activity. Several factors are evaluated to determine whether to approve the activity, including, the type of activity involved, compensation related to such activity, and any conflicts of interest that the activity present.

Some Advisory Representatives also hold certain industry designations or certifications (e.g., Certified Financial Planner, Enrolled Agent, Certified Financial Analyst, and Accredited Estate Planner) and use such designations or certifications in marketing material that is provided to clients. While we have developed a process to review and approve the designations and certifications used by its Advisory Representatives, Woodbury does not endorse, guarantee or claim that any particular designation or certification an IAR uses will result in that Advisory Representative being able to provide specialized or expert advice. Designations and certifications do not: (i) replace or award any state, federal, or jurisdictional securities, insurance or other license; or (ii) ensure the Advisory Representatives is qualified to render advice in the areas of financial services identified by the designation or certification. Neither Woodbury nor its Advisory Representatives represent that they are adhering to a particular standard that is required by any organization conferring a designation or certification.

Woodbury is also an insurance agency licensed to do business in all 50 states. Advisory Representatives that are also insurance licensed are permitted to sell fixed insurance products including, but not limited to, fixed annuities, term life insurance, and whole life insurance for compensation through Woodbury's insurance agency.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

All such transactions are effected in compliance with the Advisers Act and other applicable law, including our duty to seek best execution.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

General securities accounts for our brokerage customers are maintained and custodied on a fully disclosed basis by Pershing, LLC ("Pershing") or for VISION2020 Wealth Management Platform accounts, Pershing. Pershing is registered broker-dealers and investment advisers.

Other Affiliated Broker-Dealers and Investment Advisers

The following three (3) affiliates of the Firm are dually registered broker-dealers registered with FINRA and registered investment advisers with the SEC. Your Advisory Representative, however, cannot

recommend the purchase of securities through such affiliates and do not conduct advisory business through them: FSC Securities Corporation, SagePoint Financial, Inc. and Royal Alliance Associates, Inc.

The Firm is also affiliated with Vision2020 Wealth Management Corp. a registered investment adviser with the SEC. We may offer investment advisory programs sponsored by Vision2020 Wealth Management Corp.

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

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We provide a copy of the Code to any client or prospective client upon request to their Advisory Representative. In limited circumstances, and in compliance with the Investment Adviser’s Act of 1940, Section 206(3) and the Rules hereunder (collectively, the “Act”), we perform principal or agency cross transactions as such activities are described in the Act.

Individuals who are covered by our Code (“Access Persons”) can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

4) Review of Accounts

Each purchase or sale of a security affected by our Advisory Representative in account is monitored for suitability by an appointed supervisor. In addition, our Advisory Representatives periodically review your accounts as needed, but no less than annually. Such review and consultation typically contain, when warranted, advice regarding recommended changes to your investments and recommendations for implementation of proposed changes.

You will receive monthly and/or quarterly account statements and depending on the advisory program we offer, a quarterly performance report (“QPR”).

QPRs are for informational purposes only and based on information believed to be accurate, but that we have not verified. For accurate account information, you must refer to the account statement from the account custodian.

5) Client Referrals and Other Compensation

OTHER COMPENSATION

You should be aware of and consider potential conflicts of interest related to direct and indirect forms of compensation and benefits that we and our Advisory Representatives may receive from in connection with investment products and services offered to clients. These forms of compensation are in addition to client advisory fees we receive and may create an incentive to recommend certain investment products and advisory services.

We maintain policies and procedures to ensure recommendations are suitable and require that Advisory Representatives always act in your best interest. We also maintain a supervisory structure to monitor the advisory activities of your Advisory Representative to reduce potential conflicts of interest. You are encouraged to ask us about any conflict presented. In particular, we note the following:

TOP PRODUCER OPPORTUNITIES

In addition, Woodbury offers additional educational training and home office support for those Advisory Representatives that meet overall revenue production goals. While these goals are not specific to any type of product or service offered, they provide a financial incentive for Advisory Representatives to recommend investment products and advisory services in general.

LOANS

We provide loans to certain Advisory Representatives as incentive to establish, maintain, or expand their broker-dealer and advisory relationships with us. The repayments of such loans are typically dependent on the Advisory Representative retaining affiliation with us through the end of the loan period. These loans create a conflict of interest for your Advisory Representative to retain affiliation with us in order to avoid repayment of the loan.

INDIRECT COMPENSATION AND REVENUE SHARING

Woodbury maintains revenue sharing arrangements with certain mutual funds, variable insurance product, fixed insurance products, direct participation programs, alternative investments, 529 plans, unit investment trusts (UITs) (all preceding products referred to as “Packaged Product” or “Packaged Products”) and third party money managers. The Packaged Products providers and third party money managers are hereinafter referred to as (“Strategic Partner” or Strategic Partners”). Strategic Partners are selected, in part, based on the competitiveness of their products, their technology, their customer service and their training capabilities. Strategic Partners have more opportunities than other companies to market and educate our Advisory Representatives on investments and the products they offer.

In addition to the customary sales charges, Woodbury receives compensation (“revenue sharing payments”) from its Strategic Partners. Revenue sharing payments are typically calculated as a fixed fee or as an annual percentage of the amount of assets held by clients, or as a percentage of annual new sales, or as a combination of both. Strategic Partners may

pay Woodbury differing amounts of revenue sharing, for which the Strategic Partner receives different benefits. Please see descriptions of revenue sharing payments received by Woodbury below.

A conflict of interest exists in that we are paid more revenue-sharing fees if you purchase one type of product instead of another and/or you purchase a product from one particular sponsor instead of another. Your Advisory Representative also indirectly benefits from Strategic Partner payments when the money is used to support costs relating to product review, marketing or training, or for waiver of ticket charges, as described below. Your Advisory Representative does not receive any compensation associated with the revenue sharing payments.

Woodbury will update information regarding Strategic Partners, Third-Party Money Managers and other firms who participate in revenue sharing arrangements with Woodbury on its website on a regular basis. For additional information, please refer to the "Client Information and Disclosures" section of our website at www.joinwoodbury.com.

A. Mutual Funds and Variable Annuities

Some Strategic Partners pay up to 30 basis points (0.30%) of your total purchase amount of a mutual fund or variable insurance product. Additionally, some Strategic Partners make a quarterly/monthly payment or additional quarterly/monthly payment based on the assets you hold in the fund or variable insurance product over a period of time of up to 18 basis points (0.18%) per year. Alternatively, Woodbury may receive compensation from the mutual fund or insurance company as: (1) a flat fee regardless of the amount of new sales or assets held in client accounts; or (2) the greater of such flat fee or amount based on assets and/or new sales as referenced above and any ticket charge payments referenced below.

Mutual Fund firms may also participate in Broker-Dealer's DirectChoice Program. The Broker/Dealer can be paid up to an additional 3 basis points (.03%) of assets you hold in funds participating in the DirectChoice Program. This is in addition to the compensation described above and creates an additional conflict of interest

B. Mutual Fund and Variable Annuity Ticket Charges

Other than a purchase of a Strategic Partner variable annuity, when you purchase a variable annuity in a brokerage account, your financial advisor is charged a \$20 variable annuity transaction fee on initial investments and the same amount on subsequent investments greater than \$5000.

C. Fixed Insurance Products

Some Designated Insurance Companies pay amounts in addition to sales commissions to compensate Woodbury for the enhanced marketing and training opportunities. In the case of a fixed annuity, Woodbury may receive up to 30 basis points (.30%) of your purchase amount in revenue sharing. For other fixed insurance products, Woodbury may receive with a flat fee, or up to 10% of total premiums paid to a Designated Insurance Company. For a current list of Designated Insurance Companies, please see Designated Insurance Companies within the "Client Information and Disclosures" section of our website at www.joinwoodbury.com.

D. Assets in 529 Plans

While Woodbury does not receive revenue sharing payments in relation to sales of 529 Plans, the amount of sales and/or assets in 529 Plans may be included by Strategic Partners in determining the amount of asset based revenue sharing payments. Woodbury does not separately account for these payments and does not have any 529 Plan Strategic Partners.

E. Direct Participation Programs and Alternative Investment Products

In addition to retail commissions and a dealer manager reallowance of up to 150 basis points (1.5%) of the sales amount as a marketing reallowance, Woodbury may receive fixed amount payments from direct participation programs and alternative investment products (collectively, "Alternative Investment Product Strategic Partners") for attendance at meetings. For a current list of Alternative Investment Product Strategic Partners, please see Alternative Investment Product Strategic Partners within the "Client Information and Disclosures" section of our website at www.joinwoodbury.com.

F. Retirement Plan Strategic Partners Program

Woodbury may also receive certain fixed dollar amount revenue sharing payments from third party firms, including plan recordkeeping platforms as well as investment managers of mutual funds and the issuers of annuities (each a "Retirement Strategic Plan Partner"). This is a fixed dollar payment that does vary based on the amount of the Plan's investment in any product or utilization of any Retirement Plan Partner's services. Retirement Plan Partners may also pay Broker-Dealer expenses, or provide non-cash items and services, to facilitate training and educational meetings for affiliated financial advisors, which similarly do not depend on the amount of the Plan's investment in any product or utilization of any Retirement Plan Partners' services. For a current list of our Retirement Plan Partners, please see RETIREMENT PLAN PARTNERS within the "Client Information and Disclosures" section of our website at www.joinwoodbury.com.

G. Third Party Management Programs

Woodbury also enters into revenue sharing arrangements with certain third party money managers. Third Party Managers that participate in revenue sharing arrangements are provided greater access to our financial advisors to provide training and other educational presentations and product information so that they can serve investors better. From Third-Party Money Managers, Woodbury may receive up to 20 basis points (0.20%) per year of the assets under management or up to 20 basis points (0.20%) of management fees earned on behalf of Advisory Representatives of Woodbury. Woodbury may also receive up to 5 basis points (.05%) on gross sales placed with a Third Party Manager.

H. Retirement Plan Advisory Accounts

Woodbury does not accept the aforementioned mutual fund Strategic Partner revenue sharing payments on sales or assets held in investment advisory accounts of a plan subject to Title I of the Employee Retirement Income Security Act of 1974, described in section 4975(e)(1)(A) of the Internal Revenue Code ("IRS Code") or an individual retirement account or annuity described in Internal Revenue Code section 4975(e)(1)(B) – (F) ("Qualified Advisory Accounts"). Instead mutual fund Strategic Partners will pay a fixed dollar

amount annual partnership fee of up to approximately \$475,000 in exchange for certain marketing and services provided by Broker-Dealers in connection with these account types.

I. Clearing Firms

Pershing provides compensation to Woodbury offset its general operating expenses. Compensation received consists of a fixed dollar amount and percentage of total assets held in brokerage accounts.

J. Other Cash and Non-Cash Compensation

In addition to reimbursement of training and educational meeting costs, Woodbury and its Advisory Representatives may receive promotional items, meals or entertainment or other non-cash compensation from representatives of mutual fund companies, insurance companies, and Alternative Investment Products, as permitted by regulatory rules. Additionally, sales of any mutual funds, variable insurance products and Alternative Investment Products, whether or not they are those of Strategic Partners, may qualify financial advisors for additional business support and for attendance at seminars, conferences and entertainment events. Further, some home-office management and certain other employees may receive a portion of their employment compensation based on sales of products of Strategic Partners and/or certain sponsors of Alternative Investment Products. From time to time, non-Strategic Partners may attend Broker-Dealer sponsored meetings for a fee.

CLIENT REFERRALS

Woodbury has arrangements with individuals ("Solicitors") under which the Solicitors introduce potential advisory clients to the Firm in exchange for a referral fee. Solicitor arrangements are conducted in accordance with the SEC's "Solicitor Rule" (Rule 206(4)-3). If you are introduced to us through a Solicitor, a separate disclosure statement is provided to you advising that a referral fee is being paid to an individual that is unaffiliated with the Firm.

NETWORKING ARRANGEMENTS

There is an option for Woodbury and its Advisory Representatives to offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. In such a case, the Firm will enter into networking agreements with financial institutions pursuant to which we share compensation, including a portion of the advisory fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

Item 10 – Requirements for State-Registered Advisers

Not Applicable. We are an SEC registered investment adviser. We are not registered with any state securities authority.