Tomorrow's Financial Services, Inc.

A Full Service Broker Dealer for Financial Planners
Member FINRA & SIPC
Division of Tomorrow's Financial Services, Inc.
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DISCLOSURE NOTICE

IMPORTANT DISCLOSURE INFORMATION

TFS is committed to providing our clients with the information they need to make sound investment decisions. Please refer to the important information below that you may wish to consider when making investments through your registered representative at TFS Securities, Inc.

CUSTOMER IDENTIFICATION PROGRAM

Federal Law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account, in order to help the government fight the funding of terrorism and money laundering activities. When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see or make a copy of your driver's license or other identifying documents.

ANTI-MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act

The USA PATRIOT Act, signed by President Bush in 2001, is designed to detect, deter, and punish terrorists in the United States and abroad. The ACT imposes new anti-money laundering requirements on brokerage firms and financial institutions. By April 24, 2002, all brokerage firms were required to have new, comprehensive anti-money laundering programs. To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

What is Money Laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales; drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What are we required to do to eliminate money laundering?

Under the rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transactions and ensure compliance with the new laws. In addition, this includes our responsibility to research and investigate areas of heightened risk with respect to beneficial owners of accounts because nominal account holders can enable individuals and/or business entities to conceal the identity of the true owner of the assets or property derived from or associated with criminal activity.

As part of our required program, we may ask you to provide various identification documents or other information pertaining to the control or entitlement of the presented assets. Until you provide the information or documents we need, we may not be able to open an account or effect any transactions for you.

* * *

We thank you for your patience and hope that you will support us in our efforts to deny terrorist groups access to America's financial system.

BUSINESS CONTINUITY PLAN

We, at TFS, are committed to providing timely services to our associates and clients. FINRA Rule 4370 requires that we disclose to our clients how our Business Continuity Plan addresses possible business disruption in various disaster circumstances, and demonstrate our ability to respond to those disruptions. TFS has a contingency plan in place, ensuring that customers have access to their funds and securities. We have taken aggressive steps to provide for business contingency and continuity under a variety of disasters including, but not limited to: **Natural Causes:** Fires, Earthquakes, Floods, Hurricanes, Tornadoes; **Technical Causes:** Prolonged loss of utility service, Hardware/software failures; **Human Causes:** War, Riots, Strikes, Pandemics. Our plan calls for relocation to another pre-determined alternate site, equipped with mission critical systems, policies and procedures for the routing of phone calls, trades, faxes and mail. Business is intended to be reinstated within a short period of time. In the event of a business disruption our clearing firm Pershing LLC, will be notified of any business disruption scenario involving TFS Securities, Inc. and their contact information will be posted on the website. Pershing LLC will be available to customers if needed for the processing of limited trade-related transactions, cash disbursements, securities transfers and general inquiries. Please be aware that, while we have detailed plans in place, we cannot guarantee that we will be successful in achieving recovery within the expected time period. For example, we may not be able to implement a plan during a disaster as quickly as we expect, or there may be disasters that we have been unable to anticipate and for which we have no plan. Additionally, if parts of our plan are dependent upon third parties, we have no control over the success or failure of the third party to respond appropriately. All plans are subject to modification and updated plan summaries will be made available on our website.

SIPC COVERAGE

TFS Securities, Inc. is a member firm of the Securities Investor Protection Corporation (SIPC). Our membership in SIPC provides your account with protection up to a maximum of $500,000 per customer, of which $250,000 may be in cash. Accounts held at our clearing firm, Pershing LLC are afforded SIPC protection. Additional coverage may be available within participating programs offered through our clearing firm and should be discussed with your Registered Representative. The account protection applies when a SIPC member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against losses from the rise and fall in the market value of investments. This extensive coverage reflects a strong commitment to serving your investment needs. You can learn more about SIPC by going to their website at www.sipc.org or calling 202-371-8300.

What Are Mutual Fund Fees and Expenses?

Like most investments, all mutual funds charge fees and expenses that are paid by investors. These fees and expenses can vary widely from fund to fund or fund class to fund class. Check the fee table in the mutual fund's prospectus and / or statement of additional information to find out the precise amount of the mutual fund's fees and expenses.

Glossary of Terms – Fees and Expenses

Asset-Based Sales Charges:

These are fees that you would not directly pay, but which are taken out of mutual fund's assets to pay to market and distribute its shares. For example, asset-based sales charges could be used to compensate a broker-dealer for the sale of mutual fund shares, for advertisements, and to print copies of the prospectus. Asset-based sales charges include "Rule 12b-1" fees, which are dedicated to these types of distribution costs.

Breakpoint:

A mutual fund may offer you discounts, called breakpoints, on the front-end sales charge if you: want to make a large purchase, already hold other mutual funds offered by the same fund family, or commit to regularly purchasing the mutual fund's shares.

Contingent Deferred Sales Charge or CDSC:

This fee is charged when you sell your mutual fund shares. For example, if you redeem shares valued at $1,000 and the mutual fund imposes a CDSC of 1%, you would receive $990. This CDSC normally declines the longer the shares are held and eventually is eliminated after a number of years, often in the seventh year that you own the shares.

Expense Ratio:

A mutual fund's expense ratio measures the fund's total annual expenses expressed as a percentage of the fund's net assets. For example, an expense ratio of 1% represents an annual charge to the fund's net assets – including your proportional interest in those assets – of 1% every year. The expense ratio includes the asset based sales charge and other ongoing fees that are deducted from a mutual fund's assets to pay for the services of the mutual fund's investment advisor or transfer agent or for other expenses. Front-end sales charges and CDSCs are not included in the expense ratio because they are charged directly to the investor. The fee table in the front of a mutual fund's prospectus provides the amount of a mutual fund's expense ratio and its front-end sales charge and CDSC.

Front-End Sales Charge:

This fee is charged when you purchase mutual fund shares. For example, suppose you wish to spend $1000 to purchase Class A shares, and the mutual sales charge of 5%. You will be charged $50 on your purchase and you will receive shares with a market value of $950. Depending on the size of your purchase, a breakpoint discount can lower this sales charge.

UNDERSTANDING MUTUAL FUND SHARE CLASSES

It is our intention to help you acquire an understanding of mutual fund share classes, by providing you with this information, and encouraging you to obtain and read the prospectus for the mutual fund and share class that interests you before investing, in order to understand the unique features of that fund's shares.

What Are Mutual Fund Share Classes?

Investing in mutual funds through your registered representative usually means choosing among different classes of shares issued by each mutual fund you wish to purchase. A single mutual fund, with one portfolio and one investment advisor, may offer more than one class of its shares to investors. Each class represents a similar interest in the mutual fund's portfolio. The principal differences among different classes of shares of the same mutual fund relate to the sales charges and other expenses: how much you will pay, when you will pay them, and how much your registered representative will be paid for selling the shares to you.

Each class may also have a different minimum investment size, and your ability to exchange between two mutual funds in the same family of funds is likely to be limited to mutual funds offering the same class of shares as the one you wish to sell. All of these details are explained in the mutual fund's prospectus.

The most common types of share classes are Classes A, B and C, which are described below.

Class A Shares:

Class A shares typically charge a front-end sales charge. When you buy Class A shares with a front-end sales charge, a portion of the dollars you pay is not invested. Class A shares may impose an asset-based sales charge, but it is generally lower than the asset-based sales charge imposed by the other classes. A mutual fund may offer you discounts, called breakpoints, on the front-end sales charge if you: make a large purchase, already hold other mutual funds offered by the same fund family, or commit to regularly purchasing the mutual fund's shares.

You may also qualify for a discount if other members of your family own shares in the same fund family. Each mutual fund has its own requirements as to which accounts can be combined to help you reach a breakpoint.

You should ask your registered representative whether any breakpoint discounts are available to you. To determine whether you qualify for any breakpoint discounts, we may need to ask you to provide information about your other investments, as well as investments owned by members of your family.

Over longer periods of time, it may be cheaper for you to buy and hold Class A shares, rather than Class B or C shares of the same mutual fund. It depends on the particular mutual fund's sales charges and expenses, how much you plan to invest, and how long you plan to hold the shares before selling. Make sure you understand the fund's breakpoint program. Ask your registered representative for an explanation.

He / she can help you decide which share class of a particular mutual fund would be the cheapest for you to buy. Go to the fund's website. Read the fund's prospectus and Statement of Additional Information before you make a purchase, for information on the terms and conditions of any available breakpoints. You can also use the free Mutual Fund Expense Analyzer, available on the internet, at: **http://www.finra.org/Investor/Tools/Calculators/FundCalc/expense_analyzers.asp.**

If you cannot immediately purchase the dollar amount of Class A shares needed to qualify for a breakpoint discount, a mutual fund may permit you to receive such a discount if it offers a "right of accumulation" or the opportunity to sign a "letter of intent".

Right of Accumulation. Some mutual funds will give you a right of accumulation, which permits you to aggregate shares that you own in related accounts in some or all mutual funds in that fund's family in order to reach a breakpoint discount. Mutual funds typically will allow you to aggregate fund shares that you and certain other investors, such as your family, own. This option also gives you the ability to count earlier purchases of shares of funds in your accounts and in related accounts toward the breakpoint discount on your current purchase. A right of accumulation may often be combined with a letter of intent for further benefits.

Letter of Intent. Some mutual funds permit investors who sign a letter of intent to be charged a discounted sales charge on their purchases of Class A shares. A letter of intent is a written statement by you stating that you intend to purchase a stated dollar amount of fund shares over a specified period of time (frequently, 13 months). By signing a letter of intent, you will be charged the reduced sales charge that applies to the total amount of your intended purchase on your first purchase and all subsequent purchases. If you fail to purchase the intended total dollar amount of fund shares in the time allowed, you will be required to reimburse the discount.

Multiple Fund Purchases. It is important for you to understand that purchases made into a single fund family allow for potential and significant reductions in sales charges by meeting certain breakpoints. These breakpoints typically start at $50,000 and usually become larger at amounts of $100,000, $250,000 and $500,000. If you direct your investments into more than one fund family, your ability to reach a particular breakpoint may be reduced or even eliminated, causing you to pay higher sales charges. Additionally, you should always consider the benefits of executing a Letter of Intent or using Rights of Accumulation whenever possible to reduce sales charges within the same fund family.

Class B Shares:

Class B shares typically do not charge a front-end sales charge, but they do impose asset-based sales charges that may be higher than those that you would incur if you purchased Class A shares. Class B shares also normally impose a contingent deferred sales charged (CDSC), which you pay when you sell your shares. For this reason, these should not be referred to as "no-load" shares.

The CDSC typically starts at 5% if you sell within one year of purchasing Class B shares. The CDSC normally declines gradually over a period of several years, and eventually is eliminated if you hold the shares long enough (typically at least 6 years). Once the CDSC is eliminated, Class B shares often then "convert" into Class A shares, and there will be no CDSC charged when you sell your shares.

Since Class B shares do not impose a sales charge at the time of purchase, all of your dollars would be immediately invested, unlike Class A shares. But your annual expenses, as measured by the expense ratio, may be higher because Class B shares typically charge a higher asset-based sales charge. This, plus the possibility of paying a CDSC when you sell your Class B shares, could result in Class B shares being more expensive than other available classes of shares. If you intend to purchase a large amount of Class B shares, you may want to discuss with your registered representative as to whether Class A shares would be more practical . The expense ratio charged on Class A shares is generally lower than for the Class B shares, and you might be able to qualify for a discount on the Class A shares' front-end sales charge, depending on any breakpoints offered by the particular mutual fund. Many mutual fund companies are discontinuing the offering of Class B shares and their availability may be dramatically reduced in the future. It is important that you understand the share class you are considering purchasing and you should read the accompanying prospectus to that fund for more information.

To determine if Class A shares may be more advantageous, refer to the mutual fund's prospectus, which may describe the purchase amounts that qualify for a breakpoint discount.

Class C Shares:

Class C shares usually do not impose a front-end sales charge on the purchase, so the full dollar amount that you pay is immediately invested. Often Class C shares impose a small charge if you sell your shares within a short time of purchase, usually one year. Class C shares typically impose higher asset-based sales charges than Class A shares, and since their shares generally do not convert into Class A shares their asset-based sales charge will not be reduced over time. Class C shares are often used for asset allocation purposes.

Class C shares do not impose a sales charge at the time of purchase, but they may impose a CDSC or other redemption fees. Additionally, in most cases, your expense ratio would be higher than Class A shares and even Class B shares if you hold them for a long time. For this reason, Class C shares may be most appropriate if you plan to hold your shares for a relatively short period of time. As always, please refer to the mutual fund's prospectus for specific details as to the cost of purchasing, holding and selling shares of this or other classes.

Other Mutual Fund Share Classes:

Some mutual funds offer classes of shares that differ from the typical Class A, B and C shares described above. These share classes may be designated by a letter, such as Class D or Class Z, or by a title such as "Investor Class" or "Institutional Class." In some cases, a share class may have no front-end sales charge or CDSC and low expenses. These classes often are designed for investment by institutional investors, such as 401(k) plans and Section 529 college savings plans. Other share classes offered by a mutual fund may have varying combinations of front-end sales charges, CDSCs and asset-based sale charges. "No-load" share classes of mutual funds exist for investors who are comfortable investing without the advice of a registered representative, and investors usually purchase such shares by contacting the mutual fund directly. Please refer to the mutual fund's prospectus for more information about these share classes.

Commission Information

When TFS receives a commission from a mutual fund underwriter, the underwriter usually retains a portion of the commission to compensate the underwriter for the distribution services it provides. In some cases, a mutual fund's underwriter will decide not to retain any of the commission and will pay all of the commission to TFS. In these cases, because TFS generally pays its registered representatives the same percentage of any commission we receive; your registered representative will receive extra compensation for selling a mutual fund that does not retain any of the commission.

Trailing Commissions Information

Many mutual funds pay TFS trailing commissions (including so-called 12b-1 payments). TFS usually retains a portion of these fees as compensation for services we provide, and pays the remainder to its registered representatives, as compensation for the services that they provide to their clients.

More Information

Investors should carefully consider the investment objectives, risks, charges and expenses of any investment company before investing. The prospectus contains this and other information about an investment company. The prospectus is available from your registered representative and should be read carefully before investing.

UNDERSTANDING ANNUITIES

Another investment alternative that has grown in popularity is the annuity. Annuities are insurance products that offer limited insurance coverage and a variety of potential account guarantees. One of an annuity's main attractions is that gains are deferred for tax purposes until funds are distributed.

There are three basic types of annuities:

An **immediate annuity** is purchased with a single payment and, characteristically, distributes a specified income stream that commences immediately.

A **fixed annuity** guarantees a fixed rate of return for a specified period of time. It is generally designed to provide guaranteed level payments for a specified period of the annuitant's lifetime, on a tax-advantaged basis. (The promised income stream for both of the above annuities is only as good as the insurance company's ability to pay. Consequently, careful research is required before purchase.)

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

UNDERSTANDING VARIABLE ANNUITIES

A variable annuity is an insurance contract between you and an insurance company, under which the insurance company agrees to make periodic payments to you either immediately or commencing at some future date. Variable annuity contracts are usually purchased by either a single payment or by multiple payments and are designed to meet long-range goals. Although variable annuities are typically invested in mutual fund-type accounts, they differ from mutual funds in three important ways. First, variable annuities provide periodic payments for the rest of your life or the life of your beneficiary. Secondly, some variable annuities have a death benefit so that if you die before the insurance company starts making payments to you, your beneficiary is guaranteed a specified amount (generally, at least the amount of your payments for the annuity purchase). Lastly, variable annuities are tax deferred and you pay no taxes on the income and investment gains until you withdraw your money. Typically, variable annuities have higher charges than mutual funds and you will pay for each benefit provided by your variable annuity. These charges can reduce the value of your account and the return on your investment. It is important to review the detailed information provided in the "Variable Annuity Prospectus". Additionally, the SEC provides an educational website on variable annuities at http://www.sec.gov/investor/pubs/varannty.htm.

While almost all of the same compensation options described for mutual funds may be offered with annuities, the most common involves the payment of a commission to the firm, which the insurance company advances from future annual fees. The annuity contract usually includes a contingent deferred sales (surrender) charge, which declines over time, to recompense the insurance company for the advance of commissions and other front-end costs should the investor cancel during the surrender charge period. Annual fees are usually higher than those charged by mutual funds with similar objectives to pay for the higher commissions, as well as insurance benefits and money management. Hence investors should compare both cost structures in conjunction with individual tax considerations before investing. Investors should select variable annuities with ample investment options to avoid incurring a surrender charge should they decide to change their investment option.

Compensation Paid to TFS Securities, Inc. When You Purchase a Variable Annuity

Commission schedules and amounts vary by insurance company and annuity product. What and how, TFS and your registered representative are compensated when you purchase a variable annuity depends on the type of annuity you purchase and the insurance company issuing the annuity. You should feel free to discuss with your registered representative how he/she is compensated following your annuity purchase. This document explains in general terms how the compensation arrangements work.

Contingent Deferred Sales Charge Annuities

When you purchase a variable annuity, TFS is compensated by the insurance company issuing your annuity contract. Subsequently, your registered representative receives a significant percentage of the annuity commissions. The commissions paid to TFS by the insurance company are not deducted from your purchase payments. If you surrender your annuity during the contingent deferred sales charge period specified under your annuity contract, a "surrender charge" is deducted from the annuity value that is returned to you. The surrender charge amount may reimburse the insurance company for costs associated with marketing the annuity product including the commission paid.

How Your Registered Representative Receives Commissions

Your registered representative typically has a choice of commission options regarding receipt of the commission payable to TFS. The insurance company that issues your contract pays the commissions directly to TFS and recoups the marketing and distribution expenses, including commissions, over time from your annuity contract expenses. In most cases, the structure of the commission selected by your registered representative will have no impact on your annuity contract expenses. Annuity products may offer the following commission options: A single-lump sum commission based on your purchase amount, A slightly-reduced lump sum commission and asset-based trail commissions paid quarterly over a number of years, or A further-reduced lump sum commission and higher asset-based trails paid quarterly over a number of years.

More Information

Information about a variable annuity's fees and expenses may be found in the fee table located in the variable annuity contract document.

Investors should carefully consider the investment objectives, risks, charges and expenses of any investment company before investing. The prospectus contains this and other information about an investment company. The prospectus is available from your registered representative and should be read carefully before investing.

Variable annuities issued by insurance companies are long-term investment alternatives designed for retirement purposes. Withdrawals of taxable amounts are subject to income tax and, if made prior to age 59 1/2, may be subject to a 10% federal tax penalty. An investment in variable annuities involves risk, including possible loss of principal. The contracts, when redeemed, may be worth more or less than the original investment.

UNDERSTANDING INVESTMENT ADVISORY SERVICES

Investment Advisory Services is a form of investment service by which the investor receives advice or counsel in exchange for a fee. These services allow for direct interaction with the client in the form of asset management or a more passive interaction by providing general advice within the securities industry. All investment advisory services fall under the Investment Advisors Act of 1940 and require investment advisory firms to register with the Securities and Exchange Commission. Under the umbrella of direct interaction, the investment advisory firm may choose to utilize "outside" investment managers/vehicles for this service or their own "proprietary" investment management strategies. TFS Securities, Inc. allows investors access to both. Unlike traditional commission based purchases, as an investor you will typically pay a percentage fee on your assets under the adviser's management. In cases where the services are not as interactive and more advice based, the adviser may charge a start-up fee and/or a flat hourly fee for their services.

Under the Investment Advisers Act of 1940 investment advisers have a higher standard of disclosure and commitment to disclose, minimize and resolve conflicts of interest than would be found in a traditional securities brokerage environment. They are also held to a more stringent level of fiduciary responsibility and are subject to criminal charges for providing false or misleading information. They are also required to establish, maintain and enforce a written code of ethics.

Third Party Advisory Services and Fees

"Third Party" advisory services or "Outside" advisory services represent an advisory manager or investment company essentially hired by your investment adviser to fulfill your investment goals and objectives. They are in no way affiliated with your investment adviser and typically are chosen by the adviser based on the needs of the investor. They are in a sense "contracted out" by the adviser when the adviser feels he or she may not have the resources "in house" to fulfill a particular client's needs. Fees for advisory services are based on the corresponding fee schedules provided by the advisory service providers. They are then deducted from your investment account based on the value of the account at the time the fee is due. Typically these fees are deducted quarterly in advance from your investment account and in some cases are deducted monthly based on the signed agreement. Calculations for billing purposes can be based on the market value of the account at a specific time in advance, or in arrears. They may also vary in the percentage amount based on the type of advisory services you use. When utilizing "Third Party" investment advisory services the deducted fee is paid directly to the "Third Party" advisory service provider managing your investments. Portions of that fee, known as the "program fee" is retained by that same "Third Party" provider, while the remaining portion, and known as the "consultant fee" is split between the "Investment Advisory Representative" who made the referral and their corresponding "Registered Investment Advisor" firm.

Proprietary Advisory Services and Fees

"Proprietary" advisory services are those services which utilize a system or strategy that is either owned or exclusive to the adviser to fulfill your investment goals and objectives. Typically these services and strategies are manufactured, serviced and sold exclusively through the advisor. As with "third party" advisory services, numerous investment vehicles may be utilized to fulfill the needs of the client, in exchange for a percentage fee based on your assets under the adviser's management. TFS Securities, Inc. maintains an SEC Registered Investment Advisory Service, trading under the name TFS Advisory Services, a division of TFS Securities, Inc. All Fees are paid to TFS Securities, Inc. when you participate in Advisory Services. Fees for these types of advisory services are based on the corresponding fee schedules provided by the advisory service provider. The amount and method of fee payment may vary depending on the type of advisory services you are utilizing. The investor may choose to have fees deducted directly from their investment advisory account or another investment account, bank account or by credit card. Typically these fees are deducted and paid quarterly and in most cases are calculated based on the market value of the investment account in advance. This could vary based on the advisory service provided and fees could be calculated in arrears, in either case the method of calculation is disclosed in the advisory agreement. The disclosed fee is divided between the "registered investment advisor" who retains the program fee, with the remainder being paid to the "investment advisory representative".

COMPENSATION TO OUR FIRM AND YOUR REGISTERED REPRESENTATIVE

TFS Securities, Inc. offers a wide variety of mutual funds, variable products and other investment vehicles to investors. We believe it is important for our firm and its registered representatives to assist investors in selecting investments to meet their needs and objectives. Because there are thousands of mutual funds available for sale in the United States, in addition to numerous insurance and real estate offerings, we focus on a select group of some of the largest and best known mutual funds and insurance companies, collectively offering investors a wide spectrum of investment choices. We conduct stringent due diligence on mutual funds and insurance companies to determine which products will be included on our list of "Approved Products" for purchase by our clients. Products offered through TFS Securities, Inc. have sales charges (sometimes referred to as "loads") and other fees and expenses which are disclosed in the respective products' prospectus fee table, offering memorandum and/or statement of additional information. At TFS Securities, Inc., we receive, and subsequently pay out to your registered representative, compensation from the mutual fund families, insurance companies, and other product providers that are available to our clients. These payments include commissions and trailing commissions (sometimes referred to as 12b-1 payments). For more information on mutual fund and variable insurance product pricing, please consult a current product Prospectus and Statement of Additional Information, and review the disclosures accompanying this document.

We want you to be aware of our revenue sharing arrangements when you evaluate your investment options. Although we provide many investment choices to our independent registered representatives, we have chosen to concentrate our marketing and training efforts on a number of select companies ("Preferred Partners"). There are many criteria that determine our selection of Preferred Partners, including whether they provide a diverse menu of unique and competitive products, the level and quality of customer service, the availability of technology, and their commitment to providing education, training and sales support for our financial professionals.

At TFS, our Preferred Partners are generally more willing than other companies to provide our customers, registered representatives and managers with education and training on the products they offer, information on market and industry trends, and investment planning ideas. Our Preferred Partners also receive input from our registered representatives and managers on new product and service innovations, marketing strategies, and a hands-on sense of the marketplace.

Our Preferred Partners pay additional amounts to TFS for these marketing and training opportunities we provide. Although TFS receives additional compensation from Preferred Partners, you do not pay more to purchase the investments of our Preferred Partners than you would pay at any other broker-dealer, nor does your registered representative receive any additional compensation in connection with the sales of products offered by our Preferred Partners.

Some Preferred Partners may provide payments for administrative and/or Due Diligence review services that we provide. Other Preferred Partners may make payments in connection with programs that support additional training, sales force education, business activities, attendance at seminars, conferences, expense reimbursements, marketing support, and customer service to our firm and its registered representatives, in order to serve you better.

The method of calculation and the amount of revenue sharing paid by a Preferred Partner may vary, and is subject to change or renegotiation at any time. Preferred Partners usually make payments calculated on gross sales of their respective products and on assets under management. However, some Preferred Partners may pay a fixed dollar amount based upon other criteria. Where necessary and appropriate, these payments may be disclosed in the Prospectus and / or Statement of Additional Information provided by the product sponsor. These payments are made by the companies' distributor, investment advisor, or other related party out of their own profits, and are not paid out of your investment. We believe that these Preferred Partner programs do not compromise the recommendations of your registered representative. It is the policy of TFS Securities, Inc. that all compensation must comply with applicable industry rules.

There are many companies other than Preferred Partners with whom TFS enjoys an excellent professional relationship. These firms may from time to time send TFS payments to recognize our sales and marketing efforts and may be provided additional opportunities to educate our representatives on their investment products. These companies and our Preferred Partners may also reimburse up to 100% of the cost of training and education meetings as permitted by industry rules.

TFS also assesses its registered representatives a $10 ticket charge for automated purchases of mutual funds. Some mutual fund families that participate in the Preferred Partner Programs subsidize some of these ticket charges. In some cases, the ticket charge is waived completely, and in other cases it is discounted. Every mutual fund offered by TFS also may be purchased without a ticket charge by processing the transaction with a check and application sent directly to the mutual fund company. We believe that these programs do not compromise the advice your registered representative gives you.

The companies participating in the TFS Preferred Partner Program are:

Mutual Fund Companies: Franklin Templeton Funds*

Variable Insurance and Annuity Carriers: Prudential Annuities, Brighthouse, Allianz Life Annuities, Transamerica, Lincoln Financial Distributors

Third-Party Investment Advisors: Hanlon Investment Management Inc., Brinker Capital, SEI

Other: Prospect Capital Securities

** Also reimburses 50% of ticket charges on sales over $5,000 and 100% on sales over $10,000.*

CASH BALANCE SWEEP ACCOUNTS

TFS has available, through its clearing firm, Pershing LLC, various Pershing Money Market Fund options into which cash balances can be deposited. Customers can choose from among these various alternatives in order to earn interest on cash bal ances in their brokerage accounts. When a customer opens a brokerage account, the account may be coded to sweep cash balances into the particular option selected. If you own or are interested in one of these cash balance sweep options, we want you to be aware of our compensation arrangements. TFS will receive additional cash compensation, calculated as a percentage of assets held in the Pershing and Federated Money Market Funds. Your Registered Representative will receive a portion of this revenue for recommending the Federated or Pershing Money Market Funds. These payments are made by the companies' distributor, investment advisor, or other related party out of their own profits, and are not paid out of your investment. We believe that these Preferred Partner programs do not compromise the recommendations of your registered representative. It is the policy of TFS Securities, Inc. that all compensation must comply with applicable industry rules.

MSRB INVESTOR BROCHURE: ANNUAL NOTIFICATION

TFS Securities, Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board. An Investor Brochure that describes the protections that may be provided by the MSRB along with instructions on how to file a complaint, with an appropriate regulatory authority, can be viewed on the MSRB website at http://msrb.org/msrb1/pdfs/MSRB-Investor-Brochure.pdf.

TRADE EXECUTION QUALITY

At TFS Securities, Inc., we value the trust you have placed in us and take our responsibilities to you very seriously. Processing your trades efficiently and effectively is an integral part of the service you should expect from TFS Securities, Inc.

TFS Securities, Inc. uses Pershing LLC as its clearing firm to execute the trades you place with us. Accounts are carried by Pershing LLC, member NYSE, FINRA and SIPC.

Your registered representative may have his or her own service corporation or business, but all are registered representatives of TFS Securities, Inc. and may also be investment advisor representatives of TFS Advisory Services, a division of TFS Securities, Inc.

To access more information on Pershing LLC's trade execution process, please review it on the Internet at the following site: www.orderroutingdisclosure.com

TFS Affiliation Disclosure

TFS Securities, Inc. is a securities broker dealer, registered with FINRA, SEC, and all 50 states. It is a wholly owned subsidiary of Tomorrow's Financial Services, Inc., a financial service holding company. TFS Securities, Inc. also maintains an SEC Registered Investment Advisory Service, trading under the name TFS Advisory Services, a division of TFS Securities, Inc. Other subsidiary companies include TFS Insurance Agency, Inc., a full-service insurance brokerage; TFS Mortgage Corporation, Inc. a licensed Correspondent Mortgage Banker in New Jersey, New York and Florida; TFS Income Tax Preparation Service, Inc., which provides individual and small business accounting and tax preparation services.

As a client of TFS Securities, Inc., your registered representative may offer other financial products and services provided through these TFS affiliated companies. It is import ant that you are aware that, in connection with the purchase of these financial products and services from TFS affiliated companies, that the affiliated company and in most cases the, soliciting registered representative will be compensated in connection with the sale. It is important that you are aware that these transactions are done outside the scope of TFS Securities, Inc. and the cost and compensation related to the consummation of such services are considered typical and customary. The cost and compensation for these products and services will be disclosed in compliance with regulations governing the sale of such products. While the ability to offer and be compensated from various affiliates for the sale of other financial products and services may present potential conflicts of interest, we believe that this does not compromise the integrity of recommendations of your registered representative, and no TFS Securities, Inc. client is obligated to utilize these affiliated services.

FACTS

WHAT DOES TOMORROW'S FINANCIAL SERVICES, INC. AND ITS AFFILIATED COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: · Social Security number and financial information · Investment history and risk tolerance · Credit history and employment information When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers personal information, the reasons Tomorrow's Financial Services, Inc. chooses to share, and whether you can limit this sharing.

Reasons we can share your personal information	Does Tomorrow's Financial Services, Inc. Share?	Can You Limit This Sharing?
For our everyday business purposes– such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus and as allowed or required by law	**YES**	**NO**
For our affiliates' everyday business purposes- information about your transactions and experiences	**YES**	**NO**
For our affiliates to market to you	**YES**	**NO**
For our marketing purposes- to offer our products and services to you	**YES**	**NO**
For our affiliates everyday business purposes- information about your creditworthiness	**NO**	**"WE DON'T SHARE"**
For non-affiliates to market to you	**NO**	**"WE DON'T SHARE"**
For joint marketing with other financial companies	**NO**	**"WE DON'T SHARE"**
Who we are		

Who is providing this notice?	Tomorrow's Financial Services, Inc.
What we do	
How does Tomorrow's Financial Services, Inc. protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We also restrict access to only those individuals who need your information to do their jobs.
How does Tomorrow's Financial Services, Inc. collect my personal information?	We collect your personal information, for example, when you · Open an account or seek tax advice · Provide account information · Show your government issued id · Provide your mortgage information · Seek financial advice We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only · Sharing for affiliates everyday business purposes information about your credit worthiness · Affiliates from using your information to market to you · Sharing for non-affiliates to market to you

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. · TFS Securities, Inc. · TFS Insurance Agency, Inc. · TFS Insurance Brokerage · TFS Mortgage Corporation, Inc. · TFS Income Tax Preparation Services, Inc. · TFS Marketing Division · TFS Advisory Services
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. "Tomorrow's Financial Services does not share with Non-affiliates so they can market to you".
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. "Tomorrow's Financial Services does not jointly market".

Questions? Call Tomorrow's Financial Services Corporate Office @ 1-800-833-1862

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