

THIRD-PARTY COMPENSATION DISCLOSURE

CUSO Financial Services, LP (“CFS”) and Sorrento Pacific Financial Services, LLC (“SPF”) collectively “CFS/SPF”, receive compensation and/or fees (also referred to as revenue sharing or marketing support) from certain mutual fund families, insurance (fixed and variable product) providers, exchange traded funds (ETF) and alternative investment sponsors including real estate investment trusts (REITs), and business development companies (BDC) and unaffiliated investment advisers that sponsor, manage and/or promote the sale of certain products that are available to our customers. These payments include commissions, trailing commissions, fees and for certain product providers, revenue sharing payments made in connection with programs that support our marketing and sales force education and training efforts (“Partners Program”). These relationships provide additional compensation to CFS/SPF that is used to offset a variety of expenses, including, but not limited to, marketing, training, educational presentations and other support. This additional compensation creates a conflict of interest as it influences the selection of investments and services CFS/SPF and/or their financial professionals offer or recommend to customers. The participating programs and payments received are subject to change over time. Accordingly, the information provided below will be updated periodically. This disclosure is intended to provide you with an overview of the various types of compensation and/or fees CFS/SPF receive. We encourage you to review this information in the entirety and contact us with any questions.

Partners Program

Partner Program participants are listed below. Participating Programs pay CFS/SPF different amounts of revenue sharing and receive different levels of benefits for such payments. Revenue sharing fees are not shared with our financial professionals. A financial professional’s compensation is the same regardless of whether a sale involves a Participating Sponsor’s product. In some cases, Participating Sponsors pay additional marketing allowance payments to CFS/SPF to cover fees to attend conferences or reimburse expenses for workshops or seminars. The payments made under the Partners Program are calculated based either on gross sales or assets under management or a flat fee arrangement* and vary by product provider. CFS/SPF receive sales-based revenue sharing only on commission-based business. Participating Sponsors may receive benefits such as financial professional access and contact lists, business metrics, preferred placement on CFS/SPF’ website, participation in product training initiatives and marketing and sales campaigns, and the ability to participate in our conferences.

We use the revenue from our Participating Sponsors to support certain marketing, training, and educational initiatives including our annual National Conference. The conference provides a venue to communicate new products and services to our financial professionals, to offer training to them and their support staff, and to keep them abreast of regulatory requirements. The revenue is also used to pay for annual awards (in the form of a trophy, medal, or plaque) for our financial professionals who generate the most revenue overall and to pay for our general marketing expenses. Revenue from Participating Sponsors helps to pay for top producer conference costs. Top producing CFS/SPF financial professionals receive an award based on total sales.

Mutual Fund and ETF Partners

In addition to receiving sales commissions and other types of compensation, CFS/SPF receive a flat fee, asset-based and/or sales-based compensation from mutual fund and ETF Participating Sponsors. Such payments vary by sponsor. CFS/SPF receive payments from mutual fund sponsors under the Strategic

* See the section entitled “Marketing Allowance” for a description of flat fee arrangements.

Partners Program of up to 0.20% annually on sales and up to 0.0032% on assets and 0.30% on ETF assets held at Allianz only. The following is a list of mutual fund and ETF sponsors that participate in CFS/SPF's Partners Program:

1290 Funds	Lord Abbett
Alliance Bernstein	MFS
Allianz	Nationwide
American Funds	Pacific Life
BlackRock	Funds
Capital Group	PIMCO
Columbia Threadneedle	Putnam
First Trust	Sammons Retirement Solutions
Franklin Templeton	Transamerica
Hartford Funds	VOYA
Invesco	

We prepare and make available to our financial professionals a quarterly list of Participating Sponsors mutual funds and ETFs that have been screened for investment performance against other Participating Sponsors funds with similar objectives and asset classes (the "Select Fund List" or "List"). CFS/SPF and our financial professionals have a conflict of interest when a Financial Professional chooses or recommends an investment from the Select Fund List for your portfolio because CFS/SPF receive revenue sharing fees from the mutual fund or ETF sponsor. Our receipt of revenue sharing fees influences our selection of mutual funds and ETFs, as our financial professionals are likely to choose or recommend a fund or ETF whose sponsor pays us revenue sharing fees over a fund or ETF whose sponsor does not pay us.

You do not pay more to purchase funds from the List through CFS/SPF than you would pay to purchase these funds through another broker-dealer, and your financial professional does not receive additional compensation for selecting a fund from the List. Our financial professionals are not required to choose or recommend investments from the Select Fund List.

Insurance and Annuity Partners

In addition to receiving commissions, CFS/SPF receive flat fee and/or sales-based compensation from certain insurance and/or variable, fixed and indexed annuity Participating Sponsors. CFS/SPF receive compensation on an annual basis of up to 0.25% on sales of variable annuity products and up to 1% on fixed and indexed annuity sales.

The following is a list of variable, fixed and indexed annuity sponsors that participate in CFS/SPF's Strategic Partners Program:

AIG	Mass Mutual
Allianz	Midland National Life/Sammons Financial
American Equity	Nationwide
American National	New York Life
Athene	OneAmerica
AXA Equitable	Pacific Life
Brighthouse Financial	Pinnacle
Delaware Life	Protective
Eagle Life	Prudential
Global Atlantic Financial Group	Security Benefit
Great American	Securian
Jackson National	Symetra
Lincoln National	Transamerica
United Life	Western Southern

Insurance Marketing Organizations

Insurance Marketing Organizations (“IMOs”) assist investment professionals with the sale of life insurance and fixed annuity products while providing access to multiple insurance companies. CFS/SPF receive compensation from IMO’s based on sales of insurance products from product providers represented by an IMOs. CFS/SPF receives compensation of up to 50% of the override received by the product provider which varies per product. This compensation is used to offset a variety of CFS/SPF expenses, including but not limited to, marketing, training, educational presentations and other support. This compensation is not shared with our financial professionals. An IMO may also provide assistance to financial professionals in the form of free marketing services which is not specific to any one product.

Alternative Investment Partners

In addition to receiving commissions, CFS/SPF receive a fixed fee and/or payments of up to .25% on sales or 1.50% of customer assets invested in certain alternative investment products, including real estate investment trusts (REITs), business development companies (BDCs), and other closed-end funds. This compensation is not shared with our financial professionals.

The following alternative investment sponsors currently participate in the Partners Program:

BlackRock
Griffin Capital
Hines Securities
Inland
PIMCO

Unit Investment Trust (UIT) Partners

CFS/SPF receive additional volume compensation based on total assets purchased from UIT sponsors over a given period of time as disclosed in the Unit Investment Trust's prospectus. Certain UIT sponsors compensate CFS/SPF for education seminars for our financial professionals, customers, and prospective customers. This includes due diligence meetings, recreational activities, or other non-cash items. Also, marketing representatives of UIT sponsors, often referred to as "wholesalers," work with financial professionals to promote their UITs. Based on the prospectus, the volume concession rate paid to CFS/SPF does not exceed 0.035% per year.

The following UIT sponsors or brokers currently participate in the Partners Program:

First Trust Advisors Asset Management

Third-Party Investment Advisors

CFS/SPF receive compensation from certain unaffiliated or third-party investment advisors who participate in our sponsored advisory services programs and/or offer their own advisory services programs to our clients. The compensation received assists us in paying for ongoing marketing and sales support activities including, but not limited to, training, educational meetings, due diligence reviews, and day-to-day marketing and/or promotional activities. Not all third-party Advisors pay such compensation. Current participating third-party advisors are:

Advisors Capital Management LLC
AssetMark
Beacon Capital Management
Donoghue Forlines
BTS Management
Envestnet
Frontier
Goldman Sachs
Horizon
Howard Capital
Integrated

Lyrical Asset Management
Meeder
Morningstar Managed Portfolios
Natixis Investment Management
Nuveen
Redwood
SEI
Sierra Management
State Street Global Advisors
Toews Management

The compensation arrangements vary, and may generally be structured as a fixed dollar amount or as a stated percentage not exceeding 0.05% of sales or 0.05% on assets under management with the adviser, or a combination of a fixed and percentage-based payment.

A conflict of interest exists where CFS/SPF receive such compensation because there is an incentive to recommend these third-party investment advisers over other investment opportunities in order to generate additional revenue for the firm. However, our financial professionals are not required to recommend any third-party investment adviser providing additional compensation, nor do they directly share in any of this compensation.

Marketing Allowance

In lieu of asset- or sales- based revenue sharing, some Partners pay CFS/SPF a marketing allowance (flat fee) which is negotiated annually and varies by product ranging from \$5,000 to \$140,000 annually. This payment assists with costs related to education, training, conference attendance, reimbursement for workshops or seminars and marketing materials for our financial professionals. CFS/SPF does not share the marketing allowance with our financial professionals.

Other Compensation

Our financial professionals receive additional compensation from product sponsors. However, such compensation is not tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives, including services for identifying prospects. Product sponsors sometimes also pay for or reimburse us for the costs associated with education or training events that are attended by our financial professionals and for CFS/SPF-sponsored conferences and events. We also receive reimbursement from product sponsors for technology-related costs associated with investment proposal tools they make available to our financial professionals for use with customers.

Pershing And Quasar Clearing Relationships

Pershing is the clearing firm for CFS/SPF brokerage business. Due to this business relationship, Pershing shares with CFS/SPF a portion of certain commissions and fees that customers pay to Pershing and/or interest earned. The following is a brief description of some of the revenue items received from Pershing.

Pershing pays or shares with CFS/SPF the following items:

- for accounts in custody with Pershing with cash balances automatically transferred (swept) into the Dreyfus Insured Deposits P – Tiered Rate Product (DIDP) program, a portion of the fees paid by each participating bank receiving swept funds (each a “Program Bank”) equal to a percentage of the average daily deposits at the Program Banks. The combined fee paid to CFS/SPF, Pershing, and a third-party administrator will not exceed 4% per year on the average daily balances held in all deposit accounts taken in the aggregate. CFS/SPF sets the amount of the fee it charges and retains, which may exceed the amount of interest paid to customers.

- for IRA accounts in custody with Pershing with cash balances automatically transferred (swept) into the Dreyfus Insured Deposits LF – Level Fee Product (DILF), a level monthly fee for each IRA that participates in the DILF program. The amount of this fee is determined based on a fee schedule indexed to the Federal Fund Target Rate published by the Federal Reserve System as detailed in the DILF Disclosure Statement and Terms and Conditions for the Level Fee Product located at cusonet.com/disclosures. The per account monthly fee will be no less than \$0.75 and no more than \$43.93. It is generally anticipated that the fee CFS/SPF charges will be offset by the total amounts paid to CFS/SPF by Program Banks. If CFS/SPF does not receive sufficient payments each month from Program Banks, CFS/SPF reserves the right to debit each IRA account for the amount of any shortfall.
- assistance related to transitioning customer accounts of new financial professionals to Pershing in the form of reimbursement of IRA termination fees of up to \$165 per account for retirement accounts and up to \$125 per retail account for accounts transferred to Pershing.
- a growth assistance credit for seven years to support, service, and grow brokerage assets on the Pershing platform.
- a portion of certain brokerage account services and custodial fees charged to customer accounts that exceeds the amount that CFS/SPF is required to pay Pershing for such services, including account transfer fees, IRA custodial and termination fees, paper confirm and statement fees, inactive (custodial) account fees, retirement account maintenance fees, and margin fees.

Our financial professionals do not receive any part of the revenue generated by these fees.

Related Disclosures

For additional information regarding these third-party payments, including revenue sharing and our conflicts of interest, please refer to our Brokerage Services Disclosure Summary found at cusonet.com/disclosures and the Form ADV for CFS and SPF, available at www.adviserinfo.sec.gov.