

SUMMIT BROKERAGE SERVICES, INC.

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SUMMIT FINANCIAL GROUP, INC.

**REVENUE-SHARING RELATIONSHIPS WITH MUTUAL FUND COMPANIES, INSURANCE COMPANIES,
AND OTHER PRODUCT SPONSORS**

Financial Advisors of Summit Brokerage Services, Inc., and its affiliates ("Summit") offer a wide variety of approved products and programs, including stocks, bonds, options, mutual funds, annuities, life insurance, alternative investments, college savings plans, and asset management programs. Because there are hundreds of investment choices within this universe of approved products, Summit's marketing resources are focused on a select group of companies (the "Product Sponsors," see below) that offer a broad array of products and meet Summit's due diligence criteria. The Product Sponsors have greater access to our Financial Advisors to market, train, and educate them on their products and industry-related topics with the intent to better serve their mutual fund clients.

It is important to know that, although the Product Sponsors pay extra compensation to Summit and/or its affiliates, clients do not pay more to purchase these products through Summit than they would to purchase them through another broker-dealer. These revenue-sharing payments are in addition to commissions, annual service fees (known as 12b-1 fees), and other fees and expenses disclosed in an investment prospectus or offering document's fee table. The payment of this additional compensation to Summit by these Product Sponsors may pose a financial incentive to promote certain products over other products, however we believe these arrangements do not compromise the advice provided by the Financial Advisors.

Summit is providing the following information to explain the potential conflicts of interests regarding compensation that Summit receives from certain product sponsors whose investments we offer .

The additional amounts these Product Sponsors pay Summit vary from one Product Sponsor to another and from one product to another: these payments can be calculated (i) as a fixed annual or one-time amount, (ii) as a percentage of sales ranging from .05% to 1.5% (which would be from \$5 to \$150 on a \$10,000 investment), (iii) as a percentage of the clients' assets invested in the products, ranging to a maximum of .10% (which would be \$10 on a \$10,000 investment), (iv) a reimbursement of some or all of the brokerage ticket charges normally paid by the Financial Advisor, or (v) as some combination of these. The Product Sponsors that make these payments and the formulas by which they compensate Summit are subject to change going forward.

All of the above-referenced payments are in addition to the sales charges disclosed in the offering materials of the investments offered by the Product Sponsors, and those offering materials have additional information about these payments.

Companies that are not Product Sponsors may at times send Summit payments in recognition of sales and marketing efforts, and may have additional opportunities to provide marketing services to our Financial Advisors. Also, both Product Sponsors and other companies may pay marketing allowances to Summit in connection with the sale of certain products and for training and education meetings for our Financial Advisors. Both Product Sponsors and other companies may also reimburse up to 100% of the cost of due diligence, training, and education/joint marketing meetings for our Financial Advisors, as permitted by industry rules. Sales of any products by Summit Financial Advisors may qualify them for additional cash and non-cash compensation that may include support for their business activities, attendance at seminars, conferences, and entertainment. Additionally, some investments, whether they are issued by a Product Sponsor or not, may pay higher rates of compensation than others. (For example, commissions on equities

are usually greater than those on bonds, and private placement offerings generally carry higher commissions than investments in publicly traded securities.)

Summit Product Sponsors are:

Advisors Asset Management
AIG SunAmerica
Allianz Global Distributors.
Argus Realty
AXA Distributors
CNL
Delaware Investments
Dividend Capital
Hartford
ING
Jackson National Life Distributors
KBS
Lincoln Financial Distributors
MetLife Investors
Prudential
Ridgewood Energy
Riversource
Sun Life Distributors
U.S. Energy
Wells