



AUSDAL FINANCIAL PARTNERS



TRANSITION PLANNING GUIDE





welcome

Congratulations on your decision to join Ausdal Financial Partners and welcome to our community. We appreciate the faith you have placed in us and we are confident that Ausdal will deliver the broker-dealer experience that you are expecting.

Changing broker-dealers can seem like a daunting task at times and certainly, in today's environment, it does require a fair amount of focus and effort. That is where we can help. At Ausdal, we have had extensive experience helping people like yourself transition their business smoothly and efficiently. Our common goal is to help you to transfer your book of business as quickly as possible with minimal disruption of your day to day business.. To this end, Ausdal commits our team to you in an interactive, cooperative effort. Remember, you are independent, not alone.

A successful transition begins with thorough planning and preparation and ends with attention to detail and consistent follow-up. This guide will provide you and your staff with a reference for transition procedures, timeliness, paperwork, checklists and contact persons. While we have attempted to address most of the common transition issues and protocols, situations unique to your practice will arise. We will collaborate to produce plans to address those special needs.

Thank you for putting your faith in Ausdal Financial Partners. We look forward to serving you and your clients during your transition and for many years to come.

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the transition process

Changing broker dealers usually isn't as difficult as most people fear it will be. The key to a seamless transition is planning. The more time you take to understand your business and the transition process, the better your results. Also remember, you are not alone the Ausdal transition staff will be with you every step of the way. Once you have decided to join Ausdal Financial Partners, you will be assigned a "Transition Quarterback" who will act as your primary contact throughout the transition process. Your quarterback will guide you through the transition planning process and coordinate all home office resources.

STEP ONE: TAKE INVENTORY

Before you do anything, take some time to inventory your practice. The clearer your understanding of your practice, the easier it will be to plan your transition. Here are a few things you may want to consider

- Does your current registered representative agreement restrict you in any way?
- How many clients accounts and households do you have? What clients are most important to you? How many are inactive? Are there some you would like to part with?
- How does the 80/20 rule apply to your book of business? Which clients should take priority to avoid any loss of income?
- In what states do you practice? What lines of business are required in each state? (pay special attention to variable life or annuity business).
- Do you have enough information stored electronically to help automate the form-fill process?
- Do you have any administrative staff that can be allocated to the project?
- Do you work with any products or vendors that might be new to Ausdal?
- What technology, data and systems are critical to your practice? How will your transition effect them?

STEP TWO: ORGANIZE YOUR BUSINESS

The more organized and complete your client files are, the smoother the transition will be. Take some time to review your client account files, contact management system and data files. Once you are confident that your information is complete, accurate and accessible, you should be ready to move forward.

STEP THREE: GETTING STARTED

This is "where the rubber hits the road" in effecting your transition. You will begin to work with your Transition Quarterback and the Ausdal team to outline the specific tasks and target dates necessary to execute a seamless transition. During this period you will:

- Submit Ausdal New Hire Kit (including the U-4 Form)
- Set a timeline with target dates and objectives including a transition date.
- Forward any electronic client information to the Ausdal home office (public information only).
- Determine your communication strategy. What is the best way to communicate with your clients? Who do you need to meet with in person, who should you reach via mail, email? etc.





the transition process (cont'd)

STEP FOUR: PREPARE YOUR PAPERWORK

Well before your transition date, you should begin to prepare the documentation necessary to move your clients and their accounts to Ausdal. While some forms will be necessary for every client (Ausdal New Account Form), others will vary depending on the type of product and/or custody arrangement so care should be taken to insure that the correct forms are prepared for each account. The Ausdal team will guide you through this process, and if you have provided client information electronically, may provide you with forms pre-populated with your client information. To begin this process:

- Create a file for each of your clients.
- Check each client's file to assure that all required forms are included. Then begin to create "households".
- Sort your households and create mailing/delivery envelopes for each household.

Make things as easy as possible for your clients. The less they have to think about this process, the sooner they will return their paperwork to you. We strongly recommend that you also:

- Include a letter explaining your change of broker-dealer and a letter of instruction for each household.
- Highlight signature requirements.
- Insert a self-addressed, stamped envelope for the return forms.

STEP FIVE: TERMINATION AND APPOINTMENT

Meet with your Ausdal transition team. Confirm that both you and Ausdal are prepared for transition. Double check any outstanding issues that may still require resolution and identify your termination date. Confirm that your appointment with Ausdal will be effected upon termination with your prior b/d. Submit a letter of resignation to your current broker-dealer. Make sure that you date the letter and record the specific time and date that the letter is received at your current b/d. Once you have resigned at your current b/d, forward the forms packages to your client for signature.

STEP SIX: PROCESSING AND FOLLOW UP

Once you have terminated from your prior b/d you may begin contacting your clients and informing them of the move. You might want to create a log to keep track of forms that have been returned. Once your client returns the forms packets:

- Complete the missing suitability and client account information on all forms.
- Sign the forms yourself. Record them in your follow up log.
- Make a copy of each form and file accordingly.
- Send the original forms to Ausdal. Ausdal will immediately sign off and forward to the vendors.





client privacy & form preparation

The SEC's Regulation S-P was written to safeguard the privacy of consumer financial information. Consequently, we must be very careful to protect our clients and their privacy during the course of your transition. Until your client has specifically authorized the sharing of his private account information, you are limited to using **only public information** (that which could be accessed by the general public) to transfer accounts. By definition, this means that the only information that may populate client forms is: **Client & Spouse Name, Address, Phone number, Fax number, E-mail address, and general account and product information (not including account numbers, specific holdings or values).**

Before you begin work on client communications and account transfers you should review your current firm's Privacy Policy with the Ausdal team to determine how it may impact your transition.

ELECTRONIC FORM POPULATION

With the proper data, the Ausdal team may be able to electronically pre-populate many of your transition forms prior to your termination date. This can be very helpful in organizing and simplifying your client paperwork but requires that you be able to provide the necessary data in a workable format. As above, we are working exclusively with public information (we cannot use private information like client SSNs or Account #s).

If at all possible, you should create a database containing the client public information that will be used during your transition. The file should be a Microsoft Excel file (or compatible) with each column of the spreadsheet representing a field of client data. Spreadsheet fields should include (at minimum):

- ⇒ Account Type (direct, brokerage, advisory)
- ⇒ Client Last Name
- ⇒ Client First Name
- ⇒ Client Middle Initial
- ⇒ Street Address
- ⇒ City
- ⇒ State
- ⇒ Zip Code
- ⇒ Phone Number
- ⇒ Fax Number
- ⇒ Email Address

Additional spousal and contact information can also be helpful if it is available.

EXAMPLE (spreadsheet format for electronic data merge)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	ACCT TYPE	CLIENT LAST NAME	CLIENT FIRST NAME	CLIENT M.I.	ADDRESS	CITY	STATE	ZIP	PHONE	FAX	EMAIL	SPOUSE LAST	SPOUSE FIRST	SPOUSE MI
1	Direct	Lebowski	Jeffrey	D	651 Mulholland Dr.	Santa Monica	CA	92641	213-497-5568	312-497-5569	thedudeabides@yahoo.com	Lebowski	Maude	Z
2	Direct	Sopchak	Walter	A	147 La Cienega Blvd.	Los Angeles	CA	92647	213-497-7821	312-497-7851	icangetyouatoc@comcast.net			
3	Brokerage	Lebowski	Bunny	M	11 Rodeo Drive	Beverly Hills	CA	92616	213-456-7171	213-351-4566	bunnylove@gmail.com	Lebowski	Jeffrey	G.
4	Direct	Quintana	Jesus	H	5897 El Guapo	East Los Angeles	CA	92547	213-775-5546	312-447-8541	j.quintanabowler@aol.com	Quintana	Maria	L
5	Advisory	Treehorn	Jackie	L	847B Pacific Coast Highway	Long Beach	CA	92655	714-569-8833	714-569-8833	mogul@jackietreehorn.com			
6	Direct	Donald	Kerabatsos	D	85 Victory Blvd.	Los Angeles	CA	92647	213-999-8546	213-654-7894	shutup@centurybowl.com			





what forms do I need?

The forms that are required to transfer your clients to Ausdal will vary depending on the type of product and where it is held. With a few exceptions, you will find the forms you need on the Ausdal website. Check out the “Forms” page inside the AFP Praxis dashboard (contact AFP home office for a user id and password). In general, you will need the following:

FOR ALL ACCOUNTS

These forms will be required to transfer **any** account to Ausdal. They address basic suitability and privacy issues that are pertinent to all clients and accounts.

- **Ausdal New Account Form** (basic suitability information and W-9)
- **Permission To Share Information** (allows use of private information to transfer accounts)

FOR BUSINESS HELD DIRECTLY (mutual funds, annuities, insurance)

Business held directly at a fund or insurance company needs to be transferred via written request. The forms are faxed directly to the vendor and are usually processed within a matter of days.

- **Change of Broker-Dealer Form** (one for every product your client owns)
Note: if your client holds several accounts with one company, you may include multiple account numbers on one form.

FOR BROKERAGE ACCOUNTS

Brokerage accounts are more complex and require more forms than direct business. Ausdal clears through Pershing, LLC. Consequently, there are a series of documents that Pershing requires to transfer your clients accounts. Check with the Ausdal Trading Department to insure that you obtain all the correct documents.

- **Ausdal Pershing Information Form**
- **Pershing Account Transfer Form (ACAT)**
- **Client Account Statement** (one statement/account dated no more than 6 months before transfer date).
- **Additional Forms** will be needed depending on the account type (IRA, Roth, ACH, checking, margin etc...)

FOR INVESTMENT ADVISORY ACCOUNTS

Account transfer paperwork varies according to the type of investment account in question. We strongly recommend that you meet with our Managed Accounts Department to clarify exactly what you will need. As a rule of thumb, you can expect that you will need to gather the following:

FOR THIRD PARTY MANAGERS

- Separately Managed Account Agreement
- Third Party Manager Documents

FOR SELF MANAGED ACCOUNTS

- Investment Advisory Program Agreement and Addendum
- Clearing Platform Account Transfer Documents

FINANCIAL PLANNING

A new Financial Planning Agreement and Financial Planning Cover Sheet will be required at the time you produce your first plan via Ausdal.





what should I expect?

Certainly, we all have some work ahead of us, but when all is said and done, you may find that your transition is nowhere near as painful as you may have originally feared it to be. While everyone's experience is different, here are a few things that you might expect:

WORK LOAD

In instances where we are able to offer some electronic form population, you can probably expect to spend **10-15 work hours per 100 clients** on paperwork, mailing and account transfer issues. Certainly you can expect to spend some time following up as well, but that tends to vary depending on your book of business.

LEARNING CURVE

Ausdal does not require that you use any proprietary software or systems. For the most part, all of our practice management applications come from a group of "best-of-breed" third party solutions that you may already be familiar with (Albridge Wealth Reporting, Redtail Technologies, Morningstar, Emerald Publications etc.) As for clearing, Ausdal employs Pershing, LLC. As for investment advisory platforms, we can accommodate Pershing, Schwab and TD Ameritrade so there is usually very little for the new Ausdal representative to need to learn.

TIMING

As you can probably guess, the transition process relies heavily on the quality of preparation. It is truly a "garbage in-garbage out" process. However, most of the feedback we have received suggests that in a well orchestrated transition, you can expect to have roughly 80% of your book of business moved to Ausdal within 3 weeks with all but your last few stragglers onboard within 6 weeks.

LOSS OF INCOME ?

An intelligently planned and well executed transition should minimize distractions and have negligible impact on your bottom line. In fact, it is not unusual for Ausdal representatives to report that they have actually experienced significant increases in business as a result of their move. When you think about it, It does make some sense. Clients may view the move as a proactive measure on your part to insure that they receive the products and services they require. And more importantly, the transition offers a reason to connect with all of your clients. From those meetings, opportunities can arise.





Appendix I

Reference





transition checklist

I. PRE APPROVAL (60-45 days before transition date)

- Establish a target “start date”.
- Submit Ausdal Pre-Hire form for compliance review.
- Consult with your transition quarterback and submit Ausdal Pre-Transition Fact Sheet.
- Review your contract with your current B/D (check for any restrictions).
- Review your current b/d’s Privacy Policy.

II. PREPARATION (45-30 days before transition date)

COMPLETE LICENSING AND REGISTRATION PAPERWORK

- Complete a new U-4 (if you have “yes” answers, consult with Ausdal Compliance to satisfy any additional requirements)
- Complete the Ausdal New Representative Kit (incl. rep agreement, ACH form etc.).
- Submit the New Rep Kit, U-4, fingerprint cards and licensing/appointment fees to Ausdal.
- Identify all outside business activities and obtain approval.
- Identify all states in which you do business (direct, brokerage, advisory, insurance).
- Identify which insurance carriers you use by state (you will need to be re-appointed with each vendor).
- Complete Form ADV 2B Rep Survey & provide a copy of your current ADV 2B (advisory reps through AFP only)

PRODUCT INVENTORY, PROCEDURES AND CLEARING

- develop a list of vendors by Assets Under Management (direct, brokerage, advisory and insurance).
- Check Ausdal selling agreements to assure that the products you use are approved.
- Check payment dates for 12b-1’s for each vendor (this will help reduce any loss of trails due to transition).
- Identify all Brokerage Accounts with special needs (margin, checking, debit cards, electronic funds transfer, trusts, distributions etc...).
- If an RIA, submit all documents to RIA compliance for review.
- Complete Ausdal Financial Partners RIA paperwork.
- Discuss trading procedures and method with trading department.

MARKETING

- Review guidelines and consult with Ausdal Compliance for business cards, signage, letterhead, DBA’s, websites, etc.
- Notify compliance of all advertising and marketing materials. Send copies for review.
- Draft client announcement/instruction letter, submit to Ausdal compliance for approval.

ORGANIZE AND REVIEW CLIENT AND ACCOUNT FILES

- Inventory all client accounts (brokerage, direct, etc.) and check files for completeness.
- Check for recent statements on all brokerage accounts.
- Verify if account termination or transfer fees exist.
- Check and clean your client database to insure that information is correct and current.
- Forward a MS Excel file containing client PUBLIC INFORMATION (no acct#s or ss#s) to Ausdal.

ELECTRONIC DATA TRANSFER

- Confirm transition procedure with sources of electronic data (DST, Dazl etc) prepare to notify change of b/d.
- Check with software vendors for any necessary changes or updates.
- If changing software applications, back up and export any relevant data files.





Transition checklist (cont'd)

III. STAGING (30 to 15 days before transition date)

- Plan client communication strategy (meetings, direct mail, email etc...)
Note: clients cannot be formally contacted until your transfer to Ausdal has been approved.
- Rank Clients by AUM and/or prioritize clients into groups (A, B, C, etc.) for communications.
- Make a fingerprinting appointment for the day you plan to resign (www.brokerfp.com / code: FPAusdalFinancialAP360)

PREPARING CLIENT KITS FOR DISTRIBUTION

- Obtain your Ausdal Financial Partners Rep Number.
- Prepare client announcement/instruction letter.
- Create a file folder for every client.
- Identify what accounts must transfer for each client and fill the client folder with the required forms*.
- Highlight signatures required on all forms.
- Combine client folders into "households" for delivery.
- Prepare a mailing/delivery envelope for each household.
- Insert a self-addressed stamped envelope into each packet to be mailed.

IMPORTANT!!!

FINRA regulations state that you may not represent Ausdal Financial Partners in any way until your registration is effective.

This means you may not send any Ausdal documents to your clients (including transfer forms, correspondence mentioning Ausdal and business cards/letterhead) prior to your effective date of registration.

V. RESIGNATION

- Send resignation letter to current broker/dealer (confirm receipt if possible).
- Change voice mail, email, website disclosure to reflect Ausdal Financial Partners
- Send out client announcements and all forms to be signed.

TRANSFER ACCOUNTS

- Begin calling clients to notify them of the packet they are about to receive.
- Prepare and complete variable life insurance and annuity appointments. (prior to transferring VA and Annuity business).
- Order compliance approved stationary, business cards, signage.
- Once Authorization To Share Information is received, complete forms, sign and forward to Ausdal.
- Gather the signed transition kits check and complete them.
- Forward the forms to the Ausdal Home Office (you might want to keep a copy for your files).

FOLLOW UP

- Keep a log of accounts transferred. Update and check it regularly.
- Implement a telephone follow up procedure to expedite transfers.
- Send follow-up letters to clients slow in returning paperwork.
- Check to assure that Brokerage Account requests are established (systematic withdrawals, direct deposits, etc.).





transferring direct business

To transfer business held directly (mutual funds, variable annuities) you will need the following:

AUSDAL NEW ACCOUNT FORM

In moving to Ausdal, you will need to update suitability documents for all of your clients. As you are already approaching the client for signatures to move their accounts, this is the ideal time to update your client New Account Forms. It is important to remember that this is an FINRA required suitability document. Care must be taken to assure that client information is current and accurate. All client objectives must be complete for compliance approval.

CHANGE OF BROKER-DEALER FORM

The change of broker-dealer form is used to move each client account, one by one to Ausdal . While this process seems cumbersome, it is actually the most reliable way to transfer accounts from one b/d to another. Your clients need to sign one change of b/d form for every investment product they would like to transfer. Once the signed forms are returned to Ausdal, they are forwarded on to the product vendor (often by fax) and the accounts are transferred.

Timing: The gathering of client signatures is the most time consuming component of this process. Once the vendor receives the change of b/d request, they are obligated to process it in a timely basis. Typically these requests are processed within a matter of days.

Caution: Remember that the success of this process depends upon your ability to obtain client signatures quickly and efficiently. If at all possible, you may want to consider hand delivering the forms whenever you can. A telephone call prior to the letter and a self addressed, stamped return envelope will help immensely. Finally, **you will need to develop a system for following up with each document to insure that all accounts transfer on a timely basis.**

VARIABLE ANNUITIES AND VARIABLE LIFE

Transferring Variable Annuities and Variable Life product require the same “Change of B/D” form used for other direct business (see above) but there is an additional step that is required. **Before any account transfers can be accepted by Ausdal, you must be re-appointed as a Ausdal rep with each individual insurance Company.** Remember, to receive the transferred commissions, you need to get appointed with every carrier, in every state that you have done business.

To get re-appointed with the insurance companies, follow these steps:

1. Identify the insurance companies and States where you have placed business.
2. Request Insurance appointment documents from Ausdal licensing department.
3. Complete the forms and forward them back to Ausdal for processing with copies of all insurance licenses
4. Ausdal will send the paperwork to the carriers, who will in turn forward to the various states.

Timing: Typically, insurance appointments take about 48 hours. However, they can take up to 2 weeks depending on the State. In Illinois, appointments are nearly immediate. Other States can be much more difficult. Submit appointment requests 2 weeks prior to your transition to help prevent any lapses in the transfer of your accounts.

Caution: As a rule of thumb, insurance companies will only pay for your re-appointment in the states that you are most active in. Depending on your level of production, they will probably pay for the states where you have placed business. To avoid unnecessary costs or delays, take care to accurately indicate the states that you will need to be re-appointed in for each insurance company.

NOTE: Variable Life contracts are handled differently than annuities. Due to the contractual nature of the initial sales process, you may find that some accounts will not transfer to another firm. Ultimately you may be able to service some policies but they may not always transfer renewal commission to Ausdal.





THE TRANSITION PROCESS

If you have a Series 7 license and need to transfer brokerage accounts to Ausdal's clearing firm, Pershing Correspondent Services, you must take special care to assure that you are using the proper forms. Please contact the Ausdal Operations Department for assistance. Remember, all brokerage accounts must be transferred via the Pershing Customer Account Transfer Form (ACAT) and New Account Application (even if they are presently held at Pershing). These forms can be obtained via our operations department. To process Brokerage Accounts:

NON QUALIFIED BROKERAGE ACCOUNTS

1. Identify all non-qualified brokerage accounts and create a brokerage transfer log
2. Gather all necessary Pershing forms including:
 - Ausdal New Account Form
 - Ausdal Pershing Information Form
 - Pershing Customer Account Transfer Form (ACAT*)
 - Other applicable forms such as checking, ACH, transfer on death, etc.
 - IRA adoption agreement if needed
 - For trust accounts, a copy of key trust document pages
 - For business accounts, a copy of the appropriate agreements (LLC, partnership etc)
 - Most recent brokerage account statement?
3. Send or deliver forms package to your client
4. When the package returned to you, mark it in your log
5. Forward to Ausdal Operations Department along with a Brokerage Account Statement

QUALIFIED BROKERAGE ACCOUNTS

1. Identify all qualified accounts by specific plan (IRA, SEP, Money Purchase etc.)
2. Contact the Ausdal Operations Department for the appropriate forms
3. Follow the same steps as outlined above.

TIMING

As a rule of thumb, transfers to Pershing from other clearing firms usually take no more than 10 business days. Transfers from Pershing to Pershing can typically be executed within a couple days.

CAUTION

Until the ACAT is processed by Ausdal's clearing firm (Pershing) account instructions (trades etc.) can only be requested by the account holder via the prior clearing firm.

**An ACAT is a transfer of all assets, in kind, from another brokerage firm. (Note: - In general, Money Market funds will be liquidated when effecting an ACAT transfer. Proprietary Funds should be liquidated prior to submitting the form.) Non ACAT transfers apply to partial transfers of assets from a non-brokerage firm (i.e. Bank, Credit Union, Mutual Fund Company) into a brokerage account.*





transferring investment advisory accounts

To operate as an Investment Advisor and/or “Fee for Service” Financial Planner, you must have additional registration. Typically you must be series 65 or 66 licensed or hold an acceptable professional designation (CFP, ChFC, CFA etc.) and be in good standing. Whether or not you use a third party manager, your accounts must all be “repapered” to Ausdal’s Registered Investment Advisory (RIA). Prior to your transition, you should arrange to meet with your transition manager and Ausdal’s licensing department to generate a list of specific actions you need to take. The list that follows is only a starting point.

PRIOR TO APPOINTMENT WITH AFP

1. If using a third party manager, contact Ausdal to determine whether contracts are already established with the manager.
2. If you are acting as your own money manager, forward information to Ausdal regarding your methodology, research used, reporting, promotional materials etc.
3. Establish a suitable method of account monitoring and supervision via Ausdal.

AFTER APPOINTMENT WITH AFP

1. Identify Advisory clients and create a client log
2. Contact Ausdal licensing department to determine registration fees (they will vary by state) and forward a check payable to Ausdal Financial Partners.
3. Consult with the Ausdal Investment Advisory Department to determine the specific forms required to transfer each of your advisory accounts.
4. Prepare a forms package to be forwarded to your client including:
 - Letter of instruction (where to sign etc.)
 - Ausdal New Account Form
 - Ausdal ADV Part II and Schedule F
 - Investment Advisory Program Agreement (contract) or Separately Managed Account Agreement.
 - Account transfer documents (will vary depending on type of account and custodian)
 - Return Envelope
5. Once you receive the original signed documents, forward them to Ausdal.

IMPORTANT NOTE:

If you have your own Registered Investment Advisory please notify the AFP compliance department to determine how to proceed with your transition.

TIMING

Once the signed transfer documents are received by Ausdal, most accounts can be transferred within a matter of days.





transitioning your technology

Ausdal Financial Partners is committed to delivering the technology that you need to maximize your practice. We view this as an ongoing process and we hope to continue to offer enhanced services well into the future. At present, Ausdal's technology platform offers:

- **AFP PRAXIS DASHBOARD**
The Praxis practice management dashboard will act as your primary portal to AFP's technological services. Inside you will find forms, market data, news, internal communications and single sign on access to a number of practice management applications including Albridge Wealth Reporting, DST Vision, Morningstar Advisor Workstation, Redtail CRM and more. To access the Praxis Dashboard, contact Ausdal's home office to obtain a user ID and password
- **REPERTOIRE**
Repertoire is more than just a commission reporting system . It is a window into the AFP back office and your primary portal for managing new business, commissions and client data. The AFP Home office will contact you with your user ID and password. A download link can be found by logging into the Praxis Dashboard.
- **PERSHING NET X 360**
NetX360 is Pershing's online trading portal. If you wish to use this, contact the Ausdal Operations department once your U4 is submitted and we will establish an account on your behalf. Typically this will take less than 48 hours.
- **ALBRIDGE WEALTH REPORTING**
The speed with which client data is transferred into Albridge Solutions is dependent upon how quickly your accounts are transferred to Ausdal. Once your accounts have been transferred to Ausdal, data will begin to flow into the Albridge Wealth Reporting application immediately. However, it can take up to 30 days for the information to be viewable. If you have used Albridge at your last firm, you can expect all of your account history to transfer.

MANAGING ELECTRONIC DATA FEEDS (DST Fanmail)

Ausdal Financial Partners has endorsed Albridge Solutions as our consolidated statement program. Ausdal Financial Partners does not support other programs like Centerpiece, dbCams, Advent and Datamax.

If you are using one of these systems, you need to take special care when switching broker-dealers.

The files that you populate your program with most likely come from DST Fanmail or similar services. In these cases, a service like DST Fanmail requests data feeds from each product company and then consolidates the data and makes it available to your software program.

Because the Fund Companies tie their feeds to broker/dealers, you must notify DST Fanmail and the Fund Companies of your change of b/d. Otherwise, when the account transfers move to Ausdal, your personal data feed could be interrupted.

To request updated data from DST Fanmail take the following steps:

1. Go to the internet site: www.dstfanmail.com
2. Look in the toolbar in the upper right hand portion of the screen and click "Existing User Sign In"
3. Follow the steps to request updated data feeds. (see illustration below)

TIMING

DST suggests that it may take as much as two weeks to request new data files from the Fund Companies. However, if the process is started in advance, you may be able to minimize data loss or even orchestrate a seamless transition.

CAUTION

You need to contact your software vendor for instruction on how to change broker/dealers. You should begin your transition well in advance of changing broker/dealers to avoid or minimize any potential loss of data transmission.





Appendix II

Sample Letters and Forms



SAMPLE LETTER OF RESIGNATION

Note: make sure you document the date and time the letter is received at your prior b/d

<Date>

<Old B/D Name>

<Old B/D Address>

Dear Sirs;

Please accept this letter as notification of my resignation from <prior firm> effective immediately.

I would appreciate your forwarding a copy of my U5 form at your earliest convenience. Please email the form to <registered representatives email address> or mail it directly to <registered representatives address>. Thank you for your cooperation.

Sincerely

<Registered Rep Name>



SAMPLE CLIENT CHANGE OF B/D NOTIFICATION

<Client Name>

<Address>

<City>, <State> <Zip>

Dear <Salutation>;

This letter is to inform you that I have recently terminated my affiliation with my current broker-dealer, <Old Firm Name> and have become affiliated with a new organization.

I have determined that it is in my best interest, and the interest of my clients to move to a firm whose values and business practices are more consistent with my own. To that end, I have decided to affiliate with Ausdal Financial Partners. Ausdal is a small, Midwestern boutique firm with a long history of independence, accessibility and genuine concern for the investors' best interests. They offer all of the capabilities of a larger firm along with the personalized service of a smaller company. I am confident that this environment will best support my efforts to serve you.

While this change is important to me, it does not indicate any material change in my practice or the way I hope to work with you in the future. In fact, the only change that you should expect to see is that of the logo on a few of your account statements.

I do however, need your help. For me to continue serving you, we will need to transfer your accounts to Ausdal as well. Please find the enclosed letter of instruction, authorization to share information and account transfer forms. All are highlighted for your signature and a self addressed stamped return envelope is included. I would greatly appreciate your signing and returning these forms at your earliest convenience. In the meantime, should you have any questions, please feel free to call me at <phone>. Thank you for your cooperation and support. I look forward to serving you.

Sincerely,

<Registered Rep Name>



SAMPLE PERMISSION TO SHARE INFORMATION

Permission to Share Private Information

I hereby grant permission for my registered representative, <name> to share my personal and financial information pursuant to the transfer of my accounts.

This permission pertains solely to personal and financial information that can be used to facilitate the transfer of my accounts to my registered representative's current broker-dealer, Ausdal Financial Partners and their affiliated organizations.

This permission is granted notwithstanding any language that may be included in the privacy policy of the broker-dealer currently holding my accounts.

Signed

Date

Signed

Date



SAMPLE CLIENT LETTER OF INSTRUCTION

As I explained, in order for me to continue servicing your accounts, we will need for you to authorize the transfer of the accounts. At present, you needn't complete the enclosed forms in their entirety. In fact, until you authorize the sharing of your account information, it could be considered a violation of your privacy. **Simply sign the forms and return them in the enclosed self addressed return envelope.**

Also, if you hold joint accounts, please make sure that both owners sign the documents. Once we receive the signed documents we will complete the forms and I will contact you should we require anything else. For your reference, at the bottom of this page, I have included a brief description of each of the types of forms you will find in your packet. Should you have any questions, please do not hesitate to call. Thanks,

<Registered Representative Name>

INCLUDED FORMS:

PERMISSION TO SHARE INFORMATION

As you might imagine, protecting the privacy of client information has become a big concern in the financial services industry these days. Consequently, I am unable to share any of your personal information with Ausdal Financial Partners until you authorize me to do so. Your signature on the "Permission to Share Information" form authorizes me to share the information necessary to transfer your accounts..

NEW ACCOUNT FORM

This is the document that helps the broker-dealer understand your financial position and investment objectives. Once you have returned this along with the "Permission to Share Information" form, I will complete the document to the best of my knowledge. If your financial situation has changed measurably from the last time we met, please let me know and I will update your file accordingly.

CHANGE OF BROKER-DEALER FORM

This form specifically requests the transfer of an account to the new broker-dealer. As this form is sent to every financial institution that you have investments with, you may find several identical forms attached (one for each investment account). Again, once you authorize the sharing of your information, we will fill in account information and forward to the investment company.

BROKERAGE ACCOUNT TRANSFER FORMS

These are the forms required to transfer your brokerage account to Ausdal's custodial firm, <Custodian Name>. Depending on the services you require in your account (margin, checking etc...) you may find that a few additional forms are included.



