

HANTZ FINANCIAL SERVICES, INC.
Disclosure of Possible Conflicts of Interest

In an effort to provide full and comprehensive disclosure in today's investment and regulatory environment, Hantz Financial Services, Inc. (HFS) discloses the following: Recommendations in implementing a financial plan (Plan) may include the purchase of products or services offered through HFS or its related entities. Clients are under no obligation to purchase any such product or service. In the event a client elects to implement a Plan, or any part of it, clients should understand and agree that the firm may receive commissions and other fees (e.g. revenue sharing, marketing...) in connection with those purchases. Fees charged for the Plan are for the Plan only and do not include additional compensation that may be earned by HFS and the financial consultants for implementing the recommendations.

Clients should also understand that if they use the services of HFS in connection with the sale or purchase of a security, HFS may act as principal for its own account or as agent for another person in undertaking such sale or purchase. Such activities may result in the client paying sales commissions, mark ups or mark downs, 12b-1 fees, trailing fees or service fees.

HFS's Operating Philosophy: We believe that having access to a variety of services, products and providers presents us with an opportunity to offer our clients what we consider to be the "best of breed", at any given time, as we are not a product manufacturer and we do not sell our own proprietary products.

It is standard industry practice for broker/dealers to have marketing agreements with various product suppliers (e.g. mutual funds, variable annuities, limited partnerships...). Marketing agreements generally provide for the payment of marketing fees to the selling broker/dealer in addition to stated commissions. These arrangements between the product companies and the selling broker/dealers to pay marketing fees are sometimes referred to as "preferred supplier" relationships. These fees are paid by the sponsoring company in part to help defray the cost incurred by the broker/dealer for marketing and training related to the product. Receipt by HFS, or any related person, including the consultant, of the compensation described above may result in a conflict of interest. Information regarding specific marketing agreements can be found in the product's prospectus. Please read the prospectus thoroughly for more information.

Disclosures Regarding HFS Preferred Supplier Relationships
And It's Mortgage Company Affiliate

HFS has entered into marketing agreements with certain product companies, such as mutual funds or annuity and life insurance providers that allow it to receive incentive payments from those "preferred supplier" companies. The following list contains the current names of the preferred supplier firms, the preferred supplier products that HFS may recommend to its clients, and an estimate of the annual payments that HFS has historically received from those companies:

MARKETING PAYMENTS RECEIVED IN 2008

Product	Company	2006	2007	2008
Variable Annuities	Prudential	\$998,598	\$1,264,599	\$1,085,961
Fixed/Fixed Index Annuities	Jackson National	\$180,222	\$329,707	\$717,112
Mutual Funds	IDEX	\$608,279	\$638,064	\$547,329
Life Insurance/VUL	Nationwide	\$488,088	\$712,720	\$917,033
Limited Partnerships/REITS	CNL	\$130,488	\$572,834	\$301,244
	Inland	\$58,890	\$182,358	\$110,456
Disability Insurance	Mass Mutual	\$0	\$3,029	\$0
Property/Casualty Insurance	Citizens Insurance	\$269,406	\$643,113	\$1,239,032
Long Term Care	M & O Marketing	\$8,603	\$18,169	\$0.00
Retirement Plans	Transamerica	\$8,606	\$71,560	\$61,023

These payments are currently based on the following criteria:

Prudential Life Assurance Corporation (f/k/a American Skandia): Prudential Life Assurance Corporation pays marketing fees to HFS that are calculated based on a stated percentage of each initial purchase payment and additional purchase payments, as applicable, on contracts sold by registered representatives with HFS. Beginning January 1, 2006 the percentage paid is .36% (36 basis points). In addition, Prudential Life Assurance Corporation currently pays HFS .065% (6.5 basis points) annually on assets under management.

Jackson National Life Fixed/Indexed Annuities: Jackson National pays .45% (45 basis points) of the amount invested for new sales. In addition, a 1% reallowance is paid on Ascender Plus Select.

Transamerica Funds (f/k/a Transamerica IDEX Mutual Funds): Transamerica Funds pays a marketing fee of .45% (45 basis points) of the net sales made January 1, 2008 through December 31, 2008 and .05% (5 basis points) for total assets under management.

Nationwide: Nationwide (NW) pays a marketing support fee of 9% of the annual target premium paid on variable life insurance products, plus an additional payment of .25% (25 basis points) of HFS clients' assets under NW management. NW pays a marketing support fee of 5% of the annual target premium on fixed life insurance products.

CNL: CNL Lifestyle Properties (f/k/a CNL Income Properties) pays up to 2.50% (250 basis points) of the amount invested on new sales. CB Richard Ellis Realty, pay 1% (100 basis points) of gross proceeds.

Inland American Real Estate Trust, Inc.: Pays 1.5% (150 basis points) of the amount invested.

Transamerica: For Retirement Plans sold in 2008, Transamerica paid .05% (5 basis points) as servicing compensation and .20% (20 basis points) for marketing and installation compensation.

Although HFS clients do not pay any portion of the revenue sharing payments, there is a potential conflict of interest because HFS and its shareholders may benefit financially from the revenue sharing payments received for recommending these products instead of products sold by non-preferred suppliers who do not pay marketing fees.

MORTGAGE COMPANY AFFILIATE

Tranex Financial, Inc. (“Tranex”) is a wholly-owned and controlled subsidiary of Hantz Group, Inc., the parent company of HFS. During 2008 Tranex was licensed in Michigan, Ohio, and Illinois as a mortgage broker originating residential loans for its customers. Through May of 2008 HFS financial advisors acted as dual employees of HFS and Tranex assisting their clients in the mortgage application process by providing information about mortgage product options, disseminating the various mandatory HUD disclosure forms, and collecting the necessary documentation. Tranex employees subsequently handle the underwriting process, credit analysis, loan decision and attend the actual closing.

HFS is now a licensed mortgage broker with the State of Michigan. Effective April 1, 2009 only individuals who are licensed with the State of Michigan as “Loan Officers” can be compensated for mortgage business.

OTHER MARKETING PAYMENTS RECEIVED IN 2008

Hantz Benefit Services, LLC	BC/BS	\$166,306
	Guardian	\$45,499
	Humana	\$26,087
	Health Plus	\$1,571
	Lincoln	\$12,903
	Principal Financial Group	\$5,049
	Mutual of Omaha	\$8,028
Hantz Commercial Ins. Agency, LLC	Citizens	\$7,170
Hantz Agency, LLC	Encompass	\$291,757
	Frankenmuth	\$8,185
	Progressive	\$57,486
	Guardian	\$45,499
	AIG	\$534
	Citizens	\$1,239,032
Tranex Financial, Inc. (Mortgages)	AmTrust	\$41,626

MISCELLANEOUS COMPENSATION RECEIVED

Compensation in this category includes, but may not be limited to, pens, pencils, cookies, candy, notepads, caps, clothing, meals, golf outings, event and seminar sponsorships, and tickets to various concerts and sporting events. This compensation is not based on a written agreement or sales performance requirement, but is provided at the discretion of the product company and/or its representatives. HFS’s registered representatives are required to report such compensation on their Monthly Compliance Report.