

Timothy John Watters

Watters Financial Services, LLC

**16 Arcadian Avenue, Suite C4
Paramus, NJ 07652**

**(201) 843-0044 Phone
(201) 843-1171 Fax**

www.wattersfinancial.com

03/05/2012

FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Timothy J. Watters that supplements Watters Financial Services, LLC's brochure. You should have received a copy of that brochure. Please contact Timothy J. Watters if you did not receive Watters Financial Services, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Timothy J. Watters is available on the SEC's website at www.adviserinfo.sec.gov.

Table of Contents

<i>Educational Background and Business Experience</i>	1
<i>Disciplinary Information</i>	2
<i>Other Business Activities</i>	2
<i>Additional Compensation</i>	2
<i>Supervision</i>	2
<i>Requirements for State-Registered Advisers</i>	3

Educational Background and Business Experience

Form ADV Part 2B, Item 2

Timothy J. Watters, CFP®

Year of Birth: 1959

Formal Education after High School:

- Pace University, MBA; Finance & Marketing, 1985
- State University of New York at Albany, BA; Psychology & Economics, 1981

Business Background for the Previous Five Years:

- Watters Financial Services, LLC, Managing Member and Chief Compliance Officer, 2007 to Present
- Cambridge Investment Research, Inc., Registered Representative, 2003-2009
- Timothy J. Watters, CFP®, Sole Proprietor, Registered Investment Adviser, 1999-2007
- Timothy J. Watters, CFP® Sole Proprietorship, 1986-2007

Certifications:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP

Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Disciplinary Information

Form ADV Part 2B, Item 3

Mr. Watters does not have any reportable disciplinary information nor has he ever had any reportable disciplinary actions against him.

Other Business Activities

Form ADV Part 2B, Item 4

Mr. Watters is separately licensed as ***an independent insurance broker***. As an insurance broker, Mr. Watters can recommend ***any insurance product from any insurance company*** that he deems appropriate in addressing his client's needs. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Watters for insurance related activities. This presents a conflict of interest because Mr. Watters may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Additional Compensation

Form ADV Part 2B, Item 5

Mr. Watters does not receive any additional compensation for providing advisory services beyond the compensation he receives through Watters Financial Services, LLC.

Supervision

Form ADV Part 2B, Item 6

Timothy J. Watters, Chief Compliance Officer and Managing Member and Maura E. Watters, Member of Watters Financial Services, LLC, form the compliance committee. All investment advisory accounts and financial plans are reviewed by Timothy J. Watters. You may contact Timothy J. Watters at (201) 843-0044.

Requirements for State-Registered Advisers

Form ADV Part 2B, Item 7

Mr. Watters does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization proceeding or administrative proceeding, and has not been the subject of a bankruptcy petition.