

MIDDLETON GARDINER GROUP, LLC

MIDDLETON GARDINER GROUP, LLC

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Brochure update: March 1, 2011

This Brochure provides information about the qualifications and business practices of Middleton Gardiner Group, LLC. If you have any questions about the contents of this Brochure, please contact us at 410-975-0099 and/or linda@mggadvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

MIDDLETON GARDINER GROUP, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about MIDDLETON GARDINER GROUP, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 1, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure (as amended 10/1/2010) did not require.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Laurie Lynch at 410-975-0099 or laura@mggadvisors.com. Our Brochure is also available on our web site www.mggadvisors.com also free of charge.

Additional information about Middleton Gardiner Group, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Middleton Gardiner Group, LLC who are registered, or are required to be registered, as investment adviser representatives of Middleton Gardiner Group, LLC.

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Advisory Business

The Firm

Middleton Gardiner Group, LLC (referred to also as "the Company," "the Adviser," or "MGG"), is an investment advisory firm originally founded as an independent Registered Investment Advisor in 1988 under the name "Jay Middleton Advisory." The principal owners of the Company are Jay Middleton, Inc., Goal Focus, Inc., and Gardiner & Appel Group, Inc..

The Company furnishes advice in the areas of investments and comprehensive financial planning. We provide clients with discretionary investment advice, including asset allocation services, based on their stated objectives, needs, risk tolerance and desired management style. We occasionally advise clients on the use of separately managed accounts either for all, or a portion of their portfolio. Financial planning services include education funding, income tax planning, retirement planning, and estate planning. Occasionally, MGG gives advice on risk management, cash flow management and the acquisition, retention and/or liquidation of non-security type assets. Because risk management is often part of the financial planning process, MGG offers insurance and fringe benefits consulting which may lead to referrals to unaffiliated insurance providers, as decisions regarding these issues must often be decided upon before an investment strategy can be implemented.

Discretionary Managed Account Program

In this program, MGG is given discretionary trading authority to actively manage your accounts. After a thorough fact finding consultation where your current assets and liabilities are listed and goals and objectives are defined, we will advise you as to which types of investments are appropriate to accomplish your stated objectives. We carefully consider the time frame of your goals, your risk tolerance and the general outlook of the economy and the current investment markets. We offer customized portfolios, depending on your individual investment style profile as determined by your responses in interviews and/or on written client questionnaires. MGG provides research and initial asset allocation services to establish a diversified portfolio based on your stated objectives. Subsequently, we monitor the investments and rebalance your portfolio as necessary or when there is any change in your objectives. Our service also includes quarterly reports provided electronically (unless you elect to receive paper reports) and updating meetings annually, or at your request.

For continuous active asset management, MGG is given discretionary trading authority by the client. This allows MGG to buy or sell securities within your account(s) as well as specify the amount of securities to invest, without first obtaining your specific consent. This consent is limited only by the presence or absence of margin features and the approved level of options trading on the account(s). You may at any time elect to place restrictions on the purchase or sale of certain securities. For instance, you may ask us to buy (or not to buy) certain securities, or you may ask us not to sell certain holdings you already own and wish to retain. We do not as a rule research or monitor those investments that have not been specifically recommended by MGG. You will be ultimately responsible for monitoring your restricted investments although we will assist you on request.

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Separate Managed Accounts Program

For total invested portfolio asset values of \$500,000 or greater we may recommend use of Separate Account Manager(s) (SAM) for all or part of your portfolio in order to pursue a particular strategy in line with your investment goals and objectives. For example, a SAM could be recommended if it were advisable for you to have a substantial portion of your portfolio in municipal bonds or other fixed income investments. For clients who have a company defined contribution plan account we may on occasion recommend a third party service provider if discretionary asset management of that account is desired.

MGG is not an affiliate of, nor does it receive economic benefit from any third party; the firm will only recommend a SAM or other service provider based on a client's stated goals and objectives, and the opinion that such an arrangement will best fill a particular need. It is your responsibility to review any third party disclosures before making a decision to invest. MGG will not have discretionary trading authority for that portion of the portfolio. This discretionary authority can be granted and revoked only by the client. You should be aware that separate fees apply to SAMs and third party providers in addition to the MGG advisory fee (see *Fees and Compensation*).

Non-Discretionary Managed Account Program for 401(k) Retirement Plans

For business owners, we often recommend the use of pension plan programs as a benefit for you and your employees. MGG can recommend various third party administrators (TPAs) and/or custodians for your plan. Considerations are based on various factors, including the type of plan required, and the services and costs associated with the plan. Like the Discretionary Managed Account Program described above, we provide research and asset allocation services to design diversified portfolios based on your and your participants' stated objectives. We also provide you and your participants the training required to set up your accounts for automatic investment of your contributions. Subsequently, we monitor the investments and keep you informed of any recommended changes. The service also includes annual meetings for you and your participants.

MGG is not an affiliate of, nor does it receive economic benefit from any TPA or Pension Plan custodian; the firm will only recommend a TPA and/or Plan custodian based on your stated goals and objectives, and the opinion that the program will best fill your particular need. If a program is recommended, you are responsible for reviewing the program's documents and disclosures before making a decision to invest. MGG will not have discretionary trading authority for accounts in the program and participants will be responsible for following or not following the advice given and making the recommended investment trades.

Assets Under Management

As of February 28, 2011, the Middleton Gardiner Group had under its management:

\$ 124,500,000	in Discretionary Managed Client Accounts
<u>\$ 700,000</u>	in non-Discretionary Client Accounts*
\$ 125,200,000	Total assets under management

* includes Pension Plans advised on a non-discretionary basis.

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Fees and Compensation

Investment Management Fees

MGG charges advisory fees for discretionary account management based on a percentage of the market value of the account assets at the end of each quarter and billed in arrears, as follows:

<u>Total Managed Portfolio Assets</u>	<u>Percentage Charged</u>
up to \$500,000.00	1.15% per annum (0.2875% quarterly) (minimum fee: \$625 per quarter)
From \$500,000.01 to \$1,000,000	0.8% per annum (0.20% quarterly)
From \$1,000,000.01	0.6% per annum (0.15% quarterly)

MGG Fees will be adjusted for capital additions and withdrawals of amounts over \$2500.00. Unless otherwise noted by agreement, the fees will be billed directly to the client accounts.

All fees are subject to negotiation. Related accounts may be combined in order to reduce the fee charged. MGG reserves the right to reduce or waive the fee charged on employee, family, or other firm related accounts. The specific manner in which fees are charged is established in your written agreement with us. MGG will generally bill its fees in arrears on a quarterly basis. You may elect to be billed for fees or to authorize us to debit fees directly from your accounts. MGG prorates the fees due for accounts initiated or terminated during a calendar quarter. You have the right to terminate an agreement without penalty within five business days after entering into the agreement.

MGG fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur additional charges imposed by custodians, brokers, and other third parties such as separate account managers and other service providers. These may include custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Complete descriptions of these fees are contained in the separate agreements and/or ADV Brochures of the relevant managers or administrators.

MGG is a “fee only” advisory firm, i.e., we do not sell investment products for commissions. MGG recommends only “no-load” mutual funds and ETFs. You should be aware that these funds charge internal management fees which are disclosed in the fund prospectus. Clients owning variable annuities should also be aware of Mortality and Expense fees charged by these investments and disclosed in the annuity prospectus. Certain mutual funds and variable annuities may charge contingent deferred sales charges (CDSC) on withdrawals. These charges, fees and commissions are exclusive of and in addition to MGG’s fee, and we do not receive any portion of these commissions, fees, and costs.

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See *Brokerage Practices*, which further describes the factors that MGG considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Comprehensive Financial Planning Fees

We offer comprehensive financial planning services either on an hourly basis for clients with an immediate rather than on-going need, or on a flat fee basis for on-going service. You choose the level of service required based on your current need for financial guidance. Fees currently range from \$400 to \$3,000 annually for project or comprehensive planning, depending on the level of service required, and are negotiable.

The fee for comprehensive planning services does not include active asset management, discussed under Investment Management Fees.

Fees For Other Services

Unless part of a comprehensive financial plan, fees for other services are based on an hourly rate of \$250.00 per hour, or for on-going services, a predetermined flat fee paid quarterly. For example,

- Consultations (other than the initial free consultation)
- Non-discretionary investment management
- Analysis of existing assets outside MGG management
- Estate administration assistance
- Retirement and education funding projections
- Retirement Plan analysis
- Risk analysis
- Business valuation services

Refund Policy and Termination

If you wish to terminate your arrangement with MGG, notification to the Company in writing is required. For advisory agreements terminated within five (5) business days from the date of inception, no fees will be charged. For management fees billed in arrears, you will be billed pro rata for that current quarter up to the date of receipt of written notification. There may be an administration fee of up to \$75.00 for termination of a 401(k) plan participant account. Please consult your advisory agreement for details.

Performance-Based Fees and Side-By-Side Management

Middleton Gardiner Group, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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Types of Clients

Middleton Gardiner Group, LLC primarily provides investment management and comprehensive financial planning to individuals, closely held corporations, retirement plans, estates and trusts.

There is no minimum portfolio asset value imposed upon clients of financial planning services. For discretionary asset management, the minimum new client investment in the Managed Account Program is \$250,000.00. (There are no minimum account size restrictions and the minimum fee requirement is waived for Employee Plan 401(k) Participant accounts

Household accounts are combined for the purpose of meeting the above minimums. We reserve the right to make exceptions to the published minimum account size for whatever reason we deem appropriate.

Methods of Analysis, Investment Strategies and Risk of Loss

The Company primarily uses fundamental analysis (analyzing the company) as a method of security analysis, with a secondary focus on technical analysis (analyzing the marketplace). Sources of information the Company uses for evaluation are: AIQ Trading Expert, Dow Theory Forecasts, VIS Alert, Investors FastTrack and VectorVest for traded stocks and bonds. Mutual fund information is supplied primarily by Morningstar. Various fund managers also provide updates via teleconference. The Company takes advantage of these conferences when the fund is of interest.

The Company uses several strategies to help clients reach their investment goals. Each of these strategies carries a degree of risk:

- **Capital Preservation Strategy:** The goal is to preserve principal while earning a higher overall rate of return than that offered by cash. Investments include Certificates of Deposit (CDs), government bonds and bond mutual funds or Exchange Traded Funds (ETFs). Despite a focus on bonds of high quality and relatively short-maturities, there is still risk of loss. Low rates of interest can result in loss when fees exceed the return on “cash equivalent” investments. Inflation may devalue the assets. Bonds may also suffer from market illiquidity and rising interest rates. There is also a risk of unanticipated downgrades of bonds in the portfolio. Persistent declines in the housing market may result in downgrading of government mortgage-backed bonds.
- **Total Return Strategy:** The strategy is comprised predominately of instruments whose return is specified in advance of purchase. This includes but is not limited to fixed income instruments such as corporate bonds, revertible bonds, mortgage-backed bonds, municipal bonds, and mutual funds or ETFs holding these types of investments. We may also purchase high dividend-paying stocks , preferred stock or MLPs (Master Limited Partnerships). The

risks to these investments include rising interest rates, large declines in equity markets, market illiquidity, dividend reductions, and default. Revertible bonds may pay out in the form of the company stock rather than cash. In addition, mortgage-backed bonds are tied to the housing market; although examined diligently for quality, if housing prices were to fall dramatically, these bonds will lose value. Their duration is also uncertain; mortgage-backed bonds have pre-pay as well as extension risk (depending on how quickly or slowly the underlying mortgages are retired.) Private-label mortgage-backed bonds have an additional risk associated with the quality of the issuing company.

- **Growth Strategy:** The strategy is comprised of investments where the majority of return is expected to come from market appreciation. These include but are not limited to individual stocks, and stock or bond mutual funds and ETFs which, in the opinion of the Adviser, have potential for appreciation. There is risk that these investments may lose value due to unfavorable economic conditions, market volatility, and rising interest rates. The companies themselves may experience reduced earnings, missed expectations and other unexpected circumstances causing loss of value.
- **Alternative Strategy:** Investments include mutual funds and ETFs invested in long/short equity or bond positions, precious metals, commodities, and real estate. This strategy is used in larger portfolios to balance and reduce risk posed by other strategies and is not used independently. For example, when used in conjunction with a growth strategy, it will have a tendency to reduce the volatility of the portfolio. The added risk posed by such investments is that the firm may at times use an incorrect sector play, providing poor protection for the full portfolio.
- Most client portfolios are invested in a diversified blend of the above strategies as described following. The choice of blend is based on a client's stated goals and tolerance for risk. A specific allocation can vary with market conditions, additions or withdrawals.

PORTFOLIO DESCRIPTIONS:

- **Growth (Aggressive):** The portfolio has the highest exposure to Growth and Total Return strategies. It will usually include an allocation to the protective Alternative strategy and have the smallest allocation to Capital Preservation investments.
- **Growth & Income (Moderate):** The portfolio has moderate exposure to all strategies. The Growth and Total Return strategies will comprise the largest allocation of the portfolio.
- **Income & Growth (Conservative):** The portfolio has greater exposure to Total Return and Capital Preservation, and lesser to Growth when, in the opinion of the firm, market conditions warrant.
- **Income (Very Conservative):** The portfolio allocation will be focused primarily on income producing securities. Therefore it will be almost exclusively invested in Capital Preservation and Total Return Strategies, with little or no exposure to Growth and Alternative strategies, depending on the individual client.

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Target percentages for each model are determined by the MGG investment committee and serve as a general guideline for traders and advisors.

Clients are urged to carefully consider their choice of Portfolio for long-term investment goals. Changes are always possible, but involve their own risks, in increased trading costs and possible losses due to bad timing of the sales or purchases necessary to change portfolio design.

For all strategies, the firm will primarily use no-load mutual funds to achieve diversification among asset classes and sectors. For larger accounts, a limited number of securities including but not limited to individual stocks and ETFs (Exchange-traded funds) may be added. For larger portfolios, individual bonds may supplement bond mutual funds.

In all cases, clients should be aware that investing in securities involves risk of loss that clients should be prepared to bear. No investment strategy provides a guarantee against the risk of possible losses.

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MGG or the integrity of MGG's management. Middleton Gardiner Group, LLC has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

The Middleton Gardiner Group, LLC is an independent advisory firm not affiliated with any broker-dealer. In 2003, Jay Middleton Advisory, LLC became Middleton Gardiner Group, LLC, which is owned by Jay Middleton, Inc. in partnership with Gardiner & Appel Group Inc. and Goal Focus, Inc., (James E. Brennan, Principal). Gardiner & Appel Group, Inc. is an accounting firm specializing in consulting and accounting services primarily to small businesses. Although it has an ownership interest in the firm, Gardiner & Appel Group, Inc. does not participate in the financial planning and investment advisory activities of Middleton Gardiner Group, LLC.

The Advisor participates in the Charles Schwab Advisor Services ("Schwab") program, sponsored by Charles Schwab & Co. As part of the Schwab program, the Advisor receives benefits that it would not receive if it did not provide investment advice to clients. While there is no direct affiliation between the investment advice given to clients and the Advisor's participation in the Schwab program, economic benefits are received by the Advisor which would not be received if the Advisor did not give investment advice to clients or have an established relationship with Schwab.

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These benefits do not depend on the amount of transactions directed by the Advisor to Schwab. These benefits may include: A dedicated trading desk that services the Advisor's clients, a dedicated service group and an account service manager dedicated to the Advisor's accounts, access to a real time order matching system, ability to block client trades, electronic download of trades, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), and the ability to have custody fees waived. (See also *Brokerage Practices*)

As part of its Planning services, the Advisor may refer clients to outside professionals, including attorneys and insurance professionals, from whom it receives no compensation. However, the Advisor or its Partner may from time to time have an arrangement whereby it may lease space available in its offices to an outside unaffiliated professional. When a referral to an outside professional is indicated, the Advisor will endeavor to provide more than one choice. However, clients should be aware that any referrals to professionals who are also tenants may pose a potential conflict of interest and that more than one referral should always be considered.

MGG does not sponsor limited partnerships. At one time, Jay C. Middleton served as General Partner of Boston Street Limited Partnership (BSLP), a private venture for "friends and family" to invest in the lease of a commercial property in Baltimore, MD. The General Partner is deemed to have custody of partnership assets, which included any income from the building. Therefore, BSLP assets were audited in 2005 and subsequently, quarterly statements of account assets were provided to the partners by the qualified custodian, Susquehanna Bank. The Partnership is not an advisory client of MGG, however some members are, or have been, advisory clients of the Company. Neither Mr. Middleton nor MGG has received compensation for services to BSLP; moreover, any MGG clients invested in the Partnership are not and have not been charged advisory fees on the investment. Clients of MGG are not being solicited for membership.

Code of Ethics

The firm maintains a written Code of Ethics outlining the policies and procedures to be followed by officers and staff to assure that MGG's high standards of business conduct are met. It is MGG policy that any person employed by the Company is prohibited from profiting at the expense of a client. Clients may not necessarily be recommended the same investments made by MGG owners or its employees if those investments are deemed by the advisor unsuitable for the client. However, MGG owners and employees may buy or sell for their own accounts the same investment products recommended to clients. When several clients, or clients and employees, are participating in the same equity trade at the same time, Company policy is to submit block trades which are then allocated equally as to price among the participants. (Each trade is treated as a separate transaction for the purpose of calculating brokerage commissions.)

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MGG transactions are usually conducted in widely held and heavily traded securities; thus transactions will not usually have an effect on market prices. Should an associated person of the firm ever choose to purchase or sell a security which is thinly traded at the same time as a client of the firm, the transactions will be entered in such a way as to make sure that if either party would be at an advantage, it will be done so that the client will be the advantaged party.

A copy of the firm's Code of Ethics may be requested by contacting Laurie Lynch, Client Services.

Brokerage Practices

MGG is not registered as, nor affiliated with, a broker/dealer and does not maintain custody of the client's funds or securities. When the recommendations of a financial plan involve the purchase or sale of investment products, clients must effect transactions through a custodian and brokerage firm. MGG will assist the client with developing a relationship with a broker that the Advisor has a relationship with, including but not limited to Charles Schwab & Co. MGG does not have discretion over the choice of the custodian of client accounts.

Most investments are made through a broker offering discounted commissions on trades and no-load, no-transaction-fee, mutual funds. The reasonableness of the commission is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help MGG in providing investment management services to you. Therefore, MGG will recommend a broker/dealer who provides useful research and securities transaction services even though a lower commission may be charged by another broker/dealer, who offers no research services and minimal transaction assistance. Research obtained may be used in servicing all MGG clients. MGG receives no direct compensation from any broker-dealer.

Since MGG generally uses the custodian as the broker/dealer to execute client's trades, the firm endeavors to recommend to the client the custodian/broker/dealer which will provide the best services at the lowest commission rates possible.

MGG generally recommends that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of their assets and to effect trades for their accounts. Although MGG may recommend that you establish accounts at Schwab, it is your decision to custody assets with Schwab. MGG is independently owned and operated and not affiliated with Schwab.

Schwab provides MGG with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are not contingent upon MGG committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the

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execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For MGG client accounts maintained in its custody, Schwab does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. For transactions executed away from Schwab through Prime Broker or TradeAway arrangements, the custodian (Schwab) charges a separate fee per transaction or allocation in addition to any commission or markup that may be charged by the broker.

Schwab Advisor Services also makes available to MGG other products and services that benefit MGG but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of MGG's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist MGG in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of MGG's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help MGG manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to MGG. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to MGG. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of MGG personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, MGG may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

When the firm has discretionary authority to trade in clients' accounts, the firm may from time to time use brokers other than the custodian to carry out those trades. For example, when clients' assets are custodied at Charles Schwab, the Adviser will most often execute trades through Schwab's brokerage, but may on occasion use other brokerages to trade securities, particularly in the fixed income arena. This is known as "trading away." The Adviser will trade away when it deems the client will benefit from better execution and/or service through another brokerage. In

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certain instances the Advisor may execute over the counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker/dealer plus the market makers mark-up or mark-down.

MGG often makes use of block trading to assure that each client receives the same price on a trade. When clients participate in block trades, each trade is treated by the broker as a separate transaction for the purpose of calculating brokerage commissions. A client who directs MGG to use a custodian/broker/dealer other than C. Schwab & Co., is ineligible to participate in block trades and therefore may not receive the same execution as to commissions and price as other clients.

Although the broker sets the commission rates on trades, these may differ from client to client and may be based on several factors, including but not limited to the client's portfolio size and whether or not the client accepts electronic confirmations and statements. Under certain circumstances MGG has discretion to choose alternate brokers such as when trading for Prime Broker accounts or when trading away. Occasionally the Advisor may arrange an agency cross transaction between advisory clients when one client wishes to sell and another wishes to buy the same security and when, in the Advisor's opinion, both clients may achieve better price and/or execution by avoiding the open marketplace. MGG does not act as broker and receives no compensation in facilitating such transactions.

For individuals who desire management on a limited discretionary basis of the investment options available to them within their company-sponsored qualified savings plan, we may recommend a third party service provider, such as Retirement Management Systems, Inc., to service the account and provide administrative, technology and advisory support services. You should be aware that the service provider's fees will apply in addition to the MGG advisory fee (see *Fees and Compensation*). Please review the provider's ADV Part II and Privacy Policy before making a decision to use the service.

Review of Accounts

For planning or asset management programs, the firm provides client meetings with James Brennan, CFP®, Jay Middleton, ChFC®, Ryan Guttridge, CFA®, or another Registered Investment Advisor Representative of the firm (For further information please see the *Brochure Supplement*.) Meetings include reviews of accounts and are offered on an annual basis or more frequently should the client so request. Accounts may be reviewed outside of client meetings more frequently than annually, such as when market conditions change, when rebalancing becomes necessary, when securities are bought or sold, when a client's objectives change, or for other reasons.

For asset management programs, clients are provided reports and transaction confirmations by the custodian at least quarterly. Statements include, among other information, a listing of all investments in the client accounts, current valuation and transaction listings for the period. MGG

provides asset management clients with at least quarterly account reports which include a commentary page providing MGG's views on the status of the market ("Market Update"), and a performance review. A realized gains and losses report is also provided annually for income tax purposes. Clients may receive the custodian's reports electronically and MGG reports are also available via a secure vault on the MGG web site. Clients may "opt-out" of electronic reporting and receive paper reports at least quarterly.

Client Referrals and Other Compensation

MGG may enter into arrangements with other parties pursuant to the provisions of Rule 206(4)-3 promulgated under the Advisers Act whereby those parties act as a solicitor for the Company and under which program a representative of such party (the "Solicitor") may offer our advisory services. Through such an arrangement the Solicitor is not an employee of the company but, by written agreement, would receive compensation based on a percentage of the total advisory fee. If applicable, the information would be disclosed to you prior to entering into an investment advisory agreement with us.

Custody

MGG does not maintain custody of your funds or securities. You should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains your investment assets. We urge you to carefully review these statements and compare such official custodial records to any account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investment Discretion

MGG usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients we advise. Investment guidelines and restrictions must be provided to us in writing.

Voting Client Securities

As a matter of firm policy and practice, Middleton Gardiner Group, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. We may provide advice to clients regarding the clients' voting of proxies if requested.

Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about the Company's financial condition. MGG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.