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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Regal Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact our firm at (818) 610-0079. 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.

Additional information about Regal Advisory Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Regal Advisory Services, Inc. is 119445.

Regal Advisory Services, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Regal Advisory Services, Inc. is a registered investment adviser primarily based in Woodland Hills, California. We also maintain a branch office in Seal Beach, California. We are organized as a corporation under the laws of the State of California. We have been providing investment advisory services since 2002. Lisa M. Lyons is our principal owner.

We provide our clients with a wide range of investment advisory services through our investment management programs, including financial planning and consulting services, discretionary and non-discretionary management of investment portfolios, and selection of other advisers. Our integrated suite of services may be offered to clients on an all-inclusive or individual basis. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

As used in this brochure, the words “we”, “our” “us” and “Registrant” refer to Regal Advisory Services, Inc. and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

Financial Planning/Consulting Services

We offer broad-based and consultative financial planning services to our clients that may include advice regarding securities and other non-securities related matters. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Once we have reviewed and analyzed your information we provide recommendations to you verbally or in the form of a written financial plan that outlines the recommended steps to help you achieve your stated financial goals and objectives.

Prior to engaging our firm to provide financial planning and/or consulting services, you will generally be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid. Our fees for these services may consist of a fixed fee, an hourly fee, or a combination thereof. Currently, fixed fees range from \$1000.00 to \$15,000.00 and hourly fees range from \$175.00 to \$350.00, depending upon the level and scope of the requested services. The type and amount of the fees charged will be negotiated on a case-by-case basis, and are based on the complexity of your financial situation and the scope of services to be provided. An estimate of the total cost will be determined at the start of the advisory relationship.

In our discretion, we may waive or offset a portion of the financial planning fee if you choose to implement the plan through our investment management services described below. We also reserves the right to waive or offset financial planning fees by commissions earned by investment adviser representatives of our firm (in their separate capacity as registered representatives and/or licensed insurance agents) for the sale of securities and/or insurance products. You are encouraged to renew the financial planning engagement on an annual basis for the purpose of reviewing/updating the previous recommendations and/or services.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Either party may terminate the financial planning agreement by providing written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

In providing financial planning services, we may recommend our services and/or our Associated Persons services in their separate capacity as licensed insurance agents, registered representatives, and/or investment adviser representatives of Royal Alliance. A conflict of interest exists when we make such recommendations. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the recommendations through any of our other investment advisory services or any Associated Persons of our firm. Moreover, you may act on our recommendations by placing securities transactions with the brokerage firm of your choice. Please refer to the *Fees and Compensation* section below for additional disclosures on this topic.

Portfolio Management Services

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, you must grant our firm discretionary authority to manage your account, which is typically granted by the investment advisory agreement you sign with our firm. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

Our annual fee for portfolio management services is negotiable, but generally ranges between 0.50% and 2.00% depending upon the market value of your assets under our management and the specific type of investment management services to be rendered (i.e. mutual fund asset allocation, variable annuity asset allocation, retirement account asset allocation, SEI, Vision 2020 Program, or Independent Managers (See discussion below)). In special circumstance, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiation with client, etc.).

Our management fee is billed and payable quarterly in arrears or advance depending on the investment management program in which you participate. For the initial quarter of investment management services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

The agreement for services will continue in effect unless terminated by either party by written notice in accordance with the terms of the investment advisory agreement. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have prepaid fees that we have not yet earned, you will receive a prorated refund of those fees.

Currently, we intend to recommend that our clients allocate investment management assets among various investment management programs offered through Royal Alliance Associates, Inc. ("*Royal Alliance*") and SEI Investments Company ("*SEI*") and various independent investment managers on a discretionary and non-discretionary basis, in accordance with our client's individual investment objectives.

SEI Program

We recommend that certain of our clients allocate investment assets among the various mutual fund asset allocation models, underlying mutual funds, and/or independent investment manager programs offered through SEI. SEI is a global asset management company and sponsor of its own proprietary mutual funds. SEI Trust Company, a subsidiary of SEI, serves as custodian for each SEI account, and provides each client with reporting services, including consolidated monthly statements, quarterly performance reports, and year-end tax

reports. *SEI* enables investment advisers such as our firm to offer our clients mutual fund asset allocation models, underlying individual mutual funds, and investment management programs that are not otherwise available to the general public. As part of its overall investment management program, *SEI* offers monthly rebalancing of each client's investment assets for the purpose of maintaining the assets in accordance with the client's previously designated percentage (%) asset allocations for the *SEI* account.

If a client desires automatic account rebalancing, he/she/they/it must first provide such authorization directly to our firm, and we will then advise *SEI* accordingly. We will not remove our clients' account from *SEI* to another program without our client's consent. The fees charged by *SEI* are exclusive of, and in addition to, our investment management fee. Fees paid by our client to *SEI* are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by *SEI* to the client. In addition to our investment management fee, the client, relative to all mutual fund purchases, shall also incur charges imposed at the mutual fund level (e.g., management fees and other fund expenses).

Independent Managers

For those clients that require an enhanced and/or specialized level of asset management services, we may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) (the "*Independent Manager(s)*").

Recommendations are based on your stated investment objectives, including, but not limited to, *SEI* Investments Company, ("*SEI*") as discussed above. The terms and conditions under which you engage the *Independent Manager(s)* will be provided in a separate written agreement between you, our firm, and the designated *Independent Manager(s)*.

We will continue to provide advisory services to you that include ongoing monitoring and reviewing of your account performance. As compensation, we will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)*. Factors that we consider in recommending *Independent Manager(s)* include your stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

The investment management fees charged by the designated *Independent Manager(s)*, together with the fees charged by the corresponding designated broker-dealer/custodian of your assets, may be exclusive of, and in addition to, our investment advisory fee set forth above. In addition to the fees charged by our firm, the designated *Independent Manager(s)* and corresponding broker-dealer/custodian, you will incur charges imposed at the mutual fund level (i.e. management fees and other fund expenses) based on any mutual funds purchased for your account. Certain *Independent Manager(s)* may impose a minimum asset size for new accounts. You may be required to sign an agreement directly with the *Independent Manager(s)*. Any party to the agreement, in accordance with the provisions of those agreements, may terminate the advisory relationship. If the *Independent Manager(s)* is compensated in advance, you will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement.

VISION 2020 PROGRAM

In addition to the aforementioned investment advisory products and services, we also offer our clients the VISION2020 Advisor Program ("Vision Program").

The Vision Program provides comprehensive investment management of client assets through the provision of web based asset allocation tools, as well as execution, clearing and custodial services. With respect to its asset allocation services, the Vision program utilizes Ibbotson Associates to provide clients access to risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools.

We may offer the Vision Program on a 1) Discretionary Trading Basis or 2) Discretion Limited To Maintenance Of The Initial Agreed Upon Asset Allocation.

In an account with Discretionary Trading, our Independent Advisory Representative may purchase or sell load waived, no-load mutual funds and other equity and debt securities for accounts not included in the initial asset allocation, without obtaining specific client approval for each transaction. In an account with Discretion Limited

To Maintenance Of The Initial Agreed Upon Asset Allocation, our Independent Advisory Representative will only purchase or sell securities which have been approved by you in advance. Our Advisory Representative will initiate an initial asset allocation with your prior review and approval. However, we may then rebalance the account to maintain the initial agreed upon asset allocation, without prior client consent.

The Vision Program is sponsored by Royal Alliance Associates, Inc. ("Royal Alliance"). As Vision Program sponsor, Royal Alliance has created a Vision Program Brochure which will be distributed to our clients prior to or concurrent with your engagement in the Vision Program. You should read it thoroughly before investing.

The Vision Program is offered as a "Wrap Account" which bundles advisory fees, administrative fees, and transaction charges into one asset-based fee. Alternatively, the transaction charges can be unbundled from the advisory and administrative fees in the "unbundled" option of the Vision Program.

The total fees will range to a maximum of 2.50% in the "wrap" option of the Vision Program. Asset-based fees will also range to a maximum of 2.50% in the "unbundled" option of the Vision Program however; you will pay separate transaction charges.

The annual investment management fee associated with the Vision Program shall be prorated and paid in advance, based upon the market value of the assets on the last day of the previous quarter.

The complete schedule of Vision Program fees is set forth in the Program Brochure created by Royal Alliance and provided by our firm to you prior to or concurrent with your engagement in the Program.

VISION2020 Wealth Management Platform – Model Portfolio Strategists Program

The Wealth Management Platform - Model Portfolio Strategies Program ("Model Program") is offered as a discretionary Wrap Account program which bundles advisory and administrative fees, as well as transaction charges into one asset-based fee.

The Model Program offers Model Program Clients managed asset allocation models ("Asset Allocation Models") of mutual funds or exchange traded funds ("ETFs") diversified across various investment styles and strategies. The Asset Allocation Models are constructed by the following managers ("Program Managers").

- **SunAmerica Asset Management Company**
- **Russell Investment Management Company**
- **LWI Financial Inc.**
- **OAM Avatar, LLC**
- **ICON Advisers, Inc.**
- **Morningstar Associates, LLC**

Program Managers that recommend mutual fund Asset Allocation Models use load waived or no-load mutual funds. The cost of purchasing and holding mutual fund shares through the Model Program may be more or less than investing in mutual fund shares in a brokerage account, depending upon the amount of the advisory fees and the specific mutual funds selected for investment within the Model Program.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain either 1) a combination of mutual funds or 2) a combination of exchange traded funds ("ETFs"). Whether mutual funds or exchange traded funds are used will depend on which Model Program Manager is used. We will work with you to select an Asset Allocation Model. After such determination is made, our firm, with the assistance of program sponsor, VISION2020 Wealth Management Corp. ("Program Sponsor"), will open a Model Program account and your assets will be invested in the specific investments contained within the recommended Asset Allocation Model.

The Model Program will be governed by an advisory client agreement signed between you, our firm, as Advisor and Program Sponsor as Co-Advisor. With your assistance, we will determine initial and ongoing suitability of the Model Program selected.

As Co-Advisor, Program Sponsor will provide monitoring and review of Asset Allocation Models. Program Sponsor has the discretion to modify and/or rebalance a Model Program Manager's Asset Allocation Model and its associated Model Program client accounts without your consent consistent with your agreed upon investment objectives and risk tolerance.

SunAmerica Asset Management Company: Program Manager, SunAmerica Asset Management Company ("SAAMCo") will provide Asset Allocation Models composed of SunAmerica mutual funds ("SunAmerica Funds"). The assets within the Program client account will be invested by our firm with the assistance of Program Sponsor, in a recommended Asset Allocation Model of SunAmerica Funds suitable to your stated risk tolerance and investment objectives. Program Sponsor will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by SAAMCo. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of the funds will exceed what could have been obtained through other investment or savings strategies. SAAMCo is an affiliate of Program Sponsor.

Russell Investment Management Company: The Russell Investment Company Funds ("Russell Funds") are managed by Russell Investment Management Company and other managers as disclosed by the respective prospectus for each of the Russell Funds. The assets within the Program client account will be invested by our firm with the assistance of Program Sponsor, in a recommended Asset Allocation Model of Russell Funds suitable to your stated risk tolerance and investment objectives. If suitable, assets may be invested in an Asset Allocation Model of Russell Funds designed to help minimize taxable events ("Russell – Tax Managed Model"). Program Sponsor will be responsible for rebalancing the portfolio of Russell Funds, generally in accordance with the instructions provided by Russell Investment Management Company. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of the funds will exceed what could have been obtained through other investment or savings strategies.

LWI Financial Inc.: Program Manager, LWI Financial Inc. ("Loring Ward" or "LWI") will provide Asset Allocation Models composed of SA Funds which are advised and administered by Loring Ward and sub-advised by Dimensional Fund Advisors, Inc. ("DFA"); or a group of mutual funds advised by DFA ("DFA Funds") mutual funds. The assets within the Program client account will be invested by our firm with the assistance of Program Sponsor, in a recommended Asset Allocation Model of SA and DFA Funds (collectively, "SA/DFA Funds") suitable to your stated risk tolerance and investment objectives. Program Sponsor will be responsible for rebalancing the portfolio of SA/DFA Funds within your account generally in accordance with the instructions provided by Loring Ward. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of the funds will exceed what could have been obtained through other investment or savings strategies.

OAM Avatar, LLC: Program Manager, OAM Avatar, LLC. ("Avatar") will provide Asset Allocation Models composed of between 20 to 35 ETFs across different asset classes and industry sectors. The assets within the Program client account will be invested by our firm with the assistance of Program Sponsor, in a recommended Asset Allocation Model of ETF Funds suitable to your stated risk tolerance and investment objectives. Program Sponsor will be responsible for rebalancing the portfolio of ETF Funds within your account generally in accordance with the instructions provided by Avatar. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of the ETFs will exceed what could have been obtained through other investment or savings strategies.

ICON Advisers, Inc.: Program Manager, ICON Advisers, Inc. ("ICON") will provide mutual fund Asset Allocation Models composed of a series of ICON funds offered within 7 different portfolios. The assets within the Program client account will be invested by our firm with the assistance of Program Sponsor, in a recommended Asset Allocation Model of ICON funds suitable to your stated risk tolerance and investment objectives. Program Sponsor will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by ICON. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of ICON funds will exceed what could have been obtained through other investment or savings strategies.

Morningstar Associates, LLC: Program Manager, Morningstar Associates, LLC ("Morningstar") will provide mutual fund Asset Allocation Models composed of a series of mutual funds offered within 8 different portfolios with each portfolio generally consisting of between 10 and 15 mutual funds. The assets within the Program client account will be invested by our firm with the assistance of Program Sponsor, in a recommended Asset Allocation Model of mutual funds suitable to your stated risk tolerance and investment objectives. Program Sponsor will be responsible for rebalancing the portfolio of mutual funds within your account generally in accordance with the instructions provided by Morningstar. There can be no assurance that any of the investment goals for your account will be met or that the net return on an investment in a portfolio of mutual funds will exceed what could have been obtained through other investment or savings strategies.

Custody of Assets

All assets will be held by the custodian designated in a customer agreement provided to Client ("Custodian"). Custodian will provide statements of account to you including consolidated monthly statements. You will also be provided with quarterly performance reports and year-end tax statements. Fees payable to our firm and our Investment Advisory Representatives will be deducted from your account(s) quarterly and reflected within the statements provided to you. Fees may be negotiable depending upon the amount of assets under management, the nature and extent of account relationships between you and our firm, the type of services requested and other factors that we deem relevant to the advisory services relating to the Model Program.

Advisory Fees

If you select the Model Program you are charged quarterly fees based upon the assets under management. Fees are negotiable and range up to 3.00% (annualized) of the assets under management that may be collected by our firm, our associated broker-dealer and all associated broker-dealer affiliates.

Mutual Fund Fees and Charges

All mutual funds comprising the portfolio of funds will be purchased at Net Asset Value without the imposition of any sales charges. You will bear a proportionate share of the fees and expenses of mutual funds selected. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in mutual funds and are in addition to the Model Program Fee. You are encouraged to read the prospectuses of the mutual funds selected for a more complete explanation of these fees and expenses.

For more complete details, including a schedule of Model Program fees, please see the Model Program Schedule H Brochure (or other equivalent disclosure brochure) created by Program Sponsor. Investment Advisory Representatives provide this brochure to their Clients prior to or concurrent with their engagement in the Model Program. You should read it thoroughly before investing.

VISION2020 Wealth Management Platform – SMA and UMA Account Program

The Wealth Management Platform – SMA and UMA Account Program ("Wealth Managed Account Program" or "WMA") provides suitable Clients the opportunity to invest their assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. Sponsored by VISION2020 Wealth Management Corp. ("Program Sponsor"), WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMA asset allocation model ("WMA Model") for your approval which will consist of: 1) third party money managers ("WMA Managers") who will manage Client funds according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds ("Funds"), or 3) exchange traded funds ("ETFs") or any combination thereof (individually or collectively, "WMA Investments"). WMA Investments will be managed according to the selected WMA Model. WMA Models consist of a separately managed account or a series of separately managed accounts (collectively, "SMA Account") or a unified managed account ("UMA Account") as further described below.

A WMA Model will be suggested to you based upon your responses to a risk tolerance questionnaire ("Questionnaire") and/or discussion between you and our firm regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation.

WMAF clients enter into an advisory client agreement ("Client Agreement") with our firm, as Advisor, and Program Sponsor as Co-Advisor.

We will monitor your WMAF Investments on an ongoing basis. We will work with you to determine initial and ongoing suitability.

Program Sponsor has entered into a sub-agreement with Envestnet Asset Management, Inc. ("Envestnet") pursuant to which Envestnet will perform due diligence and provide research on WMAF Managers, construct and recommend asset allocation targets to be used in WMAF Models and provide a password-protected web site and associated technology to assist the Advisor and Client with the selection and adjustment of WMAF Models. Additional Program Sponsor services are disclosed in the Client Agreement.

SMA Account: An SMA Account may contain one or multiple WMAF Managers with each WMAF Manager investing according to a specific model or strategy and each in their own custodial account. The SMA Model may also contain Funds, generally used to compliment the WMAF Managers employed within the SMA Model and when the recommended allocation to an asset class is too small for a WMAF Manager to manage.

After discussion with you and after the relevant information is processed, WMAF provides an asset allocation model which consists of asset allocation targets or sleeves across various asset classes and investment strategies. We will work with you to complete the SMA Account by choosing which WMAF Managers and Funds will be contained within each asset allocation sleeve. Upon suitability determinations made by you and our firm, we may adjust the aforementioned asset allocation targets, within predetermined limits.

UMA Account: A UMA Account may contain one or multiple WMAF Managers with each WMAF Manager investing according to a specific model or strategy. The UMA Account may also contain Funds and ETFs. Unlike the SMA Account, all WMAF Manager investments, Funds and ETFs will be held in a single custodial account. Overlay management is provided to coordinate the trading activities of UMA Account Managers, rebalancing and to provide greater tax-efficiency.

After discussion with you and after the relevant information is processed, WMAF provides an asset allocation model which consists of asset allocation targets or sleeves across various asset classes and investment strategies. We will work with you to complete the UMA Account by choosing which Third Party Managers, Funds and ETFs will be contained within each asset allocation sleeve. Upon suitability determinations made by you and our firm, we may adjust the aforementioned asset allocation targets or create its own asset allocation model within predetermined limits.

Custody of Assets: All WMAF Investments will be held by the custodian designated in a customer agreement provided to Client ("Custodian"). Custodian will also serve as broker-dealer for securities transactions directed by WMAF Managers.

Investment Discretion: We do not exercise investment discretion over assets allocated to WMAF Managers; rather, each WMAF Manager acts as discretionary advisor for the assets assigned to it through implementation of the WMAF Model. You will direct Envestnet to effect transactions for WMAF assets designated by you to be invested in Funds and ETFs.

Fees: You will pay a single WMAF fee typically ranging from .85% - 2.75% for the SMA Account and .95% to 2.65% for the UMA Account of the value of assets in the Account, subject to negotiation. The above fees may be negotiable between you and our firm based on account size, complexity, prior relationships and related account holdings. Fees are paid quarterly, in advance, based on the value of your account on the last day of the previous quarter.

You will bear a proportionate share of the fees and expenses of any Funds selected and for money market funds used as "sweep vehicles" for uninvested cash balances. These fees and expenses may include investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in funds and are in addition to the WMAF fee. You are encouraged to read

the prospectuses of the funds for a more complete explanation of these fees and expenses.

Depending upon the level of the WMAP wrap fee, the amount of portfolio activity in your Account, the value of custodial and other services provided under WMAP, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Accordingly, you should review both the fees charged by any funds in which your assets are invested and the fees charged for WMAP to fully understand the total amount of fees you will paid.

The services provided by WMAP Managers are under certain conditions available directly to investors from those WMAP Managers. The fees charged by WMAP Managers to Clients who contract directly for their services may be more or less than the combined fees charged by the parties referenced above for WMAP. However, Clients using the services of WMAP Managers directly would not receive our assistance in developing an investment strategy, selecting WMAP Managers, monitoring performance WMAP Investments, and making WMAP Manager changes as necessary.

For more complete WMAP details, including a complete schedule of WMAP fees, please see the WMAP - Schedule H Brochure (or other equivalent disclosure brochure) created by Program Sponsor. Advisor provides this brochure to its Clients prior to or at time of enrollment in WMAP. You should read it thoroughly before investing.

Types of Investments

We offer advice on equity securities (stocks), corporate debt securities (bonds), commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds and variable products), exchange traded funds (including leveraged exchange traded funds), US Government securities, and interests in partnerships investing in real estate and oil and gas interest. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of December 31, 2010, we manage \$37,800,000 in client assets on a discretionary basis, and \$15,300,000 in client assets on a non-discretionary basis.

Fees and Compensation

Please refer to the “Advisory Business” section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Although not a material consideration when determining whether to recommend that a client purchase a specific mutual fund, we may receive assistance from certain mutual fund sponsors when providing investment seminars to prospective and existing clients. We do not make any commitment to any mutual fund sponsors that their products will be mentioned at seminars, recommended to, or purchased by our clients.

Additional Fees and Expenses

As previously disclosed, clients participating in the VISION2020 Advisor programs may pay an all inclusive wrap fee which includes charges for advisory services, custody, clearing, transaction execution and account reporting. Clients participating in these programs also agree to direct brokerage in their VISION2020 Advisor program accounts through Royal Alliance Associates, Inc. (“Royal Alliance”), a FINRA member broker dealer. Therefore, in evaluating such an arrangement, you should recognize that brokerage commissions for the execution of transactions in your account are not negotiated by our firm, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to you and those charged to our other clients. You should also consider that, depending upon the level of the wrap fee charged by the broker dealer, the amount of portfolio activity in your account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if we were free to negotiate commissions and seek best price and execution of transactions for your account.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund’s prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section below.

Compensation for the Sale of Securities or Other Investment Products

Principals and other Associated Persons that provide investment advice on behalf of our firm are also registered representatives of Royal Alliance Associates, Inc. (“Royal Alliance”). Royal Alliance is a registered full services general securities broker-dealer with the Securities and Exchange Commission, a registered investment adviser, a member of the Financial Industry Regulatory Authority, and the Securities Investor Protection Corporation. Royal Alliance is a diversified financial services company engaged in the sale of specialized investment products. Our advisory representatives may recommend securities or insurance products offered by Royal Alliance to you as part of your investment portfolio. If you purchase these recommended products through an Associated Person of our firm, those individuals will receive the normal commissions associated with these products in their separate capacity as a registered representative of Royal Alliance. All such compensation is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities and/or insurance transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm unless done in conjunction with an investment management program as disclosed above under the *Advisory Business* section.

As Registered Representatives of Royal Alliance, our Associated Persons may recommend the purchase or sale of investment products in which the Associated Person and Royal Alliance or a related entity may have some financial interest, including the receipt of commission based compensation. Certain mutual funds (and/or their related persons) in which you may invest make 12b-1 fee payments to broker dealers. These payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. Royal Alliance and/or our Associated Persons may receive 12b-1 fees or other compensation to the extent permitted by applicable law.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Certain Associated Persons providing investment advice on behalf of our firm are separately licensed as investment adviser representatives of Royal Alliance Associates, Inc. ("Royal Alliance"), as SEC registered investment adviser, a securities broker-dealer, and a member of FINRA and the Securities Investor Protection Corporation. These Associated Persons, in their separate capacities as IARs of Royal Alliance, provide advisory services, the details of which are fully described in Royal Alliance's Form ADV disclosure document. These Associated Persons may recommend this service to our clients for whom the service is appropriate and, also where appropriate, may also recommend our firm to Royal Alliance clients. The advisory services provided by Royal Alliance are separate and distinct from the advisory services provided by our firm. The fees for advisory services provided through Royal Alliance are separate from and in addition to the fees your pay to our firm for advisory services. You are under no obligation to use Royal Alliance for any advisory services, and conversely, no Royal Alliance client is obligated to use our firm for advisory services.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of Royal Alliance. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm. Refer to the *Other Financial Industry Activities and Affiliations* section below for additional disclosures on this topic.

Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Types of Clients

We offer investment advisory services to individuals, trusts, estates, and charitable organizations. In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate an account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

The Model Program account minimum depends on the Program Manager employed and is as follows: SAAMCo, LWI - SA Funds, Russell and Russell Tax-Managed - \$25,000; LWI - DFA Funds, ICON and Morningstar - \$50,000; Avatar - \$100,000. The account minimum may be waived in the sole discretion of Program Sponsor.

The WMAP account minimum is \$100,000 for the SMA Account and \$150,000 for the UMA Account and may be waived in the sole discretion of Program Sponsor.

Methods of Analysis, Investment Strategies and Risk of Loss

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Short Sales – securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Risks Associated with Methods of Analysis

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable

with any reliable degree of accuracy.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Investment Strategy and Tax Disclosures

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as tax law requires that the cost basis method remain unchanged after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the *Advisory Business* section above, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Disciplinary Information

Regal Advisory Services, Inc. has been registered and providing investment advisory services since 2002. Neither our firm nor any of our Associated Persons has any disciplinary information.

Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Royal Alliance, a securities broker-dealer, and a member of the FINRA. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Registrations with Other Investment Advisers

Persons associated with our firm may also be *separately* registered as investment adviser representatives with Royal Alliance in its capacity as a registered investment adviser. In this capacity, these individuals will provide investment advice to clients of Royal Alliance and will receive *separate* fee-based compensation.

Insurance Licenses

Persons providing investment advice on behalf of our firm are also licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Certain of the insurance products may be offered and sold in conjunction with Regal Services Insurance Agency, a California licensed insurance agency owned by Lisa Lyons, Principal. Eric Scheinbaum, an Investment Adviser Representative of our firm, also offers insurance services through an independent sole proprietorship. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

In addition, our Principals and Associated Persons, in their respective individual capacities, may provide, on a fully disclosed basis, tax preparation services. In some circumstances, we may compensate such individuals directly for tax preparation services offered to you as a client of our firm. Under no circumstances are advisory clients under any obligation to purchase such services from our firm, our Principals and/or Associated Persons.

Recommendation of Other Advisers

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the TPA. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Description of Code of Ethics

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or perspective clients may contact us at the telephone number on the cover page of this brochure to request a copy of our Code of Ethics.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities. We have also adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or be in conflict with client interests, as discussed above in this section.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Brokerage Practices

Unless the client directs otherwise, we will recommend that investment management accounts be maintained at either *SEI*, or Pershing, a division of Donaldson, Lufkin, and Jenrette ("*Pershing*") (if the broker-dealer is *Royal*). Prior to Registrant providing investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate agreement with *SEI* and/or *Royal/Pershing*.

Factors which we consider in recommending a particular broker-dealer/custodian to clients include the broker-dealer/custodian's financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by a particular broker-dealer/custodian may be higher or lower than those charged by other broker-dealers. In return for effecting securities transactions through a particular broker-dealer/custodian, Registrant *may* receive certain investment research products and/or services which assist Registrant in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. The brokerage commissions and/or transaction fees charged by a particular broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. Although the commissions paid by Registrant's clients shall comply with Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that *may* be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Execution of Brokerage Transactions (when applicable). If requested, Registrant will arrange for the execution of securities brokerage transactions for the account through broker-dealers that Registrant reasonably believes will provide "best execution." In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Consistent with obtaining best execution, transactions for a client's account may be effected through broker-

dealers in return for research products and/or services which assist Registrant in its investment decision making process. Such research generally will be used to service all of Registrant's clients, but brokerage commissions paid by client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where Registrant determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Directed Brokerage. The client may direct Registrant to use a particular broker-dealer (subject to Registrant's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that transactions for client accounts are effected through a broker-dealer that refers investment management clients to Registrant, the potential for conflict of interest may arise.

Initial Public Offering (IPO) Policy. On occasion, Registrant, through its clearing/custodial firm relationships, may have limited access to IPO shares. Except with respect to the limited exception noted below, Registrant does not purchase and/or recommend for purchase IPOs for its individual client accounts. The exception to the above policy is for those individual clients of Registrant who, on a completely unsolicited basis, contact we to request that Registrant purchase a specific IPO for his/her/their/its account, to the extent same has been made available to Registrant. In the event of any such unsolicited request(s), Registrant, after first determining that the client(s) is *qualified* for such specific IPO (i.e., suitable for the client(s) relative to the client's(s') investment objective(s), financial situation(s) and current asset allocation(s)), *may* (to the extent possible under the circumstances) purchase such IPO on a pro-rata basis with other unsolicited client requests. To the extent possible and applicable under the circumstances, Registrant will allocate unsolicited individual client IPO share purchases among *qualified* individual clients on a rotational basis. To the extent possible and applicable under the circumstances, we will use reasonable efforts to allocate available IPO shares on a fair and equitable basis in accordance with the terms and conditions of the aforementioned policy.

Class Action Lawsuits. From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Registrant has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Registrant receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate if the client has authorized contact in this manner.

Financial Planning, Consulting and Investment Management

Associated Persons of our firm are separately registered as securities representatives of Royal Alliance Associates, Inc. ("Royal Alliance"), a FINRA member broker-dealer. In general, we will recommend the use of Royal Alliance and these individuals to clients for implementation of financial planning and consulting recommendations, provided that this recommendation is consistent with our fiduciary duty to you. Any commissions or other compensation received from the implementation of financial planning recommendations is separate and distinct from our advisory fee. It may be the case that Royal Alliance charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed though Royal Alliance, these individuals (in their separate capacities as registered representatives of Royal Alliance) may earn commission-based compensation as a result of placing the recommended securities transactions through Royal Alliance. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions. You may utilize the broker-dealer of your choice and have no obligation to purchase

or sell securities through such broker as, we recommend. However, if you do not use Royal Alliance, we may not be able to accept your account. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through these individuals, in their separate capacities as registered representatives or insurance agents/brokers.

In directing the use of Royal Alliance it should be understood that we will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to you and those charged to other clients (who may direct the use of another broker dealer). You should note, while we has a reasonable belief that Royal Alliance is able to obtain best execution and competitive prices, we will not be independently seeking best execution price capability through other broker dealers. Not all advisers require clients to direct the firm to use a particular broker dealer. When referring clients to broker dealers, we will only refer clients to broker dealers registered in states where the clients reside.

Independent Managers

You should refer to the disclosure document(s) of recommended advisers for information on the brokerage recommendations and practices of those entities. We will not recommend broker dealers for money manager search and monitoring client accounts.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees.

Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Review of Accounts

For those clients to whom we provide investment supervisory services, account reviews are conducted on an ongoing basis by Lisa Lyons, Principal, and/or another Associated Person of our firm. All investment supervisory and financial planning clients are advised that it remains their responsibility to advise us of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to comprehensively review financial planning issues, investment objectives and account performance with our firm on an annual basis, as applicable.

Wealth Management Platform: As needed, but no less than annually, we reviews Program Accounts and contacts Clients. Registrant will then update each Client's financial status, goals and objectives as necessary.

SMU and UMA Account Program: As needed, but no less than annually, Registrant reviews WMAP Accounts and contacts Clients. Registrant will then update each Client's financial status, goals and objectives as necessary.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts

Client Referrals and Other Compensation

We do not directly or indirectly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

Persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Royal Alliance, a securities broker-dealer. Refer to the *Fees and Compensation* section above for additional disclosures on this topic.

Beyond the disclosures provided in this brochure, we do not receive any compensation from any third party in connection with providing investment advice to you.

Custody

We do not take custody of your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. We may have the authority to deduct our advisory fees from your account, but only if you previously consented to such deduction in writing.

As paying agent for our firm, your independent custodian may directly debit your account(s) for the payment of our advisory fees, but only if you previously consented to such deduction in writing. This authority to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement. You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advise provided by our firm on a non-discretionary basis.

Voting Client Securities

We do not vote client proxies. Therefore, although we may provide investment advisory services relative to client investment assets, our clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Our firm and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy notice to you on an annual basis. Please contact us at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In limited circumstances, we may make an error in submitting a trade on your behalf. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a loss, we will reimburse you or otherwise ensure that your account is made whole.