Triad Advisors, Inc.

SEC File No. 801- 55518

5185 Peachtree Parkway, Norcross GA 30092

770-840-6042

http://www.triad-advisors.com

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This Brochure provides information about the qualifications and business practices of Triad Advisors, Inc., ["ADVISER"]. If you have any questions about the contents of this Brochure, please contact us at www.triad-advisors.com or 770-840-6042. 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.

Triad Advisors, Inc. is a dually registered investment adviser and broker/dealer. 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 Triad Advisors, Inc. is also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

On July 28, 2010, the United States Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" under the Investment Advisers Act of 1940 ("Advisers Act") which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31st, 2011 is a new document prepared according to the new requirements.

Currently, our Brochure may be requested by contacting your Investment Advisor Representative.

Additional information about Triad 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 Triad who are registered, or are required to be registered, as investment adviser representatives of Triad Advisors, Inc.

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Advisory Business

About the Firm.
Triad Advisors, Inc. ("Triad") is a U.S. Securities and Exchange Commission ("SEC") registered investment adviser and broker-dealer. Triad Advisors, Inc. was established in 1998.

Ladenburg Thalmann Financial Services Inc. ("LTFS") owns 100% of Triad. LTFS is listed on the NYSE Amex exchange under the symbol LTS. Dr. Phillip Frost and related entities, Gamma Trust and Nevada Trust are beneficial owners of over 25% of LTFS.

Types of Triad Advisory Services

Third- Party Program Consulting Services.
Clients inform their Triad Investment Adviser Representatives (IAR) of the investment objectives, risk tolerance, and investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets they designate for investment through advisory Programs. Based on the information provided, the IAR assists the client in selecting one or more third-party advisory programs. Certain programs are sponsored by Ladenburg Thalmann Asset Management ("LTAM"), a company affiliated with Triad, or by unaffiliated managers. Triad has a conflict of interest in recommending programs sponsored by LTAM because Triad and its affiliates earn more total compensation than if the client selects an unaffiliated program. Investment Adviser Representatives may receive different compensation in connection with different programs, regardless of whether the program is sponsored by LTAM. Thus, the IARs have an incentive to recommend certain programs over others. Triad addresses these conflicts of interest through its policies and procedures that among other things, require IARs to make suitable recommendations.

Triad may provide additional consulting services in connection with particular programs. The consulting services that the Triad IAR provides in connection with a particular program are set forth in the agreement that the client signs with Triad. These services may include assistance with the selection of portfolio managers, the selection of investment strategies, and the allocation of assets among managers or strategies. Triad will not have trading discretion over any client assets in these programs; however other managers may have discretion over client assets invested in the program. The client will receive a disclosure brochure describing each program selected. The client may also receive a disclosure brochure describing each portfolio manager selected. Clients should read these programs carefully before deciding whether to invest through a particular program or select a particular portfolio manager.

Triad currently recommends the following third-party programs to its clients. Other programs may be added to this list at Triad's discretion. Similarly, Triad may remove a program from this list at any time.

I. SEI Investments Management Corporation

II. Curian Capital

III. Matson Money / Matrix

IV. Brinker Capital

V. Ladenburg Thalmann Asset Management ("LTAM") - ICS and the LAMP Program

VI. Fundquest

Financial Planning and Related Consulting Services.

Triad offers financial planning services to clients encompassing, but not limited to, the following:

i. Personal Financial Planning

ii. Insurance and Estate Planning

iii. Capital Need Analysis

iv. Tax & Cash Flow

v. Retirement Planning

vi. Investment Analysis and Planning

vii. Education Planning

viii. Performance Reports

Financial planning information will be obtained through personal interviews with clients concerning your current financial status, future goals and attitudes towards risk. Data gathered and related documents supplied by you are carefully reviewed, and a written report is issued.

Clients are under no obligation to act on our recommendation. If you elect to act on any or all of the recommendations, you are under no obligation to effect the transactions through an associated person of Triad Advisors, Inc, a registered broker-dealer. If you choose to use Triad or an affiliate to implement any recommendations from the financial plan, those activities are separate and distinct from the financial planning services provided by Triad under a planning services agreement.

Plan Sponsor and Plan Participant Services.

Triad provides investment consulting services to retirement plans for the benefit of its participants and their beneficiaries (collectively the "Participants"). These services are provided in conjunction with other services provided to plans and Participants by LTAM. The services provided by Triad are set forth in the agreement with the plan sponsor and may include: coordination and participant enrollment; investment monitoring and review services; and individual participant services. The services provided by LTAM are also set forth in the plan sponsor agreement. For more details about these services, see the LTAM disclosure brochure.

Investment Adviser Representative Managed Account Services.

Triad IARs may also manage client accounts through various account structures available through the Triad Platform. Most accounts are managed on a non-discretionary basis, meaning that the client must consent to each trade in the account. However, certain clients may grant the IAR trading discretion over their accounts. This trading discretion and any limitations on it will be set forth in the client's agreement with Triad. The services that the IAR and Triad provide to clients are the same regardless of the account structure selected. In each account structure, the IAR may manage and provide advice on mutual funds,

stocks, bonds, ETFs, LPs, and options. All of the account structures give IARs the ability to customize asset allocation, investment selection, and investment strategies to meet the clients' individual financial situation and investment goals.

Although the services provided are generally the same under each structure, the pricing of each one is structured differently. The available account structures include several wrap programs under which the client pays a single fee that covers the IAR's advice and the execution of transactions through Triad as broker-dealer. These programs are described in one or more wrap fee brochures, which are available upon request. Triad also offers the Crown, Apex and Summit accounts. Under other account structures, clients pay an advisory fee to Triad plus additional charges in connection with each transaction. Triad typically manages accounts in the wrap programs differently than the accounts that pay transaction fees because of the different nature of the services provided.

Several factors may influence the selection of the account structure, including but not limited to:

i. the client's preference for a "wrap" vs. transaction charges per trade on certain or all securities
ii. account size
iii. anticipated trading frequency
iv. anticipated securities to be traded
v. management style
vi. long term investment goals

The IAR's services are tailored to the individual needs of each client. The IAR assists the client in connection with establishing and monitoring of client investment objectives, risk tolerance, asset allocation goals and time horizon. Clients have the opportunity to place reasonable restrictions or constraints on the way their accounts are managed; however, such restrictions may cause the IAR to deviate from a strategy or recommendations that the IAR would have made if such restrictions or constraints were not in place. Thus, the account's performance may be lower than it otherwise would have been.

The services that Triad provides under some or all of these investment options may be available from other providers for lesser fees. In addition, you may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of our investment programs without incurring fees through our program.

Assets Managed.
Triad manages $504,200,000 of assets on a non-discretionary basis as of 1/26/2011.

Fees and Compensation

Triad is compensated for its advisory services as set forth below. All fees are subject to negotiation. The specific manner in which fees are charged by Triad is established for a client in the client's written investment advisory agreement with Triad or the third party program sponsor, as applicable.

Third-Party Program Consulting Services.

The fees that clients pay in connection with the third-party programs are set forth in the program agreement that clients sign. For more information about these fees, see the applicable program brochure.

Triad either receives a portion of the fee collected by the third-party program sponsor or it charges a separate fee for its consulting services. The fee is charged and paid as described in the program brochure. The IAR on the account receives all or substantially all of the fee received by Triad.

Plan Sponsor and Plan Participant Services.

In exchange for the services provided to plan sponsors and participants, LTAM will charge an annual fee of up to 0.65% based on the value of the Plan assets. The fee is paid at the end of each month or each quarter in arrears. Plan Sponsors may terminate their agreements at any time upon thirty days' written notice. If the Plan Sponsor services are terminated during any period except on the last business day of a quarterly period, the fee will be assessed pro rata based on the number of days that services were provided. If the fee is to be paid out of Plan assets, the Plan Sponsor generally authorizes the Plan record keeper to calculate and instruct the custodian to deduct the fee from the Plan assets and pay it to LTAM; otherwise LTAM will send the Plan Sponsor an invoice and payment of which is generally due in full within ten business days. LTAM pays a portion of the fee it receives to Triad for the services Triad provides. Triad will pay all or significantly all of the fee it receives to the IAR providing the services.

The fees paid for plan sponsor and participant services described above cover only the services provided by LTAM, Triad and the Triad IAR under the agreement with the Plan Sponsor. The Plan Sponsor and/or participants will also pay separate fees for custody, third party administrative services, and for trustee or other third party services. In addition, each mutual fund or exchange-traded fund ("ETF") in which a client may invest also bears its own investment advisory fees and other expenses. Fund transactions may also be subject to applicable commissions and/or transaction charged by the platform chosen by the Plan Sponsors.

The value of the assets will be based on information provided by the third party administrator of the plan or the plan's custodian. LTAM does not independently verify this information nor does LTAM guarantee the accuracy or validity of such information. The third party administrator will generally calculate the fee owed to LTAM and debit the applicable plan accounts.

Financial Planning and Related Consulting Services.

For a full written financial plan, the fee charged will be agreed upon between the Investment Advisor Representative and the client, which will be quoted prior to the contract being executed. The fee for this service will be determined according to the complexity of the plan as well as the extent of services desired. Fees may be negotiable and will be set forth in the client's contract. Fees may also be charged on an hourly rate and agreed upon between the Investment Advisor Representative and the client.

Fees are paid upon completion of the plan unless agreed upon differently between the Investment Advisor Representative and the client. The contract may be terminated by either party upon 30 days written notice. We will, upon your written request, refund fees prorated to the amount of work completed. Clients who terminate the contract within 5 business days of signing the contract shall be provided a full refund. Fees

that are paid in advance will be prorated to the date of termination, and any unearned portion will be refunded back to you.

The Fee covers only the financial planning and consulting services provided by Triad under the contract. In addition, clients who chose to implement the recommendations will incur certain fees and charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers.

Each mutual fund, ETF or private fund in which a client may invest also bears its own investment advisory fees and other expenses. Fund transactions are also subject to applicable commissions, transaction charges or other fees.

If the client chooses to implement any portion of the recommendations through Triad or an affiliate, Triad and its affiliates will receive additional compensation. For example, if the client decides to implement a portion of the recommendations through Triad wrap fee program, the client will pay program fees to Triad in connection with program as part of the total program fee that is negotiated with the Triad IAR who will generally receive a portion of advisory fees for services rendered under the program.

Similarly, if the client decides to implement a portion of the recommendations through a brokerage account at Triad, the client will pay commissions and fees to Triad. The fee that a client pays to Triad for consulting services will not be reduced if fees are paid to Triad, or its affiliates for other services. Triad may receive distribution or service ("trail") fees from the sale of certain mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus.

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. An affiliate of Triad may act as an underwriter or manager for such offerings, and as such, will receive compensation equal to either all or a portion of "gross spread" (the difference between the price the client pays for the security and the price at which it purchased the securities). Triad may also receive a portion of the gross spread as a member of the selling syndicate. The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

Most Triad IARs are also registered broker-dealer representatives of Triad. Triad may share a portion of payments received from a mutual fund or in connection with an initial public offering, a secondary offering, and/or a private placement with these IARs. These financial consultants may also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of funds. Therefore, the IAR has an incentive to recommend implementing the recommendations made through the consulting services through Triad. This conflict of interest is heightened when the IAR recommends securities where Triad is a member of the selling syndicate because the IAR typically receives more compensation in connection with these securities than in connection with other types of securities. The IAR may also have a heightened conflict of interest when recommending funds that pay compensation, because the IAR may receive a portion of that compensation.

Clients have the option to purchase investment products that Triad recommends through other investment advisers, brokers or agents that are not affiliated with Triad. In addition, Triad has policies and procedures in place to monitor whether any program in which client investments or any security (or other investment purchased through Triad) is suitable for the client.

Investment Adviser Representative Managed Account Services.

Generally, fees for investment supervisory accounts are based on a percentage of the market value of assets under management including cash. The Management Fee compensates our Investment Adviser Representative or your Registered Investment Adviser for the asset management services, investment advice and recommendations provided. The value of the assets will be based on information provided by the custodian of the assets, the client or other third party, as applicable. Triad is entitled to rely on the financial and other information that the client, any custodian, or any other third party provides to Triad. Triad does not independently verify this information nor does Triad guarantee the accuracy or validity of such information. Clients generally instruct the custodian to take instructions from Triad to debit the fee from one of client's accounts.

Crown Account.

The Crown Account has no minimum account size and advisory fees are negotiable. The basic asset based fee schedule for the Crown Account is as follows:

Portfolio Value	Annual Fee
0 — $150,000	2.5%
$150,001 — $500,000	2.15%
$500,000 +	1.75%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions that clients may pay at other broker-dealers. All transactions are subject to postage and handling fees. Equity, ETF, and bond transaction charges are based on a combination of a flat rate plus a percentage of the aggregate amount of the trade. The current Crown transaction schedule is detailed in the Crown Advisory Agreement.

Apex Account.

The Apex Account has no minimum account size and advisory fees are negotiable. Advisory fees may be slightly higher as compared to a Crown account of similar size and complexity.

The basic asset based fee schedule for the Apex Account is as follows:

Portfolio Value	Annual Fee
0 — $250,000	2.75%
$250,001 — $750,000	2.25%
$750,001 — $2,000,000	1.75%
$2,000,001 +	1.50%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions you may pay at other broker-dealers. All transactions are subject to postage and handling fees. Transaction charges are lower than those charged to Crown Accounts. The current Apex transaction schedule is detailed in the Apex Advisory Agreement.

Summit Account.

The Summit Account has a negotiable $50,000 minimum account size and advisory fees are negotiable. Advisory fees may be slightly higher as compared to a Crown or Apex account of similar size and complexity. This account is potentially suitable for accounts that meet the minimum, in which the Investment Adviser Representative anticipates primarily investing in mutual funds, and/or for clients that do not wish to pay transaction charges for mutual fund trades.

The basic asset based fee schedule for the Summit Account is as follows:

Portfolio Value	Annual Fee
50,000 — $250,000	2.75%
$250,001 — $500,000	2.25%
$500,001 — $1,000,000	1.75%
$1,000,001 +	1.50%

In addition to the advisory fee, accounts may be assessed transaction charges for trades other than mutual fund trades. The IAR may buy or sell mutual funds without transaction charges for those trades. When appropriate, the IAR may recommend the purchase or sale of non-mutual fund securities. The account will be charged transaction charges in connection with these trades. These transaction charges may be higher or lower than transaction charges or commissions you may pay at other broker-dealers. The current Summit transaction schedule is detailed in the Summit Advisory Agreement.

All Accounts.

The transaction charges have been established to compensate our firm for its services and reimburse us for expenses in executing transactions in the accounts. The advisory fees are typically higher for accounts that pay lower transaction charges because the combination of charges compensates Triad for the combination of services it provides in the program. The transaction charges are negotiated with our custodian and may be higher than transaction charges or commissions that you might pay if the transactions were executed at another broker-dealer. Triad and the custodian each receive a portion of the

transaction fees paid by clients. Although transaction charges may be identified as "commissions" on trade confirmations, the Investment Adviser Representative does not receive any portion of these charges.

The advisory fees and transaction charges do not cover charges imposed by third-parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds. In addition, each mutual fund or third party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm. Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. The Management Fee also does not cover fees and charges in connection with:

- debit balances
- margin interest
- odd-lot differentials
- IRA fees
- transfer taxes
- exchange fees
- wire transfers
- extensions
- non-sufficient funds
- mailgrams
- legal transfers
- bank wires
- postage
- costs associated with exchanging foreign currencies
- SEC fees or other fees or taxes required by law

For the majority of accounts, fees are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the advisory agreement and not billed separately to you. Clients have the option of choosing monthly or quarterly billing for the majority of accounts; this election will be made on the applicable fee agreement. Refund of fees that are paid in advance will be prorated to the date of termination, and any unearned portion will be refunded back to you.

Our Investment Adviser Representatives may trade on margin for client's accounts, which could result in a high portfolio turnover ratio and higher transaction charges in accounts with such charges. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

Triad may receive distribution or service ("trail") fees from the sale of certain mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. In addition, Triad receives compensation in connection with cash held in the account. In addition to the advisory fee, Triad receives additional compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, Triad receives compensation based on the value of assets in these funds as broker-dealer. Thus, Triad has an incentive to recommend that client select a money market fund as a sweep vehicle that pays more compensation to Triad than other funds.

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. An affiliate of Triad may act as an underwriter or manager for such offerings, and as such, will receive compensation equal to either all or a portion of the "gross spread" (the difference between the price the client pays for the security and the price at which it

purchased the securities). Triad may also receive a portion of the gross spread as a member of the selling syndicate. The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

Most Triad Investment Adviser Representatives are also registered broker-dealer representatives of Triad. Triad may share a portion of payments received from a mutual fund or in connection with an initial public offering, a secondary offering, and/or a private placement with these Triad advisor representatives. These financial consultants may also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of funds. Triad IARs also receive a portion of the compensation that Triad receives as a member of a selling syndicate. Thus, Triad IARs have an incentive to recommend certain mutual funds and to recommend purchases of sales in certain offerings because the IAR will receive more compensation in connection with these securities than in connection with other types of securities.

Performance-Based Fees and Side-By-Side Management

Our firm does not currently charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Types of Clients

Our firm provides portfolio management services mostly to individuals and high net worth individuals. However, we also provide advisory services for trusts, estates, corporate pension and profit-sharing plans, charitable institutions, foundations and endowments. Triad generally does not impose any requirements for opening or maintaining an account, such as a minimum account size. However, certain third-party programs and/or portfolio managers may have minimum account size requirements, as set forth in the applicable disclosure brochure.

Methods of Analysis, Investment Strategies and Risk of Loss

Please be aware that 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. 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.

Third-Party Program Consulting Services.

Factors Triad considers in selecting and monitoring third-party programs performance may include comparing the performance of accounts in the programs relative to certain market indices or asset allocation objectives, other money managers, strategies, and or programs. Other factors include allocation and or manager risk analysis, comparison of expenses, and other qualitative factors and analyses. For information about material risks related to the program or specific portfolio managers in the programs, see the appropriate disclosure brochure.

Plan Sponsor and Plan Participant Services.
Triad relies on information provided by the Plan Sponsor, record keeper and LTAM in providing services to the Plan Sponsor and Plan Participants. The materials risks involved depend on the investment selected by each Participant.

Financial Planning and Related Consulting Services.
Triad Investment Adviser Representatives will provide financial planning services primarily from financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. In order to determine a suitable course of action for an individual client, we shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, liquidity constraints and other factors unique to the client's particular circumstances. Pursuant to a written financial planning agreement we will review and analyze the information you provide to our firm and the data derived from our financial planning software. We will then deliver a written plan designed to help you achieve your stated financial goals and objectives.

Recommendations developed by your IAR are based upon their professional judgment; however, we cannot guarantee the results of any of their recommendations. Results may use simplifying assumptions that do not completely or accurately reflect your specific circumstances. No financial plan or report has the ability to accurately predict the future. As investment returns, inflation, taxes, and other economic conditions vary from assumptions, your actual results will vary (perhaps significantly) from those presented.

Investment Adviser Representative Managed Account Services.
Investment Adviser Representatives have access to third party vendors that provide programs or software to analyze individual securities. We also offer IARs access to third party vendors that provide support services in portfolio design and strategy implementation. Examples of third party sources used to assist in managing assets are S&P Research, LAMP Analytics, Bloomberg, Morningstar Workstation, Thomson Reuters, various ETF & fund screeners, economic news services, statistical ratings organizations and asset allocation software included in various outside manager proposal systems. Investment Adviser Representatives may use these tools along with investor profile or questionnaires to recommend a program that will assist a client to achieve their objectives and risk tolerances.

Triad Investment Adviser Representatives also use various methods of analysis which may include charting, fundamental, technical, or cyclical. The main sources of information that the applicant may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filing with the SEC and company press releases. The investment strategies used to manage accounts may include long term purchases, short term purchases, selling securities within 30 days, short sales, margin transactions, and options trading.

Options Risks.

An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it

expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable. Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of an European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the 'Characteristics and Risks of Standardized Options' brochure, which can be found at www.optionsclearing.com.

Margin Risk.
Leverage increases a portfolio's risk as price swings are amplified in a margin account and clients can lose more funds than deposited if value of securities decline.

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 the adviser or the integrity of their management. The following pertains to our company:

The State of Florida entered into a Cease and Desist Order with Triad (#3517-5-08/02) on 10/7/2002. Due to a clerical error, Triad failed to register its branches prior to conducting business with the State of Florida. Triad paid the fine of $5,000.

FINRA filed a complaint against Triad on 03/22/07 (Case #2006003971501). From 1/1/06 – 3/31/06, Triad failed to report 62 of 100 corporate bond trades within the time period prescribed by FINRA Rule 6230 and in violation of FINRA Rules 2110 and 3010. During the same period, Triad failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Rule 6230 and in violation of Rules 2110 and 3010. Triad paid the fine of $10,000.

Other Financial Industry Activities and Affiliations

In addition to being a registered investment adviser, Triad is a registered full service broker-dealer. Triad is a wholly owned subsidiary of Ladenburg Thalmann Financial Services Inc. (LTFS). Both Ladenburg Thalmann Asset Management (LTAM) and Investacorp Advisory Services are SEC registered investment advisers and also are wholly owned subsidiaries of LTFS. We are also affiliated with Ladenburg Thalmann & Co. Inc. (LTCO) and Investacorp, Inc., which are registered full service broker-dealers.

LTAM owns 50% of Ladenburg Thalmann Fund Management, LLC, (LTFM), which is a registered investment adviser. LTFM is an adviser to an open-end registered investment company, the Boyar Value Fund, Inc. This fund is an open-end diversified management investment company. LTCO is the

distributor of the fund. IAS advisor representatives may recommend that clients invest in the Boyar Value Fund or in the LTAM Alternative Strategies Fund, for which LTAM acts as investment adviser and LTCO acts as distributor. These recommendations create a conflict of interest because LTAM and LTCO generally receive more compensation in connection with the purchase of these funds than they do in connection with the purchase of other funds. In addition, these funds pay fees in connection with services or distribution, such as 12b-1 fees. These fees are paid to Triad as broker-dealer. Triad advisory representatives may receive part of the compensation paid to Triad in the advisor representative's capacity as a registered representative of Triad to the extent permitted by applicable law. Triad has policies and procedures to address such conflicts of interest.

Triad Investment Adviser Representatives may recommend Premier Trust to provide trust and administrative services. Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

Triad may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. Triad has a conflict of interest in recommending these securities for several reasons. First, LTCO receives all or a portion of the gross spread – the difference between the price that the client pays for the security and the price that LTCO purchases the security for -- in connection with such sales. This gross spread is generally 7%, but may be higher or lower in connection with certain offering. If Triad is a member of the selling group, it also receives a portion of the gross spread. Triad Investment Adviser Representatives generally receive a portion of this compensation as broker-dealer representatives of Triad. In addition, LTCO has a substantial interest—both financial and with respect to its reputation—in assuring that the offering is successful by having a large number of the securities purchased. Finally, in connection with certain offerings, LTCO has an obligation to purchase and resell a certain number of securities. Thus, because of its affiliation with LTCO, Triad has incentives to recommend these investments in these offerings for these reasons, rather than based on a client's needs. To address these conflicts, Triad has policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are suitable given the client's investment objectives and assets. In addition, clients are generally given a transaction specific disclosure prior to the client's decision to invest in such securities.

Certain Triad IARs are licensed to sell life and annuity insurance products through Triad Insurance, Inc, (a wholly owned subsidiary of Triad), and various other companies. Triad Insurance, Inc., as well as the appropriately licensed (IAR), will receive compensation for the sale of such products. Triad may recommend the purchase of insurance products in connection with financial planning and related consulting services. Clients are under no obligation to purchase insurance products through any particular insurance agency or representative.

Code of Ethics

Our firm has adopted a Code of Ethics for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our clients. All supervised persons at our firm must

acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended.

Our Code of Ethics Rules are designed to ensure that our personnel:

i. observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties;

ii. at all times place the interests of our clients first;

iii. disclose all actual or conflicts;

iv. adhere to the highest standards of loyalty, candor and care in all matters relating to our clients;

v. conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or conflict of interest or any abuse of their position of trust and responsibility; and

vi. not use any material non-public information in securities trading.

The Code of Ethics also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information. Under the general prohibitions of these rules, our personnel may not:

i. effect securities transactions while in the possession of material, non-public information;

ii. disclose such information to others;

iii. participate in fraudulent conduct involving securities held or to be acquired by any client; and

iv. engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of these rules.

Our personnel are required to conduct their personal investment activities in a manner that is not detrimental to our advisory clients. They are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where our (IAR) may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, officers of Triad, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from our firm upon request.

Our Investment Adviser Representatives may buy or sell for their own accounts, securities that are also held by their clients. Conversely, they may buy and sell securities for client accounts which they themselves may own. Such transactions are permitted if in compliance with our policy on personal securities transactions. Reports of personal transactions in securities by our Investment Adviser

Representatives are reviewed by our firm's Compliance department quarterly or more frequently if required.

Brokerage Practices

Third Party Program Consulting Services.
Triad does not recommend broker-dealers for client transactions in connection with third-party programs. Such recommendation is made by the program sponsor or the portfolio managers.

Financial Planning and Related Consulting Services.
As described in "Fees and Compensation" above, Triad may recommend that clients receiving consulting services and execute transactions through Triad as broker-dealer. If the client elects to execute transactions through Triad, the compensation paid by the client is negotiated separately as part of a separate brokerage relationship between the client and Triad.

Plan Sponsor and Plan Participant Services.
Triad does not recommend broker-dealers in connection with these services.

Investment Adviser Representative Managed Account Services.
Triad acts as broker-dealer for accounts in these programs. Thus, by recommending one of these programs, the IAR is recommending Triad as broker-dealer. The transaction charges paid in connection with these programs may be more or less than the client would pay for transactions through other broker-dealers. However, these transaction charges are determined taking into account the advisory services provided by Triad.

We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be "batched" for ease of execution. Since there may be several prices at which the securities transactions are executed and the orders were entered as one order for all accounts. It is our practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account.

Triad receives no products, research, or services (i.e. soft dollars) that it would consider a factor in utilizing a particular broker-dealer. However, as a broker-dealer, Triad receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical database information and computer software that assist Triad's investment management process, from our only custodian, National Financial Services (NFS).

In addition, as broker-dealer, Triad may execute fixed income trades through Advisors Asset Management. A Triad broker-dealer representative may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. Triad does not receive referrals, products, research or services (i.e. soft dollars) in connection with this relationship. However, as a broker-dealer, Triad receives payments from Advisors

Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Review of Accounts

Client accounts are reviewed at least annually, or more frequently as agreed. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Reviews also consist of covering account holdings, transactions, charges, & performance as provided on such statements and other account reports. Clients who also receive financial planning advice are reviewed on the same schedule. Reviews cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by the client. In either type of review, accounts will also be reviewed upon notice of changes in a client's circumstances.

Accounts are primarily reviewed by the Investment Adviser Representative. In addition, Triad's compliance program includes the periodic review of a sample of customer accounts for consistency with a client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Our compliance department consists of four employees who assist in these reviews. There is no minimum number of accounts assigned for the reviewer.

Clients are provided with monthly or quarterly account statements from the qualified custodian, depending on the activity in the account. Reports include details of client holdings, asset allocation, and other transaction information. Also see "Custody" for additional information on custodian and account statements.

Triad or the IAR may provide you with additional account review reports. Comparisons to market indices and account performance may be used to evaluate account performance in connection with these review reports.

Information in these account review reports may be provided by clients or third parties. Triad does not independently verify information provided by a custodian, client or other third party, nor does Triad guarantee the accuracy or validity of such information. Triad is not liable in connection with its use of any information provided by a client, a custodian, or other third-party in the account review reports.

Client Referrals and Other Compensation

Triad may receive solicitors' (referral) fees based on a written agreement from unrelated investment adviser firms for referring clients for financial planning and/or investment advisory services. A disclosure letter will be provided to the client prior to or at the time of entering into any solicitation arrangement for financial planning and/or investment advisory services that identifies the solicitation fee. The solicitor's fee does not increase the fees paid by the client. In addition, fixed income transactions

executed through some third-party managers are generally charged a mark-up or mark-down and a percentage of this charge is shared with our firm.

Triad may enter into agreements with third parties that will solicit clients for Triad and receive compensation for solicitation efforts. In such instances, the third party solicitor will receive either a percentage of, or a set fee from, the fee charged to the client. If a solicitor is used in connection with a client's account, the structure and arrangement of the solicitation agreement, as well as the compensation paid to the solicitor, will be fully disclosed to the client, which disclosure will be acknowledged in writing by the client when participating in a Triad program. The fee charged to a client is not affected by the use of a third-party solicitor in connection with client accounts, and a client will not be charged any additional fees for the use of such services.

As set forth in "Fees and Compensation" above, Triad and the IARs in their capacity as registered representatives of Triad, may receive compensation from third parties in connection with trades executed for or investments held in advisory accounts.

Custody

You will receive at least quarterly statements from a qualified custodian that holds and maintains your assets. Triad does not take physical custody of your funds or securities. Clients who also receive account review reports from their Investment Adviser Representatives are strongly encouraged to compare them to the account statements they receive from the qualified custodian. The account statements received from the qualified custodian are the official statement of your accounts. Any account information provided by Triad Advisors, Inc. or your IAR is for informational purposes only.

Investment Discretion

Investment Adviser Representatives ordinarily provide advisory services on a non-discretionary basis. However, IARs providing "Investment Adviser Representative Managed Account Services," may have trading discretion over certain client accounts. Clients grant this discretion in their advisory agreements with Triad. This discretion is generally limited to trading in an account and does not generally include the ability to move assets out of an account. Any other limitations on the discretion will also be set forth in the agreement.

Voting Client Securities

As a matter of firm policy and practice, our firm 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 their accounts.

Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about their financial condition. Our firm 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. Triad does not require prepayment of advisory fees six months or more in advance.

Privacy Policy

To provide to you and your financial advisor the services you look to us for, and to comply with federal and state laws and regulations, we must obtain, maintain, protect and disclose your non-public personal information. In doing so, we recognize the importance of protecting your privacy. We have therefore adopted this privacy policy to guide us in handling your non-public personal information. We publish this Policy to advise you of how we handle your non-public personal information and inform you of your rights to request additional privacy. We will notify you of our Privacy policies when you open an account and each year while you are our customer.

How we collect your non-public personal information:

We collect non-public personal information about you in the following ways:

- You provide information to our Registered Representatives and employees verbally, electronically, in writing and in applications and other forms that you complete in opening and maintaining accounts and other relationships with us;
- We receive information from Registered Investment Adviser firms with which our Registered Representatives are affiliated;
- We receive information from Banks, Credit Unions and other Financial institution with which we have networking arrangements;
- We receive information from those who assist us in servicing your business, such as our Clearing Broker and account aggregation providers; and
- We receive information from consumer reporting agencies.

What information we collect:

The types of information that we collect and consider non-public personal information include:

- Your name, addresses, date of birth, contact information and identification numbers such as your Social Security or Taxpayer Identification number;
- Information about your financial affairs, including but not limited to your transactions and accounts with us;
- Information about transactions you conduct with us and with others who share information with us.
- Information about your taxes; and

- Personal, family and health information

Why and to whom to disclose your non-public personal information:

- We may disclose any of your non-public personal information for the following purposes and to the following people, companies and agencies.

- To administer, manage and service your accounts and transactions and provide related services, it is necessary for us to provide your non-public personal information to various people and companies with which we work in these endeavors. This includes our clearing brokers, companies from which we obtain products and services for you and account aggregators who assist us in understanding your entire financial circumstances.

- We also share your non-public personal information with Registered Investment Advisers with which your Registered Representative is affiliated and with your bank, credit union or other financial institutions with which we have networking arrangements. We do that for the purpose of offering additional products and services to you as well as to effect, administer, service and enforce your requested transactions and maintain and service your accounts.

- We are required to give access to your non-public personal information to government agencies and self-regulatory agencies who have the legal right to inspect all of our books and record and to our outside auditors.

- We disclose your non-public personal information as otherwise allowed by law.

If you choose to leave Triad:

If you decide to close your account(s) or become an inactive customer, Triad will adhere to the privacy policies and practices as described in this notice.

If your Advisor leaves Triad:

We believe a fundamental relationship exists between you and your financial advisor, whom we assist and support in providing financial services to you. Thus, if your financial advisor determines to leave Triad and become a Registered Representative of another Securities Broker/Dealer or Registered Investment Advisor, we will and will allow your financial advisor to disclose to your financial advisor's newly chosen Broker/Dealer or Registered Investment Advisor in order to facilitate a smooth transition of your financial affairs, the following information:

- Client Name
- Client Address
- Any other material public information

How you can further limit disclosure:

If you prefer that we not disclose your non-public personal information to persons or companies that are not Triad affiliates, you may opt out of those disclosures, except as to disclosures that are required or permitted by law. If you wish to opt out of any such disclosures of your non-public personal information, you may do so by completing the accompanying Non-public Personal Information Opt Form and returning it to us as instructed on the Form.

Please be aware however, that we may not be able to service your needs as effectively if you opt out of information sharing. Depending on specific circumstances, we may need to close your account or cease performing certain services or cease effecting certain transactions for you if you do not allow us to share information with persons or companies whose assistance is critical. Triad Registered Representative or Investment Advisor Representative can discuss these matters with you as they relate to your specific circumstances.