

**FORM ADV Part II Firm Brochure
Uniform Application for Investment Adviser Registration**

March 22, 2011

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This brochure provides information about the qualifications and business practices of Norris Financial Group®, LLC. If you have any questions about the contents of this brochure, please contact us at (864) 235-6408. 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 Norris Financial Group®, LLC is available on the SEC's website at www.adviserinfo.sec.gov

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2. Material Changes

The material changes that have taken place since the last Annual Update of the Brochure on March 31, 2010 are:

- R. Joshua Roach, CFP® obtained his Series 7 General Securities License and Series 63 Uniform Securities Agent State Law License. He is now recognized as an Investment Adviser Representative for Norris Financial Group®, LLC and a Registered Representative for Royal Alliance and Associates, Inc.
- Mary Kathryn Allen was hired at Norris Financial Group®, LLC as a non-registered Relationship Specialist.

3. Table of Contents

The Table of Contents can be found on the Cover Page of the Form ADV Part II Brochure

4. Advisory Business

- A. Norris Financial Group®, LLC is an independent Registered Investment Adviser with the SEC (registration does not imply a certain level of skill or training). We classify ourselves as a small financial services boutique with large firm capabilities and experience. We are focused on strong relationships and service, not product sales. We specialize in Investment Advisory Services and Financial Planning. The firm has been in business since 1999. Terry L. Norris, CLU, ChFC, CFP® is President and owner of the firm.
- B. Norris Financial Group®, LLC is referred to herein as “Applicant” or “Adviser.” Associated persons of Norris Financial Group®, LLC are referred to herein as “Advisory Representatives” or “associated persons.”

Adviser offers various investment advisory services to clients depending on the client’s needs. The advisory services are more fully explained below.

- **VISION2020 Advisor Program**

Adviser offers its clients the VISION2020 Advisor Program (the “Program”).

The Program provides comprehensive investment management of client assets. In addition, execution, clearing, and custodial services are provided through a relationship with the broker-dealer firm Royal Alliance. With respect to risk modeling, the Program utilizes Ibbotson and Associates to provide clients access to risk tolerance assessment.

The Program may be offered by Adviser on a discretionary or discretion limited to maintenance of the initial agreed upon asset allocation. In a discretionary account, the Independent Advisory Representative may purchase or sell load waived, no-load mutual funds and other equity and debt securities for Accounts, without obtaining specific client approval for each transaction. In an account with discretion limited to maintenance of the initial agreed upon asset allocation, the Independent Advisory Representative will only purchase or sell securities which have been approved by clients in advance. The Independent Advisory Representative will initiate an initial asset allocation with the client’s prior review and approval. However, the Independent Advisory

Representative may rebalance the account to maintain the initial agreed upon asset allocation, without prior client consent.

One of the methods of trading and rebalancing includes Block Trading. The Adviser utilizes block trading in order to trade across multiple discretionary accounts at the same time. This is accomplished by utilizing the broker dealer's house account, also known as an average price account. By trading through this account the Adviser attempts to trade the entire group of targeted accounts at the same time using the aggregate number of shares. After the order is executed, the system (Net-Exchange Pro) issues an average purchase/sell price and allocates the shares and purchase/sell price to the accounts on a Pro-Rata basis.

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

- **ModelFolios Program**

ModelFolios is a fee based advisory program that permits clients to pay an annual fee based upon a percentage of the value of the assets held in the account. There are no transaction charges attributable to the ModelFolios Program. The mutual funds involved are load waived or no-load mutual funds. The cost of purchasing and holding mutual fund shares through the ModelFolios Program may be more or less than investing in mutual fund shares in a traditional brokerage account, depending upon the amount of the advisory fees and the specific mutual funds selected for investment within the program.

Based upon the risk tolerance of each client, the Program utilizes a system that selects a specific allocation of funds within a portfolio of mutual funds and executes the strategy by investment in the specific funds identified and provides continuous monitoring and review of the accounts.

The mutual funds available for use within the Program consist primarily of either AIG Sun America Funds or certain selected Russell Investment Company Funds.

The AIG Sun America Funds are managed by AIG Sun America Asset Management Company (SAAMCo). AIG Sun America is an affiliate of Royal Alliance. If AIG Sun America Funds are selected, the assets within the client account will be invested by the Adviser or Independent Investment Adviser, with the assistance of SAAMCo, in a recommended model portfolio of in AIG Sun America Funds allocated in a manner suitable to the risk tolerance and investment objectives of the client. The portfolio of AIG Sun America Funds within the client account will be periodically rebalanced by the Adviser or Independent Investment Adviser, with assistance from SAAMCo, in accordance with the recommended model portfolio for the client account. There can be no assurance that any of the investment goals for the client 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.

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. Based on the risk tolerance and investment objectives of the client, the Russell Investment Management Company shall provide recommendations for a model portfolio of selected Russell Funds suitable for the investment of the assets within a client account. The Adviser or the Advisory Representative will be responsible for affecting the purchases for the client account of the Russell Funds recommended and selected for the model portfolio. The

portfolio of Russell Funds within the client account will be periodically rebalanced in accordance with the model portfolio recommendations provided by Russell Investment Management Company. There can be no assurance that any of the investment goals for the client 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.

Pursuant to the client agreements for the ModelFolios Program, the Adviser or Independent Investment Adviser, through their respective representatives and agents, are granted discretion to buy, exchange, redeem, hold or otherwise trade shares of the mutual funds that make up the portfolio of funds within the client accounts. All mutual funds comprising the portfolio of funds will be purchased at Net Asset Value without the imposition of any sales charges. In addition with respect to AIG Sun America Funds, the distribution or 12b-1 fees charged by the AIG Sun America Funds, if any, not credited back to the funds as well as any management fees charged by SAAMCO in connection with the AIG Sun America Funds comprising the portfolio of funds within the client account, will be deducted in calculating the advisory fee payable to the Adviser or Independent Investment Advisers with respect to the client account. No 12b-1 Fees are charged with respect to the Russell Funds available pursuant to the Program.

The Adviser or the Independent Investment Adviser through their representatives and agents, including SAAMCO with respect to AIG Sun America Funds and Russell Investment Management Company with respect to the Russell Funds, will review the client accounts and will engage in automatic rebalancing transactions whenever deemed suitable for the account in accordance with the investment objectives of the client.

All assets will be in the custody of Pershing LLC, a registered broker dealer. Pershing LLC will provide statements of account to each client including consolidated monthly statements, quarterly statements and year-end tax reports. Royal Alliance or the Independent Investment Adviser shall provide quarterly performance reports. Fees payable to the Adviser or Independent Investment Adviser and their representatives will be deducted from the accounts quarterly and reflected within the statements provided to the clients. Fees may be negotiable depending upon the amount of assets under management, the nature and extent of account relationships between the Adviser and its affiliates with the client, the type of services requested and other factors that the Adviser deems relevant to the advisory services relating to the Program.

The Program is sponsored by Royal Alliance Associates, Inc. As Program sponsor, Royal Alliance has created a Program Brochure which will be distributed to the Adviser's clients prior to or concurrent with their engagement in the Program. Clients should read it thoroughly before investing.

Clients selecting the ModelFolios Program are charged annual fees based upon the amount under management. Fees are negotiable and range from a maximum annual fee of 3.00% of the assets under management that may be collected by Royal Alliance and all its affiliates to a low of 0.80% which is the fee charged to clients with \$25,000,000 or more under management. Fee schedules are provided to each client as exhibits to each ModelFolios agreement.

- **Financial Planning, Investment Advisory, and Asset Allocation Services**

Adviser offers financial planning, investment advisory and asset allocations services. Adviser will gather financial information and history from client including, but not limited to, retirement and financial goals, investment objectives, investment horizon, financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information required by Adviser in order to provide the investment advisory services requested.

Based upon client's needs, Adviser will prepare a written financial plan, asset allocation and/or investment policy statement addressing client's needs, depending on the services requested by the client.

Investment advisory services are based on the client's financial situation at the time and are based on financial information disclosed by the client to Adviser. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future results. Adviser cannot offer any guarantees or promises that client's financial goals and objectives will be met. Further, client must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy. Should client's financial situation or investment goals or objectives change, clients must notify Adviser promptly of the changes. Clients are advised that advice or guidance on a client's insurance needs may be limited.

Client is advised that fees for investment advisory services are strictly for investment advisory services. Therefore, client may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Adviser offers advisory services on a fixed fee and/or hourly fee basis. Fees and fee structure depend on the services requested by the client and are negotiable with the client. Additionally, fees will be based on the complexity of the services requested by the client, and the amount of research required of Adviser to provide the requested analysis. Fees for advisory services are in accordance with the following fee schedules:

Planning fees and fees for an investment policy statements are payable one-half (1/2) upon execution of the advisory agreement with Adviser and the balance due at the time of completion of the services, unless otherwise negotiated with the client. Client may terminate advisory services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, client may terminate upon Adviser's receipt of client's written notice to terminate. Client will be responsible for any time spent by Adviser in providing the client advisory services or analyzing the client's situation based on the hourly rate of \$200 per hour not to exceed the deposit paid by client. Any refund due to client will be calculated based on Adviser's hourly rate multiplied by the time spent by Adviser minus the deposit paid by client.

Consulting Services – Adviser will consult with client on various financial issues at the rate of \$200 per hour. Fees are payable as invoiced by Adviser. Generally, Adviser will invoice client for all time spent each month. Client may terminate hourly advisory services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, client may terminate upon Adviser's receipt of client's written notice to terminate. Client will be responsible for any time spent by Adviser in providing the client advisory services or analyzing the client's situation. Fees not paid within 35 days will be assessed a \$15.00 late fee for each additional billing cycle. The client agrees to reimburse Adviser for any expenses related to collecting the outstanding fees. If the client feels the fees charged are in error they are required to notify Adviser within 15 days of receipt of their bill.

Preparation of an Investment Policy Statement and Asset Allocation Recommendation – minimum fee of \$ 350*. This fee includes one hour of planner time to complete the Investment Policy Statement. Additional time, if required, will be billed at an hourly rate of up to \$200.00 per hour. Fees may be reduced or waived for clients obtaining financial, retirement and or investment management services. The fee reduction will be based on the overall fee being paid by the client for other services.

Components or less comprehensive version of the plan offered above can be negotiated at lower rates.

Financial planning services may also be offered through employer groups at a discount. The fees for such services will be negotiated with the employer and the appropriate fee schedule will be provided to the employee prior to engaging Adviser.

Clients who have not cancelled the agreement and have not provided the Advisor the necessary and agreed upon information within (31) days of the initial engagement will forfeit the deposit and the Advisor will have no additional responsibility to provide further services unless a new agreement is reached with the client.

- **Participant Retirement Plan Advice**

Individuals

Adviser may provide financial planning advice to individuals related to the proper allocation of their employer sponsored retirement plans. This service is not offered on all such plans and the individual should check with the Adviser for availability. Such advice may include suggestions as to the amount to be contributed, the types of asset classes to be chosen, specific strategies related to timing of holdings, and recommendations as to the specific investment options. Adviser will not have custody of the client's assets nor will Adviser place any buy or sell orders on behalf of the client. Prior to advising the client, Adviser will conduct a risk tolerance assessment specific to the client and assist the client in formulating an investment policy statement (IPS). The client will also be required to sign a Financial Planning Agreement detailing specific services to be delivered. Adviser charges an initial fee of \$350.00 for the investment policy statement (IPS) and a per report fee associated with the frequency of advice. Reports and/or advice are offered monthly (\$100/report), quarterly (\$200/report), semi-annually (\$300/report), and annually (\$500/report). The maximum annualized fee for Participant Retirement Plan Advice is \$1,200. Adviser or the client may terminate this service at any time with five day written notice to the other party prior to the end of any quarter. Adviser will provide other planning and consultation services at an hourly rate as described below. Fees not paid within 35 days will be assessed a \$15.00 late fee, and for each additional 30 days past due. The client agrees to reimburse Adviser for any expenses related to collecting the outstanding fees. If the client feels the fees charged are in error they are required to notify Adviser within 15 days of receipt of their bill.

Businesses

As an agreement between the Adviser and the Employer who is providing the retirement plan, Adviser may provide financial planning advice to individual participants of a retirement plan related to the proper allocation of their employer sponsored retirement plan. Such advice may include suggestions as to the amount to be contributed, the types of asset classes to be chosen, specific strategies related to timing of holdings, and recommendations as to the specific investment options. Adviser will not have custody of the client's assets nor will Adviser place

any buy or sell orders on behalf of the client. The Adviser and Employer may agree to an unbundled fee arrangement where the Adviser receives an administrative fee from the plan assets and the Employer pays an additional fee for Investment Advice OR the Adviser and Employer may agree to a Bundled fee arrangement where the Adviser receives fees completely from plan assets.

- **Financial Plan Support**

Adviser may offer qualifying non-financial planning client/customer access to specific web-based wealth management tools licensed to Adviser according to the licensing agreement with the software provider. The purpose of the tool is to assist the client/customer with aggregating their accounts/investments and provide an introductory view of additional services available. Adviser can terminate access to the software at anytime. If Adviser terminates access during a quarter in which the client/customer has already paid the access fee, Adviser will refund the fee on a prorated basis for the remaining time frame. The customer will pay an Initial Access Fee of \$500 and a subsequent Quarterly Maintenance Fee of \$75 (\$300/yr). Access fees for these services are payable in advance. Fees for consulting time, as stated above, are payable within 35 days of billing. The client/customer will be responsible for future quarterly billings for access unless notification of termination is received by Adviser five (5) business days prior to the beginning of the quarter. No fee adjustment will be made for termination by the client/customer within a given quarter. Upon request, Adviser will perform certain financial planning services on a consulting basis for an hourly fee of up to \$200/hr. Fees not paid within 35 days will be assessed a \$15.00 late fee, and for each additional 30 days past due. The client/customer agrees to reimburse Adviser for any expenses related to collecting the outstanding fees. If the client/customer feels the fees charged are in error they are required to notify Adviser within 15 days of the receipt of their bill.

- **Working with other Professionals**

Adviser recognizes the importance of coordinating actions with other professional advisers of the client. As a way of encouraging this exchange, Adviser will agree to meet once annually at Adviser's office with other professional advisers that the client engages. This meeting may include any and all professional advisers employed by the client. Adviser will participate in such a meeting (or preparation for the meeting) for up to two hours at no charge to the client. Time spent beyond the two hours provided at no cost may be billed at Adviser's stated hourly fee of up to \$200.00 per hour. Adviser will not be responsible for any charges or fees assessed by other professionals for participation in this meeting or any other interaction between Adviser and the client's other professionals.

GENERAL DISCLOSURES

Advice offered by Advisory Representatives may involve investment in mutual funds. Mutual funds may carry loads (i.e. sales charges) that may be up-front or on a contingent deferred basis or be no-loads with no initial or contingent deferred sales charges. Clients are advised that Advisory Representatives are registered representatives of Royal Alliance, a registered broker/dealer, member of the Financial Industry Regulatory Authority ("FINRA") and SIPC. Therefore, Advisory Representatives have a conflict of interest in recommending mutual funds that carry a load since such mutual funds will pay Advisory Representatives a commission should the purchase be made through Advisory Representatives.

A conflict of interest may exist between the interests of Adviser and/or its Advisory Representatives and the interests of the client in that Adviser and Advisory Representatives offer

financial planning and investment advisory services for a fee and also offer various securities products for which they may be paid a commission. The securities products available through Adviser may be limited to certain products that have been reviewed and made available for offering through the broker/dealer with which Advisory Representatives may be registered representatives.

Lower fees for comparable services may be available from other sources. Material conflicts of interest have been disclosed to the client in writing via the Form ADV, Part II that could cause Adviser or Advisory Representatives to not render unbiased and objective advice. Adviser does not maintain custody of client funds or securities with the exception of deduction of Adviser's fee from clients' accounts with the clients' authorization.

Client is advised that the investment recommendations and advice offered by Adviser are not legal advice or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Client is advised that it is necessary to inform Adviser promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify Adviser of any such changes could result in investment recommendations not meeting the needs of the client.

WARRANTIES/REPRESENTATIONS

Adviser does not represent, warrant or imply that the services or methods of analysis used by Adviser can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes.

PRIVACY NOTICE

Adviser gathers various non-public information from clients in order to provide advisory products and services. Adviser does not share nonpublic information with nonaffiliated third parties except as permitted by law. Clients will be provided with a copy of Advisor's privacy policy upon establishment of a client relationship with Adviser and annually thereafter as long as client remains an active client.

- C. Advisory Services are tailored to the individual needs of clients with regard to the client's risk tolerance, goals & objectives, and investment time horizon. Utilizing these criteria and the program the funds are managed under, the client's assets are either placed into the appropriate asset allocation or managed on a risk adjusted basis congruent with the Investment Policy Statement the client signs prior to engaging in discretionary asset management.

Clients may impose restrictions on investing in certain securities or types of securities if notification is provided to the advisor in writing.

- D. Wrap Fee Programs, either the V2020 Advisor Program or the ModelFolios Program, provide one fee that covers all the costs of administration, trading, and managing the account. The ModelFolios Program may have additional fees associated with Mutual Fund expenses. This is disclosed to all clients previous to engaging in this program.

The Adviser will receive a portion of the Wrap Fee for services rendered in the management of the assets.

- E. Client Assets managed on a Discretionary basis are \$58,100,000 as of March 22, 2011.
Client Assets managed on a Non-Discretionary basis are \$4,200,000 as of March 22, 2011.

5. Fees and Compensation**A. VISION2020 Advisor Program**

The Program is offered as a “Wrap Account” which bundles Advisory, Administrative, and Transaction Charges into one asset-based fee. Alternatively, the Transaction Charges can be unbundled from the Advisory and Administrative fees.

Total Account Fees can range to a maximum of 2.50% in the Program (whether bundled or unbundled). However, in the unbundled Program clients will pay separate transaction charges in addition to the fee. Adviser has an incentive to recommend the advisory programs disclosed in this Schedule F since Adviser will receive an advisory fee. Adviser’s portion of the wrap program fee will be based on the following and is negotiable with the client.

The complete schedule of Program fees is set forth in the Program Brochure created by Royal Alliance and provided by the Adviser to its clients prior to or concurrent with their engagement in the Program.

Fee Schedule

Bundled – Advisory, Administrative and Transaction charges included:

<u>Account Size</u>	<u>Inclusive Fee Charged</u>
\$50,000 to \$74,999	NA
\$ 75,000 to 99,999	1.49%
\$100,000 to \$249,999	1.45%
\$250,000 to \$499,999	1.39%
\$500,000 to \$749,999	1.35%
\$750,000 to \$1,249,999	1.30%
\$1,250,000 to 1,999,999	1.25%
\$2,000,000 to 4,999,999	1.05%*
\$5,000,000 to 24,999,999	0.70%*
\$25,000,000 and above	0.50%*

*Fees in the upper half of the band maybe negotiable. These clients may reduce their fees by utilizing the unbundled fee schedule that follows.

Unbundled – Advisory and Administrative charges included; client pays transaction charges:

<u>Account Size</u>	<u>Unbundled Fee Charged</u>
\$50,000 to \$99,999	1.55%
\$100,000 to \$249,999	1.34%
\$250,000 to \$499,999	1.28%
\$500,000 to \$749,999	1.20%
\$750,000 to \$1,249,999	1.12%
\$1,250,000 to 1,999,999	1.05%
\$2,000,000 to 4,999,999	0.85%*
\$5,000,000 to 24,999,999	0.50%*
\$25,000,000 and above	0.35%*

*Fees in the upper half of the band maybe negotiable

Transaction charges that will be charged to the client in the unbundled program:

Mutual Funds: Purchases / redemptions \$25.00, exchanges \$5.00, DCA \$1.50

Stocks \$ 30.00

Bonds, UITs & CDs: \$50.00

Options: \$35.00

The complete schedule of Program fees is set forth in the Program Brochure created by Royal Alliance and provided by the Adviser to its clients prior to or concurrent with their engagement in the Program. Some services are only available when account values exceed \$100,000. Should accounts fall below the minimum account size, Royal Alliance or Adviser may require additional monies and/or securities to be deposited to bring the account value up to the required minimum or the Account to be closed.

ModelFolios Program

The Program is offered as a Wrap Account which bundles advisory and administrative fees, as well as transaction charges into one asset-based fee.

The complete schedule of Program fees is set forth in the Program Brochure created by Royal Alliance and provided by the Adviser to its clients prior to or concurrent with their engagement in the Program.

Fee Schedule

<u>Account Size</u>	<u>Minimum Client Fee</u>	<u>Maximum Client Fee</u>	<u>Administration Fee</u>
\$0 to \$99,999	0.25%	2.50%	0.25%
\$100,000 to \$249,999	0.25%	2.30%	0.25%
\$250,000 to \$499,999	0.20%	2.05%	0.20%
\$500,000 to \$749,999	0.15%	1.80%	0.15%
\$750,000 to \$1,249,999	0.10%	1.55%	0.10%
\$1,250,000 to \$1,999,999	0.10%	1.30%	0.10%
\$2,000,000 to \$4,999,999	0.10%	1.05%	0.10%
\$5,000,000 to \$24,999,999	0.10%	1.05%	0.10%
Over \$25,000,000	0.10%	0.80%	0.10%

- B. Advisory Fees are deducted directly from client's assets. Clients are billed quarterly in advance of each quarter.
- C. Other types of fees or expenses clients may incur are Custodial Fees. SunAmerica Trust Co, as custodian for all qualified accounts, charges an annual fee of \$35 for each account. Mutual Fund expenses are possible in the ModelFolios program. Please see Item 5.A. for more on fees.
- D. Clients agree to pay quarterly fees in advance upon signature of the Advisory Agreement. Client may terminate this agreement without penalty within five (5) business days of its signing. This Agreement may also be terminated by either party effective upon receipt of written notice to the other party ("Termination Date"). If the agreement is terminated after five business days of its signing, Client will be entitled to a pro rata refund, payable to the Account where debit occurred, of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which notice of termination is received.
- E. Adviser or Advisory Representatives may receive compensation for the sale of securities or other investment products. Advisory Representatives may, from time to time, recommend to client's investment products, including mutual funds, variable and fixed annuities, and other insurance products sponsored by SunAmerica or AIG affiliates. Such recommendations might be deemed to create a conflict of interest because they may result in an increase on compensation for Royal Alliance affiliates and Advisory Representatives.

Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

- a) Advisory Representatives shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with the Advisor or Royal Alliance, unless the information is also available to the investing public on reasonable inquiry. No person shall prefer his or her own interest to that of the advisory client.^{i, ii}
- b) All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
- c) Adviser emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where a Third Party Advisory Service is granted discretionary authority in the client's account.
- d) Adviser requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- e) Any individual not in observance of the above may be subject to termination.

Footnotes

- i. This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Adviser's client's trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Adviser's records in the manner set forth above.
 - ii. Open-end mutual funds and/or the investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by Adviser's Investment policies and procedures.
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- 1. This practice presents a conflict of interest and gives the Adviser or Advisory Representative and incentive to recommend investment products based on the compensation received, rather than on a client's needs. Because we are a fiduciary, we are required to do what is in the best interest of our clients. We disclose up front that commissions will be paid if this scenario arises. We will predominantly recommend A Class share front-end load Mutual Funds. Retail Brokerage accounts are a relative small portion of our Advisory business
 - 2. Clients have the option to purchase investment products that the Adviser or Advisory Representative recommends through other brokers or agents that are not affiliated with the Adviser.
 - 3. Commissions **DO NOT** provide more than 50% of the Adviser's revenue.
 - 4. Adviser **DOES NOT** charge advisory fees in addition to commissions, or markups.

6.

Performance-Based Fees and Side-By-Side Management

Adviser **DOES NOT** accept performance-based fees.

7. Types of Clients

The applicant generally provides investment advice to:

- Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates, or Charitable organizations
- Corporations or business entities other than those listed above

8. Methods of Analysis, Investment Strategies and Risk of Loss

****Any investment in securities involves risk of loss that clients should be prepared to bear.**

A. The applicant's security analysis methods include:

- Fundamental Analysis
- Technical Analysis
- Charting
- Cyclical Trends

The main sources of information the applicant uses include:

- Financial newspapers and magazines
- Research materials provided by others
- Corporate Rating Services
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Company press releases

The Investment Strategies used to implement any investment advice given to clients include:

- Long Term purchases (securities held at least 1 year)
- Short Term purchases (securities held less than 1 year)
- Trading (securities sold within 30 days)
- Short sales – Very rarely used
- Margin transactions – Very rarely used

B. There is systemic risk involved in the long term purchase of securities. Short term purchases and Trading of securities both involve risk of loss. These investment strategies will only take place under a WRAP fee program, subsequently; there will not be increased brokerage or transaction costs. Short term purchases are exposed to short term capital gains which are taxed at ordinary income tax rates.

9. Disciplinary Information

Adviser has no legal or disciplinary events.

10. Other Financial Industry Activities and Affiliations

A. Adviser **IS NOT** registered (nor has an application pending) as a securities broker-dealer

B. Adviser **IS NOT** registered (nor has an application pending) as a futures commission merchant, commodity pool operator, or commodity trading adviser

- C. Adviser **DOES** have an arrangement that is material to its advisory business or its clients with a related person who is a:

1. Broker-Dealer

- Royal Alliance & Associates, Inc. Member FINRA/SIPC
 - i. Royal Alliance & Associates, Inc. acts as the broker-dealer for the Adviser. They provide access to the markets, tools for executing trading activities, and compile & distribute performance reports and account statements.

- D. Adviser **DOES NOT** recommend or select other investment advisers for clients.

** Certain third party investment advisors may also execute transactions through Royal Alliance. SunAmerica Trust Company, an affiliate of Royal Alliance, or another affiliate of SunAmerica may act as custodian and receive compensation in connection with certain third party advisory programs.

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

A. CODE OF ETHICS

Adviser has a fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. Adviser takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Adviser's policies and procedures. Further, Adviser strives to handle clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides clients with Adviser's Privacy Policy. As such, Adviser maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with applicable securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, Adviser's Code of Ethics establishes Adviser's expectation for business conduct. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

- B. Adviser and Advisory Representatives **DO NOT** recommend to clients, or buy or sell for clients accounts, securities in which the Adviser or a related person has a material financial interest **AND** (1) The Adviser or a related person, as principal, buys securities from (or sells securities to) clients; (2) Adviser or a related person acts as a general partner in a partnership in which they solicit client investments; (3) Adviser or a related person acts as an investment adviser to an investment company that it recommends to clients.
- C. Adviser and Advisory Representatives, on occasion, may buy or sell securities identical to those securities recommended to clients. Therefore, Advisory Representatives may have an interest or position in certain securities that are also recommended and bought or sold to clients. Advisory Representatives will not put their interests before a client's interest. Advisory Representatives may not trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients. Adviser is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation. Adviser and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations. If, by coincidence, this activity takes place, the Adviser or Advisory Representative will take corrective action immediately upon notice from the broker-dealer.

- D. Adviser and Advisory Representatives, on occasion, may buy or sell securities at the same time those securities are recommended to clients. Therefore, Advisory Representatives may have an interest or position in certain securities that are also recommended and bought or sold to clients. Advisory Representatives will not put their interests before a client's interest. Advisory Representatives may not trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients. Adviser is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation. Adviser and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations. If, by coincidence, this activity takes place, the Adviser or Advisory Representative will take corrective action immediately upon notice from the broker-dealer.

12. **Brokerage Practices**

- A. The Adviser **DOES** recommend broker-dealers for client transactions, but **DOES NOT** have the authority to determine the commission rates paid.

Adviser's Advisory Representatives are also registered representatives of Royal Alliance. In order to meet its supervisory obligations, Royal Alliance requires that all investment advisory activities be conducted through Royal Alliance's clearing relationships with Pershing and or Schwab. As a result, the Advisor does not have the discretion to choose the broker/dealer or commission rates to be paid. However, the Advisor reasonably believes that Pershing or Schwab's blend of execution services, commission costs or transactions and professionalism will allow the Advisor to seek best execution and competitive prices. However, clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through the Advisor's Advisory Representatives, in their separate capacities as registered representatives of Royal Alliance.

13. **Review of Accounts**

- A. Reviews will be conducted with clients not less than annually or as agreed by the client and Advisory Representative.
- B. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, Advisory Representatives will monitor for changes or shifts in the economy, changes in the management or structure of a mutual fund or company in which client assets are invested, and market shifts and corrections. Clients are advised that they should notify their Advisory Representative promptly of any changes to the client's financial goals, objectives, or financial situation as such changes may require the Advisory Representative to review the client's portfolio and make recommendations for changes.
- C. Clients will be provided with written account statements reflecting the holdings and transactions occurring in the client's account at least on a quarterly basis. Clients will be provided with confirmations for each security transaction executed in the client's account, unless the client makes notice in writing that they wish to suppress confirmations. Statements and confirmations will be provided by the custodian of the client's account, not the Adviser or Advisory Representative.

14. Client Referrals and Other Compensation

- A. The Adviser or a related person **DOES** have arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment, or non-research services) from a non-client in connection with giving advice to clients.

Advisory Representatives who are Registered Representatives may receive trail commissions (i.e. 12b-1 fees) for a period of time. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be initially paid to Royal Alliance and a portion passed to the Advisory Representatives. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. 12b-1 fees, if received, are refunded to the clients account.

Advisory Representatives may receive benefits from product sponsors such as assistance with conferences and educational meetings. Assistance may come in the form of marketing dollars provided by various product sponsors or reimbursement of expenses incurred. Advisory Representatives are not subject to a particular quota in order to obtain such assistance and the benefits received are used to assist all clients.

- B. The Adviser or a related person **DOES NOT** have arrangements, oral or in writing, where it directly or indirectly compensates any person for client referrals.

15. Custody

The Adviser **DOES NOT** custody client funds or securities.

16. Investment Discretion

The Adviser or a related person **DOES** have the authority to determine, without obtaining specific client consent, the:

- Securities to be bought or sold
- Amount of the securities to be bought or sold

Clients may grant Adviser authorization to manage client's account on a discretionary basis. Client will grant such authority to Adviser by execution of the client agreement. Client may terminate discretionary authorization at any time upon receipt of written notice by Adviser. Additionally, client is advised that:

- Client may set parameters with respect to when an account should be rebalanced and set trading restrictions or limitations;
- Advisory Representative must obtain written client consent to establish any mutual fund, variable annuity, or brokerage account;
- Adviser requires the use of Advisory Representative's broker/dealer for sales in commissionable mutual funds or variable annuities.

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17. Voting Client Securities

Adviser **DOES NOT** vote client securities or proxies on behalf of clients. Clients are responsible for voting all proxies.

18. Financial Information

- A. The Adviser **DOES NOT** require prepayment of more than \$1,200 in fees per client more than 6 months in advance.
- B. The Adviser **DOES NOT** foresee a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- C. The Adviser **HAS NOT** been the subject of a bankruptcy petition at any time during the past 10 years.