

# **Firm Brochure**

(Part 2A of Form ADV)



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This brochure provides information about the qualifications and business practices of Newbridge Financial Services Group, Inc. If you have any questions about the contents of this brochure, please contact us at: (954) 489-2390 by email at: [info@newbridgesecurities.com](mailto:info@newbridgesecurities.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Newbridge Financial Services Group, Inc. available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

The Firm's Registration with the SEC is not intended to imply any special skill level or expertise.

March 31, 2011

Newbridge Financial Services Group, Inc.

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (954) 334-3450, or by email at: [info@newbridgecurities.com](mailto:info@newbridgecurities.com).

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## **Advisory Business**

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### **Firm Description**

Newbridge Financial Services Group, Inc. (“NFSG”, the “Adviser”), has been an SEC Registered Investment Adviser since November 6, 2007. NFSG offers a variety of investment advisory products and services to individuals; pensions and profit sharing plans and other qualified plans; trusts, estates, or charitable organizations; and corporations or business entities. NFSG’s investment advisory products and services and provide clients with a selection of investment solutions that may be used to implement their financial plans. NFSG maintains an affiliated FINRA broker-dealer, Newbridge Securities Corporation (the “Firm”); as a broker/dealer, the Firm provides a variety of financial products and/or services and may render advice as to the value and/or advisability of purchasing or selling securities, without receiving special compensation and solely incidental to the conduct of its business as a broker/dealer. General securities accounts for brokerage customers of the Firm are maintained and custodied on a fully disclosed basis by Legent Clearing, LLC (“Legent”), which are both a registered broker/dealer and an investment adviser.

NFSG also utilizes Legent to execute advisory account transactions and to custody advisory assets in connection with certain advisory programs. The Firm compensates Legent for the services it provides in connection with these programs. Legent is not affiliated with NFSG.

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### **Principal Owners**

Newbridge Financial Services Group, Inc. (“NFSG”) is owned 100% by Newbridge Financial, Inc (“NFI”), the Firm’s parent company. NFI is owned primarily by Scott Goldstein (CRD No. 1630008) and Guy Amico (CRD No. 1723157). NFI also has additional shareholders, yet, none represent a material portion of its ownership.

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### **Types of Advisory Services**

NFSG offers various Advisory Services for its clients. For instance, as part of its Advisory practice, NFSG is in the business of selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other products as part of a wrap fee program, with those assets held at the Adviser’s custodian, Legent Clearing, LLC (“Legent”).

In addition to its Wrap Fee Program, NFSG offers other investment supervisory services, such as the selection of third part asset managers (“TPAM”), Financial Planning Services, as well as providing investment advice on an hourly or fixed fee basis.

NFSG also provides advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

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## **Tailored Relationships**

Prior to engaging NFSG to provide investment advisory services, clients are required to enter into an advisory agreement with NFSG and a separate custodial/clearing agreement. The advisory agreement sets forth the terms and conditions of the engagement, and describes the scope of the services to be provided by NFSG and a description of fees relevant to the client.

If requested, NFSG may recommend and/or engage the services of other professionals in an effort to implement purposes related to a client's investment plan. Clients are not required to use the services of any professionals recommended by NFSG and the client may dictate all implementation decisions related to any such recommendations made by NFSG.

NFSG often designs, revises, and reallocates a client's custom portfolio on either a discretionary or non-discretionary basis. Investment recommendations are determined based upon the client's investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other suitability factors. Restrictions and guidelines imposed by the client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual's portfolio performance).

NFSG's Agreements may not be assigned without client consent.

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## **Types of Agreements**

The following agreements define the typical client relationships:

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### **Wrap Fee Programs**

NFSG's "wrap fee program" is a program that offers participants a suite of services such as asset allocation; portfolio management; trade execution; and certain administration activities, all for a single fee – typically an asset-based percentage of the account. A wrap fee program is designed to assist clients in obtaining professional asset management services for a convenient single "wrapped" fee.

In order to determine a suitable course of action for an individual client, NFSG will perform a review of the client's financial circumstances. A typical review includes a review of investment objectives, consideration of the client's financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances.

On occasion, NFSG recommends wrap fee programs offered by other investment advisers. In such cases, NFSG will offer a wrap fee brochure or other appropriate disclosure document to any advisory clients who are recommended to participate in a wrap programs.

The wrap fee brochure provides clients with disclosure information about the wrap fee program itself.

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## **Selection of Third Party Managers**

NFSG also recommend products or services managed or offered by other investment advisers or third parties that may or may not be affiliated with NFSG. The use of an outside manager generally involves a traditional brokerage account(s) managed by another investment adviser. In the context of NFSG's services, NFSG may refer its clients to outside investment advisers who would perform specific investment advisory or portfolio management services over client accounts. NFSG may recommend outside investment advisers to perform such services for its clients' accounts and in turn, NFSG will monitor such outside investment advisers' performance with respect to such separately managed account programs. Specific services and fees related to such programs will be available in the outside investment adviser's current disclosure documents.

The selection of investment managers will be provided on a non-discretionary basis where NFSG does not possess the authority to hire or fire the investment manager. A recommendation to hire or fire a particular investment manager generally will be made based upon continued suitability and performance of a client's account.

As a result of recommending any outside money managers/investment advisers, NFSG will not directly charge its clients for its advisory services. Rather, the outside money managers that are managing the client's assets will charge the fees for the services provided. NFSG will enter into all appropriate agreements the parties whereby NFSG will receive a portion of the fees. Unless specifically agreed to otherwise by the client, NFSG's fees will not represent any additional charge to clients above and beyond the normal and customary fees charged by any outside money managers.

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## **Financial Planning**

NFSG furnishes investment advice through consultations not included in any of the services described above. NFSG prepares a written financial plan as part of its advisory services, which includes consultation, analysis, and recommendations in one or more of areas of financial planning, including, but not limited to: (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; and (6) estate planning.

In order to determine the proper course of action for an individual client, NFSG performs reviews of the variables that are presented, such as investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances.

NFSG reviews the client's financial situation and issues a written analysis and report of recommendations in accordance with the client's goals and objectives. This service may include an initial consultation and additional follow-up visits. NFSG, unless engaged separately to do so, will not be responsible for the implementation of the plan. The client

assumes full responsibility for the implementation of the plan. The services provided in this regard often include the following:

- Preparation of an annual net worth statement;
- Create a cash flow statement;
- Review current investments and make recommendations thereon;
- Review client's most recent tax returns and provide tax advice;
- Review client's life insurance and disability insurance;
- Review client's estate plan and make recommendations thereon;
- Complete a retirement analysis; and
- Provide education planning advice.

NFSG's fees for a written financial plan may be affected by several factors such as the complexity of the work provided to the client, the responsibility assumed by NFSG, the potential benefit resulting to the client and the probability of complications that may arise. Although not an all-inclusive list, the following factors generally impact the fee charged to a client.

- investment objectives;
- consideration of the client's overall financial condition;
- net worth;
- income and tax status, personal and business assets;
- marital status;
- number of dependents. previous investment experience; and
- other factors unique to the client's particular circumstances.

NFSG may also provide individualized consultations and advisory services not related to its financial planning activities. Such services involve, but would not be limited to, the following:

- individual portfolio review/analysis and an asset allocation recommendations; and
- hourly consulting related to a client's current or prospective portfolio holdings.

Fees for NFSG's advisory services described in this section may involve the following fee types:

- Fixed/flat fees
- Hourly fees

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## **Termination of Agreement**

Either party may terminate the services described above, with written (30) thirty-day notice to the other. Any charges incurred prior to termination will be charged pro rata based upon the period covered. Termination requests may be sent to NFSG at the following address: Newbridge Financial Services Group, Inc. 1451 W. Cypress Creek Rd., Suite 204, Ft. Lauderdale, FL 33309.



## Fees and Compensation

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### Description

Fees are due and payable in advance (unless otherwise stated ) and are quarter ending billable total of portfolio value is derived by utilizing the average daily balance (“ADB”) and is billed in advance in accordance with the client agreement.

Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the adviser agreement goes into effect. Fees are negotiable at the sole discretion of the Adviser and vary depending upon the complexity of the client situation, scope of the services provided, and experience and expertise of the IAR.

Certain products are offered with a built-in concession that cannot be waived or reduced. In those cases, the Adviser would require the associate to exclude those assets from the total on which the investment advisory fees would be calculated, for a specified period that varies per product.

Clients should note that the same or similar services to those described above may be available elsewhere at a lower cost to the client. Clients should consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided, and other factors, a wrap fee may exceed the aggregate cost of services if they were to be provided separately. A non-wrapped pricing arrangement may be more cost effective for accounts that do not experience frequent trading activity. The following information addresses the fees that NFSG charges for the services described in the previous sections. The information below addresses the general fee ranges, calculation methods, billing frequency, and manner of billing.

#### *Annual Asset-Based Fee:*

Clients participating in Direct Asset Management Services agree to a wrapped pricing option. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services.

The typical fee arrangements for NFSG’s Wrap Program services will involve asset-based fees, however, the client may also pay certain brokerage-related fees as well. If agreed to by NFSG and the client, NFSG may arrange for the client trading costs to be paid for by NFSG as opposed to the client. This fee arrangement is often referred to as a “wrap” fee arrangement because a portion of the asset-based fees paid to NFSG by the client are used by NFSG to pay the brokerage costs associated with the trading in the client’s account. The following grid represents NFSG’s standard advisory fee schedule:

<b>Total Account Value</b>	<b>Min. Total Account Fee</b>	<b>Max. Total Account Fee</b>
First \$500,000	\$200	2.00%
Next \$500,000	\$200	1.75%
Next \$1,000,000	\$200	1.50%

Next \$1,000,000	\$200	1.00%
Over \$3,000,000	.25%	Negotiable (1% or less)

The above fees are calculated at the end of each calendar quarter. The quarter ending billable total of portfolio value is derived by utilizing the average daily balance (“ADB”) and is billed in advance in accordance with the client agreement.

***Annual Asset-Based Fees (third-party adviser):***

Clients are charged a quarterly fee for TPAM services based on a percentage of assets under management. Compensation generally, consists of four elements: i) management and advisory fees shared by the TPAM, the Adviser, and its IARs; ii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iii) custody fees; and iv) an additional administrative fee paid to NFSG for its supervisory services. Clients participating in TPAM may also choose from wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for both Adviser’s and TPAM’s management services, brokerage, clearance, custody, and administrative services. As an alternative to the wrap pricing structure, the transaction charges can be unbundled from the advisory and other fees.

**The fees paid to NFSG vary and are typically based on the percentage of assets under management annually for both Wrap and Non-Wrap Fee Options. Total fees paid by the Client shall not exceed 3.0%. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the TPAM’s Form ADV Brochure ; ii) the program wrap brochure (if applicable) or other applicable disclosure documents; iii) the disclosure documents of the portfolio manager or managers selected; or, iv) the TPAM’s account opening documents. A copy of all relevant disclosure documents of the TPAM and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.**

***Assessment of Annual Asset-Based Fees.***

NFSG will not bill or invoice clients directly for its fees related to the recommendation and/or selection of other investment advisers. The fees charged by other investment advisers will be assessed by such parties. Such fees may be charged in advance or in arrears; monthly, quarterly, or annually. Further, fees may be collected via the custodian or by way of direct billing by such investment adviser. Regardless of the other investment adviser’s billing practices, NFSG’s compensation will be received by NFSG from the other adviser in accordance with the normal and customary billing practices as outlined in the outside investment adviser’s disclosure document.

***Hourly Fees:***

NFSG may charge an hourly fee for its advisory services. NFSG’s hourly fees are negotiable, but are generally range from \$100 to \$500 on an hourly basis, depending upon the level and scope of the services required.

NFSG will obtain information from the client verbally and on any current information gathering documents approved for use by NFSG. The information gathered during this session will assist NFSG in determining the most appropriate course of action for the client's financial and investment activity.

***Fixed Fees:***

The charge for a specific financial plan or analysis is based upon many factors, including but not limited to: the client's net worth, gross annual income, and any additional complicating issues that both the planner and client deem worthy to explore. The charge for the financial analysis may include the following benefits: preparation of the financial analysis, interpretation of the financial analysis, and/or preparation and implementation of the recommended financial programs.

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## **Other Fees**

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of Adviser or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive the IAR's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary.

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## **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to NFSG.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

## **Types of Clients**

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### **Description**

NFSG provides services to individuals, Banks, Investment Companies, pension and profit sharing plans, trusts, estates, municipal entities, pooled investment vehicles, charitable organizations, and small businesses. Client relationships vary in scope and length of service.

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## Account Minimums

NFSG imposes an account minimum for its clients of \$25,000. NFSG does however have the ability to choose who it will conduct business with and could impose restrictions on the opening of new accounts at any time. Clients with less than \$25,000 may be accepted at the discretion of the Firm and such clients may pay a higher fee for services due to a lower account size.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

Security analysis methods include Cyclical, fundamental analysis and technical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

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### Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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### Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks, amongst others:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Disciplinary Events

While NFSG has not specifically been the subject of any material disciplinary events, its affiliated broker-dealer, Newbridge Securities Corporation has been the subject of various industry related disciplinary actions, of which some are considered to be material events, resulting in fines, suspensions, and other actions taken against the Firm, its principals and owners. To view the full disciplinary and other history of Newbridge Securities Corporation, please visit [www.finra.org/brokercheck](http://www.finra.org/brokercheck) for details or contact NFSG. In addition, any disciplinary information related to your specific Investment Adviser Representative ("IAR") will be found in the brochure supplement you will receive separately upon opening of any account or whenever requested.

## Other Financial Industry Activities and Affiliations

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### Financial Industry Affiliations

NFSG's affiliate Newbridge Securities Corporation is a full service general securities broker/dealer and Member of FINRA/SIPC. The principal business of its executive officers is the day-to-day management of its broker/dealer activities. The Firm is also licensed as an Insurance Agency whose associated persons are licensed to sell variable life and annuity products, fixed annuities, life insurance, health insurance and disability insurance products.

Many associates also represent other independent insurance agencies. The majority of NFSG's executive officers' time involves this principal business and other services not constituting Investment Advisory Services.

Certain IARs, may recommend securities or insurance products offered through NFSG in their capacity as representatives of the broker/dealer and insurance agency. Such IARs may receive normal commissions as NFSG representatives if their clients purchase products through them. Thus, a conflict of interest may exist between the interests of these dual representatives and their clients. However, clients are under no obligation to purchase products recommended by their representatives.

Certain of Firm's broker/dealer representatives are also independently registered Investment Advisers conducting fee-based financial planning practices of their own. The Adviser also has IARs whose principal business is an accounting or law firm.

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

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### **Code of Ethics**

The Advisers Act imposes a fiduciary duty on Investment Advisers. As a fiduciary, NFSG has a duty of utmost good faith to act solely in the best interest of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of their dealings. This fiduciary duty is the core principle underlying our "Code of Ethics" and represents the expected basis of all of our dealings with our clients. The Code includes policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to any client or prospective client upon request..

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## **Participation or Interest in Client Transactions**

The Adviser does not buy securities for itself from clients, nor does it sell securities it owns to any client. NFSG does not execute advisory client's securities trades by crossing their trades with security trades of non-advisory clients.

NFSG and its IARs may affect securities transactions for or sell insurance products to clients as part of their other business activities. NFSG and its IARs may be receiving a fee for investment advice in advisory accounts and representatives may be receiving a commission for transactions effected in Newbridge Securities Corporation's brokerage accounts. The Firm uses industry standard fees and keeps evidence of such.

The Adviser's IARs may engage in personal securities transactions. Such transactions may raise potential conflicts of interest when such persons trade in a security that is owned by a client or considered for purchase or sale for a client. The Adviser has adopted policies and procedures that are intended to ensure that transactions are effected for clients in a manner that is consistent with the fiduciary duty and in accordance with applicable law. Associated persons who wish to purchase or sell securities of the types purchased or sold for clients may do so only in a manner consistent with NFSG's policies and procedures.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

NFSG's affiliate Newbridge Securities Corporation ("NSC") is a full service general securities broker/dealer and Member of FINRA/SIPC. The principal business of its executive officers is the day-to-day management of its broker/dealer activities. The Firm is also licensed as an Insurance Agency whose associated persons are licensed to sell variable life and annuity products, fixed annuities, life insurance, health insurance and disability insurance products. Many associates also represent other independent insurance agencies.

In nearly all instances, IAR's of NFSG use NSC as its select broker-deal. Clients may direct their IAR to utilize another brokerage firm for its transactions upon request.

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### **Best Execution**

The account fee paid by the client for a Wrap Fee Account includes payment of all brokerage commissions and other trading costs of transactions effected through Newbridge Securities Corporation. However, the fee would not include mark-ups, markdowns, or payment of brokerage commissions from transactions made by a broker/dealer, such as Newbridge Securities Corporation. Such brokerage commissions, mark-ups or markdowns, and other costs would be charged to the client in addition to the advisory fee. Because these costs associated with trades executed through broker/dealers other than Newbridge Securities Corporation would be passed on to the client in addition to the management fee, best execution is most likely obtained through Newbridge. For this reason, transactions are

generally executed through Newbridge, subject to the Adviser's duty to obtain "best execution", i.e., a price that is as favorable to clients as possible under the prevailing market conditions.

The Adviser strives to serve the best interest of its clients. Factors considered in selecting Newbridge include the existing broker/dealer relationships with NFSG, financial strength, reputation, reporting, execution pricing and research..

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## **Soft Dollars**

NFSG does not permit or maintain any such agreements.

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## **Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit, however, the Firm may aggregate equity trades through its trading desk in an effort to affect an average price for all accounts purchasing a certain security on a certain date.

## **Review of Accounts**

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### **Periodic Reviews**

Currently, the Adviser has a total of approximately 500 accounts. The frequency of reviews for accounts on fixed or hourly fees will be agreed upon in the written contract, but the frequency may include monthly, quarterly, semi-annually or annually. The vast majority of the Advisers' accounts are advised directly by the Adviser's IARs and are reviewed not less frequently than quarterly. The issuance of quarterly account statements is the most common triggering event for reviews and provides updated values to be evaluated. Clients may also request a review at any time (on demand). In addition, through Legent, the Adviser is able to monitor and review client accounts through daily, monthly, and other periodic exception reports. TPAM accounts are typically reviewed less frequently, although not less frequent than annually.

Name and title of Responsible Supervisor: Brian Curtis, CCO. Mr. Curtis and/or his designee will employ the procedures noted above for the client's account(s) subject to NFSG's investment advisory services.

Reviewers include Home Office and Branch Office Principals. Branch Office principals are assigned to assist in the plan process when appropriate or needed and Home Office Principals are assigned to final review and approval.

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### **Review Triggers**

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase



in the volume of requests by the client to effect transactions in his/her account(s), where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include request by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.

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## **Regular Reports**

Clients receive reports on their accounts not less frequently than quarterly, and sometimes as often as monthly. For transactional accounts, trade confirmations are received for each activity. If third party asset managers are used, clients receive reports from the asset managers in addition to any provided by the Adviser or its associates. Clients typically receive tax information in the first quarter of each year to assist with the prior year's tax reporting. Internet access to investment accounts also enables clients to receive account reports at any time (on demand).

## **Client Referrals and Other Compensation**

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### **Referrals**

NFSG does not currently have any referral agreements.

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

NFSG will have authority to exercise its full discretion on the above named factors without restriction. If done so on a non-discretionary basis, NFSG will make certain recommendations that must be authorized by the client prior to NFSG's facilitation of any such transactions that may have been recommended. NFSG will observe any other specific limitations that may be imposed by the client in relation to this discretionary authority.

Transactions for the client's account generally will be effected independently, unless NFSG decides to purchase or sell the same securities for several clients at approximately the same time. NFSG may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable transaction rates.

The Adviser permits associated persons to exercise investment discretion.

1. Discretion is permitted only in advisory accounts held through NFSG/Legent.
2. Discretion is only permitted in those accounts for which client has signed a written authorization delegating such powers.

Discretion is limited to the type and amount of the securities to be bought or sold. IARs do not have discretion as to the broker/dealer used or the discretion to negotiate commissions without prior client approval.

Typically in TPAMs, the third party investment manager exercises discretion in the management of client accounts. All securities transactions are decided upon and executed by that manager. The Adviser and its IARs will not manage, or obtain discretionary authority over the assets in accounts participating in these programs. However, clients may grant IARs the discretionary authority to hire and fire such third party managers.

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## **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## **Voting Client Securities**

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### **Proxy Votes**

NFSG does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested, NFSG will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

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### **Financial Condition**

NFSG does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because NFSG does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

NFSG has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up periodically.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## **Information Security Program**

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### **Information Security**

NFSG maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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### **Privacy Notice**

All information given to NFSG and all recommendations and advice furnished by NFSG to the client will be kept confidential and will not be disclosed to anyone, except as NFSG may agree in writing or as may be required to do so by law.

NFSG will collect non-public personal information (“NPI”) about the client as part of this engagement. This information will be obtained directly from the client and includes details such as the client’s date of birth, social security number, financial account numbers and balances, tax returns, sources and amounts of income, home addresses, telephone numbers, and other such personal information.

As part of NFSG’s policy, NFSG restricts access to confidential personal information about the client to those NFSG employees who need to know that information in order to provide products or services to the client. NFSG maintains physical, electronic, and procedural safeguards to comply with federal standards to guard the client’s confidential

personal information.

Should a client agree to accept investment advisory services provided by NFSG, NFSG may share the client's NPI with non-affiliated third parties. NFSG may maintain agreements with various affiliated or non-affiliated entities who may act as the custodian and account holder for the clients of NFSG and securities may be offered through such entities if properly engaged by NFSG. NFSG will share only the appropriate customer NPI necessary to ensure that NFSG is able to provide the highest level of service to the client.

Use of nonpublic information of former clients. NFSG will provide nonpublic information about former clients only if required to do so by law or regulation or to those parties who need such information in order for the firm to carry out any continued obligation with respect to the services covered by the former adviser/client relationship.

Should the client prefer, NFSG will not disclose confidential personal information about the client to non-affiliated third parties. The client may opt out of those disclosures; that is, the client may direct NFSG not to make those disclosures (other than disclosures required or permitted by law). Should the client wish to opt-out of disclosures to non-affiliated third parties, he/she may call the following number: (954) 334-3450 or [info@newbridgesecurities.com](mailto:info@newbridgesecurities.com).

## **Additional Compensation**

NFSG occasionally accepts money from product sponsors such as mutual fund companies, insurance companies and real estate investment trust ("REIT") companies (collectively "Strategic Partners") in addition to the sales concessions it earns as a broker/dealer. The amount of compensation is based on the volume of sales. This additional revenue is used for training and education of our associates in product, service and regulatory issues and sponsorship and marketing costs paid to Newbridge (broker-dealer and Adviser) for Sales and Training Conferences.

Officers and associated persons of the Adviser are also registered representatives of Newbridge and licensed insurance agents. In this capacity, they may facilitate the purchase and/or sale of insurance products, mutual funds, securities, and other investment products for their clients, who may or may not have an advisory fee agreement with NFSG. The Adviser's representatives may receive compensation for these non-advisory services that they may provide. Such compensation would be in addition to the advisory and other fees that the Adviser may receive.

The Adviser receives products and services from Legent, including software to enable direct electronic downloading of client account information, electronic trading, and access to investment research and information provided by broker/dealers. Transaction charges or other charges for services to clients by NFSG may be more or less than other broker/dealers not recommended by the Adviser charge for comparable services. Clients are not required to use a specific broker/dealer to retain the services of the Adviser.

Mutual funds purchased or sold in broker/dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly through the mutual fund company. Mutual funds held in broker/dealer accounts also charge management fees. These Mutual fund management fees may be more or less than the mutual fund management fees charged if the Client held the mutual fund directly with the mutual fund company. These management fees are in addition to the management fee charged by the Adviser.

As described under Investment Advisory Services and Fees above, the Adviser is a party to written agreements with certain TPAMs under which its IARs provide personal advisory services to their clients. Such personal advisory services include: qualifying their clients for a particular TPAM as well as determining client's goals and objectives (determining risk tolerance and investment styles). The Adviser and its IARs receive compensation pursuant to these agreements for introducing clients to the TPAM and for providing the aforementioned personal advisory services. This compensation is typically equal to a percentage of the investment advisory fee charged by the TPAM. Because such compensation may differ depending on the individual agreement with each TPAM, the IARs may have an incentive to recommend a particular TPAM over other with which the Adviser has less favorable compensation arrangements or alternative advisory programs. The Adviser does not currently have a plan to pay referral compensation to others. Any solicitation or referral arrangements will comply with applicable laws that govern the nature of the service, fees to be paid, disclosures to clients and any necessary client consents.