



Signature Securities Group Corp.

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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Signature Securities Group Corp. If you have any questions about the contents of this brochure, please contact us at (646) 822-1475. 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 Signature Securities Group Corp. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for the firm is 104233.

Signature Securities Group Corp. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Signature Securities Group Corporation will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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Item 4 Advisory Business

Description of Services and Fees

Signature Securities Group Corp. ("Signature") is registered with the United State Securities and Exchange Commission as an investment adviser. Signature is a corporation formed under the laws of the State of New York and we have been providing investment advisory services since 2002. We are also a registered insurance agency and broker-dealer, member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). We are a wholly owned subsidiary of Signature Bank, a New York State chartered bank and member of the Federal Deposit Insurance Corporation.

As used in this brochure, our Associated Persons are our firm's management, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to Signature and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Some of our Associated Persons are also registered representatives of our firm, acting in its capacity as a broker-dealer. Our Investment Adviser Representatives provide investment advisory services in their capacities as IARs and they also provide securities brokerage services in their capacities as registered representatives.

We provide investment management services, which are tailored to meet your individual needs and investment objectives. Our investment management services are offered through a Wrap Fee Program and through non-wrap accounts (described herein) utilizing third party managers, mutual funds and exchange traded funds.

In our Wrap Fee Program, the Managed Account Solutions Program, we provide investment management services for a single fee that includes investment management fees as well as custodial and transaction/commission costs. We receive a portion of the wrap fee we charge to you. If you participate in the Managed Account Solutions Program, we will provide you with a separate Wrap Fee Program Brochure explaining the Program and the fees we receive for our wrap account services. In the Managed Account Solutions Program, we provide investment management through a partnership with Envestnet Asset Management ("Envestnet") and their contracted Third Party Advisers ("TPAs"). Accounts are invested with TPAs, mutual funds and exchange traded funds ("ETF"). In the Managed Account Solutions Program, IARs have the capability to direct the allocation of client assets in mutual funds and/or Exchange Traded Funds. Please refer to our Wrap Fee Program Brochure for further details of the Program.

For our non-wrap services, we will recommend an allocation of your assets amongst various TPAs, mutual funds and exchange traded funds. A Signature IAR will first meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. In consultation with you and based on suitability information, Signature will prepare a long-term investment strategy which will be memorialized in an Investment Policy Statement. As part of and in accordance with that strategy, SSG will advise you regarding asset class allocation and, on a discretionary basis, will select, monitor and replace (if appropriate) investment managers and investment funds for investment of your Account. Moreover, SSG will provide you periodic review and reporting on the investment performance of the assets in your Account, as well as reallocate those assets among asset classes and/or investment managers if SSG considers reallocation appropriate. Accordingly, you appoint SSG as your investment manager to act on your behalf with authority to buy, sell and otherwise effect investment transactions for the assets in your Account, and SSG accepts that appointment.

We require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to re-allocate your assets without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or trading authorization forms.

We use the services of Fortigent LLC, a registered investment adviser to provide us with certain services, which include TPA, mutual fund and ETF due diligence, research and recommendations, asset allocation research, and client performance evaluation reporting and other client reporting. For the services provided by Fortigent, we pay a fixed quarterly fee directly to Fortigent, as well as a per account fee directly paid to Fortigent on accounts for which Fortigent provides client performance evaluation and reporting. In some cases, where we are not providing investment management services, and are purely providing reporting services for the client, we may pass this fee on to the client.

Our annual fee is payable quarterly in advance based on the market value of the assets under management on the last day of the preceding calendar quarter. Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our fee is based on a percentage of assets under management and can be negotiated based on the following annualized fee schedule:

MARKET VALUE	ANNUAL FEE
up to \$1,000,000	1.50%
next \$4,000,000	1.00%
next \$5,000,000	0.75%
next \$10,000,000	0.50%
above \$20,000,000	0.40%

Third party Advisers' fees are separate and apart from our fees. Advisory fees that you pay to the TPA are established and payable in accordance with the disclosure brochure provided by each TPA. These fees may or may not be negotiable. You should review the recommended TPA's disclosure brochure and take into consideration the TPA's fees along with our fees to determine the total amount of fees associated with this program. We will deduct our fees directly from your account through the qualified custodian holding your funds and securities. In certain instances arrangements can be made to send you an invoice for the payment of our advisory fee. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the client agreement upon 30 days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

You will also be required to enter into investment advisory agreements with the TPAs managing your account. You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA.

You may make additions to and withdrawals from the account at any time, subject to our right to terminate an account. If assets are deposited into an account after the inception of a quarter that exceed \$100,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. You may withdraw account assets by providing us with notice, subject to the usual and customary securities settlement procedures. For partial withdrawals

in excess of \$100,000 within a billing period, we will credit our unearned fee towards the next quarter's fee. However, we design portfolios as long-term investments and assets withdrawals may impair the achievement of your investment objectives.

Additions to your account may be in cash or securities provided that we reserve the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. We may consult with you about the options and ramifications of transferring securities. However, when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. You must promptly notify us if there are ever any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon our management services.

Types of Investments

We may provide advice on a variety of investments however we primarily allocate our clients' assets amongst mutual funds, exchange traded funds, and third party advisers.

Assets Under Management

As of December 31, 2011, we manage \$209,011,730 in client assets on a discretionary basis and \$7,046,710 on a non-discretionary basis.

Item 5 Fees and Compensation

Please refer to the *Advisory Business* section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses and/or deferred sales charges. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

Compensation for the Sale of Securities or Other Investment Products

Securities

In addition to providing investment advice, IARs can also act in a capacity as registered representatives of Signature's Broker-Dealer. As registered representatives for client brokerage accounts they receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products ("mutual funds"). Compensation earned by these persons in their capacities as registered representatives is separate from the advisory fee we charge in advisory accounts. If you have a both a brokerage account and an advisory account you would be charged commission in the brokerage account and an advisory fee for the investment advisory account. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions in brokerage accounts for the purpose of generating commissions rather than solely based on your needs. When suitable, we

generally recommend no-load mutual funds for advisory accounts. You are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

Insurance

In addition, we are a licensed insurance agency and some Associated Persons are also licensed as insurance agents and can sell insurance products (i.e. life, health, and long-term care products) and earn commissions from such sales. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through our firm or through any Associated Person, in his/her capacity as an insurance agent.

Item 6 Performance-Based Fees and Side-By-Side Management

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

Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

We do not have a minimum account size or minimum annual fee. Certain Third Party Advisers may, however, impose minimum account sizes, more restrictive account requirements and varying billing practices.

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

Methods of Analysis and Investment Strategies

We advise you on how to allocate your assets among various mutual funds, exchange traded funds and/or third party investment advisers.

We utilize Fortigent LLC to provide us with due diligence and recommendations of mutual funds, exchange traded funds and third party advisers. We review Fortigent's recommendations and due diligence before making recommendations to our clients.

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

As a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO (First In First Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to your IAR immediately and we will alert your account custodian of

your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure we primarily allocate our clients' assets amongst mutual funds, exchange traded funds and third party advisers.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns.

Third party advisers will manage client's accounts in accordance with the particular TPA's Methods of Analysis and Investment strategies as disclosed in the TPA's Brochure which will be provided to clients.

Item 9 Disciplinary Information

Our firm and our employees have not been involved in legal or disciplinary events related to past or present investment clients. Additional information about the firm, other advisory firms, or an associated representative is available at www.adviserinfo.sec.gov. A search for firms or associate personnel can be accomplished by name or firm identifier, known as an IARD/CRD number. The IARD/CRD number for Signature Securities Group Corporation is 104233.

Item 10 Other Financial Industry Activities and Affiliations

Investment Adviser Representatives are registered representatives with our firm, in its capacity as a broker-dealer and receive commission based compensation for selling securities in brokerage accounts. Commissions from the sale of securities are separate and apart from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives.

We are also licensed as an insurance agency. Some IARs of our firm are also licensed insurance agents. Our firm and IARs, acting in their capacity as insurance agents, will earn commission-based compensation for selling insurance products. Insurance commissions are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Our Parent Company, Signature Bank, a New York State -chartered bank and member of the FDIC, offers banking and credit services, cash management and financing services. We will refer clients in need of such services to Signature Bank. There is an inherent conflict of interest given the common ownership of the firms and in that we will exclusively refer clients in need of banking and credit services to Signature Bank. The fees charged by our firm are separate and apart from the fees charged by Signature Bank. Signature Bank may not charge the lowest fees available and comparable services from other banks may be available for lower fees than Signature charges. You are under no obligation, contractually or otherwise, to use Signature bank for banking or any other services.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to clients and prospective clients upon request. You may obtain a copy of our Code of Ethics by contacting us at (646) 822-1475.

Agency Cross Transactions

In very limited circumstances, we may engage in agency cross transactions where we may effect transactions between a client's accounts and the accounts of other individuals and/or entities which may include clients of our firm (i.e. arranging for the client's securities trades by "crossing" these trades with securities transactions of other advisory and non-advisory clients). We will only engage in agency cross transactions when we believe that such transactions are beneficial to the client. We will provide written confirmation to clients of each agency cross transaction, as well as an annual summary of all such transactions. The client may revoke our agency cross transaction authority at any time by providing us with written notice.

Personal Trading Practices

Investment Adviser Representatives and other Associated Persons may buy or sell the same securities for you at the same time we or persons associated with our firm buy or sell such securities for our own accounts. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that we shall not have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

As discussed herein, Investment Adviser Representatives are also registered representatives with our firm in its capacity as a broker-dealer. These Associated Persons are subject to FINRA's Rule 3040, which restricts registered representatives from conducting securities transactions away from our firm unless we provide written consent. Therefore, clients are advised that dually registered Investment Adviser Representatives may be restricted to conducting securities transactions through our firm or custodians approved by our firm.

Signature has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") and Charles Schwab & Co. (Schwab) through which Fidelity and Schwab provides Signature with services. The services include, among others, brokerage, custody, and other related services. The services that assist Signature in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, record-keeping and client reporting.

Fidelity and Schwab also offers other services intended to help Signature manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Signature may contract directly.

As indicated previously, we utilize the brokerage and custodial services of Fidelity and Schwab. We may receive from Fidelity/Schwab, without cost, computer software and related systems support, which allow us to better monitor client accounts maintained at Fidelity/Schwab. We may receive the software and related support services as indicated above without cost because we render investment management services to clients that maintain assets at Fidelity/Schwab. The software and related services may benefit us, but not our clients directly. In fulfilling its duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware; however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, we may receive the following benefits from Fidelity/Schwab : receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Factors which we consider in recommending Fidelity and Schwab to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity and/or Schwab may be higher or lower than those charged by other broker-dealers. The commissions paid by our clients shall comply with our duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with

the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions. If you request us to arrange for the execution of securities brokerage transactions for your account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker dealers in return for investment research products and/or services which assist us in our investment decision-making process. Such research generally will be used to service all of our clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest. However, we mitigate this conflict in that we do not solely consider research products and other services in our evaluation of best execution and consider the overall quality of the services provided.

Signature is independently operated and owned and is not affiliated with Fidelity or Schwab.

Block Trading

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time ("block trade" or "aggregate"). We may (but are not obligated to) aggregate such orders to obtain best execution, to obtain more favorable commission rates, or to allocate equitably among clients, differences in prices and commissions or other transaction costs, that might have been obtained had such orders been placed independently. If orders are aggregated under this procedure, we will distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Trade Errors

From time-to-time, we may make an error in submitting a trade order on your behalf. In these situations, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

If a profit results from the correcting trade, for accounts at Schwab Institutional the profit will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the profit does not remain in your account and Schwab is the custodian, Schwab donates gains of \$100 or more to charity. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

For accounts maintained at Fidelity, in the event of a trade error profit, we will maintain the profit.

Item 13 Review of Accounts

We monitor client accounts as part of an ongoing process and conduct regular account reviews on at least a quarterly basis. Such reviews are conducted by our Investment Group Director and/or Investment Management Personnel. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their Investment Adviser Representative to keep us informed of any changes thereto. We contact you at least annually to review our services and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Client accounts serviced by Fortigent are provided with quarterly performance reports in addition to client statements. This quarterly report will only be generated if the account has been established and remains in force for a full quarter.

Item 14 Client Referrals and Other Compensation

Client Referrals

If a client is introduced to us by either an unaffiliated or an affiliated solicitor, we may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from our investment management fee, and shall not result in any additional charge to you. If a client is introduced to us by an unaffiliated solicitor, the solicitor will provide the client with a copy of our brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of our firm shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of our written disclosure statement at the time of the solicitation.

We have a referral arrangement with our parent company, Signature Bank, whereby we pay referral fees to Signature Bank's employees for referring us clients. Signature Bank employees may refer clients in need of investment advisory services to us.

Other Compensation

As disclosed under the "Fees and Compensation" section in this brochure, we are also a registered broker-dealer and licensed insurance agency. In addition, persons providing investment advice on behalf of our firm may be licensed insurance agents, and are registered representatives with our firm. For information on the conflicts of interest this presents, please refer to the "Fees and Compensation" section. Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Fidelity and Schwab.

Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review those statements and you should compare the account statement received from the custodian with any statements you receive from us and/or Fortigent. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at (646) 822-1475.

Item 16 Investment Discretion

Before we can allocate assets on your behalf, you must first sign our discretionary management agreement. By signing our discretionary management agreement, you grant our firm the discretion over the selection and amount of securities to be purchased or sold for your account(s) and to re-allocate your assets amongst the third party advisers without your approval prior to each transaction. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

However, our investment authority may be subject to specified conditions you impose. For example, you may specify that the investments be restricted to certain types of third party advisers or investments. Such restrictions/guidelines may affect the composition and performance of your portfolio and/or our ability to meet your investment objectives.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts; however certain Third Party Advisers may vote proxies. Please refer to the Third Party Adviser's disclosure brochure and/or advisory agreement for further information. In the event the TPA does not vote proxies, if you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Item 18 Financial Information

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

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