

## Andrew Garrett, Inc.

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This brochure provides information about the qualifications and business practices of Andrew Garrett, Inc. If you have questions about the contents of this brochure, please contact your Investment Advisor or our Main Office at (212)682-8833. 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 Andrew Garrett, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

**This section is discussing only material changes since our last annual update of our brochure. The last annual update to our brochure was on March 31, 2010.**

**There have been no material changes to the business since the last update in August 2011.**

In the future we will provide this brochure when any material event necessitates an update to the brochure.

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## **I. Advisory Business**

Andrew Garrett, Inc. began its Investment Advisory business in April 2007. We operate from advisory offices in five states with 23 Investment Advisory Representatives.

We offer investment advisory services by either managing client assets or as part of a wrap-program working with clients to find other advisors to manage the client's assets. We utilize several platforms and programs so that we can meet the varied needs of our clients.

The principal officers of the company are:

Andrew G. Sycoff,	President and Chief Executive Officer
Revan Schwartz,	Executive Vice President and General Counsel
James R. Mitchell,	Chief Administrative Officer
Robert N. Schaffer,	Chief Compliance Officer

Andrew Garrett, Inc. AGI) provides its Investment Advisor services through RBC Correspondent Services and Genworth Financial Wealth Management platforms. Fees charged for these services are based on assets under management and are negotiable within the parameters established by the program sponsors. The fees are charged quarterly in advance and the client may terminate the service at any time and receive a pro-rated refund of any unearned fees. Below is a summary of the programs and services we offer.

### **RBC Correspondent Services Platforms**

**ADVISOR PROGRAM** provides an opportunity for the client and the Investment Adviser Representative (IAR) to work together on a non-discretionary basis to manage the assets in the program. A portfolio is chosen based on the clients pre-established suitability profile and investment objectives. Fees are charged based on assets under management. This platform offers access to a variety of securities, investment strategies, automatic account rebalancing, complimentary Investment Access Account (Visa Gold Debit Card/ Rewards Program) as well as free checking. Since this is a non-discretionary program the client has the ability to restrict the types of investments that are made.

**RESOURCE II** is a Wrap fee program that provides participants discretionary investment management services which feature portfolio management services provided by a select group of independent investment advisors which RBC Correspondent Services has previously reviewed for inclusion as sub-advisers through a due diligence screening process. AGI will review the client's advisory needs, risk tolerance, investment objectives and assist the client in selecting the appropriate sub-advisers from the group.

On occasion, either RBC Correspondent Services may remove sub-advisers from the program or AGI may suggest to a client that the existing sub-adviser be replaced with another sub-adviser. Any changes in sub-advisers must be approved by the client. Neither RBC nor AGI have the discretion to change sub-advisers chosen by the client.

**TOTAL STRATEGY ACCOUNT (TSA)** is a customized investment program that allows for multiple money managers, mutual funds and exchange traded funds (ETF) all in one account. The TSA platform provides a disciplined automatic rebalancing process across all investments in the client's portfolio. For taxable accounts, tax efficiency is improved by monitoring "wash sales" and short term gain exposure. This account platform provides consolidated in depth reporting.

**UNBUNDLED MANAGED ACCOUNT SOLUTION (uMAS)** offers an unbundled non-discretionary managed account platform that features an a la carte menu of sub-advisors, with quarterly reporting and flexible billing options. Sub-advisors not in the RBC Correspondent Services Resource II program can also be used for this program. Andrew Garrett provides investment management services to clients on a non-discretionary basis under this program.

### **Genworth Wealth Management Solutions**

The Genworth open architecture platform offers a wide variety of investment solutions. The platform includes strategists experienced in implementing investment strategies through rigorous asset allocation models. There is also a diversified selection of sub-advisers capable of implementing investment solutions through No-load mutual funds, Exchange Traded Funds, Unified Managed Accounts and Privately Managed Accounts. AGI will review the client's financial needs, risk tolerance, investment objectives and then assist the client in selecting the appropriate sub-advisers from the group.

**Mutual Fund Portfolios** draw upon the expertise and institutional research capabilities of qualified Investment Manager and Portfolio Strategists. These specialists construct model asset allocations reflecting Risk/Return Profiles, tactical or strategic asset allocation approaches and other considerations. The portfolios are then composed of no-load funds selected from hundreds of carefully screened funds representing some of the most respected fund families. The fund's selected may include actively managed, indexed and fundamentally indexed objectives, and may include Asset Mark Funds or proprietary funds from the Portfolio Strategists' own fund family.

**Exchange Traded Fund (ETF) Portfolios** provide exposure to a range of global capital market indexes, making them an appropriate vehicle for constructing asset allocation portfolios. ETF Portfolio Strategists carefully research the broad universe of ETFs to select those that represent the best fit for their asset allocation strategies. The result is a well-diversified portfolio of assets, managed and monitored by an investment team assembled to bring great capability to the investment process.

**Unified Managed Accounts (UMAs)** offer institutional investment management through a private portfolio consisting of stocks, fixed-income instruments, mutual funds, ETFs and more. The UMA structure allows the Portfolio Strategist to distill the wide-ranging thinking of multiple experts, implementing their strongest investment ideas in a single simplified format. Individual accounts may gain exposure across dozens of asset classes through the

most suitable means available, including individual securities selected by specialists or through other investments such as specialized mutual funds for greater efficiency and liquidity.

**Privately Managed Solutions** meet the diverse needs of the client by providing two solutions. Each solution has unique features and provides varying degrees of asset allocation, tax efficiency and customization.

In a privately managed account, your clients directly own the individual securities that comprise their portfolio. You select a Portfolio Strategist to construct an asset allocation appropriate for your client's goals and risk tolerance, and then you select a specialized Investment Management Firm to implement investment decisions in a portfolio customized specifically for your client.

## **II. FEES AND COMPENSATION**

### **A. Advisor Program**

The minimum balance to open an Advisor Account is \$25,000. The fee is calculated based on the dollar amount of assets in the account at the end of the previous quarter and charged in advance. If a client terminates the account the fee will be refunded on a pro-rata basis. The account can be terminated on 30 days written notice. The fee can be charged directly to the account or billed. If the bill is outstanding longer than 60 days the account will be charged directly.

<b>Asset Size</b>	<b>Fee Range</b>
<b>\$ 25, 000 - \$250,000</b>	<b>2.75% - 1.00%</b>
<b>250,001 - 500,000</b>	<b>2.60% - 0.90%</b>
<b>500,001 - 1,500,000</b>	<b>2.50% - 0.80%</b>
<b>1,500,001- 3,000,000</b>	<b>2.25% - 0.70%</b>
<b>3,000,001- 10,000,000</b>	<b>2.00% - 0.50%</b>
<b>Above \$10,000,000</b>	<b>Negotiable</b>

### **B. Resource II**

The minimum balance to open most Resource II accounts is \$100,000. Some sub-advisers require a minimum balance of \$250,000. The fee is calculated on the dollar amount of assets in the account at the end of the previous quarter and charged in advance. If a client terminates the account the fee will be refunded on a pro-rata basis. The account can be terminated on 30 days written notice. The fee can be deducted directly from the account or billed. If the bill is outstanding longer than 60 days the account will be directly charged. The minimum annual fee for an equity based account is \$2000.00 and \$1000.00 for non-equity accounts.

<b>Asset Size</b>	<b>Fee Range</b>
<b>\$100,000 - \$1,000,000</b>	<b>2.80% - 1.60%</b>
<b>\$1,000,001 – 10,000,000</b>	<b>2.45% - 1.45%</b>
<b>Above \$10,000,000</b>	<b>Negotiable</b>

### **C. Total Strategy Account**

The minimum balance to open a Total Strategy Account is \$25,000. The fee is calculated on the dollar amount of assets in the account at the end of the previous quarter and charged in advance. If the client terminates the account the fee will be refunded on a pro-rata basis. The account can be terminated on 30 days written notice. The fee can be charged directly to the account or billed. If the bill is outstanding longer than 60 days the account will be charged directly.

<b>Asset Size</b>	<b>Fee Range</b>
<b>\$25,000 - \$250,000</b>	<b>2.80% - 0.75%</b>
<b>250,001 - 1,000,000</b>	<b>2.75% - 0.55%</b>
<b>1,000,001 - 3,000,000</b>	<b>2.50% - 0.45%</b>
<b>3,000,001 – 5,000,000</b>	<b>2.25% - 0.35%</b>
<b>5,000,001 – 10,000,000</b>	<b>2.00% - 0.30%</b>
<b>Above 10,000,000</b>	<b>Negotiable</b>

Clients receiving the Tax Managed Service Option will be charged an additional 10 basis points.

### **D. Unbundled Managed Account Solutions (UMAS)**

Andrew Garrett has a \$25,000 minimum balance. Sub-advisers require a minimum balance that varies depending on the sub-adviser. The fee is calculated on the dollar amount of assets in the account at the end of the previous quarter and charged in advance. If a client terminates the account the fee will be refunded on a pro-rata basis. The account can be terminated on 30 days written notice. The fee is charged directly to the account. Andrew Garrett, Inc. offers two programs; a fee based platform and a fee plus \$15.00 transaction charge platform.

<b>Asset Size</b>	<b>Fee Range</b>
<b>\$25,000 - \$1,000,000</b>	<b>2.80% - 1.00%</b>
<b>1,000,001 – 10,000,000</b>	<b>2.45% - 0.60%</b>
<b>Above \$10,000,000</b>	<b>Negotiable</b>

## **E. Genworth Wealth Platforms**

The following are the GFWM Advisory Fee schedules for the various Investment Solutions. The annual rate of the ongoing GFWM Advisory Fee is based on the amount and type of assets under GFWM management. Each fee schedule is tiered so that, subject to certain exceptions, the first dollar under management receives the highest fee and only those assets over the breakpoints receive the reduced fee. The fee is calculated on the average daily value of assets in the account during the previous quarter. The fee is charged in advance. The account can be terminated with 30 days written notice by either party. If the account is terminated the unearned portion of the fee will be refunded on a pro-rata basis.

The following fees are for program and custody fees. These fees are based on assets under management.

Asset Level Funds	Assetmark Funds	Third Party Constrained	ETF Account Unconstrained	ETF account
First \$250,000	0.00%	.45%	.45%	.65%
\$250,001-\$500,000	0.00%	.40%	.45%	.60%
\$500,001-\$1,000,000	0.00%	.35%	.45%	.55%
\$1,000,001-\$2,000,000	0.00%	.30%	.40%	.50%
\$2,000,001-\$3,000,000	0.00%	.20%	.40%	.40%
\$3,000,001-\$5,000,000	0.00%	.20%	.35%	.40%
Over \$5,000,000	0.00%	.20%	.25%	.40%

The fee charged by AGI is in addition to the above and is negotiable in the range of 1.35 % to .25 %.

## **III. Types of Clients**

Andrew Garrett, Inc. does not target a specific market. Each client is approached from the standpoint that they are unique and possessing their own suitability profile, financial condition, investment objective, life experience and risk tolerance. The IAR will discuss with the client any individual or business concerning their investments or retirement plan. Our current clients come from the following sectors:

Individuals

Deferred Contribution and Individual Retirement Plans

High Net Worth Individuals

Corporations

The client's needs and objectives drive the decision on the investment platform that is recommended to the client.



#### IV. **Methods of Analysis, Investment Strategies and Risk of Loss**

**All investments involve risk of loss that clients should be prepared to accept.**

AGI Investment Advisers and sub-advisers collect data and information from various sources. They may include:

Media (Newspapers, Magazines, and Internet Sites and Searches)  
Research (prepared by third parties)  
Annual Reports, Press Releases, SEC Filings  
Corporate Rating Services  
Prospectuses and Offering Memoranda

AGI Investment Advisers and sub-advisers will use the following types of analysis when reviewing investment opportunities.

They may include:

Fundamental Analysis, Technical Analysis, Charting, and Business Cycle Analysis

Each client is approached from the standpoint that they are unique with personalized investment objectives, experiences and risk tolerances. Discussing these topics and gaining an understanding of the client the Investment Adviser will recommend a platform or program to use. Based on the client's answers to the questionnaire concerning risk and investment timeframe the Investment Adviser or sub- advisers may recommend the use the following strategies.

Long term Investments (longer than one year)  
Short term Investments (less than one year)  
Trading (less than 30 days)  
Margin  
Short Sales

The investment universe is quite broad. The client also has the ability to restrict the investments used. (For example, a client may restrict investments in companies that market cigarettes or alcoholic beverages.) The investment products or vehicles available are:

##### **Equity Types**

Common Stock (Domestic & Foreign)  
Preferred Stock (Domestic & Foreign)  
Real Estate Investment Trust  
Mutual Funds  
Exchange Traded Funds  
Warrants, Rights, Options or Derivatives

##### **Debt Types**

Corporate  
US Government  
Municipal  
Foreign or Sovereign  
Convertibles  
Asset-backed Obligations

## **V. Disciplinary Information**

In this section we disclose information concerning civil, criminal or regulatory disciplinary events for the past 10 years that are material to our Registered Investment Advisory business or members of management team.

Our Investment Advisory Business has no civil or criminal events to report.

From a regulatory perspective; on April 1, 2008, AGI was fined \$15,000 by the State of Missouri for acting as an Investment Advisor without being properly registered in the State. This event was an inadvertent oversight caused by an unintentional delay in completing the required filing

## **VI. Other financial Activity and Affiliations in progress**

Andrew Garrett, Inc. primary business is being a broker/dealer, operating a retail brokerage and investment banking business. AGI operates on a fully-disclosed basis using RBC Correspondent Services for clearing and custody of client's funds and securities.

AGI's Investment Advisor also uses RBC Correspondent Services platforms and programs for our advisory business.

Andrew Garrett, Inc. also offers insurance products through several insurance companies on a per contract basis. AGI is not a subsidiary of or affiliated with any insurance company.

## **VII Code of Ethics**

### **A. Introduction**

The Code of Ethics is a compilation of basic principles of conduct for which all Firm employees, are responsible for knowing and following. These principles represent values critical to our customers and others to conduct our business with honesty and integrity. The Code has been adopted to protect the reputation and integrity of AGI and its employees and to assist employees in following uniform standards of ethical conduct. The term "employee" in the Code is understood to mean officers, directors, employees, and independent contractors.

The Code of Ethics is intended to govern the actions and working relationships of employees with current or potential customers, consumers, other Firm employees, competitors, suppliers, government representatives, the media, and anyone else with whom the Firm has contact. In these relationships, employees must observe the highest standards of ethical conduct. The success of AGI as a provider of financial services is built upon the trust and confidential relationships maintained between AGI and its customers. Therefore, each employee is expected in all business matters to place AGI's and its customers' interest above

his or her own self-interest and to discuss with Compliance any proposed transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

It is AGI's policy that an employee maintain no position which (1) could conflict with their performance of duties and responsibilities to AGI, (2) affects or could affect independence or judgment concerning transactions between AGI and its customers, suppliers, or others with whom AGI competes or has existing or pending or potential business relationships, or (3) otherwise reflects negatively on AGI.

Employees must resolve any doubt as to the meaning of the Code in favor of good, ethical judgment. **It is the responsibility of each employee to avoid even an appearance of impropriety.**

Implicit in the Code of Ethics is AGI's policy that both AGI and its employees comply with the law. The law prescribes a minimum standard of conduct; the Code of Ethics prescribes conduct that often exceeds the legal standard. Any request made of an employee by any supervisor carries with it, whether or not articulated, the understanding that the employee is to comply with the request only to the extent he or she can do so while complying both with the law and this Code of Ethics. In certain instances, areas of AGI have their own unique policies governing subjects covered by the Code of Ethics due to their lines of business. These policies are in addition to the requirements of the Code of Ethics.

#### **B. Confidentiality**

Non-public information regarding AGI or its businesses, employees, customers, suppliers or consumers is confidential. Employees may not purposefully access or view such information without a business justification, disclose such information, or use it for trading in securities or for other personal gain during or after employment, except that employees may use confidential information to perform their job duties.

#### **C. Self-Interest**

##### **Employees are prohibited from:**

1. Accepting employment or engaging in a business (including consulting and similar arrangements or arrangements with competitors) that may conflict with the performance of their duties or AGI's interest. All outside business activities require prior approval by Compliance.
2. Taking for themselves personally opportunities that are discovered through the use of AGI proprietary, non-public information (such as processes, programs, software, and business information and plans) about AGI or its businesses, or position, even if developed by the employee either within or outside of the employee's area of responsibility, or using corporate property, information or position for personal gain, or competing with AGI.
3. Taking unfair advantage of any customer, supplier, competitor, or other Firm information through manipulation, concealment, abuse of privileged information, misrepresentation of material fact, or any other unfair dealing or practice.
4. Soliciting or demanding anything of value from any person in conjunction with the performance of their duties to AGI (other than normal compensation received from AGI).
5. Accepting personal fees, commissions, other compensation paid, or expenses paid or reimbursed from others, not in the usual course of AGI's business, in connection with any business or transaction involving AGI.

6. Purposefully viewing or using confidential information about the Firm or its businesses, employees, or customers, consumers or suppliers without a valid business reason, for personal benefit or disclosing such information to others outside of job duties.
7. Misusing AGI's information technology and electronic communications system, including accessing or distributing pornographic or other distasteful information or materials containing offensive, sexually explicit or harassing language, sending chain letters, or conducting excessive personal business.
8. Permitting Firm property (including data transmitted or stored electronically and computer resources) to be damaged, lost, used, or intercepted in an unauthorized manner.
9. Making any political contribution of money or other property on behalf of AGI that would violate federal or state law.
10. Borrowing or accepting money from customers or suppliers unless the customer or supplier is a financial institution that makes such loans in the ordinary course of its business.
11. Purchasing property, whether real, personal or intangible, from AGI without the approval of his or her supervisor or other designated senior officer unless AGI makes a general offer of extraneous company property to employees on a non-discriminatory basis.
12. Selling property or services to AGI unless approved by Compliance which will ascertain the reasonableness of the selling price.
13. Providing customers with legal, tax, accounting or investment advice not in the usual course of business; or recommending attorneys, accountants, securities dealers, insurance agents, brokers, real estate agents, or other service providers if the advising employee receives a personal reciprocal benefit for the referral from the service provider. (Note that referrals to service providers are permissible as long as the employee does not receive a personal reciprocal benefit for that referral.)
14. Engaging or investing in any business that directly or indirectly competes with services provided by AGI or any subsidiary of the Firm, except where such an investment represents insignificant ownership in a publicly traded company.
15. Knowingly benefiting from an error, including but not limited to payment of compensation (including incentive plan payments) or travel and entertainment expense reimbursement, without disclosing that error.
16. Doing any of the above actions indirectly through another person.

#### **D. Gifts and Entertainment**

In a commercial setting, the purpose of business entertainment and gifts is to promote goodwill and sound working relationships, not to gain unfair advantage. No gift or entertainment should ever be offered, given, provided or accepted by any employee in connection with AGI business unless it 1) is not a cash gift, 2) is consistent with customary business practices, 3) is not excessive in value, 4) cannot be construed as a bribe, payoff or kickback and 5) does not violate any laws or regulations.

#### **E. Bequests**

An employee must report to Compliance any potential bequest in excess of US\$100 to the employee under the will or trust instrument of a customer, vendor or supplier of AGI, whether or not AGI is the fiduciary named under such instrument, unless the customer,

vendor, or supplier is a member of the employee's immediate family. Bequests in excess of US\$100 are subject to the approval of the employee's immediate supervisor and Compliance.

#### **F. Privacy**

Employees may be restricted from accessing, sharing or using certain information across firm affiliates and from sharing information with external third parties, except as allowed by law. Employees must not view or request access to information unless a valid business purpose exists.

For specific information about privacy requirements, see *Customer Privacy Policies and Procedures* in the chapter *COMMUNICATIONS WITH THE PUBLIC* of the firm's Written Supervisory Procedures .

#### **G. Holding Office/Appointments**

1. Before an employee may become a director, officer, or partner of any business organized for profit outside AGI, written approval by Compliance is required.
2. Employees are encouraged to participate in organizations that are involved in charitable, educational, or community activities, and no approval is needed for involvement with such organizations unless the employee will receive compensation.
3. Employees are encouraged to participate in civic and political activities.
4. An employee may hold a part-time elective or appointive office provided the employee receives the written approval of Compliance and provides full disclosure concerning the time involved and compensation, if any, to be received. When an employee seeks a political office, the employee must obtain an opinion from the political entity's legal counsel stating that the employee's candidacy is not prohibited and that the employee's election or appointment will not bar the political entity from doing business with AGI.
5. Employees must avoid appointments, including fiduciary appointments, which may conflict with the performance of their duties for AGI or otherwise interfere with their employment relationship with the Firm. All fiduciary appointments, except those on behalf of the employee's immediate family members ("Immediate family member" means a person's child, parent, spouse, sibling, and in-laws) must be approved by Compliance which may require execution of a hold harmless agreement by the beneficiary. Employees are prohibited from maintaining trusteeships and other fiduciary appointments for their own customers other than immediate family members.

#### **H. Internal Accounting Controls**

It is the legal responsibility of AGI to develop and maintain systems of internal accounting controls that permit the preparation of its financial statements in accordance with applicable laws, rules, and accounting principles.

No one shall, directly or indirectly, knowingly falsify or cause to be falsified any book, record or account of the Firm. This includes expense accounts, approval of invoices submitted by vendors, records of transactions with customers, records of disposition of company assets, records of consumers, or any other record.

Any employee who becomes aware, directly or indirectly, of inadequate controls, a failure of controls, or a circumvention of controls, or that transactions or other items are improperly recorded on AGI's books or records, must promptly report the situation to Compliance.

#### **I. Reporting Possible Ethics Violations and Disciplinary Action**

Employees have an obligation to report potential ethics violations to Compliance. Compliance will maintain the confidentiality of the individual reporting the possible

violation; the employee may also report anonymously the identity of the parties involved. Retaliation against employees who report possible violations is strictly prohibited and will subject those who retaliate with disciplinary action which may include termination. Those who violate the Code are subject to disciplinary action which may include termination.

For example, if an employee would feel more comfortable in merely reporting that they suspect several of their co-employees are involved in what appears to be falsifying documents or that a fellow employee is involved in a transaction that may be a conflict of interest on his or her part, the employee need only report the suspected Code violation, the persons involved, and the department in which they suspect the activity is occurring.

#### **J. Trading In the Stock of Firm Customers, Suppliers or Vendors**

##### **Customer Securities**

No employee may invest in the securities of a customer of AGI if the employee participates in or is expected to participate in transactions involving, or is responsible for, extensions of credit to the customer or if the customer's securities are publicly traded and the employee has non-public information concerning the customer at the time of the proposed investment. If the employee participates in or is responsible for decisions involving non-credit business transactions with the customer, the employee must comply with any investment policy applicable to the employee's line of business before making an investment in the customer's securities. In no case may the employee invest in the customer's securities until after making disclosure of the proposed investment to the employee's immediate supervisor, to the person approving the transaction with the customer, and Compliance.

##### **Supplier or Vendor Securities**

No employee may invest in the securities of a supplier or vendor if the employee participates or is expected to participate in or is responsible for decisions involving business transactions with the supplier or vendor or if the securities are publicly traded and the employee has nonpublic information about the supplier or vendor at the time of the proposed investment. If an employee has an existing investment in the securities of a supplier or vendor of AGI and such employee participates or is expected to participate in or is responsible for decisions involving business transactions with the vendor or supplier, the employee shall promptly disclose the investment to his or her immediate supervisor and Compliance, and shall refrain from further participation in such decisions unless expressly authorized in writing by his or her immediate supervisor and Compliance.

An employee may make an insubstantial investment in the publicly traded securities of a supplier or vendor even though such employee participates or is expected to participate in or is responsible for decisions involving the supplier or vendor if the employee obtains the prior approval of the employee's immediate supervisor and Compliance.

#### **K. Full and Fair Disclosure**

Employees are required to make full, fair, accurate, timely, and understandable disclosure in reports and documents that AGI files with, or submits to, the Securities and Exchange Commission, SROs, government agencies, and in other public communications made by AGI.

#### **L. Compliance**

1. Each employee of AGI shall act on AGI's behalf in a manner that complies with all laws, rules, and regulations under which AGI must operate. Any employee who becomes

aware, either directly or indirectly, of an employee's violation of a law involving a breach of trust must report the violation promptly to Compliance.

2. If an employee becomes aware of or suspects embezzlement, false entries in AGI's records, false statements to AGI's regulators, false statements by customers or consumers (where the employee knows that the statement is false or has reason to inquire as to its falseness), or any fraud or potential fraud, or other criminal violation involving AGI, its employees or customers, such employee must immediately contact Compliance.

3. An employee who is convicted of a crime (other than a minor traffic offense) or found liable for an offense that subjects the employee to a disciplinary or licensure order by a regulatory agency or self-regulatory organization, must promptly report the event to Compliance. In addition, an employee who is charged with (but not convicted) of a crime involving a breach of trust, dishonesty, substance abuse, money laundering, or a felony, or is charged with (but not found liable) of an offense by a regulatory agency or self-regulatory organization that may result in a disciplinary or licensure order must promptly report the event to Compliance. Failure to report the above is a violation of the Code.

4. Each employee must cooperate fully with a request by AGI to conduct an investigation of the employee. Failure to do so is a violation of the Code.

### **Supervision**

It is the responsibility of each supervisor to train and supervise employees so that they are able to perform their jobs in a competent manner and in conformity with AGI's policies, including the Code of Ethics. When assigning responsibilities to an employee, it is the supervisor's responsibility to ensure that the employee has demonstrated the capability to discharge the assigned responsibility in conformity with the Code of Ethics. It is also the supervisor's responsibility to ensure that all employee questions concerning the operation and requirements of the Code of Ethics are fully addressed.

### **Administration**

1. The Chief Compliance Officer is responsible for administration of the Code of Ethics and updating the Code when necessary.

2. All employees will receive a printed copy or directed to review an electronic version of the Code upon hire and will certify their compliance annually on the Annual Employee Certification.

3. Disclosures, approvals, or waivers will be reviewed, acted upon, and retained by the Chief Compliance Officer with the exception of requests for waivers by Firm directors which will be reviewed and acted upon by the Board of Directors and/or AGI Audit Committee, if an audit committee exists.

4. The Code will be included in employee training.

## **VIII. Brokerage Practices**

Clients using the RBC platforms will have many of their transactions placed with vendors chosen by RBC. Not all advisers require clients to direct their brokerage transactions. This may result in your not receiving the most favorable execution and may cost you more per share. AGI does not receive any compensation from RBC or other vendors depending on where trades are executed.

Clients using the Genworth platforms will have many of their transactions placed with vendors chosen by Pershing Securities. AGI does not receive any compensation from Genworth or Pershing based on the vendors used to execute trades.

AGI may own securities in our proprietary account that are recommended to our advisory clients. Traders on the proprietary desk are prohibited from discussing their positions or intended positions with Investment Advisor Representatives.

AGI may recommend that advisory clients invest in private placements or IPO's where AGI acts as the placement agent or selling group member. AGI will disclose to the client that they will receive separate compensation in addition to the fees that charged to the client. AGI will disclose any ownership interest or employees that have employment or directorships in companies that they recommend to clients. AGI will review the client's financial information and investment objectives to verify that the client is qualified and the investment suitable. The client will sign a separate disclosure acknowledging that AGI is receiving additional compensation for this investment

Matters involving conflict of interest are not always evident and employees should consult with the Compliance where even a remote possibility of conflict might exist. Full disclosure and resolution of any conflict of interest that arises in conducting business is required. AGI's employees will not buy or sell any security for themselves that they also plans to solicit a client to buy or sell if the effect or intent of those transactions is for personal gain or for unfair advantage.

## **IX. Review of Accounts**

The Investment Advisor Representative will periodically review their clients Account(s). Such reviews will be conducted on a schedule suitable to the client. These reviews may also be conducted or supplemented through on-going communications with client. The performance of these reviews and/or notes of conversations must be documented. Each client account will be reviewed on a periodic basis by the Senior Compliance Officer. Special interim reviews may be conducted when an Investment Adviser Representative leaves Andrew Garrett, Inc. or when the IAR becomes the subject of a complaint involving investment-advisory -related activities or any unethical behavior. These Special reviews will be documented.

## **X. Client Referral and Other Compensation**

Andrew Garrett, Inc. may recommend certain sub-advisers to manage client's assets as part of the AGI's proprietary, RBC or Genworth platforms discussed above. AGI does not receive any special or added compensation from any sub-advisers for the referral or recommendation.



AGI does not have any referral arrangements with any other parties. We do not pay anyone for referring a client to us.

## **XI. Custody**

Andrew Garrett, Inc does not take custody of client's securities or funds. Any funds or securities received from a client are sent promptly to the appropriate custodian. These custodians will provide statements at least quarterly on a calendar year basis. There may also be supplemental or special reports generated by the custodians.

## **XII. Investment Discretion**

Investment Adviser Representatives do not have discretionary authority to place trades in client accounts. The IAR may recommend that the client use a sub-adviser to whom the client will give discretionary authority. Once a client has chosen a sub-adviser the Investment Adviser Representative does not have discretionary or any other authority to change sub-advisers

## **XIII Proxy Voting**

Andrew Garrett, Inc. will not assume proxy voting authority for the client. Proxy voting is the responsibility of the client.

## **XIV Requirements for State Registered Advisors**

### **Principal Officers**

#### **Andrew G. Sycoff**

Education	Syracuse University BS-Consumer Studies
Professional	Andrew Garrett, Inc 6/13/1994 to Present President, Director and CEO Brokerage America LLC 2/12/2000-to 4/26/2005 CEO and Chairman of the Board

#### **Revan R Schwartz**

Education	New York Institute of Technology BS- Accounting St. John's Univ. School of Law - Juris Doctor
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Professional                      Andrew Garrett, Inc. 5/06/1996-Present  
EVP and General Counsel, Director  
Brokerage America, LLC 2/28/2000 to 4/22/2005  
Chief Legal Officer

**James R Mitchell**

Education                         State University of New York (Potsdam) 1981 to 1983  
State University of New York (Oneonta) 1983 to 1985  
BS-Statistics

Professional                      Andrew Garrett, Inc. 5/23/2003-to Present  
Chief Administrative Officer  
Brokerage America, LLC 4/30/2001 to 4/01/2005  
Chief Administrative Officer

**Robert N. Schaffer**

Education                         Suffolk Community College (Suffolk NY) 1981-1982  
State University of New York (Oneonta) 1983  
Hofstra University (Long Island, NY) 1984  
Suffolk Community College (Suffolk NY) 1987  
BS- Business Administration

Professional                      Andrew Garrett, Inc. 05/2007 to Present  
Chief Compliance Officer  
ClaimTrust 02/2007 to 05/2007  
Sales and Marketing  
Andrew Garrett, Inc. 02/2005 to 02/2007  
Compliance and Business Development  
Brokerage America, LLC 01/2004 to 03/2005  
Sales Trader  
Thomas Securities, LLC 09/2003 to 01/2004  
Registered Person  
Transaction Auditing Group 09/2000 to 01/2004  
Sales/Marketing