

# SUNBELT SECURITIES, INC.

**(SEC #801-71996)**

Part 2a of Form ADV Part II Disclosure Brochure  
Dated March 9<sup>th</sup>, 2012

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Houston, TX 77056  
713-965-9510

This brochure provides information about the qualifications and business practices of Sunbelt Securities, Inc. ("SUNBELT"). If you have any questions about the contents of this brochure, please contact us at (713) 965-9510. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about SUNBELT is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The terms "registered investment adviser" or "registered" do not imply a specific level of skill or training.

## MATERIAL CHANGES

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 25th, 2011, is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Cara McKee, operations, at (713) 965-9510 or [cara.mckee@sunbeltsecurities.com](mailto:cara.mckee@sunbeltsecurities.com).

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## **ADVISORY BUSINESS**

### **A. Description of Our Firm**

SUNBELT is based in Houston, TX located at 5065 Westheimer Road, Suite 600. SUNBELT is an investment adviser registered with the Securities and Exchange Commission ("SEC").

SUNBELT offers its services to individuals, corporations or other businesses, pension and profit sharing plans and trusts, and banks or thrift institutions and carries out its investment advisory services through its IA Representatives.

#### **1. Principal Owners**

SUNBELT is a Texas corporation with no individual owning 25% or more of the company. Each of the principals have over 30 years experience each in the financial services industry.

### **B. Advisory Services Offered**

#### **Asset Management Program**

SUNBELT, through our IA Representatives, provides asset management services to Clients. Our asset management services are tailored to the individual needs of our Clients. Our IA Representatives provide assistance with the initial investment selection and ongoing monitoring of an account's performance in relation to the Client's risk tolerance, time horizon, investment objectives, and overall financial situation.

As of January 31<sup>st</sup>, 2012, we manage \$125,726,000 of client assets on a discretionary basis.

#### **Financial Planning and Services Program**

SUNBELT, through our IA Representatives, may charge for financial services or participate in financial planning services. These services may vary and may include preparing a written financial plan or specified portion of a financial plan based on the Client's individual financial objectives, needs, and circumstances. Our IA Representatives do not provide tax or legal advice but may work in conjunction with the Client's tax advisors or legal advisors with Client consent. We may also refer Clients to other tax or legal advisors should additional expertise be needed. These plans may include recommendations for meeting a specific goal. There is no requirement that the Client implements any of the recommendations or otherwise conduct business through SUNBELT.

### **C. Our Services and Restrictions**

SUNBELT tailors its services to meet the individual needs of its Clients. On occasion, Clients may impose restrictions on investing in certain securities and types of securities.

### **D. Wrap Fee Program**

We offer both a wrap fee program and non-wrap program. Under the firm's policies, a portion of the wrap fee collected is shared with SUNBELT and your IA Representative.

### **E. Discretion**

SUNBELT and its IA Representatives manage Client assets on a discretionary basis.

## FEES AND COMPENSATION

### A. Our Programs and Fee Schedules

#### **Asset Management Program**

Through our Asset Management Program, our IA Representatives provide assistance with the initial investment selection and ongoing monitoring of an account's performance in relation to the Client's risk tolerance, time horizon, investment objectives, and overall financial situation. There is a minimum account size of \$25,000 (may be negotiated under special circumstances) with no minimum fee. Accounts of \$25,000 or less will have a minimum quarterly custodial fee of \$10.00.

Fees are paid on a quarterly basis in advance and are deducted from the Client's account through the account's custodian. The fee shall be negotiated individually between the IA Representative of SUNBELT and the Client based on the Client's facts, circumstances, and needs and shall not exceed 3% of the average annual value of the account.

Below are the two options available to Clients:

#### **Option A - Wrap Account: All Inclusive Fees**

The Asset Management Program Wrap Account has a consolidated annual fee that encompasses: services provided by SUNBELT, services provided by the IA Representative of SUNBELT, services provided by an outside money manager if applicable, and the costs associated with clearing and custody.

Fees include: Account set up, billing, trading costs, reporting services, and custodian account fees.

Fees do not include: Exchange or miscellaneous custodian fees, transfer taxes, account transfer fees, interest incurred on margin, checking and debit card fees, corporate actions fees, or any fees imposed by law.

*OR*

#### **Option B – Non-Wrap Account: Annual Fee plus Transaction Fee**

The Asset Management Program-Non-Wrap Account has an annual fee that encompasses: services provided by SUNBELT, services provided by the IA Representative of SUNBELT, services provided by an outside money manager if applicable and some costs associated with clearing and custody. In addition to the annual fee, there are fees charged per transaction.

Fees include: Account set up, billing and Reporting services and custodian account fees.

Fees do not include: Trading costs (fees per transaction charged by the Custodian), exchange or miscellaneous custodian fees, transfer taxes, account transfer fees, interest incurred on margin, checking and debit card fees, corporate actions fees, or any fees imposed by law.

Annual fees may be reduced to offset trading costs.

All new accounts will be billed in the month after assets arrive in the account and billing will be based off of the previous month end value. After the initial billing, fees will be billed in advance, on or about the 15<sup>th</sup> business day of the month after the end of each calendar quarter. Ongoing fees are calculated by determining the month end value of the previous quarter. Under special circumstances, fees can be negotiated. Fees are charged directly to the account unless the Client

specifies in writing another account. Under the firm's policies, a portion of the advisory fee collected is shared with SUNBELT, your SUNBELT IA Representative, and the custodian servicing the accounts.

Any Client who wishes to terminate their agreement must provide written notification of their request to SUNBELT or their IA Representative. SUNBELT will obtain the number of days that the account was opened during the quarter and promptly refund fees from termination date to the end of the quarter.

Please reference the SUNBELT Wrap Brochure that provides Clients with information that should be considered before becoming a client of SUNBELT and the Program.

### **Financial Planning and Services Program**

SUNBELT through our IA Representatives may charge for financial services or participate in financial planning services. The fees reflect all of the time spent by the IA Representative of SUNBELT gathering and compiling Client's information, conferring with the Client, and/or any other activities directly associated with carrying out obligations under the agreement. Fees can be a fixed fee or hourly charge that is detailed in an agreement signed by SUNBELT, the IA Representative of SUNBELT, and the Client. This fee will be agreed in advance of the plan being prepared or the service being executed and fees are negotiable. The fee will be based on the complexity of the plan or service provided. All agreements must be approved by an SUNBELT officer prior to any payments being received. All fees are invoiced and submitted to the Client or if specified in writing, fees may be deducted from a designated account. Under the firm's policies, a portion of the advisory fee collected is shared with SUNBELT and your IA Representative.

If Client terminates this Agreement within five (5) business days of its signing, Client shall receive a full refund of all fees. If this Agreement is terminated after five (5) business days of its signing, any prepaid fees shall be prorated and the unused portion shall be returned to the Client. Such termination shall not, however, affect liabilities or obligations incurred or arising from recommendations initiated under the agreement prior to such termination, including the provisions regarding arbitration, which shall survive any expiration or termination of this Agreement.

### **B. How Fees are Deducted**

For the Asset Management Program, fees are deducted directly from the Client's account unless another account is specified in writing. For the Financial Planning and Services Program, Clients may be invoiced or if specified in writing, fees may be deducted from a designated account.

### **C. Other Fees**

Aside from the fees described above, certain additional disclosures related to fees are important. All fees paid to SUNBELT for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs, variable life sub-accounts, and variable annuity subaccounts (collectively, the "Funds") to their shareholders. Certain of the mutual funds available through the program distribute payments to broker/dealers or custodians with respect to sales of fund shares pursuant to Rule 12b-1 of the Investment Company Act of 1940 or with respect to shareholder services provided pursuant to no-transaction-fee programs. Such payments are made from fund assets and reduce overall fund performance. Such funds may be included by the IA Representatives managing the assets where they reasonably believe the overall performance of a fund, after taking into account such payments, merits inclusion. While SUNBELT will endeavor to avoid incurring such fees by utilizing no load or non transaction fee funds, there may be instances where such fees are incurred. Advisory fees may be negotiated to offset these payments. Additionally, the firm or the Custodian, as contemplated herein, may receive management fees in connection with the purchase of certain mutual funds. Please see the mutual fund prospectus for further details. Advisory fees charged in the program are separate and distinct from any fees and expenses charged by the mutual funds themselves. Such fees are disclosed in each fund's prospectus.

Potential conflicts of interest may arise between the Client's interests and SUNBELT's interests in executing transactions as an investment adviser, if the Client chooses at his or her sole discretion to implement all or part of the Program and execute transactions through SUNBELT. There is no requirement that the Client implements any of the recommendations or otherwise conduct business through SUNBELT.

Many of IA Representatives are also registered representatives who serve as brokers in a transaction based business, for which commissions are paid. The IA Representatives could conceivably, therefore, have both an investment advisory account and a brokerage account for Client. Transactions in brokerage accounts are executed on an agency basis and do not imply a fiduciary relationship between the Client, the IA Representative, and/or Sunbelt Securities.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge performance-based fees and do not have side-by-side management.

## **TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS**

SUNBELT offers its services to individuals, corporations or other businesses, pension and profit sharing plans and trusts, and banks or thrift institutions. There is a minimum account size of \$25,000 (may be negotiated under special circumstances) with no minimum fee. Accounts of \$25,000 or less will have a minimum quarterly custodial fee of \$10.00.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

### **Methods of Analysis**

Before SUNBELT or its IA Representatives discuss investment strategy with a Client, they conduct thorough due diligence to obtain the essential facts regarding a Client's assets, financial situation, objectives, time horizon, and similar information. SUNBELT through its IA Representatives are responsible for advising Clients on appropriate investment possibilities and vehicles based upon the Client's particular needs, objectives, and risk tolerance.

SUNBELT and its IA Representatives are responsible for:

- a) Analyzing a Client's current financial situation and assisting them in determining their investment objectives, time horizon, and risk tolerance.
- b) Advising Client's about investment possibilities and vehicles and educating the Client on fees, a security's features including risk and costs, how a possible investment would fit with the Client's objectives, and possibly assisting the Client in determining an appropriate asset allocation. Part of the IA Representative's analysis may include researching economic, political, and market trends utilizing an array of fundamental and technical factors. Fundamental factors include but are not limited to measures such as earnings growth rates, return on investment, dividend yield and qualitative risk analysis. Technical factors include measures such as price performance, volatility and trading volume.
- c) Ongoing monitoring of the Client's investment/asset allocation as well as working with the Client to ensure that SUNBELT and the IA Representative have timely information regarding the Client's needs, objectives, and risk tolerance.

### **Risk of Loss**

When investing in securities, the risk of a decline in market value can be substantial. SUNBELT and its IA Representatives cannot guarantee the future performance of the Client's Account or any specific level of performance, the success of any investment decision, asset allocation, or strategy that the IA Representative may use. Clients should understand that

investment decisions made for the Client's Account by the IA Representative are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

**Market Risk.** Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. Investments may decline in value if the stock markets perform poorly. There is also a risk that the investments will underperform either the securities markets generally or particular segments of the securities markets.

**Portfolio Turnover Risk.** Portfolio turnover refers to the rate at which investments are replaced. The higher the rate, the higher the transactional and brokerage costs associated with the turnover which may reduce the return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase your realized capital gains or losses, which may affect the taxes you pay.

**Foreign Risk.** Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.

**Small and Medium-Size Company Risk.** Small and medium size companies may have narrower markets and more limited managerial and financial resources than do larger, more established companies. As a result, their performances can be more volatile and they may face a greater risk of business failure.

**Issuer-Specific Risk.** The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than that of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.

**Put and Call Options Risk.** There are risks associated with the sale and purchase of call and put options. A seller (writer) of a covered call option, assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the option is uncovered, and the Seller must purchase the security at the current market price because the option is exercised, the loss could be significant. The buyer of a put or call option risks losing the entire premium invested in the option if they do not exercise the option.

In light of these risks associated with investing, the Client should carefully consider whether such an investment is suitable for them in light of their personal financial condition. Prior to authorizing an IA Representative of SUNBELT to invest for their Account, the Client should carefully review the investment objectives that were discussed and documented with SUNBELT and their IA Representative and the Client must accept, reject, or recommend changes regarding how their account will be managed. Specifically, the Client should consider whether their investment objective is consistent with their personal risk tolerance and their ability to maintain his/her standard of living and/or achieve his/her financial goals in the event that their account should sustain a loss. It is important for the Client to notify SUNBELT or their IA Representative promptly if there are any significant changes in the information, financial circumstances, or investment objectives previously provided to SUNBELT, either verbally or in writing, that might affect the manner in which their account should be invested. It is also important that the Client review statements and confirmations in a timely manner.

## **DISCIPLINARY INFORMATION**

SUNBELT does not have any legal or disciplinary events to disclose.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

SUNBELT's management, as well as Many of SUNBELT's IA Representatives are registered with Sunbelt Securities Inc., a FINRA member broker /dealer. Brokerage services provided by Sunbelt Securities are separate and distinct from the advisory services provided by SUNBELT, and are provided for separate and customary compensation.

South Coast Assurance is an insurance agency licensed in the State of Texas, under common ownership and control with SUNBELT. The principal executive officers and other employees of SUNBELT, in their individual capacities, may also be agents for South Coast Assurance and various unaffiliated insurance companies. As such, these individuals will be able to receive separate and customary compensation resulting from implementing product transactions on behalf of advisory clients.

Participation or Interest in Client Transactions:

Advisory clients of SUNBELT may have the brokerage services of Sunbelt Securities and the insurance services of South Coast Assurance recommended to them where appropriate. Advisory clients of SUNBELT are not under any obligation to use Sunbelt Securities' brokerage services, South Coast's insurance services, and/or their associated persons when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

While these individuals endeavor at all times to put the interest of the clients first as part of SUNBELT's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

SUNBELT compliance department reviews client and IA representatives' transaction for conflicts. If a conflict is discovered, it is brought to the attention of our Chief Compliance Officer to implement any needed corrective measures.

## **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRAINING**

SUNBELT's Code of Ethics is based on the principle that SUNBELT and each of its owners, employees, and IA Representatives owe a fiduciary duty to its Clients. All owners, employees, and IA Representatives must sign the SUNBELT Code of Ethics and it is reviewed at each annual compliance meeting. All SUNBELT owners and IA Representative are expected to act in a manner that fully complies with these standards and the federal and state securities laws at all times and that otherwise is premised on fundamental principles of openness, honesty, integrity, fairness, trust and professionalism.

As a Firm, SUNBELT places an extremely high value on ethical conduct and challenges all owners, employees, and IA Representative to live up to not only the letter of the law, but also to the spirit thereof and the ideals of our organization.

One of the areas that SUNBELT imposes its highest level of ethical expectations is through personal securities transactions. From time to time, owners, employees, and IA Representatives may purchase securities for themselves or family members that they also recommend to their Clients. Owners and IA Representatives and their family members may also own securities that they recommend to Clients. It is the responsibility of the firm to closely monitor this activity to ensure that the Client's interests are always placed ahead of the owners, employees, and IA Representatives of SUNBELT. SUNBELT has policies and procedures in place to review whether Clients are receiving terms as favorable as



those obtained from SUNBELT's owners, employees, and IA Representative when trading the same security and assess whether any individual's personal security holdings may present a conflict of interest.

A copy of the SUNBELT Code of Ethics will be furnished to any Client, whether existing or potential, upon request.

## **BROKERAGE PRACTICES**

By recommending either the Wrap Program or Non-Wrap Program to clients, SUNBELT is also recommending the services of National Financial Services, a FINRA member broker/dealer. Clients who decide to participate in either Program are also choosing the brokerage and custodial services of National Financial Services. SUNBELT has evaluated National Financial Services and believes that it will provide clients with a blend of execution, custody and reporting services that will assist SUNBELT in meeting its obligations to clients. It is important to note that not all investment advisers require clients utilize a specific brokerage. SUNBELT reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer other than National Financial Services.

In directing the use of National Financial Services it should be understood that SUNBELT will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved which could result in greater client costs. Clients should note, while SUNBELT has a reasonable belief that National Financial is able to obtain best execution and competitive prices, SUNBELT will not be independently seeking best execution price capability through other broker/dealers.

### **Soft Dollar Benefits**

SUNBELT does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker/dealers, or third parties, on a soft dollar commission basis.

It is important to disclose that SUNBELT does receive some service through our custodian, NSF; however, these services are paid for through clearing agreements that are executed between SUNBELT and the custodian. These services include custody of securities, trade execution, clearance and settlement of transactions. Per the clearing agreements, some tools that may be considered economic benefits are offered to SUNBELT. These tools could include various technology tools and products that may assist SUNBELT in managing Client accounts. These benefits may create a conflict of interest between SUNBELT and its Clients.

### **Trading**

**Aggregation.** The aggregation or blocking of Client transactions allows an IA representative to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to Clients. Because we manage Client's assets on an account by account basis, SUNBELT normally does not aggregate Client transactions. In the event aggregation does occur, Clients participating in any aggregated transactions would receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

**Allocation.** As a matter of policy, an IA representatives allocation procedures must be fair and equitable to all Clients with no particular group or Client(s) being favored or disfavored over any other Client. SUNBELT's policy prohibits any allocation of trades in a manner that SUNBELT's proprietary accounts, affiliated accounts, or any particular Client(s) or group of Clients receive more favorable treatment than other Client accounts. Clients participating in a block trade will receive a weighted-average allocation of the securities subject to the trade. In the event that any block order is not completely filled, a weighted-average allocation will be made first to those Clients that were a part of the original order, then an allocation will subsequently be made to each Client that was not a part of the original order, and such allocation will be made on an equitable basis.

## **REVIEW OF ACCOUNTS**

A Compliance Officer will review advisory accounts periodically. These reviews will consist of comparing account activity to the personal information collected on the account information form such as financial condition, investment objectives, and risk tolerance as well as trading frequency. The designated Compliance Officer may review the following documents related to Client accounts as applicable: daily blotters, new account applications, advisory agreements, daily money/asset movement, and suspicious activity. Special or in depth reviews of an account would take place should there be questions or concerns from a Client regarding activity or fees, issues with IA Representative, or if the designated reviewer detects problematic activity.

## **CLIENT REFERRALS OR OTHER COMPENSATION**

SUNBELT does not any receive economic benefit or compensation for referring Clients to third parties nor does SUNBELT compensate any third party for Client referrals.

## **CUSTODY**

SUNBELT utilizes a qualified custodian for the custody of Client funds or securities. The qualified custodian will prepare and provide transaction confirmations and summary periodic statements to Clients. We encourage Clients to immediately contact SUNBELT if any inaccurate information is found on a document sent by the custodian.

## **DISCRETION**

SUNBELT does utilize discretion when investing assets for Client accounts through the custodian on behalf of the Client.

## **VOTING CLIENT SECURITIES**

SUNBELT, as a matter of policy and practice, has NO authority to vote proxies on behalf of advisory Clients. The firm may offer assistance as to proxy matters upon a Client's request, but the Client always retains the proxy voting responsibility.

## **FINANCIAL INFORMATION**

SUNBELT does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, therefore we have not included a balance sheet for our most recent fiscal year.

## **ATTACHMENT A: PRIVACY POLICY**

At SUNBELT ADVISORY SERVICES, INC., we respect the privacy of our clients and are committed to providing the highest standards of confidentiality and safeguarding financial and other non-public personal information. In that regard, we maintain a Privacy Policy and make available this Privacy Notice to all current, former and potential clients. All SUNBELT ADVISORY SERVICES, INC. employees and agents are expected to abide by the SUNBELT ADVISORY SERVICES, INC. Privacy Policy.

**PRIVACY OF OUR CLIENT'S PERSONAL INFORMATION.** We collect your non-public personal information to help us provide you with the best possible service and to satisfy our suitability, customer identification requirements and other regulatory obligations. We do not sell your personal information to anyone and protect the confidentiality and security of your personal information. We may use your personal information to fulfill our regulatory and audit obligations. We

do not disclose your personal information to third parties, with the exception of certain limited circumstance noted below.

**COLLECTION OF YOUR PERSONAL INFORMATION.** Collection and use of your personal information by SUNBELT ADVISORY SERVICES, INC. is derived primarily from the client profile, account applications and other forms. This personal information is not limited to but may include your address, date of birth, social security or tax identification number, driver's license number, employment status, financial goals, assets, income and documentation relating to any entity such as a trust, corporation, etc. In addition, your personal financial advisor may provide us with personal information on your behalf.

**USE OF YOUR PERSONAL INFORMATION.** We disclose personal information to companies that custody your assets or process your transactions. These companies may perform services for us or function on our behalf including clearing broker-dealers, investment companies, or insurance companies. We maintain contracts with these companies which prohibit them from using personal information for their own purposes. We may disclose or report personal information to your personal financial advisor, but only to the extent necessary or advisable in connection with services being provided to you. We may provide personal information to certain authorized individuals including your attorney, trustee or anyone else who represents you in a fiduciary capacity. Additionally, we may provide our attorneys, accountants or auditors with your personal financial information. We may provide government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries. We may disclose or report personal information in other limited circumstances where we believe in good faith that disclosure is required or permitted under law. For example, cooperating with regulatory or law enforcement authorities, resolving consumer disputes, or performing credit/authentication checks. Outside of these limited circumstances, we will not share personal information with third parties unless you specifically request us to do so in writing.

**LIMITING ACCESS TO YOUR PERSONAL INFORMATION.** We restrict access to your personal information to our employees and agents for business purposes only. We train our employees to respect customer privacy and to recognize the importance of confidentiality. We maintain physical, electronic, and procedural safeguards that are designed to guard your information. If our relationship ends, we will continue to treat your non-public personal information as confidential and continue to safeguard your information.

**CHANGES TO YOUR PERSONAL INFORMATION.** We continue to evaluate our efforts to protect your personal information and make every effort to keep that personal information accurate and up-to-date. If you identify any inaccuracy in your personal information, or need to make a change to your personal information, please contact us promptly so we may update our records.

**CHANGES TO THIS PRIVACY NOTICE.** You will be notified if we make any substantial changes to the way we use or disseminate personal information.

**QUESTIONS OR CONCERNS.** If you have any issue or questions concerning your account, personal financial advisor, or this Privacy Notice, please call our Compliance Department toll-free at 877-316-7746 to address the issue promptly. Our corporate address is 5065 Westheimer, Suite 600, Houston, TX 77056.

\*At the time of opening all new account(s) all clients are automatically Opt'ed out.

## **ATTACHMENT B: BUSINESS CONTINUITY PLAN**

Sunbelt Advisory Services, Inc. has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of diSunbeltters and disruptions is unpredictable, we will

have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**CONTACTING US** – If after a significant business disruption you cannot contact us as you usually do at 713-965-9510, you should call our alternative number 713-253-4700 (Patrick Smetek) or 713-819-1439 (David Smetek) or go to our website at [www.sunbeltsecurities.com](http://www.sunbeltsecurities.com). If you cannot access us through either of those means, you should contact Lisa Gesin at 972-386-8077 or contact your Registered Representative directly.

**OUR BUSINESS CONTINUITY PLAN** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Our clearing firm, NFS, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments within the same business day. Your orders and requests for funds and securities could be delayed during this period.

**VARYING DISRUPTIONS** – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within the same business day. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within 2-3 business days. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site [www.sunbeltsecurities.com](http://www.sunbeltsecurities.com) or customer emergency number, 713-253-4700 how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, you may contact the NFS Customer Service Line at 800-801-9942 which will assure our customer's prompt access to their funds and securities. *(Please note that the representatives at this number will **only** be able to assist you with your account in the event that our firm goes out of business entirely. If this is not the case and we are simply experiencing a temporary business disruption, you should follow the alternate routes of contact previously mentioned.)*

**FOR MORE INFORMATION** – If you have questions about our business continuity planning, you can contact us at 713-965-9510.