

Item 1 – Cover Page

Sugarloaf Wealth Management,

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March 19, 2012

This Brochure provides information about the qualifications and business practices of Sugarloaf Wealth Management, LLC (“SWM”). If you have any questions about the contents of this Brochure, please contact Doug Everett at 770-985-5473 or deverett@swmlc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Sugarloaf Wealth Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sugarloaf Wealth Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since our last annual amendment, dated May 20th, 2011 we have made the following material changes to our Part 2A.

As of March 3rd, 2012 (“Migration Date”), Accounts administered by the **VISION2020** Advisor Program (“Old Platform”) have migrated to a new administrative platform called **VISION2020** Wealth Management Platform – Advisor Managed Portfolios (“New Platform”). As of the Migration Date, the Old Platform has been retired, and applicable existing and new accounts are administered and opened via the New Platform. As such, ADV Part 2A disclosure relating to the Old Platform has been removed while disclosure relating to the New Platform has been added.

Our Brochure may be requested at no cost to you by contacting Douglas M. Everett, Chief Compliance Officer, at 770-985-5473 or deverett@swmlc.com. Our Brochure is also available on our web site www.swmlc.com.

Additional information about Sugarloaf Wealth Management, LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Sugarloaf Wealth Management, LLC who are registered, as investment adviser representatives of Sugarloaf Wealth Management, LLC.

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Item 4 – Advisory Business

Sugarloaf Wealth Management is a federally registered investment adviser located in Duluth, GA. The firm is managed by Doug Everett and Jason Connolly. As of Feb. 29th, 2012, SWM managed \$76,476,963 on a discretionary basis, and \$14,816,477 on a non-discretionary basis.

SWM provides portfolio management services to individuals, trusts, estates, charitable organizations, small business owners and other persons or entities. Accounts are managed based on the particular investment strategy selected by the client, subject to any specific instructions provided by the client in writing. Clients have the opportunity to place reasonable restrictions on the types of investments held in the portfolio.

Advisory services and the sale of investment products are processed through Royal Alliance Associates, Inc. (“Royal Alliance”) Royal Alliance is a dually registered broker/dealer and investment adviser, and is also a member of the Financial Industry Regulatory Association (“FINRA”). Royal Alliance is not affiliated with SWM. Through Royal Alliance, SWM offers advisory services, brokerage services and investment products to its clients. Royal Alliance uses Pershing, LLC for custody, execution and clearing services.

INVESTMENT MANAGEMENT SERVICES

SWM actively manages load/no-load mutual fund portfolios, ETF’s and variable annuity sub-accounts. Investment decisions are made based on signals generated by a proprietary computer model. SWM manages these accounts according to three primary objectives: Short-Term, Intermediate-Term, or Long-Term. Investible asset classes may include U.S. equity, international equity, fixed income or other alternatives.

SWM manages these portfolios in two manors. SWM may opt to execute in complete conformance to the computer model’s signals. Alternatively, the “hybrid signal” portfolio involves a customized response to the signals whereas SWM may, at its discretion, choose whether or not to implement the changes suggested by the signal.

In some circumstances, SWM may also manage client accounts using a strategic investment strategy without investment decisions driven by the aforementioned signals.

In order to ensure that SWM's management of client portfolios continues to be appropriate for each client’s financial circumstances, SWM maintains documentation in the client file. While SWM’s goal is to contact clients at least annually to discuss any change to their financial circumstances, SWM encourages clients to notify SWM of any material changes in the interim.

VISION2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM

The Wealth Management Platform – Advisor Managed Portfolios Program (“Advisor Managed Portfolios”) provides comprehensive investment management of your assets through the

application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC (“Pershing”).

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM

The Wealth Management Platform - Model Portfolios Program (“Model Program”) offers Clients managed asset allocation models (“Asset Allocation Models”) of mutual funds or exchange traded funds (“ETFs”) diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as Russell Investment Management Company, ICON Advisers, Inc. and Morningstar Associates, LLC.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model which may contain either 1) a combination of mutual funds or 2) a combination of exchange traded funds (“ETFs”) depending on which Program Manager is used. Together, we will select a recommended Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM

The Wealth Management Platform – SMA and UMA Account Program (“Wealth Managed Account Program” or “WMA”) provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, asset-based, advisory fee.

We will present you with a WMA asset allocation model (“WMA Model”) for your approval which will consist of: 1) third party money managers (“WMA Managers”) who will manage your WMA account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds (“Funds”), or 3) exchange traded funds (“ETFs”) or any combination thereof (individually or collectively, “WMA Investments”). WMA Investments will be managed according to the selected WMA Model. WMA Investments are held within a separately managed account or a series of separately managed accounts (collectively, “SMA Account”) or in one, unified managed account (“UMA Account”).

We will suggest a WMA Model to you based on your responses to a risk tolerance questionnaire (“Questionnaire”) and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMA account.

For further WMA details please see the WMA Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMA. Please read it thoroughly before investing.

THIRD PARTY ADVISORY SERVICES

We offer our clients access to various third party investment advisors through certain programs such as mutual fund wrap programs and separately managed account programs. Any third party investment advisor recommended to SWM clients will be a manager that is on an approved list compiled and maintained by Royal Alliance. Royal Alliance is responsible for initial and ongoing due diligence on any third party investment advisors.

We provide assistance to clients in the selection and ongoing monitoring of a particular third party investment advisor. Factors that we consider in the selection of a particular third-party advisor may include but is not limited to:

- i) Our assessment of a particular third party investment advisor;
- ii) Your risk tolerance, goals, objectives and restrictions, as well as investment experience; and,

iii) The assets you have available for investment.

Additional information about any of these programs, including a complete description of the programs, services, fees, payment structure and termination features, is available via the applicable third party investment advisor's disclosure brochures, investment advisory contracts and/or account opening documents.

FINANCIAL PLANNING SERVICES

Sugarloaf Wealth Management offers clients Financial Planning Services to clients. Financial Planning Services involve preparing a written Financial Plan based on the client's specific financial circumstances and objectives. Financial Plans may address some or all of the following areas of concern:

PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.

TAX & CASH FLOW: Income tax and spending analysis and planning for current and future years. SWM will illustrate the impact of various investments on a client's current income tax and future tax liability.

DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

SWM gathers required information through in-depth personal interviews. Information gathered includes the client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client. A written report is prepared, including SWM's recommendations. Should a client choose to implement the recommendations contained in the plan, the client may use the products and services of SWM and Royal Alliance. Alternately, the client may choose to implement the plan through any other investment advisor, registered representative, broker-dealer or insurance agent. Clients are not required to implement the plan through SWM or Royal Alliance. Implementation of financial planning recommendations is entirely at the client's discretion. Financial planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

Other financial planning services that we offer include ongoing financial counseling, account review, securities research and other advisory services related to investments.

RETIREMENT PLAN CONSULTING SERVICES

We offer retirement plan consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the “Company”) in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any or all of the following:

- Strategic Planning and Investment Policy Development/Review
- Plan Review
- Plan Fee and Cost Review
- Acting As Third Party Service Provider Liaison
- Assessment of Plan Investments and Investment Options
- Plan Participant Education and Communication
- Investment Advice to Participants
- Plan Benchmarking
- Plan Conversion to a New Vendor Platform
- Assistance in Plan Merger
- Legislative and Regulatory Updates; Plan Corrections

The Company may also engage us to provide the following additional services, for separate compensation:

- Review of Executive Benefits
- Assist With Plan Conversion
- Merger and Acquisition Assistance
- Assist With Corrective Actions to Comply With Applicable Regulations
- Coordination with Other Advisers

We will determine in advance the scope of services to be performed and the fees for all requested services. The Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee-paying arrangements.

When we perform our agreed upon services, we will rely on information provided to us by the Company. We will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a fiduciary capacity with respect to some of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

Item 5 – Fees and Compensation

While it is the policy of SWM to charge investment management fees to its clients in accordance with the fee schedules in effect at the time of executing the investment management agreement, fees are subject to negotiation and do vary to reflect circumstances that may apply to a specific client relationship or account.

To the extent that clients grant SWM the authority to debit advisory fees directly from the their account, clients will receive an account statement from the account custodian, usually monthly but no less than quarterly, showing all account holdings and transactions in their account. SWM urges clients to review the information on the statement for accuracy and compare the information to any reports received directly from SWM. Please refer to Item 15 of this document for additional disclosures relating to Custody.

Each client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

All fees paid to SWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or in conjunction with internal expenses associated with exchange-traded funds or variable annuity sub-accounts. The client will be solely responsible, directly or indirectly, for these additional expenses.

To the extent that SWM provides advisory services to variable annuity policyholders, variable annuity companies impose internal fees and expenses on the investments, including contingent deferred sales charges and early redemption fees. Because it is an insurance product, variable annuity companies also impose mortality charges, which are typically around 1.25%. These fees are in addition to the investment advisory fees paid to SWM. Complete details of the internal expenses associated with the purchase of a variable annuity product are disclosed in the prospectus.

To the extent that any client utilizes margin, margin strategies entail additional fees and expenses, as the client must pay interest on any amounts borrowed against the account. When using margin, investment advisory fees are calculated on the net account balance (rather than the total market exposure) in order to avoid any incentive for SWM to use margin to potentially increase the fee paid by the client. Likewise, with respect to options, the sale a certain options may have the affect of temporarily increasing the net value of the account and thus, increasing the amount of the client's advisory fee.

When recommending certain investments, such as mutual funds, to clients, SWM and its representatives may receive additional compensation (i.e. 12b-1 fees) from the fund company to offset certain marketing expenses incurred by SWM. This compensation is in addition to the advisory fee paid to SWM or Royal Alliance. These financial incentives could cause SWM to recommend products based on this compensation rather than solely on the basis of the client's investment goals and objectives. Clients are not required to purchase any investment product or implement any investment recommendation through SWM or Royal Alliance.

Advisory clients may also maintain non-advisory brokerage accounts. Representatives of SWM are compensated through commissions assessed on the transactions executed in these accounts. This may create an incentive for the representative to recommend investment products based on the compensation received rather than on the client's needs. While representatives of SWM may receive commissions on non-advisory accounts, they are not permitted to receive commissions on advisory accounts. In addition, advisory fees are not charged on brokerage accounts.

Item 12 further describes the factors that SWM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their commissions.

INVESTMENT MANAGEMENT SERVICES

SWM charges an advisory fee in the amount of 1% annual rate based on the aggregate value of mutual funds and variable product sub-accounts under SWM's management. Fees are payable in arrears at the end of each calendar quarter based upon the market value of the assets on the last day of the quarter.

VISION2020 WEALTH MANAGEMENT PLATFORM – ADVISOR MANAGED PORTFOLIOS PROGRAM

The Advisor Managed Portfolios Program is offered as both a "Wrap Fee" and a "Non-Wrap Fee" arrangement. In both cases, fees are charge quarterly in advance based on the market value of the assets in the client's account on the last day of the preceding quarter. Fees are subject to negotiation and are debited from the account by Royal Alliance. In the event of termination, you will promptly receive a pro-rata refund of the unused portion of the advisory fee.

Under the Wrap Fee arrangement, a single fee is charged to the client that includes custody, trading and other expenses associated with management of the account, subject to certain exceptions. Other fees, such as margin expenses, electronic fund fees, wire fees, dealer mark-ups, market maker spreads and redemption fees are not included in the wrap fee. Clients may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged under this Program. The fees for this program may be more or less than the client would have paid if the services (account management, custody and brokerage transactions) were purchased separately outside of the program. Therefore, SWM representatives recommending this program may have a financial incentive to recommend it over other services offered by SWM.

Under the Non-Wrap Fee accounts, the client will separately pay transaction charges and other expenses with respect to the account. The advisory fee covers only the portfolio management and advisory services provided by SWM and does not include brokerage commissions, redemption fees, mark-ups and mark-downs, exchange fees, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, transfer fees, wire fees, interest, taxes, or other account expenses.

Any retirement plan or qualified account will receive a credit of any 12B-1 fees paid on behalf of the account.

Advisory fees associated with this program vary based on a number of factors. The maximum advisory fee under this program is 2.25%. The fee will be disclosed to the client in the investment advisory agreement. For additional information about all fees and expenses associated with the VISION2020 Wealth Management Platform - Advisor Managed Portfolios Program, please see the Advisor Managed Portfolios Wrap Fee Program Brochure

VISION2020 WEALTH MANAGEMENT PLATFORM – MODEL PORTFOLIOS PROGRAM

We offer the Model Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary fees may apply. Please see the Model Program Wrap Fee Program Brochure for further details.

Our Model Program account fee schedule varies based on a number of factors. The maximum advisory fee under this program is 2.25%. The fee will be disclosed to the client in the investment advisory agreement.

VISION2020 WEALTH MANAGEMENT PLATFORM – SMA AND UMA PROGRAM

We offer WMAP as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account"). You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter. Additional, ancillary fees may apply. Please see the WMAP Wrap Fee Program Brochure for further details.

Our WMAP account fee schedule varies based on a number of factors. The maximum advisory fee under this program is 2.25%. The fee will be disclosed to the client in the investment advisory agreement.

THIRD PARTY ADVISORY SERVICES

The services provided under the Third Party Advisory Services are subject to certain conditions determined by the third party investment advisor. The fees charged for the Third Party Advisory Services program may be more than if the services of SWM and the third party investment advisor were charged separately. However, by engaging the services of the third party investment advisor independently of SWM, the client would not receive SWM's expertise in developing an investment strategy, selecting a third party investment advisor, monitoring the performance of the portfolio and making changes to the third party investment advisor when appropriate.

The fee schedule for Third Party Advisory Services is based on the particular program selected by the client. The maximum advisory fee that may be charged under this program is 2.25%. Investment Advisory fees will be disclosed to the client in the investment advisory agreement.

FINANCIAL PLANNING SERVICES

Financial Planning Services are charged at an hourly rate of \$200 per hour. An estimate of the total hours, based upon the nature and complexity of the services provided, is determined at the start of the advisory relationship. Typically, financial planning fees range from \$500 - \$5,000. These fees may be negotiable. Financial planning fees are due and payable at the time the client receives the written Financial Plan. The Financial Plan will be presented to the client within 90 days of the contract date, provided that the client has promptly provided all information requested.

If a financial planning client executes recommended securities transactions through associated persons of SWM in their separate capacity as registered representatives of Royal Alliance, these individuals may earn commissions and/or fees, which are separate and distinct from fees charged for advisory services. SWM will offset its financial planning fees, in whole or part, to the extent that commissions and or fees are earned.

RETIREMENT PLAN CONSULTING SERVICES

Retirement Plan Consulting Services fees are billed based on the terms and conditions agreed-upon by SWM and the client, which could result in an hourly rate, fixed fee or asset-based fee. The exact fee and any and all terms and conditions are negotiated in advance of services rendered and are disclosed in the written advisory agreement.

The written advisory agreement may be terminated by either party at any time upon 60 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver any payment, if due.

The fee schedule for Retirement Plan Consulting Services is based on the particular program selected by the client. The maximum advisory fee that may be charged under this program is 2.25%. Investment Advisory fees will be disclosed to the client in the investment advisory agreement.

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

Sugarloaf Wealth Management does not charge any performance-based fees.

Item 7 – Types of Clients

Sugarloaf Wealth Management provides portfolio management services to individuals, trusts, estates, charitable organizations, small business owners and other persons or entities.

The minimum account size for each of the advisory services offered follows. For any services offered directly through SWM (i.e. Investment Management and Financial Planning Services), SWM may choose to waive the minimum requirements at its discretion. SWM only has discretion to waive the minimum requirement for Investment Management Services and Financial Planning Services. Royal Alliance or the third party investment advisors may each respectively agree to waive their minimums at our request.

Investment Management Services	\$50,000
VISION2020 Wealth Management Platform	\$100,000
Third Party Advisory Services	Varies by third party manager
Retirement Plan Consulting Services	No stated minimum

The minimum fee for Financial Planning Services is \$500.

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

SWM provides advice and recommendations relating to mutual funds, exchange-traded funds (“ETF”), variable annuities, fixed income securities and equities. Advisory representatives typically assist the client in constructing their initial asset allocation and subsequent maintenance.

When analyzing investments that may be appropriate, SMS uses both Fundamental and Technical Analysis depending on the investment objective and strategy selected by the client.

- Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality, which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market.
- Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis

focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

SWM's active trading strategy uses technical indicators to identify shifts in portfolio allocations. SWM uses a third party provider to identify and communicate signals indicating the timing and direction of allocation changes. SWM, at its sole discretion, can choose to act or not act on the information it receives from the third party. As discussed in Item 4, this strategy may be implemented with a long-, intermediate- or short- term trading objective. The Short-Term objective employs frequent trading that could result in higher transaction costs to the client. The Short-Term objective will only be recommended when it is consistent with the client's tolerance for risk.

Investing in securities involves risk of loss that clients should be prepared to bear. SWM uses its best judgment and good faith efforts in providing advisory services to clients. SWM cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by SWM will be profitable. Investments in securities are subject to various market, currency, inflation, economic, political and business risks. SWM attempts to minimize these risks by constructing diversified portfolios appropriate for the specific risk parameters of the investment strategy.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sugarloaf Wealth Management or its management. SWM has no disciplinary actions to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

In addition to providing investment advisory services, SWM offers estate settlement services to its clients. Members of SWM may work with individual or clients' attorneys and accountants to develop and implement a plan to effectively allocate the assets retained in an estate. Estate settlement services will not involve any recommendations with regard to securities. Clients who are provided this service will be charged a flat fee or a fee based upon a percentage of the assets maintained in the estate. The minimum fee for estate settlement services will be \$1,500 per project. This fee is separate and distinct from any fees charged by SWM for advisory services.

Members of SWM are also Partners and CPAs of the accounting firm Rhodes, Young, Black, Duncan, CPA (RYBD). RYBD may recommend SWM to accounting clients in need of advisory services. Likewise, SWM may recommend RYBD to advisory clients in need of accounting services. Accounting services provided by RYBD are separate and distinct from the advisory services of SWM, and are provided for separate and typical compensation. There is no referral fee arrangement between SWM and RYBD. Advisory clients are not obligated to use RYBD for any accounting services.

Associated persons of SWM that provide investment advice to you are separately licensed as registered representatives and/or investment adviser representatives of Royal Alliance. Royal is a diversified financial services company engaged in the sale of investment products and is not affiliated with SWM. Advisory personnel may recommend securities or insurance products offered by Royal to advisory clients. They will receive commissions in addition to the customary advisory fee if products are purchased through them. As such, advisory personnel have an incentive to sell commissionable products in addition to advisory services because of the additional financial benefit.

As part of the financial planning services provided to clients by SWM, SWM may recommend the purchase of insurance products. Associated persons of SWM receive commissions as insurance agents in connection with such products. Thus, there is an incentive to recommend specific courses of actions through the financial planning process that may result in additional compensation for SWM and its associates.

The advisory services offered by SWM are entirely separate and distinct from (though complimentary to) the advisory services of Royal Alliance. Associated persons of SWM do not provide investment advice on Royal Alliance's behalf. Royal Alliance does not warrant the sources of information, investment strategies, or the contents of any information provided by SWM. The brokerage services offered by these individuals through Royal Alliance are offered pursuant to the business name of Sugarloaf Wealth Management, LLC. SWM is considered an Office of Supervisory Jurisdiction of Royal by the FINRA.

Item 11 – Code of Ethics

Sugarloaf Wealth Management adopted a Code of Ethics expressing the firm's commitment to ethical conduct. SWM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth SWM's practice of supervising the personal securities transactions of SWM employees with access to client information. SWM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. SWM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in violation of the provisions of the Code of Ethics may be subject to disciplinary actions.

Individuals associated with SWM may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the express policy of SWM that no person employed by SWM shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, SWM requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. SWM requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or limited offerings.

SWM will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer at SWM's principal address.

Item 12 – Brokerage Practices

As describes previously, advisory representatives are also registered representatives of Royal Alliance. In order to meet its supervisory obligations, Royal Alliance requires that all investment advisory activities of SWM be processed through Royal Alliance, and ultimately Pershing, LLC as the clearing firm. As a result, SWM does not have the discretion to choose the broker/dealer or commission rate on any client transaction. Not all investment advisers require clients to use the services of a particular broker-dealer or custodian. Therefore, by directing brokerage, clients may not receive best execution on transactions and may incur higher costs. However, we believe that Pershing's blend of execution services, commission rates and transaction costs will allow us to seek quality execution and competitive prices.

Accounts are managed on an individual basis. Therefore, it is not always practical for SWM to aggregate client trades. If SWM finds that aggregating trades is in the client's best interest, the average price per share of each aggregated trade is allocated to each client account participating in the trade. To the extent that the limited availability of a security would result in a de minimis allocation, SWM may exclude one or more accounts from participating in the order. When aggregating orders, SWM seeks to avoid favoring any client account over any other client account. To the extent that a client uses a third party manager, the third party manager may aggregate trades in accordance with their own policies and procedures, which are disclosed in the third party manager's disclosure document and is available upon request.

Item 13 – Review of Accounts

Investment Management Services & Third Party Advisory Services

Investment management and third party advisory accounts are monitored and reviewed at least quarterly by an account representative. The account representative may review the current holdings, transactions, performance and other factors, and makes changes as necessary, to ensure the investment recommendations continue to meet the client's investment goals and objectives. Economic and market variables are analyzed on an ongoing basis to determine if more frequent reviews are necessary.

Clients receive monthly or quarterly account statements, year-end tax statements and trade confirmations from mutual fund companies, variable annuity companies or account custodians. Clients may request additional reports prepared by SWM, which may contain portfolio holdings, market value, and/or cost basis. Clients using the services of a third party manager may receive additional reports prepared by that manager.

Financial Planning Services

At the onset of a financial planning engagement, SWM's account representative conducts a thorough review of the client's personal financial condition and assesses their goals and objectives.

Financial planning clients are initially provided a written report containing an analysis of their current and projected financial condition. The report also includes recommendations with respect to security selection, investment products and/or insurance products. At the client's request, the financial plan can be updated each year for a separate fee.

Item 14 – Client Referrals and Other Compensation

All of our Advisory Representatives are also Registered Representatives of Royal Alliance. This arrangement requires us to offer advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs, which may decrease the amount of money we make when offering investment advice. Therefore, there may be an incentive to provide advisory programs and services that may be cheaper for us to use even if another advisory program is more suitable to the client's needs.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage accounts in ways that assist us in meeting these production goals even if such strategies may not always be suitable for the account.

Certain Third Party Advisory Service programs may provide Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with these benefits over those that do not.

When we offer a Wrap Account, the fee for transactions executed in the account are included in the quarterly account fee. However, Royal Alliance will still assess the transaction charges to us. This may influence us to charge a higher quarterly account fee than we would otherwise charge you in an effort to recoup the transaction charges Royal Alliance charges us. We may also have incentive to trade client accounts less often to lessen our transaction fees or to trade client accounts with certain securities where Royal Alliance reduces or eliminates the transaction charges even if such trading strategies may not always be suitable for the account.

SWM Advisory Representatives participate in the Focus Elite and FundVest Programs offered by Royal Alliance. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest client

accounts in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for the account.

Royal Alliance has provided some of our Advisory Representatives with funding in the form of loans as incentive to establish, maintain or expand our broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of our practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for us to offer advisory services and programs that may not be suitable in an effort to achieve specific production levels.

Item 15 – Custody

In many cases, Royal Alliance (and/or Pershing) calculates the advisory fee for client accounts and directly debits the account for the amount of the fee. In other cases, where Sugarloaf Wealth Management calculates the fee and directly debits it from client accounts, they are deemed to have custody. Debiting of fees is done pursuant to authorization provided by each client. Usually monthly, but no less than quarterly, clients receive account statements directly from their account custodian. Custodial statements include account holdings, market values and any activity that occurred during the period, including the deduction of investment advisory fees. SWM urges clients to compare custodial statements with any reports received from SWM. Differences in market value may occur due to various factors, including but not limited to: (1) unsettled trades; (2) accrued income; (3) pricing of securities; and, (4) dividends earned but not received.

Item 16 – Investment Discretion

Sugarloaf Wealth Management manages client portfolios on a discretionary basis. Clients grant SWM discretion over their account by providing authorization in the advisory agreement. This authorization gives SWM the authority to determine, without first obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. When managing client accounts, investment discretion is limited only by specific instructions, guidelines and/or mandates provided by clients in writing and to which SWM agrees.

Item 17 – Voting Client Securities

Sugarloaf Wealth Management does not take action or render any advice with respect to voting of proxies for the securities in client accounts. SWM will have no obligation to render advice or take any action with respect to any securities subject to any legal proceedings, such as class action lawsuits or bankruptcy. Clients will receive all proxies and other solicitations directly from their custodian.

Item 18 – Financial Information

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Sugarloaf Wealth Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and has not been the subject of any bankruptcy proceeding.

Item 19 – Requirements for State Registered Advisers

An investment adviser registered under any State securities regulatory authority is required to provide additional information to comply with specific state disclosure requirements. Sugarloaf Wealth Management is registered with the U.S. Securities and Exchange Commission and is not subject to the securities statutes of any particular state regulatory authority.