



PART 2A OF FORM ADV – BROCHURE

**Tactical Allocation Group, LLC
139 S. Old Woodward
Birmingham, MI 48009**

(248) 283-2520

www.tagportfolios.com

August 1, 2012

This Brochure provides information about the qualifications and business practices of Tactical Allocation Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (248) 283-2520 or info@tagllc.net. 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.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training.

Additional information about us also is available on the SEC’s website at www.adviserinfo.sec.gov.

TABLE OF CONTENTS

COVER PAGE.....	i
TABLE OF CONTENTS.....	ii
ADVISORY BUSINESS	1
FEES AND COMPENSATION	4
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	6
TYPES OF CLIENTS.....	6
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	6
DISCIPLINARY INFORMATION.....	8
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	8
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	8
BROKERAGE PRACTICES.....	9
REVIEW OF ACCOUNTS	12
CLIENT REFERRALS AND OTHER COMPENSATION	12
CUSTODY.....	14
INVESTMENT DISCRETION	14
VOTING CLIENT SECURITIES	14
FINANCIAL INFORMATION.....	15

ADVISORY BUSINESS

Our Owners and Principals

Our firm was established in 2004 and our principal owners are James F. Peters, Jr. and Paul Simon who each own twenty-five percent (25%) or more of our firm's membership interests.

Our Advisory Services

Sub-advisory Services

Generally, we will enter into a sub-advisory agreement with a broker or another financial advisor which we refer to as your independent financial advisor or Financial Advisor. Under these services, your Financial Advisor recommends to you an investment in one or more of our portfolios.

Your assets will be invested in Exchange-Traded Products like exchange traded funds (ETFs), exchange traded notes (ETNs) allocated in accordance with one of our portfolios. Our portfolios are tactically allocated towards global equities, commodities and fixed income. We use a global blended benchmark to measure the risk we assume in allocating our portfolios globally in equities, commodities, and bonds.

Clients Referred by Financial Advisors

At the outset of our relationship, you will enter into an investment advisory agreement with us. We also expect that you will have an agreement with your Financial Advisor. Our agreement will explain the services we provide to you and the responsibilities of your Financial Advisor. In addition, we will have no direct contact with you instead, your Financial Advisor will provide to you a portfolio performance report, this Brochure and when required our privacy policy.

Your Financial Advisor will be responsible for helping you complete the portfolio selection questionnaire which provides your Financial Advisor with information about your targeted time horizon, risk tolerance and long-term goals. Your Financial Advisor will help you choose the portfolio that meets your investment objectives. We use the information you provide in the portfolio selection questionnaire to confirm the portfolio selected by you and your Financial Advisor.

As part of our services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), we will act as an ERISA 3(38) fiduciary manager. As a 3(38) manager, the plan fiduciary give us discretionary authority to manage the plan's assets. This means that the plan fiduciary shifts its fiduciary responsibility to us for the selection of the plan's investments. For all qualified plan clients, your Financial Advisor will work with the plan fiduciary to develop a formal written investment policy statement ("**IPS**") for the plan, or they will review and amend the existing IPS, which establishes

the plan's specific standards and processes for investment operations. The investment policy statement may also place restrictions on the types of investments the plan invest its assets in. The Financial Advisor uses the plan's investment policy statement to recommend the portfolio. We will receive a copy of the plan's investment policy statement and will continually monitor the performance of the plan's investments.

We manage your advisory account on a discretionary basis in accordance with the selected portfolio. You retain individual ownership of all securities and you have the opportunity to place reasonable restrictions on the types of investments in your account although if we deem your restrictions to be unreasonable, we will not enter into an investment advisory agreement with you or we will terminate the existing agreement with you.

We receive a portion of the investment management fee for our advisory services and when agreed upon in the investment advisory agreement, the Financial Advisor receives the balance for its financial consulting services. Unless you participate in our wrap fee program, our portion of the fee does not include brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by you.

Traditional Sub-advisory Services

When we provide traditional sub-advisory services, we will have no direct relationship with the Financial Advisor's client. You will sign an agreement with your Financial Advisor under which you agree to pay a fee based on a percentage of the assets under management. The Financial Advisor establishes the fee which you pay. We receive a portion of the fee for our advisory services as agreed upon in the sub-advisory agreement. Your Financial Advisor will ask you to complete the portfolio selection questionnaire which provides your Financial Advisor with information about your targeted time horizon, risk tolerance and long-term goals. Your Financial Advisor will help you choose the portfolio that meets your investment objectives. We use the information you provide in the portfolio selection questionnaire to confirm the portfolio selected by you and your Financial Advisor.

Trade Signals

We may also enter into an agreement with a Financial Advisor to provide trade signal alerts that replicate our portfolio tactical allocation trades. After receiving the trade signal alert, the Financial Advisor is responsible for executing the client's trades. We will have no direct relationship with the Financial Advisor's client. We receive a fee calculated by the Financial Advisor, based on the end of the calendar quarter value of assets under management in our trade signal program.

Wrap Fee Programs

We sponsor a wrap fee program and we participate in wrap fee programs sponsored by other financial institutions.

In a wrap fee program, you will typically pay the sponsoring financial services firm a single fee, generally payable on a quarterly basis, to cover all costs in connection with securities transactions in your account, the investment management services, custody and related services.

Investment Advisory Services through our Sponsored Wrap Fee Program

We offer investment advisory services through a wrap fee program. If you participate in our program, we will charge you a specified fee which covers both our advisory fee and the fees for executing transactions within your account. If you participate in our program through a Financial Advisor, they will establish and disclose our fee to you. Our fee does not include your Financial Advisor's fee unless we otherwise agree in writing. There are no other differences in how we manage accounts participating in our wrap fee program.

A complete description of the program and fees to participate in the program are contained in our Sub-advisory Wrap Fee Brochure, which is the program Brochure. To request a copy of the program Brochure please contact us at (248) 283-2520 or info@tagllc.net.

Participation in Wrap Fee Programs (Not sponsored by us)

We also provide investment advisory services in connection with a wrap fee program sponsored by other financial service firms such as broker dealers or investment advisers. Generally, if we are selected to provide investment advisory services as part of the wrap fee program, we are compensated directly by the firm sponsoring the "wrap fee" program.

Other Investment Management Services through a Direct Relationship

We also may provide investment management services to you regarding your annuity products or your individual employer-sponsored retirement plans. If we provide investment management services to you on these types of assets, we will review, at least quarterly, your investment options. In so doing, we either direct or recommend the allocation of your assets among the various mutual funds that comprise the variable life/annuity product or the retirement plan. Your assets will be maintained either at the specific insurance company that issued the variable life/annuity product or at the custodian designated by the sponsor of your retirement plan.

Private Investment Funds

We are the managing member of the TAG Fusion Fund, LLC, a Delaware limited liability company, and the investment manager of the TAG Cayman Fusion Fund, Ltd., a Cayman Islands exempted company, and our officers are the directors of the TAG Cayman Fusion Fund, Ltd. These Funds invest substantially all of their assets in the TAG Fusion Master Fund, LLC, a Cayman Islands exempted company. Our owners are the Directors of the Master Fund. In November 2011, we began to liquidate and distribute the private investment funds. We anticipate closing the funds in the second quarter of 2012.

Assets Under Management

We manage client assets on a discretionary basis. As of December 31, 2011, we had \$451,349,000 in client assets managed on a discretionary basis and \$961,966,000 in client assets under advisement. Assets under advisement are the assets with third-party managers using our trade signals.

FEES AND COMPENSATION

Investment Management Fee Schedule

Our fees vary depending upon the market value of your assets under management and the type of investment advisory services we provide to you. Our standard fee schedule is as follows:

Assets	Annual Fee		TI***
	TG/TM*	TC**	
\$100,000 - \$1,999,999	0.75%	0.50%	0.75%
\$2,000,000 - \$4,999,999	0.70%	0.45%	0.75%
\$5,000,000 - \$9,999,999	0.65%	0.45%	0.75%
\$10,000,000 - \$24,999,999	0.50%	0.35%	0.75%
\$25,000,000 - \$49,999,999	0.45%	0.30%	0.75%
\$50,000,000 - \$99,999,999	0.40%	0.25%	0.75%
\$100,000,000 and above	Negotiable	Negotiable	0.75%

*TG/TM = Tactical Growth or Tactical Moderate

**TC = Tactical Conservative

***TI = Tactical Income

Unless we agree in writing to handle it differently, we bill our fee quarterly in advance. The fee is based on the total assets in your account. Once your assets reach the higher asset bracket, the entire account is charged the fee associated with that bracket. We may agree to aggregate your related accounts for purposes of calculating the asset level and fee. We may negotiate our fee under certain circumstances and negotiated fees may be higher or lower than those described above. The specific manner in which we charge fees is described in our Investment Advisory Agreement with you.

Our initial fee will be deducted at the inception of your account and is prorated based upon the days remaining in the initial quarter. Generally, your fee for all subsequent quarters will be deducted within the first five business days following the close of each calendar quarter. Our fee will be calculated as of the end of each calendar quarter using the ending balance of assets in your account.

Unless you participate in a wrap fee program, our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the

client. You may incur certain charges imposed by custodians, brokers, third party investment managers. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in their prospectus. We do not receive any portion of these commissions, fees and costs.

For qualified plans, we will disclose to the plan fiduciary all revenue arrangements and any other monetary benefits provided to us or our employees related to the qualified plan and the amounts generated by the plan assets at least once per year. In addition, we will provide the required information that the plan sponsor and/or plan fiduciary may need to prepare the annual report on Form 5500 or the appropriate schedules.

Termination of Services

Either of us may terminate our investment advisory agreement by providing the other party with written notice. You have the right to terminate the agreement without penalty within five business days after signing the agreement. If the agreement terminates prior to the end of a billing period, we will refund advisory fees to you prorated from the date of termination to the end of quarter. If the agreement is terminated, you will still be liable for any transactions initiated by us in your account under the agreement prior to the termination date, such as the purchase of investments. If you request, we will initiate redemption instructions upon receipt of your written termination notice. Proceeds will be available for payment to you upon settlement of all transactions in the account. It may not be necessary to liquidate all securities positions when terminating our agreement and you should ask us about that at the time of termination.

You are responsible for any cost incurred in transferring assets from the account to a different account. If you terminate your relationship with your Financial Advisor, that may not terminate your agreement with us.

Other Fees and Charges

If we provide you with advisory services through your Financial Advisor, you are paying two advisory fees: you pay one fee to us and one fee to your Financial Advisor. In general, if you qualify to use our advisory services without a financial advisor, as described in “TYPES OF CLIENTS” beginning on page 6, you would pay a lower fee.

ETFs and Mutual Funds typically charge their shareholders various transactions and operating expense costs associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund’s current prospectus, which is available from the fund or we can provide it to you upon your request.

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: you pay one layer of fees to the fund and you pay one layer of advisory fees and expenses to us. Generally

speaking, most funds may be purchased directly, without using our services and without incurring our advisory fees.

Direct Billing to Client's Custodian

You may elect to be billed directly for fees or you may authorize us to directly debit fees from your accounts. Generally, clients authorize us to grant the custodian permission to directly deduct the fees from their account. Under our agreement, you will authorize us to bill your custodian directly for our fees. As early as the first five business days following the close of each calendar quarter, your custodian will deduct and send to us the fee. The custodian's periodic statements will show each fee deduction from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying us or your custodian in writing.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A performance based fee is a fee based on a share of capital gains on or capital appreciation of the assets of a client. We do not charge our advisory clients any performance-based fees.

TYPES OF CLIENTS

We provide investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, foundations, corporations, other investment advisers and collective investment funds.

We impose certain conditions for starting or maintaining an account. As a client of a Financial Advisor, you must have a minimum of \$100,000 of cash and/or securities to open an account. If you do not have a Financial Advisor, our minimum requirement for individuals, trusts or estates is \$1,000,000. The minimum for charitable organizations and corporations is \$3,000,000 and pension and profit sharing plans are \$5,000,000.

We may waive this requirement if, for example, you have additional or related accounts that together exceed the minimum requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We start with a qualitative, top down analysis of global themes focused around social, political and economic trends with both historical and future perspectives. The trends are interpreted as to their "future" impact on various financial assets (asset classes). These financial forecasts are tested through various quantitative calculations and technical analysis.

We utilize our proprietary system to monitor various lagging, coincident, and leading macro and micro economic statistics and to calculate various valuation metrics. We utilize research data from numerous independent research firms and the public domain.

There are risks involved with this method, including the risk that the social, political and economic trends will change unpredictably, which is why we test our interpretations using various methods and obtain information from a variety of sources.

Investment Strategies

We use tactical asset allocation as a dynamic investment management style that adjusts asset allocations to our forward view of the relative risks and returns of various asset classes. This is distinguished from re-balancing, a mechanical, passive process bringing portfolios back to their original allocations; re-balancing fails to allow for adjustments based upon new information. We further distinguished from market timing by degree and frequency of portfolio adjustments. Our portfolios are fully invested at all times, whereas market-timing portfolios are often in or out of the markets. We invest in asset class positions with a one-year or longer outlook, whereas market timing often trades on a less than one-year frequency.

We construct each portfolio using five levels of risk management and design around a different targeted time, risk and return objectives. The portfolios utilize a “fund of funds” strategy, investing exclusively with asset class specific ETFs and ETNs versus investing directly in individual stocks and bonds.

We use a proactive investment management process globally across multiple asset classes in our portfolios. While the number and weighting of asset classes in the three portfolios vary according to their objectives, all portfolios are consistent in our thematic diversification.

We may implement the following investment strategies: long-term purchases (held at least a year) and short term purchases (held less than a year) in our portfolios or a combination of both investment strategies to help you meet your investment objectives.

Types of Investments and Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. Your Financial Advisor will work with you to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not understand fully the risks associated with any investment or investment strategy.

Also, while we strive to render our best judgment on your behalf, many economic and market variables beyond our control can affect the performance of your investments and we cannot assure you that your investments will be profitable or assure you that no losses will occur in your investment portfolio. Past performance is one consideration with respect to any investment or investment advisor, but it is not a predictor of future performance.

International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability in other nations.

Your Financial Advisor will discuss with you the investment risks of ETFs to determine the investment objectives that will guide your portfolio selection. Your Financial Advisor will explain and answer any questions you have about these kinds of investments, which present special considerations such as the following:

Exchange-Traded Products and Index Funds

Equity-based exchange traded funds have a similar risk profile to those of equity mutual funds, while fixed income-based ETFs have a risk profile that approximates bond mutual funds. An ETF seeks investment results that correspond generally to the price and yield of an index. You should anticipate that the value of an ETF's shares would decline, more or less, in correlation with any decline in the value of its corresponding index. An ETF's return may not match the return of the index. The ETF may invest in small capitalization, mid capitalization, emerging markets and international companies. Such companies may experience greater price volatility than larger, more established companies. Sometimes referred to as a "tracking error," expenses and other factors may affect the performance of an ETF so that the ETF's performance will not exactly match the performance of their respective underlying indexes.

DISCIPLINARY INFORMATION

As a registered investment adviser, we must inform you of all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered investment advisers are required to disclose information regarding its business activities, other than giving investment advice, its other activities in the financial industry, and any arrangements with related persons that are material to its advisory business or clients. We must inform you if we receive cash or other economic benefits from a third-party in connection with advising our clients. We have no information to disclose.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

We have adopted a Code of Ethics (the "Code") describing the standards of business conduct we expect all officers, directors, employees, and advisory representatives to follow. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply. We will provide a copy of the Code to you upon request at no charge.

Our principals and representatives will often own the same securities recommended to you. Our employees, related persons or we may invest in one or more of our portfolios. These accounts are traded concurrently with our other clients in our portfolios. Records are maintained of all such transactions. Orders for clients and orders for our own accounts may sometimes be aggregated or "batched" into one large order in accordance with our trade aggregation and allo-

cation policy as described in “**BROKERAGE PRACTICES**” beginning on page 9. Aggregated orders may achieve better execution for all participating accounts and those benefits will be fairly allocated among all participating accounts.

You may request a copy of our Code by contacting us at (248) 283-2520 or info@tagllc.net.

BROKERAGE PRACTICES

Directed Brokerage & Soft Dollars

Unless you participate in our wrap fee program, you may direct us to utilize a specified broker-dealer of your choice to effect transactions for or with your account. You should understand that, in the case of such a directed brokerage arrangement:

- you will be solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements;
- we will not seek better execution services or prices from other brokers and dealers in connection with transactions for your account;
- we will not be able to “batch” or “aggregate” transactions for your account with transactions for our other clients not subject to a similar such arrangement;
- we will not monitor the performance of or the services provided by the brokers and dealers so designated; and
- you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

However, we may seek better execution services or prices from other brokers or dealers or “batch” your transactions for execution if such action is required by law or fiduciary duties, including but not limited to, the fiduciary duty provisions under the Employee Retirement Income Security Act of 1974, as amended (ERISA), if the client is a plan subject to ERISA, or if the designated broker or dealer is unable or unwilling to effect a particular transaction or transactions, which may occur with certain transactions involving fixed-income securities.

We have not and do not intend to enter into any contractual third-party soft-dollar arrangements, such as where we commit to place a specific level of brokerage with a specific firm in return for which the brokerage firm will pay for various research related products or services for us, such as Bloomberg terminals or other communications links or services, computer hardware or software, investment publication subscriptions or other research related products or services that are generally available for cash purchase.

Directed Brokerage in our Wrap Fee Program

Because we absorb all of the transaction costs in our Program, we have a financial incentive to infrequently trade our Program client accounts because infrequent trades will increase our net fee. To mitigate this conflict of interest in our Program, clients may choose whether or not to participate in the Program. If you don't participate in the Program, you may direct your brokerage to another unaffiliated broker-dealer.

For clients in our Program, we utilize Fidelity Institutional Brokerage Services and Charles Schwab & Co., Inc., registered broker-dealers, for custodian and brokerage services. As part of these programs, we receive benefits from Fidelity and Schwab that we would not receive if we did not offer investment advice. As an example, Fidelity provides software to us, which allows us to trade on Fidelity's platform. Neither pays us any compensation for the introduction of their services, nor is there any affiliation between Fidelity or Schwab and us.

We participate in the back office and support programs sponsored by Fidelity and Schwab. The services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support us in conducting business and in serving your best interests. These programs and services are essential to our service arrangements and capabilities, and we may not accept clients who utilize other brokers in our program. The availability of these services from Fidelity and Schwab benefits us because we do not have to produce or purchase them. This is a potential conflict of interest. We believe, however, that our selection of Fidelity and Schwab is in your best interest. Our selection is primarily supported by the scope, quality, and price of Fidelity and Schwab's services and not Fidelity and Schwab's services that benefit only us.

Trade Aggregation, Allocation Policy and Partial Fills

We may aggregate orders for securities transactions on a portfolio basis such that all client accounts invested in accordance with the same portfolio will be traded in a block trade. In doing so, we strive to treat each client fairly and will not favor one client over another client. Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by us in that security on a given business day. If an aggregated order is not filled in its entirety, it may be allocated among participating accounts on a pro rata basis. However, if the partial fill is determined to be inappropriate for an account such that the number of shares for a particular account would be too few to warrant the investment or result in partial shares, then the shares will not be allocated to that account. If the security is so thinly traded that we are unable to obtain sufficient shares for all clients, it is possible that the entire trade would be busted.

We will not aggregate trades for your accounts if you have placed restrictions on your accounts or when your account is subject to customized management. We have some accounts where the clients have required that we implement exceptions to trading the account in accordance with our model portfolios and those accounts are not subject to block trading. We are unable to include these accounts in our block trade because the restrictions placed on the account

by the client require individual review before we make any trades. Thus, if you place restrictions on your account, we will not aggregate your trades with that of our other clients. We do not aggregate trades for delivery versus payment accounts processed through The Depository Trust & Clearing Corporation rather than the custodian, assets held outside of the custodian or for mutual fund orders because mutual funds trade at the close of business.

Liquidity Analysis

ETFs are designed to provide exposure in an underlying basket of securities that reflects a specific market index. The underlying securities held in the fund plus any undistributed net income, should be the approximate value of the price of the ETF. While closed-ended funds and stocks have a constant number of shares outstanding, ETFs use a creation/redemption process. This process allows, on a daily basis, the issuer of the ETF, to increase or decrease the shares based on investor demand. Therefore, it is a combination of the average daily volume of the ETF and the average daily volume of the underlying securities that determines the total liquidity of the ETF.

When we have discretion to effect an order, we may utilize a third-party trading solution to receive limit order guidance and achieve a better execution. We may use this information when we aggregate trades. Limit order guidance may be particularly helpful when the security is illiquid. A security is considered illiquid when the position to be traded is large relative to the market liquidity.

Trade Rotation Policy

We have instituted a trade rotation policy to ensure each client is treated fairly in the execution of tactical reallocation. We segregate the accounts into three sections: 1) trade signal accounts; 2) discretionary ETF portfolios; 3) custom accounts. This numbering determines the order in which your account is traded. Trades are then executed in the order of rotation number. With each tactical change, the three sections rotate one turn so that no one group of clients benefit to the detriment of another group of clients. If there is a new client, it enters the last position for rotation purposes.

As of August 2012, the trade rotation does not include client accounts that require individual account log-ins to effect trades. These accounts, referred to as outside assets, represent individually traded 401(k) plan participant accounts, 403(b) plan participant accounts, and fixed and/or variable annuities. While we removed these accounts from the trade rotation, we simultaneously instituted a new procedure to manage, review, and rebalance these outside assets on a quarterly basis.

Trade Error Policy

We have the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of your transactions, due to our actions,

or inaction, or actions of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging you or benefiting us in any way.

If the error is our responsibility, your transaction will be corrected and we will reimburse you for any loss resulting from an inaccurate or erroneous order. If your account is custodied at Schwab, Schwab will reimburse you for any loss less than \$100. If a trade error occurs and it results in a gain, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain or it is not permissible for you to retain the gain.

If the gain does not remain in your account and Schwab is the custodian, Schwab will donate the amount of any gain of \$100 or over to charity. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

If Merrill Lynch is the custodian, the gains are not paid to us; instead, they are tracked by the custodian and may be used to offset future losses in the calendar year. On an annual basis, Merrill Lynch donates any net gains associated with our trading account to charity.

With respect to accounts held at other custodians, we will retain the gain in a proprietary account to be used to offset future losses. The balance of the error trading account will be recorded in our accounting records as required.

REVIEW OF ACCOUNTS

Review and Reports of Accounts

Our investment committee reviews the securities that we recommend for investment in the portfolios on an ongoing basis and determines any tactical changes.

Client Reports

You will receive a confirmation of each transaction that occurs in your account; and a statement, at least quarterly, describing activity and values from your custodian. As described in more detail in “**CUSTODY**” beginning on page 14, we urge you to review carefully your statements. You will also receive from your Financial Advisor a quarterly ETF Portfolio Performance Report.

CLIENT REFERRALS AND OTHER COMPENSATION

Other Third Party Solicitors

We may engage solicitors to market our services. If you become our client as a result of the solicitor's efforts, you will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor, and the terms of that relationship. You will also receive a copy of this Brochure. Generally, any such agreement will provide for payment to the solicitor of a percentage of the advisory fees we collect from you.

Solicitor compensation will be based upon the advisory fees we collect from you, and may be paid during a specified time period after we begin providing advisory services to you or for the entire time that you remain one of our clients. The solicitor may therefore have a financial incentive to recommend our advisory services over other programs or services. The amount of this compensation may be more than the amount the solicitor would receive if you participated in other programs or paid separately for investment advice, brokerage and other services. Generally, we would not charge clients introduced by such solicitors any higher advisory fee as a result of our obligation to pay for such solicitation services.

Schwab Advisor Network®

We receive client referrals from Charles Schwab & Co., Inc. through our participation in Schwab Advisor Network®. The Schwab Network is designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for the management of our clients' portfolios or our other advice or services. We pay Schwab fees to receive client referrals through the Schwab Network. Our participation in the Schwab Network may raise potential conflicts of interest described below.

We pay Schwab a participation fee on all referred clients' accounts that are maintained in custody at Schwab and a custody fee on all accounts that are maintained at, or transferred to a custodian other than Schwab. The participation fee paid by us is a percentage of the fees the client owes to us or a percentage of the value of the assets in the client's account, subject to a minimum participation fee. We pay Schwab the participation fee for so long as the referred client's account remains in custody at Schwab. The participation fee is billed to us quarterly and may be increased, decreased or waived by Schwab from time to time. The participation fee is paid by us and not by the client. We have agreed not to charge clients referred through the Schwab Network fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Schwab Network.

We generally pay Schwab a custody fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision to move the assets away from Schwab. The custody fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The custody fee is higher than the participation fees we generally would pay in a single year. Thus, we will have an incentive to recommend that clients referred to us by Schwab use Schwab for custodial services.

Both the participation and custody fees will be based on assets in accounts of our clients who were referred by Schwab as well as the accounts of family members living in the same household. Thus, we will have an incentive to encourage household members of clients referred through the Schwab Network to maintain custody of their accounts and execute transactions at Schwab.

For accounts of our clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from us in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. We nevertheless, acknowledge our duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

CUSTODY

You should receive statements from the broker-dealer, bank or other qualified custodian that holds and maintains your investment assets at least quarterly. We urge you to review such statements carefully for any discrepancies.

INVESTMENT DISCRETION

We receive discretionary authority in writing from you at the outset of an advisory relationship in the agreement. Discretionary authority grants us the ability to determine, without obtaining your specific consent, the securities to be bought or sold for your portfolio and the amount of securities to be bought or sold. We exercise discretion in a manner consistent with your stated investment objectives for your account. As described in more detail in “**ADVISORY BUSINESS**” beginning on page 1, you may establish written investment guidelines and restrictions using the portfolio selection questionnaire.

Also, you will sign an agreement with your custodian which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within your account but restricts our ability to direct the assets outside of your account.

When we provide traditional sub-advisory services, we receive discretionary authority in our sub-advisory agreement with the Financial Advisor.

VOTING CLIENT SECURITIES

In general, we do not vote proxies. Your custodian will forward the proxy solicitation materials directly to you.

On occasion, and only when agreed upon in the agreement, we may vote proxies. Rule 206(4)-6 under the Advisors Act addresses our fiduciary obligation to vote proxies in the best interest of our clients and to provide you with information about how your proxies are voted.

Pursuant to Rule 206(4)-6, we have adopted written policies and procedures to ensure that your securities are voted in your best interests.

You may obtain a copy of our Proxy Voting Policy and information about how we voted proxies with respect to your securities by contacting us at (248) 283-2520 or by email at [info@tagllc.net](mailto:info>tagllc.net).

FINANCIAL INFORMATION

As a registered investment adviser, we are required to provide clients with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy proceeding and do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to you.

087921.143198 7500144-1