

**PPB Advisors, LLC**  
SEC File Number: 801 – 70895

**Brochure**  
**Dated 7/11/2012**

Contact: Brendan Lake, Chief Compliance Officer  
2 Bala Plaza, Suite 603  
333 East City Avenue  
Bala Cynwyd, Pennsylvania 19004  
[www.ppbadvisors.com](http://www.ppbadvisors.com)

**This brochure provides information about the qualifications and business practices of PPB Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (610) 567-3820 or [bwl@ppbadvisors.com](mailto:bwl@ppbadvisors.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.**

**Additional information about PPB Advisors, LLC also is available on the SEC's website at [Error!](#) Hyperlink reference not valid..**

**References herein to PPB Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

Since last year's Annual Amendment filing on March 31, 2011, Brendan Lake has been named as PPB Advisors, LLC's new Chief Compliance Officer.

## **Item 3           Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business.....	3
Item 5	Fees and Compensation.....	5
Item 6	Performance-Based Fees and Side-by-Side Management.....	7
Item 7	Types of Clients.....	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9	Disciplinary Information.....	9
Item 10	Other Financial Industry Activities and Affiliations.....	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12	Brokerage Practices.....	11
Item 13	Review of Accounts.....	13
Item 14	Client Referrals and Other Compensation.....	13
Item 15	Custody.....	14
Item 16	Investment Discretion.....	14
Item 17	Voting Client Securities.....	14
Item 18	Financial Information.....	15
Item 19	Requirements for State-Registered Advisors.....	15

#### Item 4            Advisory Business

- A. PPB Advisors, LLC (the “Registrant”) is a limited liability company formed on December 19, 2005 in the Commonwealth of Pennsylvania. The Registrant became registered as an Investment Adviser Firm in January 2010. The Registrant is principally owned by Brendan Lake. Brendan Lake is the Registrant’s President and Chief Executive Officer.

#### B. ADVISORY SERVICES

As disclosed below in this disclosure statement, the Registrant provides discretionary investment management services through PPB Advisors Alternative Series Fund, an affiliated private investment fund (the “*affiliated private fund*”). The *affiliated private fund* is offered to qualified investors in accordance with the terms and conditions of each *affiliated private fund’s* offering documents. **Unless** specifically contracted for pursuant to the terms and conditions of an *Investment Advisory Agreement* (see discussion below), the Registrant **does not** provide investment supervisory services to individual investors. Rather, the Registrant’s investment supervisory services are limited to its management of the *Funds*.

The Registrant **does not** provide financial planning, estate planning, insurance planning or any other related or unrelated financial planning or consulting services. The Registrant makes the *affiliated private fund* available to investors exclusively via introductions from such investor’s unaffiliated investment adviser. As such, other than confirming that the prospective investor qualifies for the *affiliated private fund* per the responses set forth on the *affiliated private fund* subscription documents, the unaffiliated investment adviser (**not** the Registrant) maintains initial an ongoing responsibility to counsel its investor client as to the suitability of the *affiliated private fund* and any of its underlying investment strategies.

#### **INVESTMENT ADVISORY SERVICES (Other than for the *affiliated private fund*)**

In the limited event that the Registrant determines to do so, the Registrant may provide discretionary investment advisory services to individual clients (other than the investment supervisory services that the Registrant provides to the *affiliated private fund*), on a *fee* basis. In such event, the Registrant’s annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant’s in accordance with the fee schedule set forth in the *Investment Advisory Agreement* between the Registrant and the client.

#### **MISCELLANEOUS**

**Affiliated Private Fund.** The Registrant is affiliated with the PPB Advisors Alternative Series Fund (the “*affiliated private fund*”). The Registrant provides discretionary investment management services through the *affiliated private fund*. The terms and conditions for participation in the *affiliated funds*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund’s offering documents.

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each investor for review and consideration. Unlike other liquid investments that an investor may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to which the investor shall establish that he/she/it is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Investor Obligations.** In performing its services, Registrant shall not be required to verify any information received from an investor or from the investor's other professionals, and is expressly authorized to rely thereon. Moreover, each investor is advised that it remains his/her/its responsibility to promptly notify their investment adviser if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising previous recommendations made by their investment adviser.

**Please Note:** The investment advisor of each of the participants in the *affiliated private fund* (**not** the Registrant) maintains initial an ongoing responsibility to counsel its client as to the suitability of the *affiliated private fund* and any of its underlying investment strategies.

**Non-Investment Consulting/Implementation Services.** In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients and to the extent requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including Mr. Brendan Lake, in his separate registered capacity as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Client Obligations.** In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients, the Registrant, in performing its services, shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or

investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Disclosure Statement.** In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients, a copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. The Registrant currently provides investment management services only to the *affiliated private fund*. To the extent that the Registrant provides investment advisory services, those services are specific to the needs of each of the *affiliated private fund*. The Registrant shall allocate investment assets consistent with the designated investment objective of each of the *affiliated private fund*.

In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients, the Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.

- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2011, the Registrant had \$40,000,000 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

### **A. ADVISORY SERVICES**

The Registrant **does not** currently provide investment advisory services to individual investors. Rather, the Registrant's investment services are limited to its management of the *affiliated private fund*. As the investment adviser to each of the *affiliated private fund*, the Registrant shall receive compensation in the form of management fee and/or incentive fees. The Registrant's compensation for each of the *affiliated private fund* shall be calculated as stated in the *affiliated private fund*'s offering document.

### **INVESTMENT ADVISORY SERVICES (Other than for the *affiliated private fund*)**

In the limited event that the Registrant determines to do so, the Registrant may provide discretionary investment advisory services to individual clients (other than the investment supervisory services that the Registrant provides to the *affiliated private fund*), on a *fee* basis. In such event, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant's in accordance with the fee schedule set forth in the *Investment Advisory Agreement* between the Registrant and the client..

- B. The *affiliated private fund* allow for the Registrant to deduct its fees directly from fund assets in compliance with regulatory procedures. In the limited event that the Registrant bills the *affiliated private fund* directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill the *affiliated private fund* monthly in advance, based upon the net asset value of the given class of stocks, as described in the *affiliated private fund's* offering documents.

In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients, clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. The Registrant **does not** currently provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private fund*. As such, the Registrant does not select and/or recommend broker-dealers to the *affiliated private funds*.

However, the Registrant may determine to allocate the *affiliated private fund's* assets among separately managed accounts, and those accounts in turn, may utilize the services of a broker-dealer/custodian for a portion of the *affiliated private fund's* assets. It should be noted that broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the *affiliated private fund* will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients, unless the client directs otherwise or an individual client's circumstances require, as discussed below, the Registrant may recommend a particular broker-dealer/custodian for client investment management assets. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. The Registrant shall deduct fees and/or bill the *affiliated private fund* monthly in advance, based upon the Net Asset Value of the given class of stocks, as described above in the *affiliated private fund's* offering documents. In the limited event that the Registrant determines to provide investment advisory services to individual clients, the Registrant will shall deduct fees and/or bill individual clients quarterly in advance. The Registrant

will not generally require an annual minimum fee or asset level for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria. (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the *affiliated private fund*, and in the limited event that the Registrant determines to provide investment advisory services to individual clients, the individual, will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Although the Registrant principals, in their respective individual capacities, are registered representatives of Mid-Market Securities, LLC. (“MMS”), an SEC registered and FINRA member broker-dealer, none of the principals hold themselves out as registered representatives of a broker-dealer to individual clients. Therefore, neither the Registrant nor its representatives shall accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

The Registrant **does not** currently provide investment supervisory services to individual investors. The Registrant provides investment management services to the *affiliated private fund*. In the limited event that the Registrant determines to do so, the Registrant may provide discretionary investment advisory services to individual clients. The Registrant does not generally require an annual minimum fee or asset level for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
  - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the



original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please Note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential *conflict of interest* whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. The Registrant **does not** currently provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private fund*. Currently, the Registrant primarily allocates the *affiliated private fund's* assets among various, unaffiliated, mutual funds and separately managed accounts, on a discretionary basis in accordance with the *affiliated private fund's* designated investment objectives.

## **Item 9            Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

- A. As disclosed above in Item 5.E., Registrant's principals, in their respective individual capacities, are registered representatives of MMS. None of the principals hold themselves out as registered representatives of a broker-dealer to individual clients.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. As disclosed above in Item 5.E., Registrant's principals, in their respective individual capacities, are registered representatives of MMS. None of the principals hold themselves out as registered representatives of a broker-dealer to individual clients. Therefore, neither the Registrant nor its representatives shall accept compensation from the sale of securities or other investment products.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. As disclosed above, the Registrant has a financial interest in the *affiliated private fund*. The terms and conditions for participation in the *affiliated private fund*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents.

**The Registrant's Chief Compliance Officer, Brendan Lake, remains available to address any questions regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal

trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12      Brokerage Practices**

The Registrant **does not** currently provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the *affiliated private funds*. As such, the Registrant does not select and/or recommend broker-dealers to its clients.

- A. In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients and in the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian). Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending any other broker-dealer/custodian to clients include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's

services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from a broker-dealer/custodian without cost and/or at a discount support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at a particular broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by the Registrant to any broker-dealer/custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Brendan Lake, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through

other broker-dealers with orders for other accounts managed by Registrant. As a result, client 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.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

**The Registrant's Chief Compliance Officer, Brendan Lake, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

### **Item 13      Review of Accounts**

- A. In the limited event that the Registrant determines to provide discretionary investment advisory services to individual clients, to those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts, which Registrant urges its clients to review. The Registrant may also provide a written periodic report summarizing account activity and performance.

### **Item 14      Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from a broker-dealer. The Registrant, without cost (and/or at a discount), may receive support services and/or products from a broker-dealer

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at a broker-dealer as a result of this arrangement. There is no corresponding commitment made by the Registrant to a broker-dealer or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Brendan Lake, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither Registrant nor any of its representatives directly or indirectly compensate any other person for client referrals who is not one of Registrant's registered investment advisor representatives.

## **Item 15      Custody**

The Registrant may have the ability deduct its advisory fee directly from the client's custodial account on a quarterly basis. However, before deducting any such fee from any respective client, Registrant will first: obtain written authorization from the client; send the custodian written notice of the amount to be deducted; and send a notice directly to the client itemizing the fee, including the formulae used to calculate the fee, the time period covered by the fee, and the amount of assets upon which the fee is based.

In addition to the above, clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts, which Registrant urges its clients to review. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## **Item 16      Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17      Voting Client Securities**

Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may, but are not be limited to, include the following a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Brendan Lake.

#### **Item 18            Financial Information**

- A. The Registrant does not solicit fees of more than \$500, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

#### **Item 19            Requirements for State-Registered Advisors**

- A. Brendan Lake is the Registrant's President and Chief Executive Officer. For more information about Mr. Lake, please see his Brochure Supplement.
- B. The Registrant is not actively engaged in any other business, other than as set forth herein.
- C. Neither the Registrant, nor its representatives, accepts performance-based fees.
- D. Neither the Registrant, nor its representatives, has been the subject of any disciplinary actions.
- E. Neither the Registrant, nor its representatives, has any relationship or arrangement with any issuer of securities.

**ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Brendan Lake, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.