

AMERICAN CENTURION FINANCIAL, LLC

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Disclosure Brochure

December 20, 2012

This brochure provides information about the qualifications and business practices of American Centurion Financial, LLC (“ACF”). If you have any questions about the contents of this brochure, please contact Valentina Solomita, Managing Member, at (516)521-7505. 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.

American Centurion is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser.

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

Material Changes

This is the initial ADV Part 2 Disclosure (“Brochure”) filing. There are no Material Changes to report.

Currently, our brochure may be requested by contacting Valentina Solomita, Managing Member, by phone, at (516)521-7505 or by e-mail at vsolomita@gmail.com. We will provide you with a copy of our current brochure at any time without charge.

Additional information about us and about our investment advisory representatives (“IARs”) is also available via the SEC’s website at: www.adviserinfo.sec.gov.

Information about your IAR may be found in the IAR’s supplement to our brochure.

AMERICAN CENTURION FINANCIAL, LLC

CRD Number 166057

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Advisory Services

American Centurion Financial, LLC (“ACF”, our, ours, we, us) is a limited liability company founded in October 2012. The Managing Members are Valentina Solomita and Lt. General (Retired) Scott Black.

ACF is an SEC-registered investment adviser located in New York, NY.

We offer portfolio management and consulting to institutions, businesses, high network individuals, their families and trusts.

We work with you to identify your investment goals, objectives, and risk tolerances in order to structure a portfolio and investment strategy consistent with your stated investment objectives.

We also provide investment consulting services that may include comprehensive financial planning or may address specific needs you identify.

Portfolio Management Services

The Fixed Income Portfolio accounts may include Treasuries, government agencies, corporate and municipal bonds. Our bond selection will rely on third party specialists for credit analyses and research.

We structure Balanced Portfolio accounts using a range of securities products which may include stocks, bonds, mutual funds, exchange-traded funds (“ETFs”), options, and alternative investments such as limited partnerships and real estate investment trusts.

We may also recommend that a portion of your portfolio be allocated to a third party manager. The services and fees of such manager will be fully described in its disclosure brochure. The third party manager’s fees will be separate and distinct from our advisory fee.

The investment accounts and the investment strategies are designed based upon your specific individual investment objectives, goals and risk tolerances.

We may periodically rebalance or adjust your account to help ensure that your investment account remains consistent with your objectives, goals, and risk tolerance.

We rely upon you to notify us of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes may require changes in your portfolio and the investment strategies employed.

We will manage your portfolio on a discretionary basis, meaning that you authorize us to make specific investment decisions on your behalf; or, on a non-discretionary basis, meaning we must have your prior approval before determining which securities and in what amount to purchase or sell in your account. You must grant us the authority to exercise discretion in your account in writing, as part of the advisory agreement you sign.

The scope of the discretionary authority that you may grant to us is limited to selecting specific investments for your account and deciding how to allocate your assets among those investments. We may decide if and when to buy, hold, or sell those investments. Once you have granted discretionary authority to us, it is effective until you change it or revoke it in writing.

You may impose any reasonable restrictions upon the manner in which we manage your investment account. For example, you may restrict the management of your account to certain types of investment products, industry sectors or investment strategies.

Wrap Fee Program

ACF offers a wrap fee program in which we provide our portfolio management services as outlined above, for one inclusive fee. The wrap fee includes our advisory fee, custodial, and transaction fees and commissions. This program and its associated fees are more fully described in our *American Centurion Financial LLC Wrap Fee Program Brochure*. It will be provided free of charge upon request. A wrap fee program may cost you more or less than purchasing

these services separately, depending on the amount of trading activity in your account, the value of services that are provided to you under this program, and other factors. Therefore, we may have a financial incentive to recommend the wrap fee program over other programs or services. Generally, wrap programs may result in higher overall costs to you in accounts that experience little trading activity.

We do not manage wrap accounts differently from how we manage non-wrap accounts.

Assets Under Management

ACF is a new investment adviser applying for registration and currently has no assets under management.

Third Party Investment Advisory Services

We may enter into agreements with various third-party investment managers to provide investment management services for our clients. In order to assist you in the selection of a particular outside portfolio manager, we will use the information you have provided about your investment objectives, goals, and risk tolerances, as well as other relevant information, to identify a third-party investment manager(s) whose investment strategies are consistent with your investment profile.

Some of the other relevant information considered in recommending a third-party investment manager include (but is not limited to):

- your preference for certain types of investments or investment strategies;
- your investment time horizon;
- the size and composition of your investment account;
- your tax considerations;
- your IAR's prior experience with and preferences for particular investment managers;
- the fees charged by the investment manager; and
- the experience and capabilities of the investment manager.

Financial Planning Services

We may prepare and provide you with a comprehensive, written financial plan designed to help you achieve your financial goals and investment objectives. The preparation of such a plan requires that you provide us with personal data such as family records, employment records, budgeting, assets, liabilities, estate information, and tax information. The financial plan may address any or all of the following as you request and/or direct:

- asset protection
- tax planning
- business succession
- strategies for exercising stock options
- cash flow
- education planning
- estate planning
- risk management
- multi-generational planning
- wealth transfer
- charitable gifting
- long-term care and disability planning
- retirement planning
- insurance planning
- asset allocation comparisons

Should you choose to implement the recommendations contained in your financial plan, we encourage you to work closely with your attorney, accountant, insurance agent, and other advisers. We will assist you to the extent you choose.

Although you may choose to implement the recommendations made in your financial plan through us or our associates, you are free to employ the services of any advisor or registered representative of your choice, regardless of whether or not that person is associated with ACF.

Investment Consulting Services

We may offer investment consulting services that are limited to the specific areas you identify. These services are not considered financial planning services because we will not perform a comprehensive analysis of your financial position and will not prepare a written report documenting our review.

The consulting services may include (but are not limited to):

- Assisting you in the preparation of an investment policy statement;
- Reviewing and recommending changes to an existing investment policy statement (or similar guidelines, policies, and/or investment allocation that you are employing);
- Reviewing existing contracts you have with service providers such as managers and consultants, and making recommendations for changes;
- Assisting you in renegotiating the fees you pay to service providers and/or assisting you in conducting a search for new service providers;
- Analyzing the performance of your current investment manager;
- Advising you regarding the manner in which your investment account is being managed and, at your request, assisting you in searching for a new investment manager;
- Advising you on the purchase and sale of particular individual investments;
- Monitoring your transaction costs; and
- Monitoring compliance by your investment managers with your investment policy statement.

As noted above, regardless of the services you choose, we strongly encourage you to notify us promptly if there are any changes in your personal circumstances, financial situation, investment objectives, or risk tolerances.

General Business Consulting

ACF will provide general business consulting related to financial analysis, securities pricing, and investment banking.

Fees and Compensation

We offer all of our services on a fee-only basis. Our fee is calculated based upon the market value of the investment assets in your account. One-fourth of our fee is billed each calendar quarter based on the value of your account on the last day of that quarter.

Broker-dealers and other financial institutions that hold investment accounts for advisory clients are referred to as custodians. Your custodian will determine the values of the assets in your account.

If your portfolio includes securities purchased using margin, the advisory fee will be calculated on assets which you do not own. This means that you will pay advisory fees on the gross market value of the investment assets in your account in addition to the costs associated with the use of margin. You must specifically authorize the use of margin in your account.

We charge advisory fees in advance, meaning we assess our fees before we have provided our services to you. Our initial fee will be calculated on the day your investment assets are received by your custodian. The amount of the fee will be calculated based on the number of days remaining in that quarter.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us.

The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

Our fees are negotiable at our sole discretion. Factors considered in negotiating fees include size of account, related accounts, relationships, and complexity of the account.

Fees for Portfolio Management (Non-Wrap Fee)

ASSETS UNDER MANAGEMENT	MAXIMUM ANNUAL FEE NON-WRAP
Fixed Income Portfolio	
Minimum Account \$5 MM	1.0 %
Balanced Portfolio	
Minimum Account \$2 MM	1.5 %
Over \$10 MM	1.0 %

We require that you authorize us in writing to direct your custodian to pay our investment advisory fees directly to us by charging your account. This authorization is set forth in the investment advisory agreement you will execute to retain our services.

Your custodian will provide you with statements that show the amount of the advisory fees paid directly to us.

Your custodian does not verify the accuracy of our fee calculations so please review your statements carefully.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees;
- brokerage commissions;
- transaction fees;
- internal fees and expenses charged by mutual funds, ETFs and variable annuities;
- fees charged by third party money managers;
- maintenance and termination fees for IRAs, certain retirement and qualified accounts; and,
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or shared with us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these documents before making or authorizing any investments. Your IAR will be available to answer any questions you have about fees and expenses.

If you purchase mutual fund shares through the custodian, you may pay a transaction fee that would not be charged if the transaction were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may charge internal fees that are different from mutual funds held at the mutual fund company.

You may purchase shares of mutual funds directly from the mutual fund company without a transaction fee. Those investments, however, will not be part of our advisory relationship with you. This means that they will not be included in our investment strategies, investment performance monitoring, or investment reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

Fees for Third-Party Investment Management Services

The advisory services provided by third-party investment managers and the fees they charge for those services are detailed in their respective disclosure brochures. Your IAR will provide you with a copy of the brochure for each investment manager recommended to you. We, and in turn your IAR, will receive a portion of those fees paid to the third-party investment manager.

Fees for Financial Planning Services

Fees for financial planning services are charged on an hourly. On-going financial planning services may be charged based as a percentage of the value

of your investment account. The manner in which you are charged and the amount you will be charged will be negotiated between you and your IAR, and described in your investment advisory agreement.

Generally, the total amount of our fees will depend upon the complexity of the services you need. Hourly fees are \$475 per hour. We will provide you with an estimate of the cost of the services to be provided to you prior to beginning the financial planning process.

Hourly fees are due on a monthly basis on the last business day of each calendar month or upon completion of the services specified in the financial planning agreement, whichever comes first.

Fees for Investment Consulting Services

Fees for investment consulting services will generally be charged on an hourly basis at the rate of \$475 per hour. The amount of the fee will be negotiated between you and your IAR and will depend on the scope and complexity of the services to be provided, and the estimated amount of time it will take to provide those services. If our services pertain to an investment account you maintain, our fee will generally not exceed 0.50% of the value of that account.

Hourly fees are due on a monthly basis on the last business day of each calendar month or upon completion of the services specified in the consulting services agreement, whichever comes first.

Fees for General Business Consulting Services

Fees for general business consulting services will be charged as a fixed fees based on the scope and complexity of the project. The rate will be negotiated and specified in the services agreement.

Additional Compensation

Whether you implement any investment recommendations resulting from the financial planning or investment consulting services provided by your IAR is

entirely at your discretion. If you implement those recommendations, you may do so through the financial professional of your choice. If you implement those recommendations through your IAR, we will receive compensation for the services provided in conjunction with that implementation.

Our IARs may also be registered representatives of broker-dealers that are registered with the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Those broker-dealers will not be associated with us.

If you choose to effect securities transactions through your IAR in his/her capacity as a registered representative of a broker-dealer, your IAR may receive commissions and other compensation from those transactions. For example, your IAR may receive 12b-1 fees, which are fees paid by mutual fund companies for the on-going marketing of their investment products.

We do not permit our IARs to manage client investment accounts through the broker-dealers with which they are associated. We do, however, permit them to implement the recommendations from a financial plan through such arrangements. Thus, your IAR could receive both a fee for financial planning services and commissions from the transactions effected to implement the recommendations from the financial plan.

Our IARs may also be licensed to sell insurance products through various insurance companies that are unaffiliated with us. As such, they may receive commissions from any insurance products you purchase through them.

The above described arrangements may present a conflict of interest because they could create an incentive for your IAR to make recommendations based upon the amount of compensation he or she could receive rather than based upon your particular needs. We are nonetheless committed to acting in your best interests at all times.

Your IAR will explain to you the specific costs associated with any investments recommended to you.

You are under no obligation to purchase investment or insurance products or to implement any financial plan recommendations through your IAR. You may purchase those products and implement financial plan recommendations through the investment or insurance professional of your choice.

Performance-Based Fees

We do not charge performance-based fees for any of the services described in this brochure. Performance-based fees are generally based on a percentage of the capital gains on and/or appreciation of the client account assets.

Types of Clients

We provide advisory services primarily to high net worth individuals and families, including their trusts, estates and retirement accounts. We also provide services to corporations, business entities, foundations and institutions.

As a condition for starting and maintaining an advisory relationship with us, we generally require that you have a minimum investment account of \$5,000,000 for the Fixed Income Portfolio and \$2,000,000 for the Balanced Portfolio. We, at our sole discretion, may allow you to engage our services if you have a smaller account. Some of the factors we consider in making this determination include pre-existing client relationships we may have with you or your family members, any additional assets you are anticipated to receive in the future, your account composition, and your anticipated future earning capacity. At our discretion, we may consider the accounts of your family members in determining whether your account meets our minimum account size requirement.

Methods of Analysis, Investment Strategies and Risk of Loss

ACF selects specific investments for your portfolios through the use of fundamental and technical analysis.

Fundamental analysis is a method of evaluating a company that has issued securities by attempting to measure the value of its underlying assets. This entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the company's securities to determine whether to purchase, sell or hold those securities.

Technical analysis is a method of evaluating securities by analyzing statistics associated with market activity, such as past prices and trading volume.

Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future performance.

The main sources of information used to formulate investment advice and/or manage assets includes financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases and timing services.

Our investment strategies may include long-term and short-term investments. You may place reasonable restrictions on the strategies to be employed in your account (for example, the types or sectors of investments to be held in your account).

As previously noted, we may recommend the use of third-party investment managers to implement our investment advice. We analyze individual investment managers based upon their investment strategies, experience, performance track record, reputations, and fee arrangements.

Although we manage your account in a manner we believe is consistent with your specific investment objectives and risk tolerances, there can be no guarantee that our efforts will be successful. General economic conditions,

current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance. You should be prepared to bear the risk of loss. All investments are subject to loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

Investing in equities, whether through stocks, mutual funds or ETFs, involves certain risks, which may include:

- Financial Risk: the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in bonds and debt instruments also involves the assumption of risks, including:

- Interest Rate Risk: the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

The use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the

amount that has been loaned to you. When you short sell, your losses can be infinite.

You should also be aware that transactions in the account, including account reallocations and rebalancing, may trigger a taxable event, unless your account is a qualified retirement or other tax deferred account.

Disciplinary Information

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

Other Financial Industry Activities and Affiliations

Valentina Solomita, Managing Member, is also a registered representative of Royal Alliance Associates, Inc. (“Royal Alliance”), member FINRA and SIPC. She is a licensed insurance agent, and an advisory representative of Affiliated Advisors, Inc.

You are under no obligation to utilize the services of Ms. Solomita in the purchase or sales of securities or insurance products through her association with a broker-dealer, insurance company or investment adviser. However, any transactions you may effect through her in conjunction with those relationships may result in the receipt of commissions and other compensation in addition to any advisory fees that we charge.

Information about Ms. Solomita’s financial industry activities and affiliations is disclosed in her Supplement which you will receive with this brochure. Additional information about her is also available at www.adviserinfo.sec.gov.

Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics (“Code”) to address the standard of business conduct required of our IARs and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our IARs and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an IAR’s or employee’s position of trust and responsibility;
- that IARs may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our own account that we also recommend to you. Our IARs and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account.

The personal securities transactions by our IARs and employees may raise potential conflicts of interest when they trade in a security that is owned by you, or is being considered for purchase or sale for your account.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our IARs and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an IAR or employee receiving a better price than

a client.

Our IARs and employees must follow our procedures when purchasing or selling the same securities purchased or sold for your account.

Brokerage Practices

We will generally recommend Pershing LLC as the custodian and broker-dealer for your account (“Pershing” or “custodian”) although we may agree to employ the services of one or more other custodians.

We are independently owned and operated and not affiliated with Pershing. Our use of a particular custodian is, however, a beneficial business arrangement for us and for the custodian. Information regarding the benefits of this relationship is described below.

Our recommendation of a specific custodian is based in part on our existing relationships; the custodian’s financial strength; reputation; breadth of investment products; and, the cost and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of a particular custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether they can provide what is in our view the best qualitative execution for investment transactions for your account.

In addition to brokerage and custody services, services customarily made available to advisers include access to investments generally available to institutional investors; research; software; and, educational opportunities. Pershing may also make available or arrange for these types of services to be provided to us by independent third parties. Custodian may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us.

We receive economic benefits as a result of our relationship with Pershing because we do not have to produce or purchase the products and services listed above. These services are not contingent upon us committing any specific amount of business to the Custodians in trading commissions. We do not enter into soft-dollar arrangements with custodians or brokers.

Because the amount of products or services we receive may vary depending on the custodian we recommend to be used by our clients and the amount of client assets in accounts at that custodian, we may have a conflict of interest in making that recommendation. Our recommendation of a specific custodian may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Pershing does not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

Commissions and other fees for transactions executed through the custodian we recommend may be higher than commissions and other fees available if you use another custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by our recommended custodian outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained through our recommended custodian. We do not attempt to allocate these benefits to specific clients.

[Directed Brokerage](#)

We do not allow for directed brokerage. All transactions are executed through the recommended account custodian.

Bunched Trading

We may engage in “bunched trading,” which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed.

Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients.

Transactions for the accounts of our IARs and employees may be included in bunched trades. They will receive the same average price and pay the same commissions and other transaction costs, as clients.

Transactions for the accounts of our IARs or employees will not be favored over transactions for client accounts.

We are not obligated to include any client transaction in a bunched trade. Bunched trades will not be effected for any client’s account if doing so is prohibited or otherwise inconsistent with that client’s investment advisory agreement. No client will be favored over any other client.

Review of Accounts

We review your account(s) on an on-going basis to monitor that your investments and investment strategies are performing in a manner consistent with your stated objectives. At least annually (or more often as agreed upon with you) we will review your account with you and update your financial status, goals, objectives, and risk tolerances. These reviews also consider any

investment restrictions you have requested and how your investments meet your investment time horizons, liquidity needs, tax considerations and other circumstances unique to you. Changes in your investments and your investment strategies may be made or recommended by us in light of changes in your financial information.

Third-Party Investment Management Services

We will regularly review the reports provided to you by any third-party investment managers that are managing assets for you. We will contact you at least annually (or more often as agreed upon with you) to review your financial situation, investment goals and objectives and risk tolerances, and the performance of the third-party investment manager to help monitor that your account is being managed in a manner consistent with your objectives.

As previously noted, we strongly encourage you to advise us of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to help ensure that your investments and investment strategies are appropriate for you.

You will receive statements on at least a quarterly basis from the custodian holding your account. These statements will identify your current investment holdings, the cost of each of those investments, and their current market values.

Client Referrals and Other Compensation

We may enter into written agreements with certain unaffiliated investment advisers and other professionals (such as CPAs, attorneys, etc.) to compensate them for referring clients to us. We will pay these individuals (referred to as “solicitors”) a percentage of the advisory fee that you pay us if it is determined that you have become a client of ours as a result of their direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay.

Likewise, we may enter into referral arrangements through which we refer

clients to unaffiliated investment advisers for compensation.

Our solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the services provided;
- the fees to be paid;
- disclosure of solicitor arrangements to clients; and
- client consents, as required.

We receive certain economic benefits as a result of our participation in Pershing's institutional brokerage program. Those benefits are described in detail in the preceding section entitled "Brokerage Practices."

Custody

As previously noted, you will receive statements from Pershing on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account.

We also encourage you to contact us should you have any questions or concerns regarding your account.

Investment Discretion

As previously noted, we offer our advisory services on both a discretionary and non-discretionary basis. When we manage on a discretionary basis we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account. When we manage on a non-discretionary basis, we need your approval before determining the type and amount of securities to be bought or sold for your account.

We may only exercise discretion if you have provided that authority to us in writing. This authorization is typically included in the investment advisory agreement you enter into with us.

The discretionary authority you grant to us does not provide us the ability to choose the custodian through which transactions for your account will be executed or to negotiate brokerage fees or expenses. Additionally, our discretionary authority does not provide us the ability to withdraw funds from your account (other than to withdraw our advisory fees which may only be done with your prior written authorization).

We will exercise discretion in a manner consistent with the stated investment objectives for your account.

Typically under third-party investment management arrangements, the third-party investment manager exercises discretion in the management of your account. All securities transactions are selected and executed by that manager. We do not manage or obtain discretionary authority over the assets in those accounts. You may, however, grant us the discretionary authority to hire and fire such third-party managers on your behalf.

Voting Client Securities

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits.

You will receive information related to proxies directly from your account custodian. We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of any bankruptcy proceedings.