

**TriCor Advisory Services, LLC**

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**3/28/2013**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of TriCor Advisory Services, LLC. If you have any questions about the contents of this brochure, please contact us at 702-254-1263. 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 TriCor Advisory Services, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for TriCor Advisory Services, LLC is 141775.**

**TriCor Advisory Services, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

### ***SUMMARY OF MATERIAL CHANGES***

TriCor Advisory Services, LLC's Brochure has been updated with the following material changes that have occurred since the last annual update of our brochure on 3/29/2012.

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/28/2013, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>3</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>6</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>7</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i></b>	<b><i>8</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>10</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>11</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>12</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>13</i></b>
<b><i>Review of Accounts .....</i></b>	<b><i>15</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>16</i></b>
<b><i>Custody .....</i></b>	<b><i>17</i></b>
<b><i>Investment Discretion.....</i></b>	<b><i>18</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>19</i></b>
<b><i>Financial Information.....</i></b>	<b><i>20</i></b>
<b><i>Requirements for State-Registered Advisers .....</i></b>	<b><i>21</i></b>
<b><i>Additional Information.....</i></b>	<b><i>22</i></b>

## **Advisory Business**

TriCor Advisory Services, LLC's (TAS) registration was granted by the U.S. Securities and Exchange Commission on October 17, 2006, and is a wholly-owned subsidiary of TriCor Financial Services, LTD. Frank Aguilar (CRD Number 2296920) is Managing Member, Managing Director. Jason Garofalo (CRD Number 3008935) is a Director/Manager of the firm. Elizabeth Delgado- Schuetze (CRD Number 4501355) is a Director/Manager of the firm. Clay Archey (CRD Number 3248177) is the Chief Compliance Officer. TriCor Financial Services, LTD., owns one hundred (100%) percent of the equity of the firm. The firm is not publicly owned or traded. TriCor Financial Services, LTD is owned by Frank Aguilar and Patricia Aguilar through NAPACA, INC. 25% but less than 50% owner, Jason Garofalo through Jason L. Garofalo Inc. 25% but less than 50% owner, Elizabeth Delgado-Schuetze through Elizabeth Delgado-Schuetze Inc. 10% but less than 25% owner, As of December 31, 2012, the firm manages approximately \$110, 537, 925 Million in assets for over 784 accounts. Approximately \$13,605,289 Million is managed on a discretionary basis and \$96,932,635 Million is managed on a non-discretionary basis. Client assets are managed on an individual basis. Clients may impose restrictions on their accounts.

The firm may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). The firm will charge a fixed fee for these services. The firm's financial planning and consulting fees are negotiable, but generally range from \$1,500 to \$20,000 on a fixed fee basis; depending upon the level and scope of the planning, the professional rendering the financial planning and/or the consulting services.

Prior to engaging the firm to provide financial planning and/or consulting services, the client will generally be required to enter into a written agreement with the firm setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to the firm commencing services. Generally, the firm requires one-half of the financial planning/consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event the client terminates the firm's financial planning and/or consulting services, the balance of the firm's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into the financial planning agreement, the client shall be entitled to a full refund. In performing its services, the firm shall not be required to verify any information received from the client or from the client's other professionals (e.g. attorney, accountant, etc.) and is expressly authorized to rely on such information. The firm may recommend the services of itself and/or other professionals for implementation purposes. Clients are advised that a conflict of interest exists if the firm recommends its own services. The client is under no obligation to act on any of the recommendations made by the firm and/or engage in the services of any such recommended professional, including the firm itself. The client retains absolute discretion over all such implementation decisions, and is free to accept or reject any recommendations from the firm. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the firm if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating or revising the firm's previous recommendations and/or services.

In the even the client determines to engage the firm to provide investment management services, the firm shall do so on a fee-only basis. If engaged, the firm shall charge an annual fee based upon a percentage of the market value of the assets being managed by the firm. The firm's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the client. The firm's annual fee shall be prorated and paid quarterly, in advance, based upon the market value of

the assets from the last day of the previous quarter. The annual fee shall vary (between 0.50% and 3.00%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

## ***Fees and Compensation***

Clients in the Program pay a program fee (each, a “Program Fee”) from which TAS pays the sub-managers and any third-party service provider. The Program Fee also includes investment management services comprised of client profiling, strategic asset allocation, style allocation, research and evaluation of asset managers, ongoing monitoring of manager and account performance, asset manager hiring and termination, account rebalancing, account reporting, and other operational and administrative services. However, clients whose advisors perform the asset allocation themselves do not receive all of the services listed above, but pay a lower Program Fee.

There is a minimum annual Program Fee charged per Account for participation in the Program. Other costs that may be assessed to the Client and that are not part of the Program Fee include fees for portfolio transactions executed away from Broker, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, among others.

The Program Fee does not include any advisory fee charged by advisors to their individual clients. The Program Fee does not include certain fees charged by a broker or custodian used by that client's advisor. In that case, those fees will be disclosed separately to the client by National Financial Services, LLC. Program Fees charged are calculated as an annual percentage of assets based on the market value of the account at the end of the quarter or as an average market value for the preceding quarter. Program Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account or may be charged in arrears if using the average market value for the quarter. The level of the Program Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended. Clients may receive comparable services from other sources for fees that are lower or higher than those charged by TAS.

If there is insufficient cash in the Accounts at the time the Program Fee is to be debited from the Accounts, the Client understands and acknowledges that Platform Manager or Sub-Managers may sell an amount of Program Assets to generate sufficient cash to pay the Program Fee. This may create a taxable gain or tax loss for the Client. If Program Assets are illiquid and Platform Manager or a designated Sub-Manager determines that the sale of Program Assets to pay the Program Fee is not feasible, Platform Manager will send the Client an invoice for the Program Fee for the quarter. For reporting only accounts or any other account that necessitates it, another designated Client account will be billed for the Program Fee. The Client agrees to pay this invoice within ten (10) days of receipt.

The standard fee schedule for the Program's services is as follows, but may be negotiable in individual cases:

#### FEE SCHEDULE

Amount	Equity/Balanced	Fixed Income	Mutual Funds/ETF's*	Alt. Investments	Multi Mgr
First \$250,000	3.00%	3.00%	3.00%**	3.00%	3.00%
Next \$250,000	2.50%	2.50%	2.50%**	2.50%	2.50%
Next \$500,000	2.00%	2.00%	2.00%**	2.00%	2.00%
Next \$1,000,000	1.65%	1.65%	1.65%**	1.65%	1.65%
Next \$3,000,000	1.50%	1.50%	1.50%**	1.50%	1.50%
Over \$5,000,000	1.25%	1.25%	1.25%**	1.25%	1.25%

\* The fee charged depends on manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and alternative investments charge their own fees for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees.

\*\* TAS or its affiliates may receive 12b-1 fees from mutual funds in which clients invest.

\*\*\* No advisory fees will be charged on any mutual funds, unit investment trusts, annuities, or other securities transferred to the Account which were purchased within the past two years (or one year in the case of mutual fund Class C shares) until two years (or one year in the case of mutual fund Class C shares) from the date of purchase if a commission was paid to client's IAR in his or her capacity as a Registered Representative of a broker- dealer.

#### Termination

The Terms and Conditions for each Program contain termination provisions. An agreement may be canceled by either party at any time, for any reason, upon receipt of 30 days prior written notice. Clients will receive a prorated refund of any pre-paid quarterly program fee, based upon the number of days remaining.

#### *Other Issues Relating to Fees*

The cost of investment advisory services provided through the Programs may be more or less than the cost of purchasing similar services separately. Among the factors impacting the relative cost of the program to a particular client include the size of the account; the type of account (*i.e.*, equity or fixed income); the size of the assets devoted to a particular strategy; and the managers selected. In some cases, investment advisers who recommend the Programs to their clients may receive compensation from TAS as a result of their clients' participation in the programs. This compensation may be more than what the adviser would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services. Such individuals may therefore have a financial incentive to recommend the Program over other programs or services. However, the Program fees have not been increased to cover fees paid to those advisers.

The Program Fee does not cover certain charges associated with securities transactions in clients' accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by any collective investment vehicles ("**Collective Investment Vehicles**"), such as mutual funds and closed-end funds, unit investment trusts, exchange-traded funds or real estate investment trusts (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses. Further information regarding charges and fees assessed on Collective Investment Vehicles may be found in the appropriate prospectus or offering document) or other regulatory fees; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law, and (vi) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into the Program. With respect to this latter type of charge, Platform Manager may liquidate such assets transferred into a Program in its sole discretion. Clients should thus be aware that if they transfer in-kind assets into a Program, Platform Manager may liquidate such assets immediately or at a future point in time and clients may incur a brokerage commission or other charge, including a CDSC. Clients also may be subject to taxes when Platform Manager liquidates such assets. Accordingly, Clients should consult with their financial advisor and tax consultant before transferring in-kind assets into a Program.

In addition to the redemption fees described above, a Client may incur redemption fees, when the portfolio manager to an investment strategy determines that it is in the Client's overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain Collective Investment Vehicles prior to the expiration of the collective investment vehicle's minimum holding period. Depending on the length of the redemption period, the particular investment strategy and/or market circumstances, a portfolio manager may be able to minimize any redemption fees, when in the portfolio manager's discretion it is reasonable to allow a Client to remain invested in a Collective Investment Vehicle until expiration of the minimum holding period. The Program Fee does not cover certain custodial fees that may be charged to clients by the Custodian. Clients also may be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services elected by clients. Accounts may be subject to transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds.

Similarly, the Program Fee does not cover certain non-brokerage-related fees such as individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs). Some mutual funds assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.



### ***Performance-Based Fees and Side-By-Side Management***

The fee charged is calculated as described in the fee schedule above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).

### ***Types of Clients***

Clients are individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

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

Most people would like to know how we could help or augment their investment plan. Simply, our process is to review your current financial picture, and recommend appropriate remedies or strategies. As an investment advisor, we try to determine your short and long-term goals, and then develop an appropriate investment programs. We believe that investments and financial planning are an evolutionary process with no one right answer or solution. Periodic reviews and evaluations are necessary, owing to the ever-changing world of financial markets, taxes, and personal situations. Before beginning the investment program we meet with investors to determine how their assets are allocated and managed.

- What return objectives should the assets meet?
- What risk is acceptable?
- What portion of assets should be in equities versus non-equities?

This is accomplished by reviewing a "Suitability Questionnaire" to help determine how you can allocate your assets, within the risk/reward parameters you have selected, in order to create a projected portfolio that more closely matches your goals and risk tolerance. Modern portfolio theory states that asset allocation is the key to financial success and that portfolio performance depends more on the markets selected than the individual securities within the market. Based on that theory, we investigate, using different classes of equity funds such as Small, Medium, Large, International Companies by mixing a combination of value approach and growth approach. This investment philosophy is reviewed in light of your personal situation and tailored to meet your objectives and preferences to the markets. Our core investment recommendations are most often based on a balanced mix of equity and bond no load mutual funds. With respect to mutual fund investments, Firm usually recommends the "Dollar Cost Average" method for no-load mutual funds. We emphasize that Equity/Stock Funds are only for those dollars that have a long time horizon and are willing to accept a reasonable amount of annual fluctuation and occasional year of negative returns. Also mutual funds are not guaranteed and prior performance of different asset classes are not a guarantee of future performance. All investments carry some degree of risk of loss.

Investment strategies include; long term purchases (securities held at least a year), short term purchases (securities sold within a year), short sales, trading, margin transactions, option writing. Also, investment advice and recommendations will be based on our own inputs as well as those of outside professionals, if required.

Method of securities analysis is fundamental and technical analysis.

Our security analysis is based upon a number of factors including those derived from commercially available technology and securities rating services such as the use of Morningstar, Value Line, S&P Research and other miscellaneous services. Prospectuses, white papers and various other forms of information are supplied from many of our recommended mutual fund companies.

It is further disclosed that the firm may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Managers based upon the stated objective of the client.

Investment strategies are long term purchases, short term purchases, short sales, margin transactions and option writing.

All investment programs have certain risks that are borne by the investor.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### ***Disciplinary Information***

Following is a list of those legal or disciplinary events that may be material to your evaluation of TriCor or the integrity of TriCor's management.

In January 2013, State of Nevada alleged that TriCor had been receiving non-cash compensation from various investment sponsors (offerors) in the form of participation in due diligence meetings paid for by such offerors without sufficient disclosure in the firm's ADV Brochure. In addition, TriCor had six (6) investment advisor representatives (IARS) that were not licensed by the division in accordance with NRS 90.330.

Without admitting or denying the findings, TriCor Advisory Services, LLC consented to a censure, a \$6,250 fine, and an undertaking to revise the firm's ADV brochure regarding benefits received from various investment sponsors (offerors) in the form of participation in due diligence meetings paid for by such offerors. The investment advisors licensing requirements was detected by TriCor's management and self-reported. The IARs have subsequently been relicensed by the state.

Mr. Frank Aguilar, President and CEO of TriCor Financial, LLC an affiliate of TAS failed to file with FINRA an application for approval of a change in equity ownership at least 30 days prior to a 25% change in the indirect ownership equity of the firm.

Without admitting or denying the findings, Mr. Aguilar consented to the described sanctions and to the entry of findings; therefore, he was fined \$15,000, jointly and severally, and suspended from association with any FINRA member in any principal capacity for two months. The suspension was in effect from December 5, 2011, through February 4, 2012.

### ***Other Financial Industry Activities and Affiliations***

TAS has arrangements that are material to its advisory business or its clients with a related entity. TriCor Financial, LLC, a registered broker/dealer, is a wholly-owned subsidiary of TriCor Financial Services, Ltd. Applicant is under common control with the following entities that are engaged in the securities or investment advisory business. Certain directors and members of executive management of Applicant also serve as directors and/or executive management of these entities:

1. TriCor Financial, LLC (“TriCor Financial”), Registered Broker/Dealer, 7201 W. Lake Mead Blvd., Suite 114, Las Vegas, NV, 89128 Firm CRD # 142518.
2. TriCor Financial, LLC (“TriCor Financial”), NFA Introducing Broker, 7201 W. Lake Mead Blvd, Suite 114, Las Vegas, NV, 89128 NFA ID# 0424385
3. TriCor Financial Services, LTD (“TFS”), an insurance agency, 7201 W. Lake Mead Blvd, Suite 114, Las Vegas, NV 89128

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

The firm or its representatives may at times also hold the same securities it recommends to clients. The firm is in and shall continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. The firm is in compliance with its responsibilities concerning the reporting and monitoring of personal securities transactions. In addition, the firm hereby discloses that it has adopted a written Code of Ethics in compliance with SEC Rule 204A-1. The President of the firm carries out all compliance related mandates as set forth by The Code of Ethics. A copy of the firm's Code of Ethics is available upon request by all clients and prospective clients.

The firm and persons associated with the firm are committed to buy or sell securities that it/they also recommend(s) to clients consistent with the firm's policies and procedures.

When the firm is purchasing or considering for purchase any security on behalf of a client, no covered person may affect the transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the firm is selling or considering the sale of any security on behalf of a client, no covered person may affect the transaction in that security prior to the completion of the sale or until the decision has been made not to sell such security.

Unless specifically defined in the firm's the Code of Ethics, neither the firm nor any of the firm's associated persons may effect for himself or herself, for an associated person's immediate family (i.e., spouse, minor children and adults living in the same household as the associated person), or for any trust for which the associated person serves as a trustee or in which the associated person has a beneficial interest (*collectively "covered persons"*), any transactions in a security which are being actively purchased or sold or are being considered for purchase or sell on behalf of any of the firm's clients.

The Code of Ethics is not applicable to:

A. Transactions affected in any account over which neither the firm nor any of its advisory affiliates has any direct or indirect influence or control.

B. Transactions in securities that are direct obligations of the government of the United States, bankers acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instrument, including repurchase agreements or shares issued by registered open-end investment companies.

The Code of Ethics has been established recognizing that some securities being considered for purchase or sale on behalf of the firm's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the market of such security. Under certain limited circumstances, exceptions may be made to the Code of Ethics stated above. The firm will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A-1 of the Advisers Act, the firm also maintains and enforces written policies reasonably designed to prevent the unlawful use of material, non-public information by the firm or by any of its advisory affiliates.

## **Brokerage Practices**

Unless the client directs otherwise, the firm shall generally recommend that TriCor Financial, LLC serve as the broker/dealer for client assets. Client shall incur brokerage commissions and/or transaction fees from broker/dealer for effecting certain securities transactions (e.g. transaction fees are charged for certain no load mutual funds and commissions are charged for individual equity/debt securities transactions. In addition to the firm's fee, clients may incur certain charges imposed by third parties, such as fees charged by independent managers (as defined in this narrative), custodial fees, brokerage commissions, transaction fees, charges imposed directly by mutual fund or exchange-traded fund in the account, which shall be enclosed in the fund's prospectus (e.g. fund management fees and other fund expenses), deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Factors which the firm considers in recommending TriCor Financial, LLC or any other broker/dealer to clients include their respective financial strengths, reputation, execution, pricing, research and service. National Financial Services, LLC enables the firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by TriCor Financial, LLC may be higher or lower than those charged by other broker/dealers.

The commissions paid by the firm clients shall comply with the firm's duty to obtain best execution. However, a client may pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction where the firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and researched 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 services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Consistent with the foregoing, while the firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rate for client transactions. If the client requests the firm to arrange for the execution of securities brokerage transactions for the client's account, the firm shall direct such transactions through broker/dealers that the firm reasonably believes will provide best execution. The firm shall periodically and systematically review its policies and procedures regarding recommending broker/dealers to its clients in light of its duty to obtain best execution.

The client may direct the firm in writing to use a particular broker/dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker/dealer and the firm will not seek better execution services or prices from other broker/dealers or be able to "batch" client transactions for execution through other broker/dealers with orders for other accounts managed by the firm. As a result, the client may pay higher commission or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case.

Transactions for each client generally will be effected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time period. The firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the firm's clients. Under this procedure, transactions will generally be averaged as to price and allocated among the firm's clients, *pro-rata* to the purchase and sale orders placed for each client on any given day. To the extent of the firm determines to aggregate client orders for the purchase or sales of securities, including securities in which the firm's associated persons may invest, the firm shall generally do so in accordance with applicable rules, promulgated under the Advisers Act and "No- Action" guidance provided by the staff of the United States Securities Exchange Commission. The firm shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that the firm determines that a



prorated allocation is not appropriate, under the particular circumstances; the allocation will be made based upon other relative factors, which may include:

1. When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector waiting relative to other portfolios, with similar mandates;
2. Allocations may be given to one account, when one account has limitations in its investment guidelines which prohibit it from purchasing other securities, which are expected to produce similar investment results and can be purchased by other accounts;
3. If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed);
4. With respect to sale allocations, allocations may be given to accounts low in cash;
5. In cases when a prorated allocation of a potential execution would result in a de minimis allocation of one or more accounts, the firm may exclude the accounts from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or
6. In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research product and/or services which assist the firm in its investment decision making process. Such research generally will be used to service all of firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services, as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

Although not a material consideration when determining whether to recommend that a client use the services of TriCor Financial, LLC, the firm may receive from National Financial Services, LLC, without cost, computer, software and related systems support, which allows the firm to better monitor client accounts maintained at National Financial Services. The firm may receive the software and related support without cost, because the firm renders investment management services to clients that, in the aggregate, maintain a certain level of assets at National Financial Services.

Specifically, the firm may receive the following benefits from TriCor Financial, LLC through National Financial Services: receipt of duplicate client confirmations and duplicate statements; access to a trading desk which exclusively services its registered investment advisor group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order and entry and account information.

## ***Review of Accounts***

For those clients to whom the firm provides investment supervisory services, account reviews are conducted on an ongoing basis. For those clients to whom the firm provides investment management services, account reviews are conducted on a quarterly basis. For those clients to whom the firm provides financial planning advice and/or consulting services, reviews are conducted on an "as-needed" basis. Such reviews are conducted by the principal of the firm, Frank Aguilar. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep the firm informed of any changes. The firm shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker/dealer or custodial firm for the client accounts. Those clients to whom the firm provides investment advisory services will also receive a report from the firm that may include such relevant account and/or market related information such as an inventory of account holdings and account performance on a quarterly basis.

Those clients to whom the firm provides financial planning services will receive reports from the firm summarizing its analyses and conclusions as requested by the clients, or otherwise agreed to in writing by the firm.

### ***Client Referrals and Other Compensation***

If the firm refers a client to certain independent managers where the firm compensation is included in the advisory fee charged by such independent managers, and the client engaged those independent managers, the firm shall be compensated for its services by receipt of a fee paid directly by the independent managers of the firm in accordance with the requirements of SEC Rule 206(4)-3 of the Advisers Act, and any corresponding state securities laws, rules, regulations or requirements. Any such fee shall be paid solely from the independent managers' investment management fee or the program fee of the wrap fee program (as appropriate), and shall not result in any additional charge to the client. The firm shall not receive referral fees or enter into fee sharing arrangements with the independent managers.

The IAR, TAS and TAS employees may receive additional non-cash compensation from certain third party product sponsors as permitted by industry rules. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with due diligence and/or investment training events, marketing or advertising initiatives. Advisory product sponsors may also pay for education or training events that may be attended by TAS employees and IARs.

### ***Custody***

Pursuant to amendments to Rule 206-4(2) under the Investment Advisers Act of 1940, we may be deemed to have custody of your account. However, your account assets are maintained at our custodian, National Financial Services, LLC.

### ***Investment Discretion***

The firm is granted limited discretionary authority by clients. As such, the firm may determine, without first obtaining client consent, the securities to be bought and/or sold and the amount of securities to be bought and/or sold.

The client is under no obligation to act on any of the recommendations made by the firm and/or engage in the services of any such recommended professional, including the firm itself. The client retains absolute discretion over all such implementation decisions, and is free to accept or reject any recommendations from the firm.

The firm may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers, based upon the stated investment objectives of the client

## ***Voting Client Securities***

The firm may vote proxies on behalf of its clients. When the firm accepts such responsibility, it will only cast proxy votes in a manner that is consistent with the best interests of its clients. Absent special circumstances which are fully described in the firm's proxy voting policies and procedures, all proxies will be voted consistent with guidelines established and described in the firm's proxy voting policies and procedures, as they may be amended from time to time. At any time, clients may contact the firm to request information about how the firm voted proxies for that client, securities, or to get a copy of the firm's proxy voting and policy and procedures. A brief summary of the firm's proxy voting policies and procedures is as follows:

- The firm has formed a proxy voting committee that will be responsible for monitoring corporate actions, making voting decisions in the best interests of clients, and ensuring that proxies are submitted in a timely manner.
- The proxy voting committee will generally vote proxies according to the firm's then current proxy voting guidelines. Proxy voting guidelines include many specific examples of voting decisions for the types of proposals that are more frequently presented, including: composition of the board of directors, approval of independent auditors, management and director compensation, anti-takeover mechanisms that relate to certain issues, changes to capital structure, corporate and social policy issues, and issues involving mutual funds.
- Although the proxy voting guidelines are to be followed as a general policy, certain issues will be considered on a case by case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the firm shall devote an appropriate amount of time and resources to monitor these changes.
- In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that the firm maintains with persons having an interest in the outcome of certain votes, the firm will take appropriate steps to ensure that its proxy voting decisions are made in the best interests of its clients and are not the product of such conflict.

### ***Financial Information***

No financial reporting is required since the firm does not receive fees more than six months in advance.

***Requirements for State-Registered Advisers***

Not applicable.



### ***Additional Information***

To the extent that client authorizes the use of margin, and margin is thereby employed by the firm 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 firm will not be increased.

Additions may be in cash or securities provided that the firm reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client account. The firm may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

The firm's clients are advised to promptly notify the firm if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the firm's management services.

Neither the firm nor the client may assign the agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of the firm shall not be considered an assignment.

A copy of the firm's privacy policy and a written disclosure statement that meets the requirements of SEC Rule 204-3 of The Advisers Act shall be provided to each client prior to, or contemporaneously with the execution of the agreement. Any client who has not received a copy of the firm's written disclosure brochure narrative at least 48 hours prior to entering into the agreement shall have five business days subsequent to executing the agreement to terminate the firm's services on a penalty-free basis.