

Arbor Point Advisors, LLC

Asset Management Services Brochure

(Part 2A Appendix 1 of Form ADV)

This brochure provides information about the qualifications and business practices of Arbor Point Advisors, LLC (also referred to as we, our, us, APA, and Arbor Point Advisors throughout this disclosure brochure). If you have any questions about the contents of this brochure, contact us at: 888-777-1992. The information in this brochure has not been reviewed or approved by the U.S. Securities & Exchange Commission, any state regulatory agency or self-regulatory organization.

Additional information about Arbor Point Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Arbor Point Advisors, LLC or our firm's CRD number is 16512. Registration as an investment adviser does not imply a certain level of skill or training.

March 26, 2013

Arbor Point Advisors

12325 Port Grace Blvd.
La Vista, NE 68128
888-777-1992

Arbor Point Advisors, LLC Form ADV Part 2A

March 26, 2013

SUMMARY OF MATERIAL CHANGES

First Edition of Brochure

Arbor Point Advisors is a newly registered investment adviser and this wrap fee brochure dated March 2013 is the first wrap fee brochure prepared by our firm. In the future, this item will discuss only specific material changes made to the brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this brochure.

We will ensure you receive a summary of any material changes to this and subsequent brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on September 30, so you will receive the summary of material changes no later than January 31 each year. At that time we will also offer or provide a copy of the most current brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Table of Contents

SUMMARY OF MATERIAL CHANGES	ii
First Edition of Brochure	ii
SERVICES, FEES, and COMPENSATION	1
Firm Description	1
Principal Owners	1
Types of Services Offered – Investment Supervisory Services, Non-Investment Supervisory Services and Other Investment Management Services	1
Types of Services Offered – Investment Supervisory Services	2
Asset Management	3
Fees and Compensation	4
Fees	4
Compensation for the Sale of Securities or Other Investment Products	6
Other Fees	8
ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	9
Types of Clients	9
Account Minimums	9
PORTFOLIO MANAGER SELECTION AND EVALUATION	9
Portfolio Manager Selection and Evaluation	9
Performance-Based and Side-By-Side Management	9
CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	10
CLIENT CONTACT WITH PORTFOLIO MANAGERS	10
DISCIPLINARY INFORMATION	10
Regulatory and Legal Events	10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	11
Financial Industry Activities	11
Other Affiliations	14
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	16
Our Approach to Conflicts of Interest	16
Code of Ethics	16
Participation or Interest in Client Transactions	16

Policy Regarding Engaging in Agency Cross Transaction in Advisory Accounts.....	17
Personal Trading.....	17
Our Pre-Clearance and Restricted Securities Policy	17
Our Insider Trading Policy	18
Our Policy Governing Contributions to Local and State Elected Officials and Candidates	18
BROKERAGE PRACTICES	18
Recommendation of Broker/Dealers and Custodians for our Asset Management Services	18
Order Aggregation	21
Handling Trade Errors Made by Arbor Point Advisors or a investment adviser representative.....	21
Recommendation of Securities America, Inc.	21
REVIEW OF ACCOUNTS.....	22
Managed Account Reviews	22
Reports and Account Statements	22
CLIENT REFERRALS AND OTHER COMPENSATION.....	22
Client Referrals	22
Other Compensation	24
CUSTODY	25
VOTING CLIENT SECURITIES.....	25
Proxy Voting.....	25
Class Action Lawsuits	26
FINANCIAL INFORMATION	26

SERVICES, FEES, and COMPENSATION

Firm Description

Arbor Point Advisors, LLC (Arbor Point Advisors) is a newly formed investment adviser registered with the U.S. Securities and Exchange Commission since September 2012. The investment advisory services of Arbor Point Advisors are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Arbor Point Advisors (referred to as your “investment adviser representative” “IAR” or “representative” throughout this brochure). Arbor Point Advisors investment adviser representatives may also be registered representatives of Securities America, Inc. (SAI), a full service broker/dealer, member FINRA and SIPC, and affiliated with Arbor Point Advisors.

Your investment adviser representative typically is not an employee of Arbor Point Advisors (APA); rather, your investment adviser representative typically is an independent contractor of Arbor Point Advisors.

Your investment adviser representative is limited to providing the services and charging investment advisory fees in accordance with the descriptions detailed in this brochure. However, the exact services you receive and the fees you will be charged will be specified in your advisory services agreement.

Principal Owners

Arbor Point Advisors, LLC is a majority-owned subsidiary of Securities America Financial Corporation. Securities America Financial Corporation is a wholly-owned subsidiary of Ladenburg Thalmann Financial Services, Inc. (LTFS). LTFS is a holding company whose subsidiaries provide a diverse array of financial services. LTFS is listed on the NYSE MKT under the symbol LTS. LTFS' subsidiaries include registered investment advisors, an investment company, insurance agencies, broker/dealers, and a trust company. Please refer to the section *Other Financial Industry Activities and Affiliations* for details.

Types of Services Offered – Investment Supervisory Services, Non-Investment Supervisory Services and Other Investment Management Services

Arbor Point Advisors, through our Arbor Point Advisors representatives may provide personalized confidential financial planning and investment advice which may include:

- determination of financial objectives;
- identification of financial issues;
- Cash flow management;
- Tax related investment planning
- Insurance review;
- Investment management;

- Education funding;
- Retirement planning, and
- Estate planning.

Upon retaining a representative and establishing an advisory account, you can expect to complete certain account opening documents required by the qualified custodian. The account opening documents provide information regarding the custodian's name, address and manner in which the funds or securities are maintained. The account agreement along with the fee schedule describes the services provided to you in return for the stated advisory fee.

Types of Services Offered – Investment Supervisory Services

We provide a diverse range of investment supervisory and administrative services to you through our Asset Management Services and other advisory programs.

In the Asset Management Services program, your representative may primarily recommend mutual funds. To the extent mutual funds are used, your representative may seek to purchase no-load or load-waived mutual funds, if available. The annual internal fund expenses may be higher or lower on the no-load/load-waived mutual funds, in aggregate, compared to the purchase or sale of a loaded mutual fund. Refer to the section titled “Fees and Compensation” for more information.

Where possible, when recommending mutual funds for your advisory account, our firm or one of our affiliates will recommend no-load mutual funds or load mutual funds available at net asset value. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another broker/dealer.

Asset Management Services

Your representative assists you with establishing your Asset Management Services account with us. The minimum account size is \$25,000. However, we may grant exceptions. The client services agreement gives your representative limited discretionary authority to buy and sell securities and investments based on your stated investment objectives.

APA and your representative do not act as custodians for any Asset Management Services accounts. Generally, TD Ameritrade Inc., or another qualified custodian maintains custody of funds and securities. You authorize us to deduct fees directly from your account to pay for investment management services. In these cases, we are considered to have limited custody of your assets. We have verified that each custodian or investment provider we use for our investment management services is a qualified custodian and provides statements to you at least quarterly.

We have also entered into agreements with insurance companies that allow for the management and valuation of your variable annuity accounts within the Asset Management Services program. The insurance companies' custodians maintain custody of all variable annuity accounts.

For information about the investment strategies employed in an Asset Management Services account, please refer to the section titled “Methods of Analysis, Investment Strategies and Risk of Loss.”

Asset Management

Generally, advice may be provided on the following types of investments including but not necessarily limited to:

- Equity securities (exchange-listed securities, securities traded over the counter and foreign issues)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities (mutual funds)
- Variable products (variable annuities, variable life insurance)
- U.S. government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Exchange traded funds (ETFs)
- Real estate investment trusts (REITS)
- Real estate investments
- Limited partnerships and private placement partnerships in tax credit programs, cable and other miscellaneous direct participation programs

All investments listed above may not always be available in this program. Consult your representative for more information.

Assets in our programs are invested primarily in no-load or load-waived mutual funds and exchange traded funds, usually through clearing firms or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Clearing firms may charge a transaction fee when you buy funds. Stocks and bonds may be bought or sold through a brokerage account when appropriate.

Arbor Point Advisors, through its affiliates, conducts or may hire third-party vendors to conduct due diligence analysis of the products listed above prior to making them available to the public. SAI, on our behalf, has policies and procedures in place to review the issuers of financial products such as real estate investment trusts and annuity and life insurance products. This review includes publicly available information and reports issued by third-party rating agencies and may in some cases include certain nonpublic information provided by the issuer. SAI, on our behalf periodically reassesses, but does not continuously monitor, the creditworthiness or financial solvency of third-party issuers. These policies and procedures are reasonably designed to limit your exposure to credit and default risks resulting from an inability of the issuers to repay the principal on a note or fulfill an insurance obligation. However, you should

be advised credit markets can be volatile and the creditworthiness of an issuer may change rapidly. Arbor Point Advisors is prohibited by regulation from guaranteeing or providing any assurance an issuer of financial products will be available to fulfill the issuer's obligation to any purchase of a product through APA.

Administrative Services Provided by Orion Advisor Services, LLC

Arbor Point Advisors has engaged Orion Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, payable reports, website administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, ORION will have access to client accounts, but ORION will not serve as an investment adviser to Arbor Point Advisors clients.

ORION charges Arbor Point Advisors a fee for each account administered by ORION. The annual fee is paid from the portion of the management fee retained by Arbor Point Advisors. If your account is a new account transferred to TD Ameritrade, the annual fee charged by ORION is paid by TD Ameritrade for the first full year of your account. Please refer to the section *Brokerage Practices* for more details.

ORION's parent company, NorthStar Financial Services Group, LLC, maintains a minority ownership interest in Arbor Point Advisors. Such interest may create a conflict of interest when ORION works with Arbor Point as any decision to utilize ORION's services is therefore not based solely on the services ORION provides.

Fees and Compensation

Fees

Management fees charged in our programs are separate and distinct from fees and expenses charged by mutual funds, exchange-traded funds and variable annuities that may be recommended to you. A description of those fees and expenses are available in each mutual fund and annuity prospectus. The ongoing management fee for investment management services may cost you more than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged a commission for each transaction, and your representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold strategy for the account or do not wish to buy ongoing investment advice or management services, you should consider opening a brokerage account rather than an advisory account. Fees charged in our programs may be more than the cost of purchasing the same services separately. You may be able to obtain similar services for a lesser fee from other advisors. The fees charged vary among our programs.

Our firm also may invest a portion of your assets in mutual funds, exchange traded funds or variable annuities and charge an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for the management of the assets, one directly to our firm and one indirectly to the managers of the mutual funds, exchange traded funds or variable annuities held in their portfolios. The underlying assets may be bought directly through the mutual fund company or variable annuity company. Therefore, you could generally avoid the second layer of fees by making your own

decisions regarding the mutual fund, exchange traded fund or variable annuity investment. However, in that case, you would not receive the investment management services provided by your representative.

APA prohibits the imposition of an asset-based fee on mutual fund Class-B shares, mutual fund Class-C shares and certain load based Alternative Investments including but not limited to: REITs, limited partnership interests, managed futures, Business Development Companies and Direct Participation Programs. While these products may be allowed to be transferred from a commission-based account to an advisory account, APA has implemented policies intended to identify and exclude these products from the fee-calculation. However, Client should always check the accuracy of your advisory fee billings, especially in those cases where you have a commission-based product sold by your IAR that is subsequently transferred to a fee-based account and direct any questions in that regard to APA.

You may also be assessed ticket charges on account transactions and other miscellaneous charges by the custodian on account transactions. Miscellaneous charges may include custodial fees levied by the custodian. Additionally, the qualified custodian may also retain 12(b)-1 fees. These fees come from fund assets and thus, indirectly from your assets. Account assets may also be subject to additional fees and expenses as explained in the prospectus for mutual funds or exchange traded funds.

Fees Associated with our Asset Management Services

You pay an annual management fee based on a percentage of assets under management for all Asset Management Services accounts. The fee may be a fixed percentage fee on the total assets in the account or a tiered fee schedule, whereby the percentage based fee is lowered as assets in the account increase. Your representative negotiates Asset Management Services fees with you based on the complexity of the your financial situations and the services that will be provided; the experience and standard fees charged by your representative providing the services; and the nature and total dollar asset value of the assets maintained in your account. The maximum annualized management fee that may be charged to you is 3%. The exact fee or fee schedule will be disclosed to you prior to services being provided. Your representative can choose to "bundle" related Asset Management Services accounts in order for you to receive a break on management fees. Account bundling can only be done on accounts with the same fee schedule, within the same immediate family or under the same qualified plan. When accounts are bundled, the total average daily balance for all of the bundled accounts is used to determine the fee based on the fee schedule. This percentage is then applied to each account and the fee is charged to each respectively.

Typically, management fees are automatically deducted from the Asset Management Services account according to an authorization provided in the Asset Management Services Client Agreement. On an exception basis, you may have your management fees paid from other accounts or have us bill you directly by invoice. In such cases, the management fee is noted as zero on your brokerage statements.

For the Asset Management Services program, we retain an administrative fee of up to .25% of the representatives' annualized management fee as compensation for providing administrative and support services. The representative is paid the balance of the annualized management fee. Account bundling does not reduce our administrative fee. Each account is priced separately for purposes of our administrative fee.

Management Fee Calculations and Payments for our Asset Management Services

Management fees for Asset Management Services accounts are billed in advance or arrears, as disclosed in the Fee Schedule, with the exception of the initial fee. The initial fee will be billed in arrears based on the number of days that services were provided during the first billing period. Fees are calculated at the beginning of each period (monthly or quarterly) based on either the Average Daily Balance (ADB) or the Period Ending Balance (PEB) of the Account assets under management for the previous period. APA retains the right to change the basis (ADB or PEB) upon which the management fee is calculated and/or the timing of billing (advance or arrears).

The market value of variable annuity accounts included in the management portfolio is included in the calculation of Asset Management Services management fees. APA might not receive daily account valuation information for variable annuities from the insurance companies or their custodians. In limited circumstances, management fees on certain variable annuity accounts may be based on the weekly or monthly average balance. You may pay more or less in management fees charged when the pricing is based on a weekly or monthly average balance compared to management fees charged when the pricing is based on the average daily balance. The average daily balance does not take into account unpriced securities or any days when Asset Management Services accounts have a zero balance. You may also be assessed ticket charges on account transactions and other miscellaneous charges by the qualified custodian on account transactions. Miscellaneous charges may include custodial fees levied by the custodian. Account assets may also be subject to additional fees and expenses as explained in the prospectus for mutual funds or exchange traded funds. At its discretion, APA and/or IAR may exclude certain assets from the calculation of management fees.

Compensation for the Sale of Securities or Other Investment Products

Your representative receives compensation as a result of your participation in our programs. Fees for investment supervisory services may vary and may be more than the cost of purchasing the same services separately. You may be able to obtain similar services for a lesser fee from other advisors not affiliated with our firm or SAI. The amount of compensation Arbor Point Advisors or your representative may receive in a particular program may be more than would be received if you participated in other Arbor Point Advisor programs or paid separately for investment advice, brokerage and other services. For example, the recommendation of one Asset Management Services Portfolio over another Asset Management Services Portfolio may create a financial incentive for your representative. Your representative is not under any obligation to promote or use one money manager over another.

You may want to consider the following factors when determining the reasonableness of the fees charged, including the following:

- 1) The cost of developing investment strategies and managing the assets.
- 2) The cost of producing performance reports covering the managed assets.
- 3) The cost of administrative, marketing and website services.

- 4) Transaction and custody costs or other miscellaneous fees, taxes or charges, as well as commissions or mark-ups and mark-downs on the buy and sale of securities.
- 5) The value of the services provided in assisting you in designing, establishing and monitoring the managed assets.
- 6) The cost of the additional administrative, marketing, asset management and other support services that may be provided in the management of a program account.

Arbor Point Advisors, SAI and the representative, as licensed registered representatives of SAI, are able to effect securities transactions for separate and typical compensation for any client requesting these securities transaction services. Your representative may sell insurance products, mutual funds, and/or exchange traded funds in his or her separate capacity as an independent insurance agent or registered representative for sales commissions. SAI registered representatives have the discretion to determine the amount of commission charged to clients on products including mutual funds or insurance products. As a result, your representative may receive both advisory fees and broker/dealer commissions for the sale of securities placed under Arbor Point Advisor's management. Therefore, you could generally avoid the second layer of fees by making your own decisions regarding the mutual fund, exchange traded fund or variable annuity investment. However, in that case, you would not receive the investment management services provided by your representative.

Your representative may recommend that a product previously purchased in a commission-based account be transferred into an advisory account. Your representative may or may not have originally sold that product to you. The recommendation may be deemed to be a conflict of interest. We manage this conflict through written disclosures to you and by imposing reasonable controls designed to monitor for this activity.

Your representative may receive variable annuity sales and trail commissions from investments placed in managed accounts and non-managed accounts, unless not permitted by law or regulation. The receipt of compensation from a variety of sources may also be considered to be a conflict of interest. You are not under any obligation to engage these individuals when considering implementation of advisory recommendations. You may buy the same investment product from a non-affiliated broker or execute transactions without the services offered by the representative. In that case, you would not receive the services provided by your representative.

Financial planning clients are not under any obligation to engage Arbor Point Advisors representatives in their SAI registered representative capacity when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at your discretion. In addition, your representative, as an insurance agent or broker of various insurance companies, can buy investment products (insurance) for separate and typical compensation for any client requesting this additional service. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another insurance agent or broker/dealer. You may engage individuals from non-affiliated broker/dealers to implement the advisory recommendations. The implementation of any or all recommendations is solely at your discretion. In that case, you would not receive the services provided by your representative.

In addition to the advisory fees disclosed in your advisory agreement or commissions you pay for the purchase of securities and insurance products, your representative may receive compensation, including bonuses and non-cash compensation, for selling certain securities or other investment products. Examples of non-cash compensation may include the receipt of due diligence and/or marketing allowance payments

from certain sponsors. While the arrangements with each sponsor may vary, each product sponsor may pay a due diligence or marketing allowance fee based upon the amount of assets held at the sponsor or on the gross amount of each sale, depending upon the product. In certain cases, additional payments are paid or directed to Arbor Point Advisors/SAI for selling these products. This may create a conflict of interest based on the amount of compensation Arbor Point Advisors/SAI receives when recommending one non-publicly traded product over another. As a result, certain incentives and conflicts of interest may exist for your representative if you buy certain products or services recommended by your representative. We encourage you to review this ADV closely and discuss any conflicts of interest with your representative.

Other Fees

Investment adviser representatives may sell or recommend mutual fund and insurance products offered by subsidiaries of Ladenburg Thalmann Financial Services, Inc. (LTFS). Securities America Financial Corporation, the parent of SAI and Arbor Point Advisors is a wholly-owned subsidiary of Ladenburg Thalmann Financial Services, Inc. and, therefore, a potential conflict of interest may exist when Arbor Point Advisors investment adviser representatives recommend these products. Due to the interrelationship of these entities, conflicts of interest may arise that are not readily apparent to you. Securities America Financial Corporation, through our firm, SAI our broker/dealer affiliate, and through Ladenburg Thalmann Financial Services, Inc. in the course of its business operations, may engage in marketing allowance or sponsorship arrangements with third parties, sub-advisors, and brokerage firms to promote the distribution of investment products, including variable annuity and insurance products, mutual funds, managed accounts and customized portfolios. These additional engagements may not necessarily result in additional assets under management with our firm. However, investment adviser representatives are under no obligation to sell these products or to meet any selling quotas related specifically to these products. We encourage you to review this ADV closely and discuss any potential conflicts of interest with your representative.

We recognize your unrestricted right to select and choose any broker or dealer you wish, except in situations where we or a recommended manager is given discretionary authority over your account. However, no manager is under any obligation to use our broker/dealer affiliate for any securities transactions.

Termination of Services

The Client Agreement between you and our firm may be canceled at any time, for any reason, by either of us. Services provided under the Agreement will continue until either you or we give written notice of termination to the other party. Termination is effective upon receipt of notice, although transactions in progress will be completed in the normal course of business. If we receive a request to terminate and liquidate your account, we have up to 72 hours to begin liquidating. Upon termination of an Asset Management Services program, any prepaid, unearned management fees will be calculated and promptly refunded based upon the number of days remaining in the billing period after the termination date. Subsequent transactions in a closed account are subject to our broker/dealer affiliate's normal brokerage rates and commissions. For general information as to how fees are assessed, please refer to the specific program listed in the section titled "Fees."

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Types of Clients

We generally provide investment advice to:

- 1) Individuals;
- 2) Banks or thrift institutions;
- 3) Pension and profit sharing plans;
- 4) Trusts, estates, or charitable organizations;
- 5) Corporations or business entities; and
- 6) State and municipal governmental entities.

Account Minimums

The minimum amount of assets to be invested in a Wrap Fee Program account is \$25,000. Exceptions may be granted at the discretion of APA. Should the market value of the account fall below the stated minimum, APA shall have the right to require that additional monies or securities be deposited to bring the account value up to the required minimum or, at APA's option, to terminate the account.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Portfolio Manager Selection and Evaluation

In the Asset Management Services account, your representative serves as the Portfolio Manager and is selected by you at the time you enter into an agreement with our firm to manage your account. Your representative manages your portfolio and determines which investments are bought, sold, reallocated or redeemed. Please refer to the section titled "Investment Analysis" for more information.

Performance-Based and Side-By-Side Management

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Arbor Point Advisors does not charge or accept performance-based fees.

We do not provide side-by-side management of mutual funds and other assets.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The principal source of information used by your representative is the data provided by you, such as your personal data, assets and liabilities, income expectations, short-term and long-term financial goals, risk tolerance associated with goals, and other relevant information. This information is collected as part of the new account form or subsequent account updates. Your representative uses this information to make decisions to buy, sell, redeem, or reallocate the portfolios based on changing market conditions, client specific changes to their suitability and financial information. Should you wish to update your suitability and financial information, or place or update any reasonable restriction on the account, please contact your representative. Your representative will then evaluate whether or not to change your investment portfolio based on the updated information.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

There are no restrictions on your ability to consult with your representative.

DISCIPLINARY INFORMATION

Regulatory and Legal Events

Arbor Point Advisors has no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Our parent company, Securities America Financial Corporation (SAFC), and some of its subsidiaries are involved in the normal course of business in legal, regulatory and arbitration proceedings, including class actions, concerning matters arising in connection with the conduct of its activities.

In July 2009, two issuers of private placement interests (Medical Capital Holdings, Inc./Medical Capital Corporation and affiliated corporations and Provident Shale Royalties, LLC and affiliated corporations) sold by SAFC's subsidiary Securities America, Inc. ("SAI") were the subject of SEC actions (brought against those entities and individuals associated with them), which resulted in several class action lawsuits naming both SAI and SAI and SAFC's then parent company, Ameriprise Financial Corporation, as well as related regulatory inquiries. Approximately \$400 million of Medical Capital and Provident Shale investments made by SAI clients defaulted. On January 26, 2010, the Commonwealth of Massachusetts filed an Administrative Complaint against SAI. On May 23, 2011, SAI reached a settlement with Massachusetts which required SAI to pay \$2.8 million to Massachusetts investors. The settlement did not include any fines against Securities America, and contained no acknowledgement of wrongdoing. On August 5, 2010, the Montana Securities Division brought an enforcement complaint against SAI and several individuals regarding sales to less than 10 investors in that State. This case was settled on March 14, 2012 for \$115,000. On February 13, 2012, the New Hampshire Bureau of Securities filed a Notice of Order against SAI and two individuals regarding sales of Medical Capital to six investors in that state. On November 1, 2012, the New Hampshire Bureau of Securities approved a Consent Order wherein SAI agreed to cease

and desist from future violations of the New Hampshire Securities Act RSA 421-B, to pay a \$90,000. The two individuals were dismissed with prejudice. A significant volume of FINRA arbitrations were also brought against SAI. All of the class actions and all but 2 arbitrations have now been resolved. Two civil cases also remain. The combined settlements provided a total of approximately \$162 million to investors.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Financial Industry Activities

Arbor Point Advisors conducts activities with some affiliates who are “related persons” as defined on the U.S. Securities and Exchange Commission’s Form ADV. These activities may be material to our investment advisory business or our advisory clients. These affiliates include companies under common control of Securities America Financial Corporation by virtue of their status as subsidiaries of Securities America Financial Corporation. Arbor Point Advisors, Securities America Advisors, Inc. (SAA), and SAI, are subsidiaries of Securities America Financial Corporation.

Securities America, Inc.

SAI is a full-service, introducing broker/dealer, member of FINRA and SIPC. Investment adviser representatives of Arbor Point Advisors are also registered as securities representatives with SAI. All commission-based brokerage transactions are processed by SAI and cleared by National Financial Services, LLC (National Financial Services) or Pershing, LLC (Pershing). National Financial Services and Pershing are not affiliated with Arbor Point Advisors or SAI. When placing securities transactions through SAI in their capacity as registered securities representatives, Arbor Point Advisors investment adviser representatives are allowed to earn sales commissions. OSJ Managers (“supervisors”) who are responsible for the direct supervision of your representative may receive a percentage of commissions or fees as an override to compensate them for their supervisory services. This may be perceived as a conflict of interest. However, your representative and his/her supervisor maintain their independence through their commitment to meeting their client duties and regulatory obligations. The payment of an override, fee or commission is not the determining factor when making a recommendation or providing investment advice however, you should discuss any conflict of interest with your representative prior to following any recommendation or investment advice. You are under no obligation to purchase products or services recommended by your representative.

SAI is also a licensed insurance agency and the associated persons of SAI and Arbor Point Advisors may also be independently licensed to sell insurance products through various insurance companies. When acting in these capacities, commissions are paid to SAI for selling these products.

The compensation received from SAI may create a conflict of interest whenever an associated person recommends an insurance or investment product through SAI. You are under no obligation to purchase insurance products or services recommended by your representative.

Securities America Advisors, Inc.

Arbor Point Advisors is under common ownership with another investment adviser firm, Securities America Advisors, Inc. which is also owned by Securities America Financial Corporation. Arbor Point Advisors is registered with the SEC, relying on Rule 203A-2(c) under the Investment Advisers Act of 1940, because

Arbor Point Advisors is under common control with SAA, an investment adviser that is registered with the SEC, and Arbor Point Advisors' principal office and place of business is the same as SAA. We share officers and home office employees with SAA. However, our investment adviser representatives are only licensed with Arbor Point Advisors and not also with SAA. Although our services are similar to those provided by SAA, our investment adviser representatives do not provide advisory services for SAA or utilize the programs sponsored by SAA.

Other Financial Industry Affiliates

Securities America Financial Corporation is a wholly-owned subsidiary of Ladenburg Thalmann Financial Services, Inc. (LTFS). Ladenburg Thalmann Financial Services, Inc. provides financial products and services through subsidiaries. Ladenburg Thalmann Financial Services, Inc. has several other subsidiaries registered as investment advisors, broker/dealers, an investment company, a trust company, and insurance companies or agencies.

Other companies that are owned by LTFS and thus affiliated with Arbor Point Advisors are:

Ladenburg Thalmann Asset Management (LTAM)	100% owned by LTFS
Ladenburg Thalmann Fund Management, LLC (LTFM)	50% owned by LTAM
Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by LTFS
Ladenburg Capital Agency Inc.	100% owned by LTFS
Triad Advisors, Inc.	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services	100% owned by LTFS
Securities America, Inc.	100% owned by LTFS
Securities America Advisors, Inc.	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS

Your investment adviser representative may also recommend that clients invest in securities issued in an initial public and secondary offering ("new issue") transactions for which Ladenburg Thalmann & Company, Inc. (LTCO) an affiliated broker-dealer, acts as a manager, an underwriter and/or a member of the selling group or Arbor Point Advisors or SAI may also act as a member of the selling group. Our firm has a conflict of interest when recommending these securities for several reasons. First, our affiliated broker-dealer, Ladenburg Thalmann & Company, receives all or a portion of the gross spread – the difference between the price that the client pays for the security and the price that Ladenburg Thalmann & Company purchases the security for -- in connection with such sales. This gross spread is generally 7%, but may be higher or lower in connection with certain offerings. If our firm is a member of the selling group, we also receive a portion of the gross spread. Your investment adviser representative generally receives a portion of this compensation in his or her capacity as a registered securities representative for SAI. In addition, LTCO has a substantial interest—both financial and with respect to its reputation—in assuring that the offering is successful by having a large number of the securities purchased. Finally, in connection with certain offerings, LTCO has an obligation to purchase and resell a certain number of securities. Thus, because of

our affiliation with LTCO, we may have incentives to recommend investments in these offerings for these reasons, rather than based solely on a client's needs. To address these conflicts, we have policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are suitable given the client's investment objectives and assets. In addition, clients are generally given transaction specific disclosure prior to the client's decision to invest in such securities.

Recommendations made to purchase these investments create a conflict of interest because LTAM and SAI generally receive more compensation in connection with the purchase of these funds than they do in connection with the purchase of other funds. In addition, these funds pay fees in connection with services or distribution, such as 12b-1 fees. These fees are paid to SAI as broker-dealer. Your investment adviser representative may receive part of the compensation paid to SAI in his or her capacity as a registered securities representative of SAI to the extent permitted by applicable law. SAI and Arbor Point Advisors have policies and procedures to address such conflicts of interest. These additional engagements have the potential to, but, may not necessarily result in additional revenue to our firm or an affiliate.

Arbor Point Advisors also has an indirect relationship with CLS Investments, LLC (CLS), a registered investment adviser. CLS's parent company, NorthStar Financial Services Group, LLC (NorthStar) owns a minority interest in APA and certain officers and managers of NorthStar and/or CLS may also be involved in the operations or management of APA.

Due to the interrelationship of these entities, conflicts of interest may arise that are not readily apparent to the client. Securities America Financial Corporation, through SAI, Arbor Point Advisors, and Ladenburg Thalmann Financial Services, Inc., in the course of its business operations, may engage in marketing reallocation or sponsorship arrangements with third parties, sub-advisors and brokerage firms to promote the distribution of investment products, including variable annuity and insurance products, mutual funds, managed accounts and customized portfolios. These additional engagements have the potential to, but, may not necessarily, result in additional assets under management with our firm. Therefore, a potential conflict of interest may exist when investment adviser representatives recommend these products, as Ladenburg Thalmann Financial Services, Inc. stands to receive earnings from the internal fees of the recommended securities as well as earnings from a portion of the investment advisory fee received by our firm. Please refer to the section titled "Compensation for the Sale of Securities or Other Investment Products" for more information.

Your investment adviser may refer you to Ladenburg Thalmann & Co. Inc. for investment banking services. For such a referral, your investment adviser may receive a finder's fee in his or her capacity as a registered securities representative of SAI.

Your investment adviser representative may recommend Premier Trust to provide trust and administrative services. Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

At the request of Arbor Point Advisors or SAI, Ladenburg Thalmann Asset Management may provide model allocations, including strategy performance and standard deviation information. These model allocations are selected based upon criteria established by Arbor Point Advisors or SAI. Your investment adviser representative can use this information in constructing your portfolio. Ladenburg Thalmann Asset Management may also provide your investment adviser representative with research information pertaining to exchange traded funds traded in the United States.

The majority of Arbor Point Advisors' investment adviser representatives are independent contractors and not employees of Arbor Point Advisors or SAI. Some representatives may be employees of Arbor Point Advisors or an affiliated broker/dealer. Your representative may own, operate, be employed by or otherwise maintain affiliations with other business entities such as insurance agencies, law firms, real estate or mortgage companies, financial planning firms, investment advisors and/or accounting firms. Many Arbor Point Investment adviser representatives market their services under a different marketing name and/or as an outside business activity.

Your representative may use marketing names or other names that are held out to the public. Such names are known as "doing business as" or "d/b/a" names. The purpose for using a name other than Arbor Point Advisors is for your representative to create a brand or marketing name that is specific to your representative and/or branch office, but separate from Arbor Point Advisors. While we allow your representative to use a name other than Arbor Point Advisors, your representative must disclose on all advertising and correspondence that securities are offered through Securities America, Inc., and advisory services are offered through Arbor Point Advisors, LLC

Other Affiliations

Banking or Thrift Institution

Our brokerage affiliate, SAI, markets its services through banks and thrifts. In some circumstances, investment management services are also marketed through these banks and thrifts, provided that such marketing is done in compliance with applicable Securities and Exchange Commission and state regulations. SAI has established an agreement with EverBank, a Federal Deposit Insurance Corporation (FDIC) insured Savings Association, to allow SAI registered securities representatives, who may also be Arbor Point Advisors investment adviser representatives, to affiliate with EverBank. In this capacity, your representative may refer clients to EverBank, so that EverBank may provide you with banking services. Your representative is compensated for any referrals made through Everbank. However, you are not obligated to use banking services from these individuals or entities.

Accounting Firm

Representatives may be separately licensed as accountants and may offer accounting services to advisory clients for separate and typical compensation. You are not obligated to use any of these individuals to provide accounting services.

Law Firm

Representatives may be separately licensed as attorneys and, as such, may offer to provide legal advice for separate and typical compensation. You are not obligated to use any of these individuals to provide legal services.

Insurance Company or Agency

Some principal executive officers, investment adviser representatives and other employees of our firm are agents and/or brokers of various insurance companies. Some individuals are able to effect insurance recommendations if you elect to have insurance recommendations implemented. As such, your investment adviser representative, in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of Arbor Point Advisors by purchasing disability insurance, life insurance,

annuities, or other insurance products. This receipt of commissions creates an incentive for the investment adviser representative to recommend those products for which he or she will receive a commission in his or her separate capacity as an insurance agent. Consequently, the investment adviser representative may have a conflict of interest and the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

We have arrangements that are material to our advisory business with a related person who is an insurance agency. SAI, our broker/dealer affiliate, is also a licensed insurance agency and may receive commissions in connection with the sale of fixed insurance products by registered representatives who are licensed to sell these products. SAI, in addition to receiving commissions on the sale of these insurance products, receives payments from certain insurance sponsors for marketing, training and distribution support. None of these additional payments are paid or directed to any registered representative/insurance agent who sells these products. The registered representative/insurance agent does not receive a greater or lesser commission for sales of these insurance products from which our broker/dealer affiliate receives revenue sharing payments. However, the marketing, educational and distribution activities paid with revenue sharing could potentially lead a registered representative/insurance agent to focus more on products offered by insurance sponsors that make revenue sharing payments to our broker/dealer affiliate, than those of sponsors that do not make such payments when recommending insurance products to their clients.

Pension Consultant

Representatives may be separately engaged in providing pension-consulting services. If you are in need of these services, you may engage these individuals for separate and typical compensation. You are not obligated to use any of these individuals to provide this service. In addition, representatives may establish relationships with outside parties that provide pension-consulting services. In such instances, representatives may refer you to pension consultants and may receive a solicitor referral fee. Such arrangements are fully disclosed to you at the time of referral.

Real Estate Broker or Dealer

Representatives may be separately licensed as real estate agents. As such, these individuals will, for a separate commission or fee, provide real estate brokerage and/or appraisal services for clients who require these services. You are not obligated to use these individuals for real estate services.

Recommendation or Selection of Other Investment Advisers for Our Clients and Compensation Received

For a discussion of our compensation arrangements involving the recommendation or selection of other investment advisers for our clients, please refer to the section titled "Client Referrals and Other Compensation."

Board of Directors

Members of the Board of Directors for Securities America Financial Corporation may serve as board members for several of our affiliated companies. There may be a perceived conflict of interest. You should be aware that the Board of Directors does not make decisions for our firm without following the process set forth in our firm's Operating Agreement.

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

Our Approach to Conflicts of Interest

Conflicts of interest that may arise in the course of providing investment management services are described throughout this brochure, as are some of our policies and procedures designed to address specific conflicts of interest, such as our Code of Ethics and personal trading practices.

We have a compliance program in place that is intended to identify, mitigate and, in certain instances, prevent actual and potential conflicts of interest, ensure compliance with legal and regulatory requirements and ensure compliance with client investment guidelines and restrictions. Our compliance program includes written policies and procedures that we believe are reasonably designed to prevent violations of applicable law and regulations.

Code of Ethics

We have established a Code of Ethics to comply with the requirements of Section 204A-1 of the *Investment Advisers Act of 1940* reflecting our fiduciary obligations and those of our supervised persons and requiring compliance with federal securities laws. Our Code of Ethics covers all individuals who are classified as “supervised persons.” Arbor Point Advisors officers, Arbor Point Advisors directors, Arbor Point Advisors investment adviser representatives and their associated persons are classified as supervised persons. We require our advisory affiliates and their supervised persons to consistently act in their clients’ best interests in all advisory activities. We impose certain requirements on our advisory affiliates and supervised persons to ensure they meet the firm’s fiduciary responsibilities to their clients. The standard of conduct required is higher than that ordinarily required and encountered in commercial business and includes compliance with applicable federal securities laws and regulations and with the Code of Ethics. Under the Code of Ethics, supervised persons are required to report their personal securities holdings and transactions, may be required to pre-clear certain investments, or may be restricted with respect to the timing of certain investments or prohibited from making certain investment. All supervised persons are required to conduct all personal trades through designated broker/dealers unless an exception has been granted. This response is only intended to provide you with a summary description of our Code of Ethics.

If you wish to review our Code of Ethics in its entirety, a copy may be obtained by calling us at (800)777-1992, ext. 6141 or writing to the RIA Compliance Department at Arbor Point Advisors, 12325 Port Grace Blvd, La Vista, NE, 68128.

Participation or Interest in Client Transactions

Representatives may sell mutual fund and insurance products offered by subsidiaries of Ladenburg Thalmann Financial Services, Inc. (LTFS). Therefore, a potential conflict of interest may exist when Arbor Point Advisors investment adviser representatives recommend these products inasmuch as Ladenburg Thalmann Financial Services, Inc. stands to receive earnings from the internal fees of the recommended securities as well as earnings from a portion of the investment advisory fee received by our firm.

Representatives are not under any obligation to sell these products or to meet any selling quotas related specifically to these products. We would refer you to the section titled *Other Financial Industry Activities and Affiliations* and encourage you to review this ADV closely and discuss any potential conflicts of interest with your investment adviser representative.

Third-party money managers recommended through our Third-Party Money Manager program determine the brokers to be used for client trades. In certain circumstances, and when consistent with the manager's fiduciary obligation of best execution, trades may be effected through SAI and its registered securities representatives, who will receive separate and typical compensation for implementation of these transactions. You should review the disclosure documents of the third-party money manager to determine if these managers block trade, negotiate commissions and/or obtain volume discounts. Please refer to the section titled *Other Financial Industry Activities and Affiliations*.

Policy Regarding Engaging in Agency Cross Transaction in Advisory Accounts

It is Arbor Point Advisors policy to prohibit representatives from engaging in agency cross transactions where representatives act as brokers for both the buy and sell of a single security between two different clients for which the representatives receive compensation in the form of an agency commission or principal mark-up for the trades. Should we adopt a different policy in this area, we will observe all rules and regulations in accordance with the disclosure and consent requirements of Section 206(3) of the Advisers Act. Additionally, we are aware that such transactions can only occur if we can ensure that we meet our duty of best execution for the client.

Personal Trading

Arbor Point Advisors, Arbor Point Advisors investment adviser representatives and our supervised persons may recommend securities to buy, sell or hold a position in securities identical to the securities recommended to you, at or about the same time that they or a related person buys or sells the same securities for their own or a related person's account. It is Arbor Point Advisors' policy that no supervised person will put his/her interest before your interests. Arbor Point Advisors and our representatives may not trade ahead of any client or trade in a way that would cause the supervised person to obtain a better price than the price a client would obtain.

Our Pre-Clearance and Restricted Securities Policy

Due to our affiliation with another investment company, investment advisors, and broker dealers, we maintain a Restricted and Pre-Clearance Equity List, which may limit our firm and the investment adviser representative's ability to transact in certain equities on your behalf in a discretionary advisory program. Your representative may not be able to place certain transactions or may experience delays in submitting certain transactions on your behalf based on any pre-clearance or pre-approval requirements implemented by the firm. You may receive a worse price than what you might receive if you placed the transaction through another investment adviser representative not affiliated with SAI and not subject to any trading restrictions. These trading restrictions are subject to change without notice.

Our Insider Trading Policy

Arbor Point Advisors and our supervised persons may come into possession of material nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, our firm and our supervised persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client. Accordingly, should Arbor Point Advisors or our supervised persons come into possession of material nonpublic information with respect to any company, we and they are prohibited from communicating such information to, or using such information for the benefit of, our respective clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, our clients when following policies and procedures designed to comply with law.

Arbor Point Advisors and our affiliated entities have adopted an "Insider Trading Policy" in accordance with Section 204A of the Advisers Act, which establishes procedures to prevent the misuse of material nonpublic information by our firm and our supervised persons. If your investment adviser representative maintains a personal investment account with another advisory firm or broker/dealer, your representative must make arrangements with that outside firm or broker/dealer to send at least quarterly statements to SAI. The representative must complete an annual certification concerning their personal securities activities, and provide such additional information about personal trading activities as may be required under the Insider Trading Policy and the Code of Ethics. Supervised persons who violate this policy may be subject to sanctions imposed by our firm.

Our Policy Governing Contributions to Local and State Elected Officials and Candidates

Arbor Point Advisors requires that its supervised persons seeking to make a political contribution to a state or local candidate pre-clear their political contributions through the firm. We do not require our supervised persons to pre-clear contributions to candidates running for federal office, unless the candidate is currently a state or local government official running for federal office. However, depending on the state and/or local governing body, there may be additional pay-to-play rules Arbor Point Advisors and your investment adviser representative are subject to.

BROKERAGE PRACTICES

Recommendation of Broker/Dealers and Custodians for our Asset Management Services

You are under no obligation to act on the recommendations of Arbor Point Advisors and are free to select any broker/dealer or investment adviser you'd like to implement our recommendations. In other words, you are not *required* to work with us. However, if you want to hire us for our Asset Management Services, we will be responsible for executing your account transactions and therefore responsible for attaining the best execution possible. Please note that we cannot promise or guarantee our brokerage platforms are the least expensive in the industry. There may be other platforms with lower costs.

For clients using our Asset Management Services, we will require the use of a particular broker/dealer recommended or approved by us. Please note that not all investment advisors require the use of particular broker/dealers. Some investment advisors permit clients to use any broker/dealer of the client's own choosing. In very rare cases, we may work with a client that wants to direct us to use a particular broker/dealer. In such cases, those clients must understand that we may be unable to effectively negotiate brokerage compensation on the client's behalf. When directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their selected broker/dealer(s) are adequately favorable in comparison to those that we would otherwise obtain for our clients. Clients with client-directed brokerage arrangements should also understand we may be limited in our trading ability (compared to platforms recommended by Arbor Point Advisors) and may be required to execute client directed trades after trades are implemented through accounts at our preferred platforms. Clients are encouraged to discuss available alternatives with their adviser representative.

When selecting brokerage platforms for client accounts, we consider standard benefits that are available without cost to all investment adviser firms using the platform, including our firm. These benefits include, but are not necessarily limited to, the following products and services: receipt of duplicate client statements and confirmations; research related products and tools; access to a trading desk serving Arbor Point Advisors accounts participants; the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds with no transaction fees. Some of the products and services made available by a broker/dealer through their program may benefit Arbor Point but may not benefit client accounts. These products or services may assist Arbor Point Advisors in managing and administering client accounts, including accounts not maintained at the broker/dealer providing the benefit.

Our recommendation of broker/dealers will be partially based on past experiences, minimizing commissions and other costs as well as offerings or services the broker/dealer provides that Arbor Point Advisors or client may require or find valuable such as online access. However, clients may pay commissions higher than those obtainable from other broker/dealers in return for those products and services. Commission and fee structures of various broker/dealers are periodically reviewed to ensure clients are receiving best execution. Accordingly, while Arbor Point Advisors will consider competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by the broker/dealer are evaluated to determine best execution.

Clearing and Custodial Arrangement

Although we may permit our investment adviser representatives to use several different brokerage platforms and consider the overall services provided by those brokerage firms, we have material arrangements with some firms that create an incentive for us to recommend those firms over other broker/dealers. Some of the arrangements may result in conflicts of interest with our clients and are explained in the following sections.

A referring broker/dealer firm may also have paid for business consulting and professional services received by Arbor Point Advisors' related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Arbor Point Advisors' personnel to attend conferences or meetings relating to the programs or adviser custody and brokerage services generally. Some of the products and services made available by such referring firms may benefit Arbor Point Advisors

but may not benefit its client accounts. These products or services may assist Arbor Point Advisors in managing and administering client accounts, including accounts not maintained at the referring firm. Other services made available may help Arbor Point Advisors manage and further develop its business enterprise. The benefits received by Arbor Point Advisors or its personnel generally do not depend on the amount of brokerage transactions directed to a referring firm. As part of its fiduciary duties to clients, Arbor Point Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Arbor Point Advisors or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Arbor Point Advisors' choice of one of these referring broker/dealer firms for custody and brokerage services.

One such broker/dealer firm is TD Ameritrade. Arbor Point Advisors also participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers, to independent investment advisors, services which include custody of securities, trade execution, clearance and settlement of transactions. Arbor Point Advisors receives some benefits from TD Ameritrade through its participation in the program.

Some clearing and custodial firms may refer financial professionals to Arbor Point Advisors to possibly join our firm as investment adviser representatives. Currently, Arbor Point Advisors has such a referral relationship with TD Ameritrade. Any such referring broker/dealer or clearing/custodial firm does not supervise Arbor Point Advisors and has no responsibility for Arbor Point Advisors supervision of our investment adviser representatives, management of client portfolios or Arbor Point Advisors other advice or services. We have the final authority and responsibility for approving all investment adviser representatives licensed with our firm. Our receipt of investment adviser representative referrals from these firms raises potential conflicts of interest. Such firms will most likely refer potential investment adviser representatives to Arbor Point Advisors when we encourage those investment adviser representatives' clients to custody their assets at the referring firm and whose client accounts are profitable to that firm. Consequently, in order to obtain investment adviser representative referrals, Arbor Point Advisors may have an incentive to recommend to clients that the assets under management by Arbor Point Advisors be held in custody with the referring firm and to place transactions for client accounts with that same firm. Our arrangement does not diminish our duty to seek best execution of trades for client accounts. A referring custodial or clearing firm does not receive solicitor or referral fees from us for providing Arbor Point Advisors with a potential investment adviser representative referral.

We also receive an economic benefit from TD Ameritrade when our investment adviser representatives select TD Ameritrade Institutional to serve as the brokerage platform for their client accounts. When an account is opened through TD Ameritrade, we receive compensation from TD Ameritrade in the form of a reimbursement to cover the first year's annual fee charged by Orion Advisor Services, LLC. Refer to the sections *Advisory Business* of this brochure to read about the services provided by Orion Advisor Services, LLC. The reimbursement paid by TD Ameritrade is paid directly to Arbor Point Advisors and the entire portion is retained by Arbor Point Advisors. The fact that TD Ameritrade has agreed to pay the first year's annual fee charged by Orion Advisor Services, LLC against each account opened through TD Ameritrade creates the potential for us to recommend or even require clients use the services of TD Ameritrade. However, as previously stated, we permit brokerage arrangements other than TD Ameritrade.

Order Aggregation

While not required by firm policy, Arbor Point Advisors and your investment adviser representative may aggregate client transactions or allocate orders when possible. The types and volumes of securities traded for client accounts do not lend themselves to aggregation or blocking of trades when mutual funds are traded. To the extent other securities are purchased that lend themselves to aggregation or block trading (for example, stocks or exchange traded funds), Arbor Point Advisors and your representative may aggregate client transactions or allocate orders whenever possible. Arbor Point Advisors and our representatives will allocate trades to advisory clients in a fair and equitable manner that will be applied consistently to all clients. When trades are not aggregated, clients may not enjoy the effects of lower transaction per share costs that often occurs as a result of aggregating trades. As a result, you may pay a higher transaction cost than could be received elsewhere. Personal accounts of our investment adviser representatives, associated persons and their family members will not be treated more favorably than any other client account. You should be aware that if an order is not aggregated, you may or may not pay higher brokerage costs.

Handling Trade Errors Made by Arbor Point Advisors or a investment adviser representative

If Arbor Point Advisors or our supervised persons make a trade error in your account, the error will be corrected and your account will be restored to where it would have been had the trade error not occurred.

Recommendation of Securities America, Inc.

If clients choose to work with our investment adviser representatives on a strictly commission basis to implement advice, they must work with our investment adviser representatives in their capacity as a registered representative of our affiliated broker/dealer, SAI. Our investment adviser representatives that are also registered representatives of SAI are required to use the services of Securities America, Inc. and SAI approved clearing broker-dealers when acting in their capacity as registered representatives. SAI serves as the introducing broker-dealer. All accounts established through SAI will be cleared and held at National Financial Services, LLC or Pershing, LLC.

SAI has a wide range of approved securities products for which SAI performs due diligence prior to selection. SAI's registered representatives are required to adhere to these products when implementing securities transactions through SAI. Transaction fees charged for these products may be higher or lower than transaction fees clients may be able to obtain if transactions were implemented through another broker/dealer.

REVIEW OF ACCOUNTS

Managed Account Reviews

Managed accounts are reviewed periodically and at a minimum on an annual basis. Factors triggering an account review may include material market, economic or political events, changes in your financial or personal situation or performance of the account in general.

Account reviews will include investment strategy and objectives review and making a change if your strategy and objectives have changed. Reviews are conducted by your investment adviser representative, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are similarly reviewed by your investment adviser representative.

Reports and Account Statements

For all managed accounts, you are provided with transaction confirmation notices and regular quarterly account statements directly from the broker/dealer-qualified custodian holding your account. Additionally, Arbor Point Advisors may provide position or performance reports to you on an on-going (monthly or quarterly) and/or as-requested basis.

Whether position or performance reports by a third party money manager are provided to you will depend upon the third party money manager. Financial planning clients do not typically receive reports other than the written plan originally contracted for and provided by Arbor Point Advisors.

You are encouraged to always compare any reports or statements provided by us or a third-party money manager against the account statements delivered from the broker/dealer-qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

Incoming Referrals - Our Use of Solicitors/Payment of Referral Fee

We enter into agreements with solicitors (referring parties) to refer clients to us. The referral agreements between our firm and referring parties are designed to comply with SEC regulations as set out in 17 CFR Section 275.206(4)-3. If a referred client enters into an investment advisory agreement with our firm, and a cash referral is paid to the referring party, such fee will be paid as a fixed fee or a percentage of the client advisory fees that are generated. Written disclosure regarding the referral fees we pay are provided to you prior to or at the time of entering into our investment advisory or financial planning agreements. The

referral fee disclosed to you will be payable to the referring party for the duration of Arbor Point Advisors advisory relationship with you, whether or not our investment or trading strategies, or your investment objectives, change over time. We will have no further referral fee obligation, if, the referring parties' representations and warranties outlined in our referral agreement become inaccurate or untrue, or if our investment advisory agreement with you is terminated for any reason. In those states that require solicitors to be licensed or filed as a registered investment adviser, we may require the solicitor to be licensed or filed under our registration.

The compensation to be paid in connection with these agreements is subject to negotiation between our firm, your investment adviser representative, and the referring party. The referral agreements between any referring party and our firm do not result in any charges to you in addition to the normal level of advisory fees charged. However, these situations may create a financial incentive to recommend one of our programs over another or over other investment advisors and broker/dealer programs, products and services. Your investment adviser representative recommending our programs receives compensation as a result of your participation in our programs.

In addition, we may award separate non-cash compensation to our investment adviser representatives and their staff for client referrals.

Outgoing Referrals - APA as Solicitor for Other Investment Advisors/Receipt of Referral Fee

We have entered into solicitation agreements with independent third-party investment advisers, pursuant to which our firm and the independent investment advisor firm and the representative receive solicitation compensation from the third-party investment adviser in return for referral of accounts. APA's broker/dealer affiliate, SAI and the representative, in his or capacity as a registered representative, may serve as broker/dealer and/or representative of record on accounts managed by the independent third-party investment advisor. In such case, SAI and the representatives may receive normal and customary compensation (e.g. commissions, 12b-1 fees, trails) from the sale of mutual funds, exchange traded funds or variable annuities in such accounts. This compensation may be in addition to the solicitor fee paid by the third-party investment advisor.

You should be aware that APA and your representative may receive solicitor/referral fees for recommending certain portfolios to you. Therefore, a potential conflict of interest may exist because these circumstances may result in your representative having a financial incentive to recommend one portfolio over another. However, it is our policy that portfolios will be selected and recommended to you based on your individual needs, goals and objectives. Your representative is not under any obligation to sell any particular product or to meet any selling quotas related specifically to these products. You are not under any obligation to engage the APA representative when considering implementation of advisory recommendations. You are free to select any broker/dealer you wish when implementing recommendations and executing transactions. You may purchase the same investment product from a non-affiliated broker or could implement securities transactions without the services offered by your representative. We encourage you to review this ADV closely and discuss any potential conflicts of interest with your representative.

Other Compensation

Arbor Point Advisors or our affiliated broker/dealer, SAI, may form alliances and networking and referral arrangements with financial institutions such as community banks, credit unions, credit union service organizations and Farm Credit Services (Financial Institutions) to allow representatives to offer financial planning services and certain other non-deposit investment and insurance products and services, to customers/members of those Financial Institutions. Our firm may lease space in selected branches of the Financial Institutions and then sub-lease it to your representative, if he or she conducts business from these locations. As a result of these alliances or networking arrangements, your representative may not be able to offer certain products that are otherwise available through our firm. Also as a result of these alliances or networking arrangements, the Financial Institutions may receive compensation representing payment for the use of the facilities and equipment of the Financial Institutions, in the form of a program support or rent payment and/or a portion of advisory fees or securities and insurance commissions paid to representatives for sales to customer/members of the institutions. These relationships may create compliance issues relative to consumer protection. The joint guidelines of regulators of the depository institution call for at a minimum written and verbal disclosure at or prior to the time securities products are purchased or sold that the securities products:

- Are not insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund, the Federal Deposit Insurance Corporation, the National Credit Union Administration, or any other federal or state deposit guarantee fund or other government agency;
- Not endorsed or guaranteed by the bank or credit union or their affiliates;
- Are not deposits or obligations of the depository institutions and are not guaranteed by the depository institutions;
- Investments and securities are subject to investment risks, including possible loss of principal invested.

Your representative may be incented to join and remain affiliated with Arbor Point Advisors and SAI through certain compensation arrangements which could include bonuses, enhanced pay-outs, forgivable loans and/or business transition loans. We may also offer incentives to your representative for meeting certain production levels above and beyond compensation he or she receives for providing advisory services through Arbor Point Advisors and/or selling products and services through SAI. The receipt of such incentives may be considered to be a conflict of interest. We encourage you to review this ADV closely and discuss any potential conflicts of interest with your representative.

Our firm, our officers and our investment adviser representatives may receive reimbursements from marketing and distribution allowances, due diligence fees and travel expenses. Other compensation or reimbursement may also be received based on deposits and/or assets under management directly from third-party money manager program sponsors for the costs of marketing, distribution, business and client development, educational enhancement and/or due diligence reviews incurred by our firm or your representatives relating to the promotion or sale of the program sponsor's products or services.

Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for

marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or it is anticipated sales will be made.

CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Arbor Point Advisors is deemed to have custody of client funds and securities whenever Arbor Point Advisors is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Arbor Point Advisors will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Arbor Point Advisors is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. The client will be aware of the qualified custodian's name, address, and the manner the funds or securities are maintained because all clients of Arbor Point Advisors will direct the establishment of each of their accounts in writing. Finally, account statements are delivered directly from the qualified custodian to each client, or, at the client's directive, to the client's representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Arbor Point Advisors. When clients have questions about their account statements, they should contact Arbor Point Advisors or the qualified custodian preparing the statement.

VOTING CLIENT SECURITIES

Proxy Voting

Arbor Point Advisors does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in your account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to

determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting Arbor Point Advisors at the address or phone number indicated on Page 1 of this disclosure document.

Class Action Lawsuits

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. Arbor Point Advisors does not initiate any such legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer or whether the client should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, our services do not include monitoring or informing you of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for you.

FINANCIAL INFORMATION

This item is not applicable to this brochure. Arbor Point Advisors does not require or solicit or accept prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Arbor Point Advisors has not been the subject of a bankruptcy petition at any time.

4811-7325-7489, v. 1