



**Item 1 – Cover Page**

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March 2014

Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the United States Securities and Exchange Commission is a very important document between Clients (you, your) and Canterbury Wealth Advisors, LLC (Canterbury, Applicant, us, we, our). Canterbury’s IARD firm number is 109919.

This Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (702) 505-8073. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment adviser with the United States Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about Canterbury also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm”

and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

There are no material changes to report since the last annual filing of our Form ADV Part 2 or “Disclosure Brochure” dated March 2013. This Disclosure Brochure was developed in response to new requirements adopted and imposed by the United States Securities and Exchange Commission.

1. In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Disclosure Brochure on the SEC’s public disclosure website at (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Disclosure Brochure and send a copy to you including a summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].
3. If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our President and Chief Compliance Officer, Robert W. Bruderman, at (702) 505-8073, facsimile (888) 220-0586, or via email at [bob@canterbury-advisors.com](mailto:bob@canterbury-advisors.com).

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## Item 4 – Advisory Business

Canterbury Wealth Advisors, LLC (hereinafter "Canterbury", Applicant, we, our, us) is a limited liability company that was organized on October 4, 2007, under the laws of the State of Nevada and wholly owned by Robert W. Bruderman. Prior to October 4, 2007, Canterbury was known as Canterbury Investment Group, Inc., a Florida corporation. The name, form of entity and situs were changed on October 4, 2007. We have been registered as an investment advisor with the U. S. Securities and Exchange Commission since August 2, 1994. We are notice filed as an investment advisor with the State of Nevada, as well as the states of Arizona, Colorado, Florida, Minnesota, Nebraska, New Hampshire, North Carolina, North Dakota, South Dakota, and Utah. As of December 31, 2013, Canterbury had approximately \$122.3 of non-discretionary assets under management.

We offer investment advisory services to individuals, including high net worth individuals, banking or thrift institutions, charitable organizations, and corporations. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Robert W. Bruderman, Chief Compliance Officer, if you have any questions about this Brochure.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs). Canterbury requires that those individuals engaged in determining or offering investment advice to clients must have a college education and/or adequate experience and knowledge in related fields, such as business, finance, insurance, employee benefits, securities and financial and tax planning.

Below is a description of the investment advisory and financial planning services we offer. For more detail on any product or service, please reference the advisory agreement, third party investment manager's Form ADV Part 2, wrap brochure (if applicable) or speak with your IAR.

### **Hourly Consultations**

Canterbury occasionally does securities litigation analysis and is compensated on an hourly basis for such work depending on the type of work involved.

### **Investment Supervisory Services**

Canterbury's IARs provide continuous and regular investment advisory services to clients in connection with establishing and monitoring of client investment objectives, risk tolerance, asset allocation goals and time horizon. In addition, Canterbury's IARs may provide clients information and research about investment products and strategies, and review portfolio performance reports. Clients have the opportunity to place reasonable restrictions or constraints on the way their account is managed; however, such restrictions may affect the composition and performance of an individual client's portfolio. For these reasons, performance of the portfolio may not be identical with the average client of Canterbury.

Canterbury offers investment supervisory services primarily through "Advisor Managed Fee Based Accounts" and "Third Party Managed Accounts", which include private managed accounts and turnkey asset management programs. Trades are generally cleared through National Financial Services, LLC ("NFS"), pursuant to Canterbury's broker/dealer, Triad Advisors, Inc.'s ("Triad"), clearing agreement with NFS. Custody of funds and securities are generally maintained by NFS, not Canterbury. However, certain third party money managers may not clear through NFS, but Canterbury's policy is not to maintain custody of client funds or securities.

Services provided under some or all of these options may be available from other providers for lesser fees. In addition, clients may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of certain Programs without incurring the Program fees. You also could invest with private money managers directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist in determining which mutual funds or money managers are most appropriate for your financial condition, goals, and objectives. Accordingly, you should review the fees charged by the funds, private money managers and Canterbury to fully understand the total amount of fees to be paid and to thereby evaluate the advisory services being provided.

### **Fee-Based Advisor Managed Accounts**

Canterbury has the ability to offer certain investment advisory services through various accounts established by Triad Advisors. The Triad Platform offers various account structures that allow Canterbury's IARs to effectively meet the investment needs and

preferences of their clients. Based on consultations with the client, the IAR determines the client's investment goals and risk tolerance. The Advisory-Managed accounts give Canterbury's IARs the ability to customize asset allocation, investment selection, and investment strategies to meet each client's individual financial situation and investment objectives. Several factors may influence the IARs' selection of the account structure including but not limited to: 1) client's preference for a "wrap" vs. transaction charges per trade on certain or all securities, 2) account size, 3) anticipated trading frequency, 4) anticipated securities to be traded, and/or 5) management style. In each account structure, the IAR may manage and provide advice on mutual funds, stocks, bonds, ETFs, LPs, and options.

#### 1. Crown Account

The Crown Account is potentially suitable for clients who prefer to experience transaction charges on a per trade basis, for smaller accounts and/or those in which the IAR anticipates very low trading activity annually.

#### 2. Apex Account

The Apex Account is potentially suitable for clients who prefer to experience transaction charges on a per trade basis, for smaller accounts and/or those in which the IAR anticipates very low trading activity annually.

#### 3. Summit Account

The Summit Account is potentially suitable for accounts that meet the minimum, in which the IAR anticipates primarily investing in mutual funds, and/or for clients that do not wish to experience transaction charges for mutual fund trades.

#### 4. Pinnacle Account

The Pinnacle Account is a Wrap Account sponsored by Triad and may be suitable for clients that would prefer not to experience transaction charges for any trade, accounts that meet the minimum, and/or in which the IAR of Canterbury anticipates placing more than a moderate number of non- mutual funds trades annually.

### **Third-Party Managed Accounts**

#### **Private Managed Account ("PMA") Programs**

The PMA programs provide access to a number of non-affiliated third party money managers, in addition to affiliated money managers (i.e., Ladenburg Asset Management Program), with various specialties and investment strategies (i.e., fixed-income, small cap, international, etc), as well as asset allocation or asset management services. A

PMA is an investment portfolio that is managed on a discretionary or non-discretionary basis by a third party money management firm primarily through individual stocks, bonds, ETFs, options or mutual funds. The duties of Canterbury's IARs will include assisting the client in choosing investment objectives and appropriate investment managers, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering client questions. Furthermore, Canterbury reviews the performance of third party advisers on at least an annual basis and prior to introducing clients to the non-affiliated investment advisers.

Triad, as sponsor of the PMA programs, has established contractual relationships with third party money management firms to enable clients' access to discretionary investment management and advisory services.

Currently, Canterbury offers access to the following PMA Accounts:

1. Third Party Manager – Rochdale Investment Management, an SEC registered investment advisor  
Investment Focus - Customized Multi-Discipline Portfolios: Large Cap Core/Growth/Value; Mid/Small Core/Growth/Value; Dividend and Income; International; Taxable/Tax Exempt Fixed Income  
Custodian – NFS
2. Third Party Manager – Ladenburg Thalmann Asset Management Inc., an SEC registered investment advisor  
Investment Focus – Mutual Fund, ETF Investment Allocations, Equity and Fixed Income Portfolios  
Custodian – NFS

Canterbury may recommend that Client invest certain assets through the LTAM Investment Consulting Services ("ICS") Program. Under the ICS Program, assets are managed by one or more managers on a discretionary basis. Ladenburg Thalmann Asset Management Inc. ("LTAM") and Canterbury will each provide certain advisory services, as set forth in the LTAM ICS Client Agreement and Program Brochure. Transactions for accounts in the program will be executed through Triad.

### **Turnkey Asset Management Programs**

In addition to the managers described above, Canterbury, through Triad, has entered into arrangements with third party advisors to provide additional platforms of managers from which the client and the IAR can evaluate and choose. These platforms offer separate account managers, mutual fund solutions, and multi-manager strategies.



Canterbury has reviewed the advisors and programs to which Canterbury refers clients. However, clients should be aware that Canterbury is not affiliated with the third parties involved, does not custody the accounts opened, and does not control the daily investment management of securities held in these accounts. Furthermore, with some money management programs the client may be authorizing the third party investment advisor to act with discretion (i.e. execute trading decisions without first consulting the client). The client should become familiar with the specific features of any managed account program before selecting such program.

Depending on the money management program selected, Canterbury's role may be limited to referring the client to a third party investment advisor and providing clients with the account opening documents. Canterbury will make such referrals when information provided by the client causes Canterbury to believe such referrals appears suitable.

#### Solicitor's Disclosure

For money management programs where Canterbury serves as the solicitor, clients will be provided a Solicitor's Disclosure Statement, as required under Rule 206(4)-3 of the Investment Advisers Act. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between Canterbury and the third party investment advisory firm, the terms of the solicitation agreement between Canterbury and the third party investment adviser (including the amount of compensation to be paid to Canterbury for the solicitation) and the additional cost to the client, if any, resulting from the solicitation. As solicitor, Canterbury is limited in the services it is authorized to provide and may not take any action that may cause client to believe it renders advisory services for the client's account on behalf of a third party investment advisor. When applicable, Canterbury may provide certain administrative services for third party investment advisor and may receive administrative service fees for these services. When Canterbury acts as a solicitor, Canterbury will receive a portion of the advisory fees charged by a third party investment advisor.

#### 1. Managed Account Solutions (MAS)

This Turnkey Platform account (sponsored by National Financial, managed by Envestnet Asset Management, Inc. and offered through Triad) offers four Programs:

- a. **Mutual Fund Advisory Program**, which is a mutual fund wrap program sub-managed by Strategic Advisers, Inc. (SAI), an SEC registered investment advisor, and a Fidelity Investments company or SIGMA. The program invests client's assets in tailored mutual fund portfolios that include investor profiling,

account monitoring, portfolio rebalancing, and performance reporting. The minimum account size is \$50,000.

- b. **Separate Account Program**, which offers access one of over 100 separate account managers representing more than 400 investment disciplines in each account. With a separately managed account the client directly owns the securities in the portfolio and can participate in actively managing the account for tax efficiency. The minimum account size is \$100,000.
- c. **Multi-Manager Account Program**, which allows for the combination of two or more institutional or separate account managers into a single portfolio. This option provides the same benefits of the Separate Account Program but offers diversified asset classes and investments styles in a single account and has a minimum account size of \$250,000.
- d. **Advisor-Directed UMA**, Advisor-Directed Unified Managed Account (UMA) allows for the combination of mutual funds, ETFs, or separate account managers into a single portfolio. This option provides the same benefits of the Multi-Manager Account Program, but offers the advisor and the client the flexibility to choose the mutual funds, ETFs, or Separate Account Managers that fulfill the asset allocation. This program offers multiple asset classes and investment styles in a single account and has a minimum account size of \$150,000.

### **Pension Consulting Services**

Canterbury provides Pension Consulting services to corporations and business entities. Canterbury IARs give advice to clients on, among other things, how to allocate their investments within their pension plans or other trusts, the selection of an investment adviser or investment company to manage the client's assets and review of investment adviser or investment company performance.

Canterbury's IARs may use data provided by various third parties to perform qualitative as well as quantitative analysis of investment companies or investment advisers. This analysis focuses on an entity's investment process, personnel and performance. Quantitative analysis attempts to identify performance goals relative to a benchmark.

### **Investment Advisory Services not Involving Investment Supervisory Services**

Canterbury offers financial plans to clients encompassing, but not limited to, the following:

- Personal Financial Planning;

- Insurance and Estate Planning;
- Capital Need Analysis;
- Tax & Cash Flow Analysis;
- Retirement Planning;
- Investment Analysis and Planning;
- Education Planning; and
- Performance Reports

Financial planning information will be obtained through personal interviews with each client concerning the clients' current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, along with data gathered from the client. A written report may then be issued.

A conflict of interest may exist between the interests of Canterbury and the interests of the clients. The client is under no obligation to act on Canterbury's or Canterbury's IARs' recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through an associated person of Canterbury when such person is employed as an agent of another licensed broker dealer.

## **Item 5 – Fees and Compensation**

### **Hourly consultations**

Canterbury occasionally does securities litigation analysis and is compensated on an hourly basis for such work at a rate ranging from \$75 to \$250 per hour depending on the type of work involved. The litigation consulting engagement can be terminated by either party at anytime without notice. Fees are billed in arrears for work performed. If a retainer is paid by the client, Canterbury will refund any unearned portion upon early termination of the relationship. Canterbury IARs are licensed in both insurance and real estate brokerage and may receive compensation in the form of commissions when a transaction occurs.

### **Investment Supervisory Services**

#### **Other Fees**

Generally, fees for investment supervisory accounts are based on a percentage of the market value of assets under management including cash. However, the advisory fee does not cover charges imposed by third-parties for investments held in the Account, such as contingent deferred sales charges or 12b-1 trails on mutual funds. In addition, each mutual fund or third party money manager charges asset management fees, which are in addition to the advisory fees charged by Canterbury. The fees charged by such funds or managers are disclosed in each fund's prospectus or Manager's ADV Part 2. The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law. In addition, certain Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement.

#### **Discretionary Authority**

In certain cases, the client may give Canterbury's IAR or a third party money manager discretionary authority to more actively manage the client's assets. This authority is disclosed in the applicable advisory agreement.

#### **Payment of Fees**

For the majority of accounts, fees are payable quarterly in advance, and automatically deducted from the account pursuant to the advisory agreement. If an account is opened in the first or second month of a quarter, it will be charged one fee during its first

billing cycle, which will occur during the first full month after the account is established. The fee is prorated for the number of days the account was opened based on the start date through the end of the quarter. Canterbury's fee will be based on the average daily balance of the account during the first partial month. If an account is opened in the third month of a quarter, it will be charged two fees in its first billing cycle. The first will be for its partial quarter. The second will be for the upcoming full quarter. The fees will be charged on the 15th business day of the first full month, or the first month of the next quarter. Going forward, Canterbury's fees are calculated at the end of the quarter and charged during the first month of the next quarter based on the average daily balance of the account, for the last month of the preceding quarter. Additional deposits of funds and/or securities will be subjected to the same billing procedures.

Certain accounts' fees are payable monthly in advance and automatically deducted from the account pursuant to the advisory agreement. The account will be billed for the first partial month and the first full month during the first full month. Canterbury's fees are calculated based on the average daily balance during the first partial month. Going forward, all monthly fees will be charged in the current month based on the prior month's average daily balance.

Certain third party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Form ADV, Wrap Brochure, and advisory agreement provided to the client.

#### Termination of Contracts

The advisory agreement may be terminated by either party at any time by written notice. Fees paid in advance will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.

Canterbury generally provides applicable disclosure brochure(s) or Form ADV Part 2 to clients and prospective clients more than 48 hours prior to entering into an advisory contract. In the event the disclosure brochure is not delivered until entry into the contract, the client may terminate the contract with no penalty within five business days after entering into the contract.

Thereafter, certain accounts may impose an early termination fee, which will be identified in the applicable advisory agreement. If the account is closed after five business days, but within the first year, the client may be charged an early termination fee to cover the administrative costs of establishing the account. The fee will be based on the number of trades placed on behalf of the account the quarter in which the account is closed. If the account is closed during the first quarter, the termination fee will be \$25 multiplied by the number of transactions in the account. If the account is

closed during the second quarter, the termination fee will be \$20 multiplied by the number of transactions in the account. If the account is closed during the third quarter, the termination fee will be \$15 multiplied by the number of transactions in the account. If the account is closed in the fourth quarter, the termination fee will be \$10 multiplied by the number of transactions in the account. A termination fee will not be charged if no services were rendered or no trades were placed.

Detailed information on the termination terms and fees can be found in the applicable advisory agreement.

### **Fee-Based Advisor Managed Accounts**

#### **1. Crown Account**

The Crown Account has no minimum account size and advisory fees are negotiable. The basic asset based fee schedule for the Crown Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$150,000	2.50%
\$150,001 - \$500,000	2.15%
\$500,001 +	1.75%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. All transactions are subject to postage and handling fees. Equity, ETF, and bond transaction charges are based on a combination of a flat rate plus a percentage of the principal amount of the trade. The current Crown transaction schedule is detailed in the Crown Advisory Agreement.

#### **2. Apex Account**

The Apex Account has no minimum account size and advisory fees are negotiable. The basic asset based fee schedule for the Apex Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 750,000	2.25%
\$ 750,001 - \$2,000,000	1.75%
\$2,000,001 +	1.50%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions

the client may pay at other broker-dealers. All transactions are subject to postage and handling fees. Transaction charges are reduced and simplified (as compared to the Crown Account). The current Apex transaction schedule is detailed in the Apex Advisory Agreement.

### 3. Summit Account

The Summit Account has a negotiable \$50,000 minimum account size and advisory fees are negotiable. Advisory fees may be slightly higher as compared to a Crown or Apex account of similar size and complexity. The basic asset based fee schedule for the Summit Account is as follows:

<u>Portfolio Value</u>	<u>Annual Fee</u>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 500,000	2.25%
\$ 500,001 - \$1,000,000	1.75%
\$1,000,001 +	1.50%

In addition to the advisory fee, accounts may be assessed transaction charges. IARs may buy or sell a variety of mutual funds without transaction charges to the client for those trades. When appropriate, IARs may purchase non-mutual fund securities at discounted transaction charges assessed to the client. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. The current Summit transaction schedule is detailed in the Summit Advisory Agreement. An early termination fee, as described previously, will be charged for accounts open less than one (1) year.

### 4. Pinnacle Account

The Pinnacle Account has a negotiable \$150,000 account size minimum and advisory fees are negotiable. Advisory Fees may be slightly higher as compared to a Crown, Apex, or Summit account of similar size and complexity. The basic asset based fee schedule for the Pinnacle Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 500,000	2.50%
\$ 500,001 - \$2,000,000	2.25%
\$2,000,001 - \$5,000,000	2.00%
\$5,000,001 +	1.75%

There are no transaction charges assessed to the client in the Pinnacle Account. An early termination fee, as described previously, will be charged for accounts open less than one (1) year. For more detail on the Pinnacle Account please reference its Wrap Brochure.

### **Third-Party Managed Accounts**

#### **Private Managed Account (“PMA”) Programs**

The client pays Canterbury a quarterly fee for its services based on a percentage of the value of the client’s account. The fee will be tiered based upon the value of the client’s account. The RIA fee for each type of account is negotiable; however, the third party manager’s fee may or may not be negotiated. In addition, minimum account balances may be required by the third party manager. Specific account information regarding these fees and other possible restrictions are disclosed in the PMA agreement, and applicable Brochure. The basic PMA fees schedule is as follows (it should be noted that this schedule identifies the range of possible fees and it would be unusual for an account to be charged the maximum fee in each category):

<b><u>Range of Fees (Annual Fee)</u></b>	<b><u>Portfolio Management</u></b>
RIA Fee	.00% - 1.80%
3 <sup>rd</sup> Party Money Manager Fee	.10% - 1.50%
Brokerage/Clearing/Custody Fee	.03% - 0.35%
Total Fee Range	.13% - 2.75%

Due to the administrative complexity of these types of accounts, an early termination fee may be charged, as previously described, if an account is closed within one (1) year.

Any minimum account sizes are disclosed in the applicable PMA agreement and Brochure.

In exchange for the advisory services provided by Canterbury, LTAM and managers, execution of transactions through Triad and custody services provided by NFS, accounts will be charged an asset-based fee (“Program Fee”) on a quarterly basis.



Canterbury will receive a portion of the Program Fee, generally from 25 to 100 basis points of the annual Program Fee. For additional information about the Program Fee and the ICS Program generally, see the LTAM ICS Program Brochure.

#### 1. Managed Account Solutions (MAS)

This Turnkey Platform account (sponsored by National Financial, managed by Envestnet Asset Management, Inc. and offered through Triad) offers four Programs:

- a. **Mutual Fund Advisory Program** - Canterbury's fees range from .40% to 2.40%. A portion of the fee includes a program fee which ranges from 0.23% to 0.40% based on the assets invested.
- b. **Separate Account Program** - Canterbury's fees range from .75% to 2.75%. A portion of the fee includes a program fee which ranges from 0.24% to 0.45% based on the assets invested and the custody/clearing/execution fee which ranges from 0.05% to 0.35% based on the assets invested.
- c. **Multi-Manager Account Program** - Canterbury's fees range from .75% to 2.75%. A portion of the fee includes a program fee which ranges from 0.56% to 0.85% based on the assets invested and the custody/clearing/execution fee which ranges from 0.05% to 0.30% based on the assets invested. For additional information, clients should refer to MAS' Disclosure Brochure.
- d. **Advisor-Directed UMA**, Advisor-Directed Unified Managed Account (UMA) - Canterbury's fees range from .30% to 2.75%. A portion of the fee includes a program fee which ranges from .24% to .43% based on the assets invested and the custody/clearing/execution fee which ranges from .05% to .30% based on the assets invested. For additional information, clients should refer to the MAS Disclosure Brochure.

#### **Pension Consulting Services**

Canterbury bills fees based upon a fixed fee basis, one-time fee basis and/or an investment company's performance or a recurring fee basis. Typical fixed fees may range up to \$10,000 depending upon the scope of the services being provided. One-time fees typically consist of \$2,500 for Investment Policy Statements and \$1,000 per fund for Investment Reviews.

Compensation is usually received by Canterbury after services are rendered. Fees paid in advance will be refunded to the client prorated to the number of days in the quarter in which the client received the services. Generally, an agreement may be terminated

within thirty (30) days written notice. Fees, payments and refund policies will vary depending upon the client's fee schedule and terms.

**Investment Advisory Services not Involving Investment Supervisory Services**

For a full written financial plan, Canterbury may charge a flat fee ranging from \$250 to \$25,000 unless agreed upon between Canterbury and the client, which will be quoted prior to the contract being executed. The fee for this service will be determined according to the complexity of the plan as well as the extent of services desired by the client. An estimated fee will be given upon contracting with the client. Fees may be negotiable. Fees may also be charged on an hourly rate up to \$250 per hour.

Fees are paid upon completion of the plan or services unless agreed upon otherwise by Canterbury and the client. The contract may be terminated by either party upon 30 days written notice. Canterbury will, upon written request of the client, refund fees prorated to the amount of work completed. Clients who terminate the contract within 5 business days of signing the contract shall be provided a full refund.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance based fees). Our compensation structure is disclosed in detail in Item 5 above.

## **Item 7 – Types of Clients**

We offer investment advisory services to individuals, including high net worth individuals, banking or thrift institutions, charitable organizations, and corporations.

Canterbury has no stated minimum account size; however, the third party money managers may require a minimum account size based on the product selected. Refer to items 4 and 5 for the required minimum account size if applicable.

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

Canterbury may provide investment advice concerning equities, fixed income, certificates of deposit, and investment company securities including variable insurance products. Canterbury also may provide investment advice concerning partnership interests, including, but not limited to, equipment leasing, managed futures and other business or industry.

Canterbury may provide advice on Exchange Traded Funds (“ETFs”) and structured products such as REITs, Equity and Index Notes. Structured products are a special class of financial instruments that can offer greater flexibility and customization than traditional investment vehicles. ETFs are baskets of securities that are traded like individual stocks, which can be purchased or sold throughout the day. Structured products, which can be designed to meet specific investment objectives such as principal protection or income, are generally characterized by a return that is derived from the performance of an underlying asset class such as fixed income, equity, foreign exchange, commodities, or a combination of asset classes. Please contact your IAR for more detailed information about these and all investment options offered through Canterbury.

Canterbury IARs may actively trade option contracts or on margin for client’s accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

Canterbury’s IARs may assist the client in the selection of other money managers or asset allocation programs. The IAR will assist clients in determining investment objectives, selecting managers, funds or portfolios, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions, and answering client questions. The IAR will also evaluate the overall investment strategy and performance of any third-party money manager or asset allocation program. Factors to be considered in monitoring performance may include comparing client portfolio performance relative to certain market indices and other money managers.

Each portfolio will be initially designed to meet particular investment goals and objectives taking into account the client’s financial situation, circumstances, and risk tolerance. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the

composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

Our main sources of information on which we base investment advice includes financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the Securities and Exchange Commission, and company press releases. Canterbury offers its IARs access to third party vendors that provide programs or software to analyze individual securities. Canterbury also offers its IARs access to third party vendors that provide support services in portfolio design and strategy implementation.

In determining the investment advice to give to you, we may utilize charting to determine trends and project future values and analyze cyclical fluctuations over time. In a fundamental analysis, we analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets the clients' needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. We may also perform a security analysis discipline, known as a technical analysis, in forecasting the direction of prices through the study of past market data, primarily price and volume.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

## **Item 9 – Disciplinary Information**

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

## Item 10 – Other Financial Industry Activities and Affiliations

Neither Canterbury nor any of our management persons (except as disclosed below) are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities, except as noted below.

In addition, neither Canterbury nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that Canterbury or any of our management persons have with any related person, except as noted below, that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

The President of Canterbury, Robert W. Bruderman, is a Director of Triad Advisors, Inc., a registered broker/dealer member FINRA & SIPC, and investment adviser. Approximately 20% of Mr. Bruderman's time is occupied by broker-dealer related activity.

Mr. Bruderman is a Director of Premier Trust, Inc., a Nevada chartered trust company. His Premier Trust duties occupy approximately 50% of his time. Premier Trust is wholly



owned by Ladenburg Thalmann Financial Services. Additionally, Mr. Bruderman is also licensed to sell and is appointed with various insurance companies for the sale of life and annuity products, which occupy less than 5% of his time.

Furthermore, certain IARs of Canterbury are registered representatives of Triad. As such, these individuals, in their separate capacities as registered representatives, will be able to effect securities transactions for which they will receive separate, yet customary compensation. The client is under no obligation to purchase or sell securities through such associated person and may affect any such transactions where the client desires. These employees spend approximately 20% of their time per month on brokerage business.

Certain IARs of Canterbury are licensed to sell life and annuity insurance products. Canterbury and/or appropriately licensed IARs will receive compensation for the sale of such products. The client is under no obligation to purchase insurance products through any particular insurance agency or IAR and may affect any such transactions where the client desires. These employees spend approximately 15% of their time per month on brokerage business.

Triad is a wholly owned subsidiary of Ladenburg Thalmann Financial Services (LTFS). Ladenburg Thalmann Asset Management and Investacorp Advisory Services are SEC registered investment advisors and are wholly owned subsidiaries of LTFS. Triad is also affiliated with Ladenburg Thalmann & Co. ("LTCL"), and Investacorp, Inc. full service broker-dealers registered with the SEC, FINRA and various state regulatory agencies.

Triad Advisors, Inc. is also registered as an SEC investment advisor. Canterbury's advisory clients are free to implement advisory recommendations through any firm. There is no obligation to do transactions through Triad Advisors, Inc. or advisory representatives.

Canterbury, through its relationship with Triad, has entered into an arrangement with Ash Brokerage, LLC ("Ash"), which is in the business of brokering transactions, (such transactions hereinafter referred to as "Life Settlements"), involving the sale of existing life insurance policies by the policy owner (hereinafter referred to as "Seller") to a funding entity. Ash will give Triad access to its Life Settlement methods, practices, procedures and materials related to its business. Triad desires to solicit applications for life settlements from prospective sellers identified and contacted by Triad.

Canterbury shall refer to Ash any sellers who are interested in entering into life settlements. Each seller Canterbury refers, regarding Life Settlement services, shall complete and execute such documents as Ash may from time to time require for the

purpose of facilitating life settlements. Further, in performing Canterbury's obligations under this agreement, Canterbury shall comply with all rules, regulations, instructions, procedures and guidelines (collectively, the "Instructions") as may be amended from time to time in writing by Ash.

Canterbury shall (a) solicit the purchase of existing life insurance policies ("Policies") from appropriate sellers, (b) with respect to any policy presented to Ash hereunder, promptly complete and deliver to Ash an application for brokerage of a life settlement (in the form prescribed by Ash) ("Application"), medical records, authorizations and such other information as Ash may require in connection with evaluating the seller, his or her policy and terms of a life settlement transaction, and (c) comply with the instructions and complete such reasonable educational requirements as may be promulgated by Ash from time to time.

Canterbury will receive compensation for policies sold by Ash for each client exclusively referred by Canterbury to Ash. Commissions shall be earned only after a sale is closed, the client receives his/her settlement payment and all applicable rescission periods have expired.

While Canterbury endeavors at all times to put the interest of the clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and an incentive for such individuals to make recommendations based on this potential for additional compensation. This conflict and incentive may affect the judgment of these individuals when making recommendations. The client is under no obligation to purchase securities or insurance products through them and is free to choose the sources through which to implement investment advisory recommendations.

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

Our firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 (as amended—the Advisers Act) and in compliance with state regulations. All employees of Canterbury are deemed by the Advisers Act to be supervised persons<sup>1</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, Canterbury and all of our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable period of time at the current address of record.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of Canterbury might take advantage of that knowledge for their own benefit. Canterbury has in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that Canterbury’s personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of Canterbury’s clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts and safeguarding portfolio holdings information.

<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

Under the general prohibitions of the Rules, Canterbury's personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties or violate any provision of the Rules.

Canterbury's personnel are required to conduct their personal investment activities in a manner that Canterbury believes is not detrimental to its advisory clients. Canterbury's personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all Access Persons<sup>2</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from Canterbury upon request by contacting us during regular business hours. We will furnish a copy within a reasonable period of time to you at your current address of record.

Canterbury's IARs may buy or sell for their own accounts securities that are also held by their clients. Conversely, they may buy and sell securities for client accounts which they themselves may own. Such transactions are permitted if in compliance with Canterbury's Policy on Personal Securities Transactions. Reports of personal transactions in securities by Canterbury IARs are reviewed by the firm's Compliance Department quarterly or more frequently if required.

We do not, nor does a related person, recommend to you buys or sells for your accounts, securities in which we (or a related person) have a material financial interest. Additionally, we do not, nor does a related person, recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account. We do not execute transactions on a principal basis.

<sup>2</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

## Item 12 – Brokerage Practices

Canterbury's IARs, in their capacity as registered representatives of Triad, may recommend Triad's broker-dealer services to clients who have utilized or are utilizing Canterbury's advisory services. Canterbury's clients are free to implement advisory recommendations through any firm and are under no obligation to purchase or sell securities through Canterbury. Canterbury does not warrant or represent that commissions for transactions implemented through Canterbury will be lower than commissions available if clients were to use another brokerage firm. Canterbury believes, however, that the overall level of services and support provided to clients by Canterbury outweighs the potentially lower transaction cost available under other brokerage arrangements.

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Clients cannot direct brokerage. However, some have some accounts elsewhere that we do advise for free generally.

Since there may be several prices at which the securities transactions are executed and the orders were entered as one order for all accounts. It is Canterbury's practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. Accounts owned by Canterbury or persons associated with Canterbury may participate in block trading with your accounts; however, they will not be given preferential treatment.

Canterbury does not receive products, research, or services from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits") that we would consider a factor in utilizing a particular broker-dealer. However, Canterbury

does receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist Canterbury's investment management process, from its custodian. Certain of the support services and/or products that may be received may not directly provide assistance, but rather assist us to manage and further develop our business operations. Nonetheless, in recommending certain broker-dealers or custodians to clients for execution of client's transactions, Canterbury will seek to obtain most favorable terms under the circumstances by considering such factors as: price, execution capability, reliability, responsiveness, financial responsibility, and the value of any products or services provided by such brokers. Nevertheless, we do not consider whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers to you.

### **Administrative Trade Errors:**

From time-to-time Canterbury may make an error in submitting a trade order on your behalf. Trading errors may include a number of situations, such as:

- The wrong security is bought or sold for a client;
- A security is bought instead of sold;
- A transaction is executed for the wrong account,
- Securities transactions are completed for a client that had a restriction on such security; or
- Securities are allocated to the wrong accounts.

When this occurs, Canterbury may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the corrective action, the gain will remain in your account unless it is legally not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If a loss occurs due to our administrative trade error, Canterbury is responsible and will pay for the loss to ensure that our client is made whole.

Note: To limit the respective administrative expenses and burden of processing small trade errors, it should be noted some custodians (at their own discretion) may elect not to invoice Canterbury if the trade error involves a de minimis dollar amount (usually less than \$100). Generally, if related trade errors result in both gains and losses in your account, they may be netted.

## Item 13 – Review of Accounts

Reviews: Client accounts are reviewed at least annually as agreed to with the client. Reviews of investment accounts typically look at portfolio consistency with regards to the client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Any third party money manager to whom the IAR recommends for advisory services provides regular quarterly account report to both the client and IAR. Reviews also consist of covering account holdings, transactions, charges, & performance as provided on such statements and other account reports. Clients who also receive financial planning advice are reviewed on the same schedule. Reviews cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by the client. In either type of review, accounts will also be reviewed upon notice of changes in a client's circumstances.

Reviewers: Accounts are primarily reviewed by the client's IAR. In addition, Canterbury's compliance program includes the periodic review of a sample of customer accounts for consistency with a client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. There is no minimum number of accounts assigned for the reviewer.

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

The associated persons of Canterbury, in their capacity as registered representatives of Triad, may receive commissions earned on securities transactions directed through same. Any such fee arrangements shall be fully disclosed to clients. In connection with the placement of client funds into investment companies, compensation may take the form of front-end sales charges, redemption fees and 12(b)-1 fees or a combination thereof. The prospectus for the investment company will give explicit detail as to the method and form of compensation.

See Items 5 and 10 regarding additional compensation received by Canterbury and associated persons.

Canterbury endeavors at all times to put the interest of its clients first as part of its fiduciary duty. Clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of Canterbury and its associated persons when making recommendations.

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients. Additionally, we do not have any arrangement under which we, or a related person, directly or indirectly compensate any person, who is not our supervised person, or receive compensation from another for client referrals at this time.



## Item 15 – Custody

We do not have custody of client funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us.

Clients are encouraged to review all written reports from Canterbury or private money managers and compare them against reports received from the independent custodian that services your advisory account. You should immediately inform us of any discrepancy noted between the custodian records and the written reports you receive from us or the private money manager.

## **Item 16 – Investment Discretion**

Canterbury IARs may occasionally accept limited trading authority from clients when it is necessary to assist a client in implementing the client's investment strategy. Specifically noted in the written client agreement, Canterbury will have the authority to determine without obtaining the client's prior consent or approval to each transaction the types of securities, as well as dollar size of transactions. You will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted to us in writing.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

### **Proxy Voting**

As a matter of firm policy and practice, Canterbury does not have, nor will we accept authorization or vote proxies on behalf of advisory clients. You will receive proxies or other solicitations directly from your custodian or a transfer agent. Clients or separate account managers retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. You should contact your custodian or a transfer agent with questions about a particular solicitation.

Client can obtain a copy of our proxy policies by contacting our Chief Compliance Officer, Robert W. Bruderman.

### **Class Actions**

From time to time securities held in your portfolio may be the subject of class action litigation. The decision regarding whether to file a proof of claim in a class action settlement is a question involving legal judgment. We do not instruct or give advice to you on whether or not to participate as a member of class action lawsuits and will not automatically file claims on your behalf. If you request additional assistance, we will provide any transaction information pertaining to your account that may be helpful and/or needed in order for you or your custodian to file a proof of claim in a class action.

## **Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit prepayment of fees in excess of \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.

## **Item 19 – Requirements for State-Registered Advisers**

Canterbury is an SEC-registered investment adviser so this section is not applicable.