



A Registered Investment Advisor

**FORM ADV PART 2A
RETIREMENT PLAN PROGRAM BROCHURE**

SPC

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This brochure provides information about the qualifications and business practices of SPC. If you have any questions about the contents of this brochure, please contact us at 734-663-1611. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SPC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for SPC is 110692.

SPC is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

Annual Update

This section highlights material changes made to SPC's Form ADV Part 2A Brochure since its creation in May 2012.

SPC is required to provide you with an annual notice containing a summary of any updates made to SPC's Brochure and instructions on how to obtain an updated copy of this Brochure in its entirety. In addition, we may offer you additional updates throughout the year as important material changes occur.

The items below are material changes made to this Brochure from our last update:

- The section titled 'Advisory Business' has been updated to show our Assets under Management as of December 31, 2013.
- The Fees and Compensation section was updated to show our maximum hourly rate is \$300.

The most recent copy of this document can be requested at any time by calling the SPC or Compliance Departments at (888) 744-6264 or via download at www.spc4clients.com.

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Advisory Business

Description of Services and Fees

Sigma Planning Corporation ("SPC") is registered with the United State Securities and Exchange Commission as an investment adviser. SPC is a corporation formed under Michigan law on September 20, 1983. SPC is under common ownership with Sigma Financial Corporation and Sammons Securities Company, LLC, independent broker-dealer firms, Member FINRA/SIPC. Jerome Rydell is the principal owner of Sigma Financial Corporation, SPC, and a partial owner of Sammons Securities Company, LLC.

As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. We refer to Associated Persons who provide investment advice as Investment Adviser Representatives ("IARs") throughout this Brochure. As used in this brochure, the words "we", "our" and "us" refer to SPC and our IARs. The words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Our Associated Persons are generally registered representatives of Sigma Financial Corporation ("SFC") or Sammons Securities Company, LLC ("SSC") which are our affiliated broker-dealers. Our IARs provide investment advisory services in their capacities as IARs of SPC. They also provide brokerage services in their capacities as registered representatives of SFC or SSC.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. In certain cases we may provide clients with a complimentary general consultation to discuss services available, to give a potential client time to review desired services and to determine the possibility of a client-adviser relationship.

Portfolio Management Services

We provide discretionary and non-discretionary portfolio management services through the SIGMA Managed Account. The SIGMA Managed Account is tailored to meet your needs and investment objectives and is offered under both a Wrap Fee Program and in non-wrap accounts (described herein).

In the SIGMA Managed Account Wrap Fee Program, we manage client accounts for a single fee that includes portfolio management services and custodial and transaction/commission costs. If you participate in the Sigma Managed Account Wrap Fee Program, we will provide you with a separate Wrap Fee Program Brochure explaining the Program and the fees we receive for our wrap account services.

If you retain our firm for portfolio management services, an IAR of our firm will meet with you to determine your financial situation, investment objectives, tolerance for risk, and other relevant information (the "suitability information").

We will use the suitability information we gather to develop a strategy that enables us to give you continuous and focused investment advice and to make investments on your behalf. IARs may tailor services to focus only on certain portfolio components, depending upon your wishes and/or the nature of the engagement. However, if our services are limited, it is important to understand that comprehensive investment needs and or objectives may not be fully considered due to your option to receive limited services, the lack of information received, and/or client disclosure.

As part of our portfolio management services, your IAR will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. Once your IAR constructs an investment portfolio for you, he/she will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the client services agreement you sign with our firm or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of your portfolio and/or our ability to meet your investment objectives. For non-discretionary accounts we will contact you prior to executing any transactions.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Assets Under Management	Maximum Annualized Fee
\$25,000 to \$500,000	2.50%
\$500,001 to \$750,000	1.75%
\$750,001 to \$1,000,000	1.50%
Over \$1,000,000	1.25%

Our fee is billed and payable monthly in advance. The fee is based on the value of your account as of the last business day of the previous month. Advisory fees may be waived or offset if our firm and/or our affiliates receive commissions on the purchase, sale, exchange, conversion and, otherwise, trade of assets held in the client's account that are equal or greater than the annual advisory fee. IARs, in their discretion, may provide services without charging advisory fees to certain clients, which may include but are not limited to family members and charitable organizations. Our advisory fee is negotiable, depending on individual client circumstances.

In the IARs discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities or we will invoice you directly. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

The client services agreement may be canceled at any time, by either party, for any reason, upon written notice to the other party, as provided in the agreement. For the calendar month in which the agreement is terminated, our fee will be prorated and refunded based on the number of days that the agreement was in effect during such month.

Recommendation of Third Party Investment Advisers

As part of our investment advisory services, we may recommend that you use the services of a third party investment adviser ("TPIA") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific TPIA or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPIA's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. Your IAR will periodically monitor the TPIA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

When recommending the services of TPIAs, we will provide you with the TPIA's brochure and compensation disclosure document. Certain TPIAs require minimum portfolio conditions as outlined in each TPIA's disclosure brochure. You are never under any obligation to engage the services of any TPIA that we may recommend. We share in the fee charged by the TPIA, which may include performance based fees. Our compensation may differ depending upon the individual agreement we have with each TPIA. As such, a conflict of interest may arise where our firm or our Associated Persons may have an incentive to recommend one TPIA over another TPIA with whom we have more favorable compensation arrangements or other advisory programs offered by TPIAs with whom we have less or no compensation arrangements.

Advisory fees that you pay to the TPIA are established and payable in accordance with the TPIA's disclosure brochure. These fees may or may not be negotiable. You should review the recommended TPIA's disclosure brochure and take into consideration the TPIA's fees along with our fees to determine the total amount of fees when using TPIAs.

You will be required to sign an agreement directly with the recommended TPIA(s). You may terminate your advisory relationship with the TPIA according to the terms of your agreement with the TPIA. You should review each TPIA's disclosure brochure for specific information on how you may terminate your advisory relationship with the TPIA and how you may receive a refund, if applicable. You should contact the TPIA directly for questions regarding your advisory agreement with the TPIA.

The TPIAs are responsible for the specialized portfolio management, portfolio reporting services, best execution review, quarterly reporting, trade error resolution, custodial reconciliations, and implementation of trades within their respective programs.

Financial Planning and Consulting Services

We provide financial planning and consulting services on an hourly, fixed fee, project, or ongoing basis. Services may be tailored to your needs and may be comprehensive in nature or may only focus on certain areas. IARs may provide advice on general issues relating to such topics as financial management, risk management, asset allocation, investment research, financial issues relating to divorce or marital issues, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as you identify.

The financial planning process will involve, in part, the following: a) review of your current financial condition; and b) review of a questionnaire used to assist us in generating a report regarding recommendations. The advice may include recommendations for updates and reviews.

We may offer modular financial plans including:

- Asset Allocation Report
- College Cost Projection
- Insurance Needs Analysis
- Portfolio Review
- Estate Plan Review
- Retirement Plan Review
- Financial Review

The plans will be developed with recommendations consistent with your stated goals and will include a summary of your goals, various methods or strategies to be utilized, targeted dates and estimated fees for case implementation.

We also may offer more detailed plans which may include one or more of the following:

- Broad based Financial Plan
- Estate Plan
- High Net Worth Review

We may also render advice relative to: (1) variable life/annuity products and/or (2) individual employer-sponsored retirement plans. For such services, your IAR either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. Your assets shall be maintained at either the specific insurance company that issued the variable life/annuity product or at the custodian designated by the sponsor of the client's retirement plan. Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsor(s).

You are welcome to implement any recommendations in whole or in part at the financial services firm(s) of your choice. Your IAR is also available to assist with implementation services as well.

Your IAR may suggest that you work closely with your attorney, accountant, insurance agent, and the custodian of your account for implementation of a financial plan. You are free to use the service provider of your choice for implementation of any advice or recommendations pertaining to non-securities matters (such as insurance).

When financial planning or consulting services only focus on certain areas, needs or is otherwise limited, you should understand that your overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on our services. If you require assistance on issues relating to matters outside of investment advisory issues, such as accounting or legal issues, you should consult your accountant, legal counsel, or other professionals for advice. When providing plan related services, the advice and recommendations are limited to plan offerings.

We may also provide, on a limited basis, consultations, advice, research, or projects which relate to subjects which do not involve financial planning per se. For such services, we may charge an hourly, fixed, or project-based fee. The fee is negotiable and will be based upon the time, effort, and complexity of the engagement. Your IAR will not participate in any commission, transaction fee, or cost (if any) that may result or be in connection with your use/implementation of our efforts, advice and/or recommendations. In such cases, you

are solely responsible for executing the advice or recommendations, in whole or in part.

Financial planning engagements terminate upon the delivery of services and will not include any reviews, follow-ups, or other services. If other services are desired, you are welcome to secure additional or follow-up services via a new or amended agreement with our firm.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information, you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Financial Planning and Consulting Fees

Our fees for financial planning and consulting services are negotiable based upon the time and effort required and/or the nature and complexity of services. Our hourly fee ranges up to \$300 and a fee for staff time may be billed at \$35 per hour. For project based fees, we use an hourly fee, time, effort, and complexity of services as a guide for determining the fee.

For other services that do not involve general consultation or planning, we will charge a fee not to exceed 1% of the estimated total asset size in connection with the services provided.

For modular financial plans, we charge a maximum of \$750 per plan. For more comprehensive plans, fees will be determined on a case by case basis based upon the scope and complexity of the plan.

We may charge additional fees for follow-up or ongoing services dependent upon the nature and complexity of the services requested in addition to the scope of the engagement. In such cases, we would charge an hourly or project based fee.

We may require a deposit equal to ½ the proposed fee with the balance due upon completion of the services rendered. In the event your circumstances change during the course of services such that new advice, recommendations or research are required or the IAR is required to re-work the advice, recommendations or other services, additional fees will apply. We will not engage in additional services that result in fees without your approval.

At the discretion of the IAR, financial planning and consulting fees may be offset, in whole or in part, if the client decides to implement the plan by purchasing securities or insurance through the IAR acting in his/her capacity as a registered representative or licensed insurance agent.

The financial planning Letter of Engagement may be canceled at any time, by either party, for any reason, upon notice to the other party, as provided in the Letter of Engagement. In the event of termination, you will be charged for the portion of work performed and/or if you have pre-paid fees which we have not earned, you will received a pro-rated refund. Otherwise, except for ongoing service agreements, the agreement automatically terminates upon completion of the services rendered.

Seminars

From time to time IARs may hold seminars. These seminars may include presentations on general investment, insurance or financial planning strategies. We may charge a fee to those in attendance, not to exceed \$100 per attendee. In such cases, our refund or cancellation policy will be clearly outlined in the invitation or announcement. Attendees are welcome but are never under any obligation to utilize our other services.

Retirement Plan Services

IARs may offer consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor(s)"). IARs may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. Our IARs provide these retirement plan services ("Retirement Services") as independent contractors of SPC, a registered investment advisor, and may charge a fee for the Retirement Services, as described in this Form ADV Part 2A ("ADV") and the Retirement Plan Consulting Agreement ("Agreement").

Retirement Services are either ERISA Fiduciary Services or ERISA Non-Fiduciary Services. ERISA Non-Fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (ERISA). When delivering ERISA Fiduciary Services, IARs will perform those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any ERISA Fiduciary Services, IARs will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the plan.

Sponsor may engage the IAR to perform the Retirement Services by completing a Retirement Plan Information Form to provide information about the plan, including the plan design, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers. IAR may provide Sponsor a copy of this Form ADV Part 2A and the Agreement for review. The Agreement describes the terms of the arrangement between IAR and the Sponsor, including a description of the Retirement Services and the fees to be charged by IAR. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to the IAR before the IAR performs any Services.

DESCRIPTION OF AVAILABLE RETIREMENT SERVICES

A. ERISA Fiduciary Services

Recommendations to Establish or Revise the Plan's Investment Policy Statement ("IPS"):

IAR may review with the Plan Fiduciary the investment objectives, risk tolerance and goals of the plan. If the plan does not have an IPS, the IAR may recommend investment policies to assist the plan Fiduciary to establish an appropriate IPS. If the plan has an existing IPS, IAR may review it for consistency with the plan's objectives. If the IPS does not represent the objectives of the plan, IAR may recommend to the Plan Fiduciary revisions that will establish investment policies that are congruent with the plan's objectives.

Recommendations to Select and Monitor the Designated Investment Alternatives:

Based on the plan's IPS or other guidelines established by the plan, IAR may review the investment options available to the plan and may make recommendations to assist the Plan Fiduciary to select the Designated Investment Alternatives ("DIAs") to be offered to plan participants. Once the Plan Fiduciary selects the DIAs, IAR may, on a quarterly basis and/or upon reasonable request, provide reports, information and recommendations to assist the Plan Fiduciary to monitor the investments. If the IPS criteria require an investment to be removed, IAR may provide information, analysis and recommendations to the Plan Fiduciary to help evaluate replacing investment alternatives.

Recommendations to Select and Monitor Qualified Default Investment Alternative(s):

Based on the plan's IPS or other guidelines established by the plan, IAR may review the investment options available to the plan and may make recommendations to assist the Plan Fiduciary to select the Plan's QDIA(s) for plan participants that fail to direct the investment of their accounts. Once the Plan Fiduciary selects the QDIAs, IAR may provide reports, information and recommendations, on a quarterly or upon reasonably requested basis, to assist the Plan Fiduciary to monitor the investments. If the IPS criteria require an investment to be removed, IAR may provide information and analysis to assist the Plan Fiduciary to evaluate replacement investment alternatives.

Recommendations to Allocate and Rebalance Model Asset Allocation Portfolios ("Model Portfolios"):

Based on the plan's IPS or other investment guidelines established by the plan, the IAR may review the investment options available to the plan and may make recommendations to assist the Plan Fiduciary to create and maintain Model Portfolios. Once the Plan Fiduciary approves the Model Portfolios, the IAR may provide reports information and recommendations, on a periodic basis, designed to assist the Plan Fiduciary to monitor the Plan's investments. If the IPS criteria require an investment to be removed, the IAR may provide information and analysis to assist the Plan Fiduciary to evaluate replacement investment alternatives to be included in the Model Portfolios. Upon reasonable request the IAR may make recommendations to the Plan Fiduciary to rebalance the Model Portfolios to maintain their desired allocations.

Recommendations to Select and Monitor Investment Managers:

Based on the Plan's IPS or other guidelines established by the plan, IAR may review the potential investment managers available to the plan and may make recommendations to assist the Plan Fiduciary to select one or more investment managers. Once the Plan Fiduciary approves the investment manager, IAR may provide, on a periodic basis, reports, information and recommendations to assist the Plan Fiduciary to monitor the plan's investment managers. If the IPS criteria require an investment manager to be removed, IAR may provide information and analysis to assist the Plan Fiduciary to evaluate replacement investment managers.

B. ERISA Non-Fiduciary Services

1. Plan Sponsor Services

Assistance with Plan Fiduciaries' Governance and Committee Review, Including:

- Determining Plan Objectives and Plan Design Options
- Reviewing Retirement Plan Committee Structure and Requirements
- Reviewing Participant Education and Communication Strategy, including ERISA 404(c) Requirements
- Coordinating and Reconciling Participant Disclosures under ERISA 404(c) and Developing Requirements for Responding to Participant Requests for Additional Information
- Developing and Maintaining a Fiduciary Audit File
- Attending Periodic Meetings with Plan Committee (Upon Request by Plan Committee)

Assistance with Plan Fiduciaries Vendor Management (Service Provider Selection/Review), Including:

- Reviewing Fees and Services and Identifying Procedures to Track the Receipt and Evaluation of ERISA 408(b)(2) disclosures
- Providing Periodic Benchmarking of Fees and Services to Assist Review for Reasonableness
- Generating and Evaluating Service Provider Requests for Proposals (RFPs) and Requests for Information (RFIs)
- Support with Contract Negotiation
- Service Provider Transition and/or Plan Conversion

Investment Education for Plan Fiduciaries Concerning:

- Investment Policy Statement
- Assessment of Overall Investment Structure of Plan (i.e., types and numbers of asset classes, model portfolios, etc.)
- Review of the Plan's Investment Options
- Review of Qualified Designated Investment Alternative (QDIA)
- Search and Review of Investment Managers

2. Plan Participant Services

Employee Investment Education and Communication, Including:

- Providing Group Enrollment and Investment Education Meetings
- Providing Fee Specific Education and Communicate the Plan's Requirements for Requesting Additional Information about Plan Fees and Expenses
- Supporting Individual Participant Questions
- Providing Periodic Updates, Upon Request or Through Newsletter
- Assisting Participants with Retirement Readiness Consulting

POTENTIAL ADDITIONAL RETIREMENT SERVICES PROVIDED OUTSIDE OF THE AGREEMENT:

In providing Retirement Services, SPC and its IARs may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- 1) as a result of a decision by the participant or beneficiary to purchase services from IAR not involving the use of plan assets;
- 2) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or
- 3) through an Individual Retirement Account rollover ("IRA Rollover").

IARs will not, however, solicit services from plan participants or beneficiaries when providing Retirement Services. If IAR is providing Retirement Services to a plan, IAR may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on plan assets (but may consider the participant's or beneficiary's interest in the plan in providing that service). If a plan participant or beneficiary desires to affect an IRA Rollover, IAR may provide the participant or beneficiary with a written explanation of the options available to the plan participant or beneficiary. Any decision to affect the rollover or about what to do with the rollover assets remains that of the participant or beneficiary alone.

POTENTIAL CONFLICTS AND RELATED POLICIES

Affiliates of SPC may provide securities brokerage, recordkeeping or other Retirement Services to plans and receive variable compensation for those services. A conflict of interest may arise where IAR recommends the Retirement Services of those affiliates.

SPC, our employees, and our independent contractor IARs benefit from the compensation paid to us, and may directly or indirectly receive a portion of the fees and other compensation paid by Retirement Services clients. Those clients may also use other products or Retirement Services available from or through us and in such case pay additional compensation. This practice creates a potential conflict of interest that may give us and our IARs an incentive to recommend advisory Retirement Services based on the compensation received. Additionally, fees and commissions may also be higher for some brokerage products, services or Retirement Services, and the remuneration and profitability to us, our IARs and affiliates resulting from transactions involving some accounts may be greater than the remuneration and profitability resulting from other advisory accounts, products or Retirement Services.

We address these conflicts through disclosure in this ADV and additional disclosures concerning compensation we may receive, directly or indirectly. We will also offset or refund additional compensation when required by law. Moreover, we have adopted policies and procedures to address the suitability of advisory products offered to you.

RISK AND TAX DISCLOSURE

A. GENERAL RISKS ARISING FROM THE RETIREMENT SERVICES

All investments involve risk and investment performance can never be predicted or guaranteed. The values of the account will fluctuate (perhaps significantly) due to market conditions, manager performance and other factors. Using any benchmark or index in connection with the Retirement Services is no promise that the performance of the plan's particular investments will experience the same results, including the results shown on the various reports that are delivered as part of the Services.

Sponsor or the plan participants and beneficiaries retain all investment discretion over plan assets provided to them by the plan. Each is free to make his or her own investment decisions. No one is required to accept any assistance or follow any recommendations provided as part of the Retirement Services. If the plan selects IAR's Service to allocate or rebalance among model portfolios or to recommend investment managers, the responsible Sponsor or participant or beneficiary can freely change allocations or managers.

IARs may use or provide to Sponsor data or information provided by third parties when providing Retirement Services. While IAR reasonably believes that the information or data is reliable, it does not promise that it is accurate, current or consistently available.

Sponsor is responsible for all the tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a retirement plan receiving the Services.

B. MATERIAL RISKS OF RECOMMENDATIONS TO SELECT AND MONITOR INVESTMENT MANAGERS, QUALIFIED DEFAULT INVESTMENT ALTERNATIVES ("QDIA") AND DESIGNATED INVESTMENT ALTERNATIVE ("DIAS")

As part of the Services to Provide Recommendations to Select and Monitor Investment Managers, Qualified Default Investment Alternative(s) ("QDIA") or Designated Investment Alternatives ("DIAs"), IAR may provide Sponsor a list of investments, including mutual funds, to consider as options for the plan, and may provide a list of investment managers to manage the assets of the plan. Any list is for informational purposes only and Sponsor retains full authority to select all plan investments. It should not be considered a primary basis for the Sponsor's decision.

C. MATERIAL RISKS FOR RECOMMENDATIONS TO ESTABLISH OR REVISE THE PLAN'S INVESTMENT POLICY STATEMENT ("IPS")

IAR will consider information provided by Sponsor about the plan when assisting with or making recommendations about the plan's IPS. It is important that that information be accurate and current. Changes in the information will impact what assistance or recommendations may be made so it is important that IAR be accurately informed.

D. MATERIAL RISKS FOR RECOMMENDATIONS TO ALLOCATE AND REBALANCE MODEL ASSET ALLOCATION PORTFOLIOS (“MODEL PORTFOLIOS”)

Any report containing a proposed asset allocation model is based upon a number of factors which may include the demographics of plan participants, current asset allocations and the value of the assets. IAR may change asset allocations and investment options within the model portfolios and has no obligation to revise the report or otherwise advise Sponsor if a model or any of IAR’s assumptions change in the future.

The analyses and suggested asset allocations contained in the reports may be based on historical financial data, assumptions about future financial trends (including market appreciation or decline, rates of return and risks for various asset classes), assumptions about applicable laws and regulations, and appropriate financial planning strategies.

Any projections, analyses or other information contained in or with the reports regarding various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

The reports do not provide advice regarding the plan’s specific securities investments. Therefore, it is important for Sponsor to monitor current events, such as changes in tax laws or in the financial markets, which may affect Sponsor’s decisions about the plan.

The return rates and dollar figures contained in the report may not include all investment expenses; thus, any results shown may be reduced by such costs. Also, where applicable (and only as indicated) assumptions as to federal income tax rates, state income tax rates, and estate taxes reflected in the report would only be general estimates.

Types of Investments

We do not primarily recommend one specific type of investment over another as each client has their own investment objectives, risk tolerance needs and goals. We may recommend investments in mutual funds, index funds, individual securities, exchange traded funds, money market funds, certificates of deposit, commercial paper, variable life and annuities, U.S. Government debt securities, mortgage-backed securities, municipal bonds, and other fixed-income securities, securities options and futures, certain wrap class alternative investments (such as hedge funds and managed futures funds), partnership investments involving real estate, oil and gas, equipment leasing, cable television, fast food franchising, agriculture, raw land, and alternative energy research/development, real estate investment trusts (“REITs”), leveraged buy outs and coins (numismatics).

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management

As of December 31, 2012, we manage \$1,550,000,000 in client assets on a discretionary basis. In addition, we also have significant assets with various TPIAs.

Fees and Compensation

Fees

Fees for the Retirement Services ("Fees") are flexible, and Sponsor may be charged a fee based on a percentage of plan assets, an hourly rate or a flat dollar amount.

For accounts not held at Fidelity Institutional Wealth Services, please refer to the TPIA's ADV for a description of fees and billing processes.

The following Fees may apply (NOTE: ALL FEES ARE NEGOTIABLE):

Fee Type	Fee
Percent of Plan Assets	Maximum of 1%
Hourly Rate	Maximum of \$300 per hour
Flat Fee	Minimum of \$1500; Maximum to be decided on a case by case basis depending on the time, effort, and complexity of the services as disclosed in the Plan Service Agreement.

How Retirement Plan Services Fees May Be Paid

Sponsor may specify whether to pay the Fees directly or may authorize the plan's recordkeeper or custodian to pay SPC from plan assets.

How Asset Based Fees are Calculated

- The Fees for accounts custodied at Fidelity Institutional Wealth Services will be billed monthly in advance. If the fee is not hourly, the initial Fee will be prorated based upon the number of days remaining in the initial monthly period from the date of execution of the Agreement.
- If the Fee is based on a percentage of plan assets, the initial Fee will be based upon the market value of the plan assets at the close of business on the last business day of the initial monthly period.
- Thereafter, the monthly portion of any annual asset-based Fees will be based upon the market value of the plan assets at the close of business on the last business day of the previous calendar month (without adjustment for anticipated withdrawals by plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets.)

Calculation of Prorated Asset Based Fee (Upon Termination)

- If the Agreement is terminated prior to the end of a month, SPC will be entitled to a monthly fee, prorated for the number of days in the month prior to the effective date of termination, and for

asset-based fees, based on the market value of the plan assets at the close of business on the effective date of termination. Client will be entitled to a pro-rata refund of any prepaid monthly fees based upon the number of days remaining in the month of termination.

Sponsors receiving Retirement Plan Services may pay more or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of locations of participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by IAR, the Fees charged may be more or less than those of other similar service provider.

All fees paid to SPC for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by IARs are designed to, among other things, assist the client in determining which Manager(s) are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the Manager, the plan's other service providers and the fees charged by SPC to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

No increase in the Fees will be effective without prior written Notice. While not necessarily related to the Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. SPC might receive payments to subsidize its own training programs. Certain vendors may invite SPC to participate in conferences, online training, or provide it publications that may further its IARs and employees' skills and knowledge. Some may occasionally provide SPC gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

Please refer to the *Advisory Business* section in this Brochure for additional information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

We utilize unaffiliated money market funds as temporary investment vehicles for the cash balances in all investment accounts. In such cases, the overall fees charged on managed account values will include these money market balances. Where permitted by law, in order to provide concise reporting and administration of such money market balances for its clients, our firm, the custodial firm or its affiliate has arrangements with the money market funds to provide advisory, administrative, distribution and/or other services subject to applicable restriction. Where permitted by law, our firm or Clearing Agent or its affiliate receives a fee for these specialized services from the money market fund or its service providers that is in addition to the fees paid by clients under the described programs. For clients that are subject to ERISA or the prohibited transaction provisions of the Internal Revenue Code, applicable law may limit the extent to which such fees may be retained, and may require a fee offset.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. The fees noted herein represent fees for advisory services only. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities as well as any fees associated with particular accounts (e.g. account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage.) These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. A list of transaction related fees is available for review by contacting us at (888) 744-6264. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this Brochure.

Compensation for the Sale of Securities or Other Investment Products

Securities

Associated Persons providing investment advice on behalf of our firm generally are registered representatives with one of our affiliated broker-dealers, Sigma Financial Corporation ("SFC") or Sammons Securities Company, LLC (SSC"), members of FINRA and SIPC. In their capacity as registered representatives, these persons receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products ("mutual funds"). Compensation earned by these persons in their capacities as a registered representative is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. When suitable, we generally recommend no-load mutual funds for advisory accounts. You are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

Insurance

In addition, our affiliates, SFC and SSC, are licensed insurance agencies and some IARs of our firm are also licensed as independent insurance agents and can sell insurance products (i.e. life, health, and long term care products). SFC, SSC and insurance agents will earn commission from selling insurance to our clients. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through SFC, SSC or any person affiliated with our firm.

Performance-Based Fees and Side-By-Side Management

We do not charge performance based fees, however certain TPIAs we recommend may charge performance based fees, which fee we may share in. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. IARs may have an incentive to recommend TPIAs who charge performance based fees over others who do not charge performance based fees. You should refer to the TPIA's disclosure brochure for further information on any performance based fees the TPIA may charge and the conflicts of interest presented.

Types of Clients

We offer investment advisory services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

SPC's Retirement Plan Services are available to clients that are sponsors or other fiduciaries to Plans, including 401(k), 457(b), 403(b), and 401(a) plans. Plans include participant directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA. SPC does not require a minimum asset amount for retirement plan consulting services.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), we acknowledge that we are a fiduciary within the meaning of the Act and the ERISA Client is a named fiduciary with respect to the control or management of the assets in the Account. In each instance, the Client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include us and our principals, agents, and employees under those insured under that bond and will deliver to us a copy of the governing plan documents. If the account assets for which we provide services represents only a portion of the assets of an employee benefit plan, client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

For portfolio management services, we require a minimum account size of \$25,000 for accounts maintained at Fidelity Institutional Wealth Services. In SPC's discretion, we may waive these minimums. We may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

In addition TPIAs may impose their own account minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

IARs work directly with you to evaluate your stated needs and objectives. IARs attempt to measure your stated risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio to best fit the your profile.

Investment strategies may be based upon a number of concepts and determined by the type of client. IARs each provide individualized advisory services to their clients. IARs' investment advisory strategies may range from speculative to conservative, each designed to meet the varying needs of and within the direction set forth by the client. IARs will determine a portfolio best suited to your needs after you have defined your objectives, risk tolerance, and time horizons and you approve the selection.

IARs generally follow a portfolio construction and review process and generally look to the long-term when developing advice and recommendations based upon information provided by you. There are two parts to our portfolio management process: individual security selection, and the asset allocation process.

The IAR will generally start with a review of all investments that may be suitable and then reviews each individual asset class seeking investments that may possess the following characteristics: Peer group relative performance, manager tenure, investment process, investment style, and other performance measures. IARs review these investment characteristics on a periodic basis for changes in investment management personnel, poor performance on a relative basis, and any changes in investment style.

Following a specific security selection, IARs may create allocations to specific asset classes that they believe carry acceptable risk and return characteristics. The IAR will then seek to optimize the allocation among each asset class to an effort to maximize the level of return assuming a certain level of risk for each portfolio. Portfolio models may be utilized which are designed to target specific degrees of investment risk, ranging from conservative to aggressive. IARs generally conduct portfolio reviews on a quarterly basis to ensure adherence to the risk objective for each portfolio. IARs may also utilize asset allocation software and historical performance modeling software.

IARs have access to the SPC home office and that of Sigma Financial Corporation or Sammons Securities Company, LLC, and can consult with the due diligence staff on various investments including mutual funds, limited partnerships, variable annuities, and asset managers.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Charting and Technical Analysis** – Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Technical Analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Fundamental Analysis** – Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may

not result in favorable performance.

- **Cyclical Analysis** – Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.
- **Long Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.
- **Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Options Trading/Writing** - a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

TPIAs will have their own methods of analysis, investment strategies and unique investment risks that you should review and consider before investing.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

You should note that if we effect short term transactions in your account, these transactions might result in short term gains or losses for federal and state tax purposes. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency

is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Plans may make available to Plan participants a number of different types of securities, including mutual funds, collective investment funds, GICs, ETFs, annuity subaccounts or other securities. Each different type of security carries with it risks that are inherent in that specific type of security. Mutual funds, collective investment funds, ETFs and subaccounts may also invest in varying types of securities which carry these risks.

The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options are generally more volatile than prices of other types of securities. When trading in options, you may run the risk of losing the entire investment in a relatively short period of time. In more risky options strategies, an investor could theoretically have an unlimited risk of loss.

All investments involve risk and investment performance can never be predicted or guaranteed. The values of the account will fluctuate (perhaps significantly) due to market conditions, manager performance, and other factors. Using any benchmark or index in connection with the investment management services is no promise that the performance of the plan's particular investments will experience the same results, including the results shown on the various reports that are delivered as part of the Services.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to your IAR immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

SPC and its IARs may use or provide to Sponsor data or information provided by third parties when providing investment management services. While SPC reasonably believes that the information or data is reliable, it does not promise that it is accurate, current or consistently available.

Sponsor is responsible for all the tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a retirement plan receiving the Services.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the “Advisory Business” section in this Brochure, we recommend a variety of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk.

Disciplinary Information

As a fiduciary, SPC is committed to giving our clients full disclosure regarding any disciplinary information relating to the firm or our IARs. An advisory affiliate of SPC, Jerome Rydell, was found to have involved in a violation of the National Association of Securities Dealers’ rules in 2003. Mr. Rydell, acting under the guidance of his attorney, filed a pleading to vacate an arbitration award. The lawsuit was dismissed and Mr. Rydell was fined and suspended from acting in a principal capacity for 10 business days. SPC’s IARs may also have disciplinary information. Please obtain a copy of your IARs Brochure Supplement for more information.

Other Financial Industry Activities and Affiliations

IARs of SPC are generally registered representatives with Sigma Financial Corporation (“SFC”) or Sammons Securities Company, LLC (“SSC”) which are affiliated broker-dealers. Affiliates of SPC may provide securities brokerage, recordkeeping or other Retirement Plan Services to plans and receive variable compensation for investment management and Retirement Plan Services. A conflict of interest may arise where SPC recommends the Retirement Plan Services of those affiliates.

SPC, our employees, and our independent contractor IARs benefit from the compensation paid to us, and may directly or indirectly receive a portion of the fees and other compensation paid by Retirement Plan Services clients. Those clients may also use other products or Retirement Plan Services available from or through us and in such case pay additional compensation. This practice creates a potential conflict of interest that may give us and our IARs an incentive to recommend advisory Retirement Plan Services based on the compensation received.

If the client desires instead to engage IAR to provide brokerage services acting as a registered representative of an SPC affiliate and IAR will receive brokerage-related compensation for those services, such as commissions and/or trail fees. Affiliated broker/dealers of SPC provide information regarding such brokerage compensation at the time of a brokerage transaction. When considering whether to implement a recommendation through IAR and SPC, clients should discuss with the IAR how SPC and IAR will be compensated. Additionally, fees and commissions may also be higher for some brokerage products, services or Retirement Plan Services, and the remuneration and profitability to us, our IARs and affiliates resulting from transactions involving some accounts may be greater than the remuneration and profitability resulting from other advisory accounts, products or Retirement Plan Services.

We address these conflicts through disclosure in this ADV and additional disclosures concerning compensation we may receive, directly or indirectly. We will also offset or refund additional compensation when required by law. Moreover, we have adopted policies and procedures to address the suitability of

investments and strategies offered to you.

It is important to note that clients are under no obligation to grant SPC and its IARs investment discretion. Clients should understand that the investment products, securities and services that an IAR may select as part of Retirement Plan Services are available to be purchased through broker-dealers, investment advisors or other investment firms not affiliated with SPC.

Client should understand that SPC and its IARs may perform advisory and/or brokerage services for various other clients, and that SPC and its IARs may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for a client may also be different.

SFC and SSC are also licensed as insurance agencies. Some IARs of our firm are also licensed insurance agents. SFC, SSC and IARs, acting in their capacity as insurance agents, will earn commission-based compensation for selling insurance products. Insurance commissions are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Some IARs may also own their own accounting firm, law firm and/or independent Registered Investment Adviser. For clients in need of accounting, legal or other advisory services, IARs will recommend that clients retain these entities for such services. The fees for such services are separate and apart from the advisory fees charged by SPC. You are under no obligation to use any IARs' affiliated entity and may use the service provider of your choice.

We may recommend that you use a third party adviser ("TPIA") based on your needs and suitability. We may receive compensation from the TPIA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPIA we recommend.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting the SPC Advisory Services Department at (888) 744-6264 or spcinfo@bdops.com.

Agency Cross Transactions

We may execute purchase and sale transaction between two clients (referred to as “agency cross transactions”), provided such transactions comply with these procedures and Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended. We may have a conflicting duty of loyalty to both of the clients for whom we conduct agency cross transactions and our affiliated broker-dealers, Sigma Financial Corporation or Sammons Securities Company LLC may earn commissions in connection with agency cross transactions. We have adopted agency cross transaction procedures that are designed to promote fairness among the client accounts managed by us and to conform to applicable regulatory principles. We will only conduct agency cross transactions if a client has consented in advance to the conduct of such transactions, either in the client’s account agreement or in a separate written consent. Each agency cross transaction shall be effected at the independent current market price of the security. We will send to both clients participating in the agency cross transaction a written confirmation at or before the completion of each transaction containing: (i) a statement of the nature of such transaction; (ii) the date such transaction took place; (iii) an offer to furnish upon request, the time when such transaction took place; and (iv) the source and amount of any compensation or other remuneration received or to be received by us or our affiliates. We will also send an annual summary of all agency cross transactions. A client's written consent authorizing us to effect agency cross transactions on his or her behalf may be revoked at any time by the client by means of written notice.

Personal Trading Practices

IARs and other Associated Persons may buy or sell the same securities for you at the same time we or persons associated with our firm buy or sell such securities for our own accounts. We may also combine our orders to purchase securities with your orders to purchase securities (“block trading”). Please refer to the “Brokerage Practices” section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that we shall not have priority over your account in the purchase or sale of securities.

Brokerage Practices

As discussed herein, certain IARs in their respective individual capacities may be registered representatives of Sigma Financial Corporation (“SFC”) or Sammons Securities Company (“SSC”) (“dually registered”). The dually registered IARs are subject to FINRA’s Rule 3040, which restricts registered representatives from conducting securities transactions away from their broker-dealer unless the broker-dealer provides written consent. Therefore, clients are advised that dually registered IARs may be restricted to conducting securities transactions through Sigma Financial Corporation or Sammons Securities Company unless they first secure written consent to execute securities transactions through a different broker-dealer. Absent such written consent or separation from their broker-dealer, these IARs are prohibited from executing securities transactions through any broker-dealer other than Sigma Financial Corporation or Sammons Securities Company under each entity’s internal supervisory policies. The information contained in the paragraph is not applicable to IARs who do not hold a dual registration.

Financial planning and consulting clients can use any brokerage firm of their choice to implement any advice. However, because our firm is related to and our IARs are registered representatives with SFC or SSC if you freely choose to implement our advice through us, we will use SFC or SSC for securities transactions.

Brokerage Firm and Custodial Choices

Financial planning and consulting clients can use any brokerage firm of their choice to implement any advice. However, because our firm is related to and our IARs may be registered representatives with SFC or SSC, if you freely choose to implement our advice through us, we will use SFC or SSC for securities transactions.

In recommending broker-dealers for custodial services, we consider the following:

- Quality of overall execution services provided;
- Promptness of execution;
- Creditworthiness, financial condition, and business reputation;
- Research (if any) provided;
- Promptness and accuracy of reports on execution;
- Ability and willingness to correct errors;
- Promptness and accuracy of confirmation statements;
- Ability to access various market centers;
- The broker-dealer's facilities and technology;
- The market where the security trades;
- Any expertise in executing trades for the particular type of security;
- Commission charged;
- Reliability of the broker-dealer;
- Ability to use ECNs to gain liquidity, price improvement, lower commission rates and anonymity;
- Execution and operational capabilities of the broker-dealer.

Clients may pay commissions that are higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions.

You should evaluate these custodians before opening an account. While it is possible that you may pay higher commissions or transaction fees through our recommended custodians, we have determined they currently offers the best overall value for the commissions charged.

SPC has an arrangement with National Financial Services, LLC and Fidelity Brokerage Services, LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides SPC and its IARs with services and other benefits to help them conduct their business and serve you. SPC is independently owned and operated, and is not affiliated with Fidelity. National Financial Services, LLC is also the clearing firm utilized by SFC and SSC. SPC is required to disclose products, services, and other assistance it receives that may not directly benefit your account or may cause conflicts of interest for your IAR.

Fidelity may pay for or provide SPC with technology platforms or other software to access Fidelity's brokerage system and streamline our operations. These systems aid SPC in providing service to your accounts and includes software that makes available client account data, facilitates trade execution, allocates aggregated trade orders, facilitates payment of fees from client accounts, and assists with back office functions such as recordkeeping and client reporting.

Fidelity also offers other services intended to help SPC manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom SPC may contract directly. Fidelity provides investment research to help your IAR make well-informed investment decisions for your account. Fidelity may assist SPC in marketing activities, which could include providing marketing materials, co-sponsoring events, or engaging in joint marketing programs. They may assist your IAR in joining the Fidelity platform, and in some cases, paying account transfer fees or other charges you or other clients may have to pay when changing custodians or service providers.

On occasion, Fidelity may make direct payments to SPC for items such as reimbursing SPC or your IAR for reasonable travel expenses incurred when assessing their business practices and operations. They also may pay SPC for performing certain back office, administrative, custodial support and clerical services for them in connection with client accounts custodied with them. These payments may create an incentive for your IAR to favor certain types of investments over others.

The services described above, as well as other services Fidelity may provide to SPC, are often provided to SPC for free, or at a discount. The terms of these agreements between Fidelity and SPC may be better or worse than the terms offered to other advisors, and may depend on the type or amount of business SPC and our clients conduct with Fidelity. Other factors may be considered as well, including the amount of assets in accounts with Fidelity within a certain timeframe. Your IAR may be motivated by these factors when recommending Fidelity accounts to you. It is possible that some or all of the products and services Fidelity offers to SPC may not directly benefit your account.

SPC and Fidelity have established pricing on commissions, account transactions, and other service fees for accounts SPC custodies at Fidelity. This pricing was agreed upon based on the current and expected type and amount of business SPC does with Fidelity. Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Additional Compensation

We have written or verbal arrangements whereby we receive soft dollars. We may receive certain added benefits for utilizing the recommended custodians such as research, the ability to deduct advisory fees from clients' custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general research received is used for the benefit of all clients. Other soft dollar benefits are available to all representatives of SPC and can be used with any or all

clients at their discretion. The value of products, research and services provided by the custodian if any, is negligible and not a material factor, however, the use of client commissions benefits us because we do not have to create or pay for any such research, products, or services.

We may also receive from Fidelity, without cost to us, computer software, and related systems support, which allow us to better monitor client accounts maintained at these firms. We may receive the software and related support without cost because we render portfolio management services to clients that maintain assets at Fidelity. The software and related systems support may benefit us, but not our clients directly. We endeavor at all times to put the interests of our clients first. Clients should be aware; however, that our receipt of economic benefits from broker-dealers creates a conflict of interest since these benefits may influence our choice of broker-dealer over other broker-dealers that do not furnish similar software, systems support, or services and may cause clients to pay higher commissions than those charged by other broker-dealers. Additionally, we may receive the following benefits from Fidelity: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Block Trading

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time ("block trade" or "aggregate"). We may (but are not obligated to) aggregate such orders to obtain best execution, to obtain more favorable commission rates, or to allocate equitably among client's, differences in prices and commissions or other transaction costs, that might have been obtained had such orders been placed independently. If orders are aggregated under this procedure, we will distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts

owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

In the event we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will not keep the profit as it will be maintained by the broker-dealer custodian or by our firm.

Review of Accounts

Portfolio Management

IARs monitor portfolio management accounts on an ongoing basis and conduct internal reviews no less than quarterly but may occur more frequently based upon individual circumstances and the nature and/or complexity of the portfolio. Internal reviews may also occur as a result of market conditions, based on significant new deposits or withdrawals, at your request or as otherwise determined by the IAR. We request that clients meet with their IAR at least annually to ensure the investment plan/strategies continue to be aligned with the clients' stated individual needs, goals, objectives, time horizon and risk tolerance. However, clients are obligated to promptly inform us of any change in their financial condition or circumstances.

Clients engaging us for portfolio management services must play an active role. We require you to participate in the formation of the investment plan and investment advice and recommendations. During the course of the engagement, you may call your IAR to discuss your portfolio or ask questions, but we recommend that you meet with your IAR no less than annually.

You will receive monthly or quarterly statements from your account custodian(s). Additionally, we provide portfolio management clients with quarterly portfolio reports which detail the performance of the account and other information.

Financial Planning and Consulting Services

Financial planning and consulting services are generally not ongoing in nature and therefore we do not provide reviews or follow-up services unless specifically outlined in the Service Agreement. Consultation and financial planning services terminate upon the delivery of services or as otherwise stated in the Client Agreement. While the advice may include the recommendation for a review or follow-up services, it is your responsibility to secure additional or follow-up services.

Client Referrals and Other Compensation

Referral Program

From time to time we may compensate certain individuals for referring clients to our firm. We may compensate certain approved and licensed professionals for referrals of clients. These professionals generally include Certified Public Accountants, Enrolled Agents before the IRS, and attorneys (Solicitors). In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdiction in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become

a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements.

Other Compensation

As disclosed under the “Fees and Compensation” section in this Brochure, our affiliates, Sigma Financial Corporation (“SFC”) and Sammons Securities Company, LLC (“SSC”) are licensed insurance agencies and registered broker-dealers. Also, persons providing investment advice on behalf of our firm may be licensed insurance agents, and are registered representatives with SFC or SSC. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the “Fees and Compensation” and “Other Financial Industry Activities and Affiliations” section.

Custody

We directly debit your account(s) for the payment of our advisory fees for accounts custodied at Fidelity Institutional Wealth Services. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review those statements and you should compare the account statement received from the custodian with any statements/reports you receive from us.

If your account is custodied by a TPIA, please refer to the TPIA’s ADV Part 2A Brochure for disclosures regarding their custody information.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact the SPC Department, at (888) 744-6264 or spcinfo@bdops.com.

Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement. By signing our discretionary management agreement, you grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

However, our investment authority may be subject to specified conditions you impose. For example, you may specify that the investment in any particular industry should not exceed specified percentages of the value of the portfolio. Such restrictions/guidelines may affect the composition and performance of your portfolio and/or our ability to meet your investment objectives.

Voting Client Securities

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require or solicit the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.