

# **GARY GOLDBERG PLANNING SERVICES, INC.**

## **WRAP FEE PROGRAM DISCLOSURE BROCHURE**

OCTOBER 28, 2013

FORM ADV

### **PART 2A – APPENDIX I**

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This wrap fee program brochure provides information about the qualifications and business practices of Gary Goldberg Planning Services, Inc. If you have any questions about the contents of this brochure, please contact us at:

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75 Montebello Road  
Suffern, NY 10901  
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(845) 368-2900

Visit our Web Site: [www.ggfs.com](http://www.ggfs.com)

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.

The use of the term “Registered Investment Advisor” does not imply a certain level of skill or training.

Additional information about Gary Goldberg Planning Services, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amend the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated October 1, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and contains certain new information that our previous brochure did not.

In the future, this Item will discuss only specific material changes that are made to the Brochure and we will provide clients with a summary of such changes. We will also reference the date of the last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to the new SEC Rules we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We will also provide other ongoing disclosure information about material changes as necessary, without charge.

We will provide you with a new Brochure as necessary based on changes or significant new information, at any time, without charge. You may also request a copy of this brochure by contacting us at (845) 368-2900 or [info@garygoldberg.com](mailto:info@garygoldberg.com). You may also download a copy of our Brochure from our web site at [www.ggfs.com](http://www.ggfs.com), free of charge.

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## **Item 4 – Services, Fees, and Compensation**

### **A. Services, Fees, and Compensation**

Gary Goldberg Planning Services, Inc. (hereinafter “GGPS”) is an SEC-registered investment adviser with our principal place of business located in Suffern, NY. GGPS was founded in 1973.

GGPS acts as sponsor and investment manager to the Wrap Fee Programs described below. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which includes portfolio management and the execution of client transactions.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services offered by our firm and the fees charged for those services, clients should refer to our Form ADV Part 2: Firm Brochure.

You may obtain a copy of our Firm Brochure by contacting us at 845-368-2900.

#### ***Select Trac Mutual Fund Program***

In the Select Trac Mutual Fund Program (the “MF Program”), GGPS manages client accounts on a discretionary basis through asset allocation and investment strategies developed by GGPS primarily using no-load mutual funds or front-end load funds purchased at NAV. In certain circumstances, GGPS may fulfill one or more asset classes by purchasing an exchange-traded fund or other securities instead of by purchasing a mutual fund. GGPS, through its representative, will assist the client in selecting a Program strategy that is suitable for the client, based on information provided by the client regarding the client's investment goals, objectives, risk tolerance, and investment time horizon. Strategies include Growth, Moderate Growth, Balanced Growth, and Starter Portfolio. Additional strategies may be developed based on clients' needs and objectives.

Upon selection of an appropriate strategy, the client's account will be invested in a portfolio of no-load mutual funds and front-end load mutual funds purchased at NAV (and potentially other types of securities) that reflects the strategy designated by the client. GGPS will continuously manage the client's account to ensure that it reflects the designated strategy. As a discretionary program, GGPS will generally implement purchases, sales, and other transactions with respect to the assets in the client's account without client's prior knowledge or consent.

Generally, client accounts in the MF Program will hold only the investments purchased by GGPS as part of the designated strategy, and clients will not be permitted to hold other securities in the MF Program account. However, in certain limited circumstances, MF Program clients may be permitted to transfer into their MF Program account certain stocks, bonds, or other securities that were purchased outside of the account that are not part of the selected MF Program strategy (“Non-Strategy Assets”). Clients will be permitted to trade the Non-Strategy Assets without commissions or other transaction charges. In general, GGPS will manage the account so that Non-Strategy Assets are liquidated over time and the proceeds invested according to the selected strategy.

Non-Strategy Assets will not be subject to the Program Fee until NFS receives such assets in good form and they have been deposited or settled into the client's MF Program account. In the event that GGPS determines that it is inappropriate, impractical, or otherwise undesirable for any Non-Strategy Assets to be held (or to be continued to be held) in the client's MF Program account, GGPS may require the client to transfer the Non-Strategy Asset out of the Program account, at the client's expense, which may include commissions or other transaction costs.

For smaller accounts (generally between \$10,000 and \$50,000), GGPS offers a variant of the MF Program called the Diversified Growth Portfolio. It will contain a more limited number of funds than the regular MP Program.

#### ***Select Trac ETF Program***

In the Select Trac ETF Program (the “ETF Program”), GGPS manages client accounts on a discretionary basis through asset allocation and investment strategies developed by GGPS primarily using exchange-traded funds

(“ETFs”). In addition to adhering to the firm’s normal investment process, the ETF program also includes a tactical overlay strategy to help reduce the impact of a prolonged market correction. As with any investment strategy there are no guarantees of the strategy working as intended and as such the use of the tactical overlay may adversely impact performance.

In certain circumstances, GGPS may fulfill one or more asset classes by purchasing other securities instead of by purchasing an exchange-traded fund. GGPS, through its representative, will assist the client to select an ETF Program strategy that is suitable for the client, based on the client’s investment goals, objectives, risk tolerance, and investment time horizon. Strategies include Growth, Moderate Growth, and Balanced Growth. Additional strategies may be developed based on clients’ needs and objectives.

Upon selection of an appropriate strategy, the client’s account will be invested in a portfolio of ETFs (and potentially other types of securities) that reflects the strategy selected by the client. GGPS will continuously manage the client’s account to ensure that it reflects the designated strategy. As a discretionary program, GGPS will generally implement purchases, sales, and other transactions with respect to the assets in the client’s account without client’s prior knowledge or consent.

Generally, client accounts in the ETF Program will hold only the investments purchased by GGPS as part of the designated strategy, and clients will not be permitted to hold other securities in the ETF Program account. However, in certain limited circumstances, clients may be permitted to transfer into their ETF Program account certain stocks, bonds, or other securities that were purchased outside of the account that are not part of the selected ETF Program strategy (“Non-Strategy Assets”). Clients will be permitted to trade the Non-Strategy Assets without commissions or other transaction charges. In general, GGPS will manage the account so that Non-Strategy Assets are liquidated over time and the proceeds invested according to the selected strategy.

Non-Strategy Assets will not be subject to the ETF Program Fee until NFS receives such assets in good form and they have been deposited or settled into the client’s ETF Program account. In the event that GGPS determines that it is inappropriate, impractical, or otherwise undesirable for any Non-Strategy Assets to be held (or to be continued to be held) in the client’s ETF Program account, GGPS may require the client to transfer the Non-Strategy Asset out of the ETF Program account, at the client’s expense, which may include commissions or other transaction costs.

***Fees – Select Trac Mutual Fund and Select Trac ETF Program***

Clients in the Programs pay GGPS a quarterly asset-based fee for investment advisory services provided by GGPS and trade execution and custody services provided by GGC and NFS. The fee is based on a percentage of the assets in the account, as follows (subject to any special arrangement negotiated with a particular client):

<u>Assets in Account</u>	<u>Annual Fee as Percentage of Account Assets</u>
Up to \$100,000	1.875%
Up to \$350,000	1.75%
Up to \$650,000	1.50%
Up to \$1,000,000	1.25%
Over \$1,000,000	1.00%

This linear fee structure will result in a blended rate on all assets managed by GGPS in any of its asset management programs excluding assets managed in the Fund Trac Variable Managed Annuity Program. Assets in a brokerage accounts with GGC are also excluded.

In certain circumstances, GGPS may agree to negotiate its fees. GGPS may charge different clients receiving the same services different fees. The fee schedule included in the Brochure is the firm's basic fee schedules generally charged to clients absent negotiable circumstances.

### ***Other Costs; Billing Practices***

The Program Fees are debited by the custodian on a quarterly basis in advance, based on the average daily balance in the client account during the preceding quarter. The average daily balance in the client's account will include any Non-Strategy Assets.

The Program Fee for the first period is debited at the beginning of the first full month the account is open, and is based on the average daily balance for the period the account has been open. Program Fees are prorated for any partial period. In the event of advisory agreement termination, the Adviser will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

The Program Fee does not include certain administrative fees charged by NFS, such as fees for wire transfers or certificate issues, IRA account fees, account closing fees or mail expenses.

Securities transactions effected for the client accounts in the ETF Program may also include mark-ups, mark-downs, or dealer spreads to market makers or other principals from whom ETFs were obtained by the broker dealer. These mark-ups, mark-downs, or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to the client's account.

### ***Changes to Program Fee***

The amount of the Program Fee will continue until 30 days after GGPS has notified client in writing of any change in the amount of the Program Fee. As of the end of such 30-day period, the new fee will become effective unless client terminates the client agreement.

### ***Terminations & Refunds***

A client agreement may be canceled at any time, by either party, for any reason, upon prior written notice to the other party, as provided in the client agreement. Upon termination of the client agreement, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate the client agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of all or substantially all of the assets from the account or the termination of the account, customary commissions and other expenses associated with liquidating or transferring the account will be charged to the client.

## **B. Comparative Costs**

Clients should be aware that lower fees for comparable services may be available from other advisers.

All fees paid to GGPS are separate and distinct from the internal fees and expenses charged by mutual funds or ETFs to their shareholders.

These fees and expenses are described in each fund's or ETF's prospectus or summary disclosure document. These fees will generally include a management fee, other internal expenses, and a possible distribution fee. Clients should also understand that shares of certain mutual funds offered in these programs may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions generally made within short periods of time. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest.

A client could invest in mutual funds or ETFs directly, without the services of GGPS. In that case, the client would not receive the services provided by GGPS which are designed, among other things, to assist the client in determining which mutual funds or ETFs are appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by Adviser to fully understand the total amount of fees to be paid by the client and evaluate the advisory services being provided.

In addition, the amount of compensation received by GGPS as a result of the client's participation in the Program may be more than what GGPS would receive if the client paid separately for investment advice, brokerage, custody

and other services. Therefore, GGPS and its representatives may have a financial incentive to recommend the Program over other advisory programs or services.

### **C. Additional Fees**

Client has directed that GGPS direct all transactions involving the Program accounts to its affiliated broker-dealer, GGCo, and its clearing firm, NFS. GGCo may receive 12b-1 fees or other distribution or marketing fees from mutual funds in which the client's account is invested. In view of the availability of such payments to its affiliate, GGPS has a conflict of interest in recommending such funds.

### **D. General Fee Issues**

GGPS shares the fees it collects with the applicable GGPS representative, GGCo and NFS. The GGPS representative recommending one of the Programs to the client receives compensation as a result of the client's participation in the Program. This compensation may be more than what the representative would receive if the client participates in other program or paid separately for investment advice, brokerage, and other services. Thus, the representative may have a financial incentive to recommend the Program over other programs or services.

Clients should understand that GGPS has a conflict of interest in recommending its affiliated broker-dealer and in recommending the associated services of GGCo's clearing firm. As GGCo processes more accounts and transactions through NFS, it will be able to use these transactions to meet its minimum monthly clearing fees. This provides a benefit to GGCo, even if no additional commissions are charged. In addition, GGCo receives other fees from NFS, such as rebates on money market or margin account balances, based on accounts and balances carried with NFS. Also, as described elsewhere, to the extent GGCo executes commissionable transactions for advisory clients of GGPS, the firm has a strong incentive to earn additional revenue by encouraging GGPS to refer advisory clients to GGCo.

GGPS recommends the services of GGCo and its clearing broker, NFS, to effect securities trades and to perform related functions, such as clearance, settlement, and custody. This recommendation is based largely on the fact that GGCo is a GGPS affiliate and the firm is therefore able to achieve greater operational efficiency and economies of scale. GGPS also believes that this recommendation is in the best interests of its clients as the affiliation permits discounted commission rates; a comprehensive execution and account servicing platform; experience with and familiarity with NFS's system by GGPS associates and employees; and GGPS's generally high opinion of NFS's customer service.

Other considerations are the technological access to NFS available to GGCo and GGPS. GGPS also believes that customers are well-served by NFS's ability to custody a wide range of assets. GGPS, through GGCo, receives some research services from NFS. Such information may be used to service all of the firm's advisory accounts, without regard to whether a particular client actually holds an account with NFS.

GGPS or GGCo may purchase through NFS, or through independent companies, computer equipment and/or real-time computer data to facilitate sending and receiving account information. NFS may periodically make available vendor discounts on computer equipment, conferences, and software, to firms clearing through NFS.

GGCo's and NFS's execution services and procedures are designed to obtain the best execution possible under the circumstances then existing, but with respect to any particular client order there can be no assurance that best execution will be obtained. Clients should consider whether or not the appointment of GGCo and NFS as the sole broker-dealers for the client's Program account may or may not result in less favorable executions than client might receive from other broker-dealers. In directing the use of GGCo and NFS, it should be understood that GGPS will not have authority to negotiate commissions among various brokers, nor will it be able to direct client orders to brokers who might offer price improvements. Consequently, best execution may not be achieved.

Depending on the amount of the fee charged by GGPS, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the Program, and other factors, the fee for either the MF Program or the ETF Program may exceed the total cost of such services if they were to be provided separately and if GGPS were to negotiate commissions and seek best price and execution of transactions.

## **Item 5 – Account Requirements and Types of Clients**

The minimum account size for the standard MF program and for the ETF program is \$50,000. Exceptions will be permitted at the discretion of GGPS. In both programs, a minimum annual fee of \$875.00 applies, but may be waived by the firm. The firm also has a mutual fund program called the Diversified Growth Portfolio for accounts between \$10,000 and \$50,000. In that program, the minimum annual fee does not apply.

GGPS clients are primarily retirement age individuals in the “mass affluent” category, i.e., individuals with \$100,000 to \$2,500,000 of liquid financial assets. GGPS also has pension/profit sharing plans, charitable organizations, and corporations as clients.

## **Item 6 – Portfolio Manager Selection and Evaluation.**

### **A. Portfolio Manager Selection**

All portfolios are managed by the firm’s investment committee. The committee is made up of 5 seasoned investment professionals with a combined 115 years of investment experience.

Gary M. Goldberg, Founder, CEO, and Board Chairman of GGPS, determines the overall investment policies with regard to advice given to clients of GGPS. Mr. Goldberg was born in 1940. He obtained a Bachelor of Arts in Liberal Arts from Bard College in 1961. He attended Brooklyn Law School for 1-1/2 years. Mr. Goldberg also serves as CEO and Board Chairman of GGPS’s parent and affiliated broker/dealer, GGCo.

Oliver Pursche received a degree in Business Communications from Bentley College. Mr. Pursche was born in 1970. He has been in the financial services industry for over 14 years. Mr. Pursche currently serves as President for GGCo and GGPS.

Peter Dedel is a graduate of Lehigh University, attended Wesleyan and holds two graduate degrees from Columbia. Mr. Dedel was born in 1948. He has been with GGCo since 1979, and is the Vice President, Portfolio Manager for GGPS.

William Krivicich earned his Bachelor of Science degree in Finance from the State University of New York at New Paltz. Mr. Krivicich was born in 1968. He joined the firm in 1997. Mr. Krivicich currently serves as GGPS’s Chief Investment Officer and holds the designation of Chartered Financial Analyst.

Richard Kersting earned his Bachelor’s degree in Finance and Economics from the State University of New York at Albany. Mr. Kersting was born in 1965. He has been in the financial services industry for over 19 years and joined the firm in 2005. Mr. Kersting currently serves as Senior Vice President, Investment Consultant.

### **B. Methods of Analysis, Sources of Information, and Investment Strategies**

The mutual funds and ETFs selected by GGPS will be chosen on the basis of any or all of the following criteria: the investment’s performance history; the industry sector in which the fund or ETF invests; the track record of the fund’s or ETF’s manager; the fund’s or ETF’s investment objectives, management style and philosophy, and management fee structure. GGPS utilizes several data resources in gathering pertinent investment information, including financial newspapers and magazines, research materials and reports, corporate rating services, annual reports, prospectuses, and SEC filings. Research services are also used for some strategies from time to time.

We use the following methods of analysis to determine which securities to buy, sell or hold:

**Fundamental analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the



company itself) to determine if the company is underpriced (indication it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Computer software: We use computerized financial planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of technical data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance.

A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications

that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Using these techniques as appropriate for the designated strategy under circumstances then existing, mutual funds and ETFs will be continuously monitored and evaluated relative to market and industry conditions. Portfolio weighting between funds or ETFs and market sectors will be determined according to the specific objectives of the designated strategy.

Clients will have the opportunity to place reasonable restrictions on the investments which will be made on the client's behalf. Clients will retain individual ownership of all securities in their Program account. GGPS may use money market mutual funds to "sweep" unused cash balances until they can be appropriately invested.

Client should be aware that losses may be incurred through mutual fund or ETF investments. GGPS makes no guarantees as to account performance. Past performance is not indicative of or a guarantee of future results. GGPS does not make any representation or guarantee that the Programs' strategies will be successful. Clients could lose money in the Programs.

Mutual funds and ETFs are obligated to distribute portfolio gains to shareholders by year-end. These gains may be generated due to index rebalancing or to meet diversification requirements. ETF trading can generate tax consequences and transaction expenses. Certain traditional mutual funds can be tax inefficient.

GGPS may enter into sub-advisory agreements with other advisors to create portfolio models. Under these agreements, the sub-advisor renders impersonal advice to GGPS. This advice is in accordance with information from GGPS concerning a portfolio model's goals and objectives, as well as any special instructions or limits. The sub-advisor will also provide wholesaling, marketing and sales support services to GGPS and its associates. The sub-advisor provides GGPS with ongoing economic analysis, portfolio design, model design, and securities selection. GGPS, and not the sub-advisor, is responsible for determining whether a given model is appropriate for GGPS clients, as well as for actually implementing the impersonal advice rendered by the sub-advisor to GGPS.

GGPS' Investment Advisory Agreement will contain language whereby Client directs the advisor to accept on client's behalf copies of the prospectus for any investments purchased by the advisor for the client's account, and will provide that such language will serve as evidence to third parties of advisor's authority to receive prospectuses on client's behalf. The Agreement will provide that advisor will furnish copies of such prospectuses to client upon client's written request.

## **Item 7 – Client Information Provided to Portfolio Managers.**

Members of the GGPS investment committee will review the designated strategy on an ongoing basis, and may make changes in the asset allocation among the funds or ETFs in their discretion. Accounts will be reviewed on a regular basis by the representative assigned to client's account. The representative will contact the client at least annually to discuss the Program account, to determine if there have been any changes in the client's personal or financial situation, investment objectives, risk tolerance, or investment time horizon, and whether the client wishes to impose any new restriction or modify any existing restriction with respect to the Program account. Client will also receive monthly or quarterly statements from NFS reflecting all holdings, positions, and activity in the Program account.

## **Item 8 – Client Contact with Portfolio Managers**

Client's principal contact with GGPS will be through the representative assigned to the client's account, and through the reports GGPS provides. Clients will not generally have access to the Investment Committee which manages the strategies for each Program.

## **Item 9 – Additional Information**

### **A. Disciplinary Information**

GGPS is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of the Advisor's advisory business or the integrity of the Advisor's management. GGPS and its management personnel have no reportable disciplinary events to disclose.

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

#### ***Related Broker/Dealer***

GGPS is a subsidiary of GGCo, a broker/dealer registered with the Securities and Exchange Commission and a member of FINRA. GGCo and its registered representatives may receive compensation in the form of commissions and 12b-1 fees for securities products sold through the broker/dealer, as well as other economic benefits describe in other sections of this Brochure. The recommendation by GGPS of products or services for which its affiliate will receive compensation or other economic benefits constitutes a conflict of interest. Certain Program clients also may maintain brokerage accounts at GGCo for which GGPS does not act in an advisory capacity. GGPS Representatives are generally also broker-dealer representatives of GGCo. The payment of commissions in these brokerage accounts is negotiated on an entirely separate basis from the payment of fees in the Programs.

GGCo, parent of GGPS, acts as an insurance agency. Certain GGPS representatives are licensed insurance agents associated with insurance companies. Such representatives provide clients of GGPS with the opportunity to obtain various insurance products for which the representatives receive separate commissions from the insurance company offering the product. Products sold through insurance agencies pay a commission to the firm and the representative. GGPS and its associates have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations, or may choose to implement those recommendations through channels unaffiliated with GGPS.

#### ***Other Investment Advisor***

Certain employees of GGPS are members of Montebello Partners LLC, ("MPLLC") a Delaware Limited Liability Company and an Investment Advisory Firm registered with the Securities and Exchange Commission. MPLLC manages a mutual fund called the GMG Defensive Beta Fund, which will be used in most or all of GGPS programs. Clients will pay, and MPLLC will receive, a separate management fee from GMG Defensive Beta Fund.

#### ***Related Insurance Company or Agency***

GGCo, parent of GGPS, acts as an insurance agency. Products sold through this agency pay a commission to the firm and the representative. GGPS and its associates have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations, or may choose to implement those recommendations through channels unaffiliated with GGPS.

Certain employees of GGPS are members of Legacy Benefit Assurance, LLC, ("Legacy") a Delaware Limited Liability Company that is a New York licensed health, life, property, and casualty insurance company. Legacy does not sell financial instruments, but may sell other insurance products including life insurance and long term care insurance to clients of GGPS. No compensation will be transferred between GGPS and Legacy.

#### ***Related Law Firm***

Arnold E. Reiter, Esq. of the firm Reiter and Zipern is a member of the Board of Directors of GGPS and its parent, GGCo.

### ***GGPS Preferred Stock or Promissory Notes***

Certain clients of GGPS hold previously issued shares of GGPS preferred stock or promissory notes issued by GGPS's CEO. These preferred shares and notes were sold through GGCo as placement agent. These securities are no longer offered to current or prospective clients of GGPS; nor are the sale of such securities recommended by GGPS. The business and financial interests of GGPS and its CEO, as issuers of these securities and in their dealings as affiliates with each other, may differ from the interests of holders of these securities in receiving an investment return; thus there is the potential that actions may be taken which could operate to the disadvantage of such securities holders.

### **C. Code of Ethics**

#### ***General***

GGPS has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. GGPS's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth GGPS' practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with GGPS may buy or sell securities for their personal accounts identical to or different than those recommended to clients.

It is expressed policy of GGPS that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. All purchases are subject to holding period pursuant to the firm's policies and procedures.

To supervise compliance with its Code of Ethics, GGPS requires that individuals associated with our firm who have access to non-public information regarding advisory recommendations or transactions to advisory client accounts provide annual securities holdings reports and monthly statements (or quarterly, if no monthly statement is generated) to the firm's Chief Compliance Officer. GGPS requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

GGPS will provide a complete copy of its Code of Ethics to any client upon written request to the Chief Compliance Officer at GGPS's principal address.

#### ***Principal and Agency Cross Transactions***

GGPS is a subsidiary of GGCo, a registered broker/dealer. GGCo and its president, Gary M. Goldberg (who is also the president of GGPS), may buy securities for itself as principal from, or sell securities to, any client of GGPS who may also have a brokerage account with GGCo. GGCo will generally not execute principal transactions with clients in Program accounts. However, in accordance with applicable law and regulation, GGCo may on rare occasions execute principal trades for Program accounts. In addition, GGCo will generally not execute "agency-cross" transactions (i.e., transactions for which GGCo acts as broker for both the client and the counterparty to the transaction). However, GGCo may on rare occasions execute agency-cross transactions for Program accounts in accordance with applicable law and regulations. Because GGCo may receive compensation from the other party to such transaction, GGCo may have a potentially conflicting division of loyalties and responsibilities in effecting agency-cross transactions. Clients who have authorized such transactions may revoke this authorization at any time by written notice to GGCo.

#### ***Insider Information***

GGPS requires that all individuals act in accordance with all applicable Federal securities laws. GGPS's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

### **D. Participation or Interest in Client Transactions**

As noted above, GGPS is a subsidiary of GGCo, a registered broker/dealer. GGCo and its CEO, Gary M. Goldberg (who is also the CEO of GGPS), may buy securities for itself as principal from, or sell securities to, any client of

GGPS who may also have a brokerage account with GGCo. Additionally, GGCo may effect for compensation securities transactions on behalf of such clients of GGPS.

GGCo and its CEO, Gary M. Goldberg (who is also the CEO of GGPS), may buy securities for itself as principal from, or sell securities to, any client of GGPS who may also have a brokerage account with GGCo. GGCo will generally not execute principal transactions with clients in advisory accounts. However, in accordance with applicable law and regulation, GGCo may on rare occasions execute principal trades for advisory accounts. In addition, GGCo will generally not execute “agency-cross” transactions (i.e., transactions for which GGCo acts as broker for both the client and the counterparty to the transaction). However, GGCo may on rare occasions execute agency-cross transactions for advisory accounts in accordance with applicable law and regulations. Because GGCo may receive compensation from the other party to such transaction, GGCo may have a potentially conflicting division of loyalties and responsibilities in effecting agency-cross transactions. Clients who have authorized such transactions may revoke this authorization at any time by written notice to GGCo.

All of these situations may create a conflict of interest. To assist GGPS in fulfilling its fiduciary responsibilities, it has adopted procedures intended to foster implementation of the following:

1. No person associated with GGPS may buy or sell securities for their personal portfolio(s) if the decision to do so is based in whole or in part on information obtained through the association with GGPS, unless the information is reasonably available to the investing public.
2. Associated persons of GGPS who have access to recommendations provide duplicate statements of their investment accounts to the company’s compliance department. An officer, or his designee, reviews the statements.
3. Disclosure is made to all clients that associated persons of GGPS may receive separate compensation when effecting transactions on behalf of advisory clients.
4. GGPS requires that all associated persons act in accordance with all applicable Federal and State regulations.
5. Failure to comply with these points may result in the termination of the associated person.

#### **E. Review of Accounts**

William Krivicich, the firm’s Chief Investment Officer, reviews client accounts on weekly basis and meets with the firm’s investment committee, which includes Gary Goldberg, Richard Kersting, Peter Dedel, and Oliver Pursche, at least monthly to review the account and determine whether the accounts are within their stated guidelines.

#### **F. Client Referrals and Other Compensation.**

GGPS may enter into solicitation agreements through which it will receive compensation for referring clients to other investment advisory programs. Vendors or sub-advisors used by GGPS may pay for training and marketing support to assist GGPS in considering and recommending its products. These sub-advisors may also grant GGPS access to their web site and provide discounted software, sample investment calculators, and other forms used by GGPS in the routine conduct of its business.

Where GGPS acts as a solicitor, the firm will refer investors to other advisors and receive a referral fee for doing so. The firm currently has no formal arrangements to solicit on behalf of other advisors. Where it does so, however, GGPS will provide a separate disclosure statement describing the arrangement and the compensation to be paid to GGPS. The client will also receive the other advisors disclosure documents. In all cases, solicitation fees or sub-Program Fees are paid out of the advisor’s stated management fee; clients do not pay an additional fee to GGPS and the fees charged are not otherwise increased.

GGPS may enter into solicitation agreements through which it will pay referral fees to a solicitor for referring clients to the firm. GGPS may pay for training and marketing support to assist the solicitor in marketing and recommending its products.

GGPS is only responsible for the advice and recommendations it provides directly to clients. As such neither GGPS, its officers, director, nor employees accept any responsibility or liability for statements, recommendations, or advice given by a third party including, but not limited to, an adviser with whom GGPS maintains a solicitation agreement.

GGPS associates are compensated through receipt of a portion of the asset-based fee. As such, they receive more compensation when they bring in new clients to GGPS, and that compensation may be more than what the person would receive if the client participated in other programs, or paid separately for investment advice, brokerage, and other services. In addition, the firm periodically offers incentive arrangements whereby associates receive a higher level of compensation based on assets brought to the firm in a specific time period. Therefore, GGPS's associates have a financial incentive to recommend the Programs over other programs or services.

GGPS may from time to time pay referral fees to GGCo, or its employees, an affiliated broker/dealer, for referrals of clients, where allowable by law. These referral fees would be paid out of the Program Fees paid to GGPS so there would be no additional charge to the referred client.

#### **G. Financial Information**

GGPS does not require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance.

GGPS has never been the subject of a bankruptcy petition.

#### **H. Proxy Voting**

GGPS does not generally have authority to vote proxies on behalf of clients. Clients in the programs must make arrangements to receive proxy materials from the custodian and are responsible for voting their proxies. GGPS will provide a copy of its Proxy Voting procedures to any client upon written request to the Chief Compliance Officer at GGPS's principal address.