



EAGLE STRATEGIES

EAGLE STRATEGIES LLC Wrap Fee Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Eagle Strategies LLC. If you have any questions about the contents of this brochure, please contact us at eagleoperations@newyorklife.com or (888) 695-3245. The information in this brochure has not been approved or verified by any governmental authority, including the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Eagle Strategies LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

The summary of material changes was included in Eagle Strategies LLC's previous annual update to Form ADV Part 2A.

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ITEM 4 SERVICES, FEES AND COMPENSATION

ABOUT EAGLE

Eagle Strategies LLC ("Eagle") is an investment adviser registered with the Securities and Exchange Commission ("SEC") and is notice filed with appropriate state securities authorities. Registration does not imply a certain level of skill or training. Eagle is an indirect wholly owned subsidiary of New York Life Insurance Company ("New York Life").

Eagle Investment Adviser Representatives ("Eagle IARs" or "IARs") are licensed (if and as required by State securities law) to provide investment advisory services and to sell investment products. The primary investment advisory business and the principal business activity of Eagle is to provide financial planning and investment management services. All advisory activity is based upon each client's individual financial outlook and personal objectives.

SERVICES, FEES AND COMPENSATION¹

A. Lifetime Wealth Portfolios Programs

a) INTRODUCTION

Eagle sponsors the following four investment advisory programs, which are collectively referred to as "Lifetime Wealth Portfolios Programs" or "LWP Programs." 1) Mutual Fund Advisory; 2) Separately Managed Account; 3) Representative Directed; and 4) Unified Managed Account. Eagle has entered into a relationship with Envestnet Asset Management Inc. ("Envestnet") to provide platform services for all LWP Programs. In some of the LWP programs, Sub-Managers (defined below) are retained to provide investment advisory services to clients. These Sub-Managers are registered investment advisers that provide discretionary management on the assets in the portfolio, and, in return, receive a portion of the advisory fee paid by the client. National Financial Services ("NFS") is the custodian for all LWP accounts.

Clients opening LWP accounts enter into a client agreement with Eagle. Pursuant to this agreement, Eagle assists and advises the client in establishing investment or portfolio objectives, developing an asset allocation and/or automatically rebalancing the client's account as necessary. Eagle also assists clients in completing the Statement of Investment Selection ("SIS"), which details the investment products for the particular LWP program selected.

Insurance. As part of the LWP Programs, a client may receive an "insurance analysis", which may include but would not be limited to protecting the client's "human capital", a present value projection of

¹ Note that not every IAR is licensed or qualified to sell every product or program.

a client's future earning potential. Eagle IARs may provide a life insurance recommendation to protect all or a portion of a client's human capital, or for other generally recognized insurance needs, such as estate planning, cash needs at death, or business succession planning. Clients who are retired or near retirement may also receive a recommendation to purchase an immediate annuity for income. The cash surrender value of the life insurance purchased and the value computed for the immediate annuity ("annuity value") also serve as a fixed income component of their portfolio (this is referred to as "associating" a product and is discussed in more detail below).

The IAR acts solely in his or her capacity as an insurance agent of New York Life when discussing, recommending or selling insurance or annuity products and will receive compensation from New York Life for the sale of such products. A client is not required to purchase a New York Life insurance policy to protect a client's human capital or a New York Life annuity for income, but only clients who purchase a New York Life product will receive the benefits of having those products "associated" with an LWP account, as further described below. Receiving a recommendation for life insurance does not guarantee the client will be underwritten for, or issued, a policy. Not all insurance or annuity products or LWP accounts are eligible for associating.

Associating an insurance policy or annuity contract. If a client purchases a New York Life insurance policy or annuity contract and associates it with an LWP account, then the IAR, in conjunction with the client, can adjust the portfolio while considering the cash or annuity value of the associated product, and any changes in that value. The investment management services are not provided directly to the insurance or annuity, rather the insurance value or annuity value is taken into account when advising on the associated LWP account.

In connection with Eagle's LWP Mutual Fund Advisory Program, you may purchase the Retirement Income Annuity offered by New York Life Insurance and Annuity Company (NYLIAC), an affiliate of New York Life, which will be associated with, and taken into consideration in managing your overall Eagle investment portfolio. While you should only purchase a Retirement Income Annuity if you are interested in receiving income payments, Eagle can also take it into account when providing investment advice. The Retirement Income Annuity is assigned a Current Annuity Value (CAV), which is determined by discounting to present value the future stream of payments. Your IAR will not receive any insurance commissions on this product. However, you will be charged an advisory fee based on the CAV of the Retirement Income Annuity for as long as it remains associated with your Eagle account. The total advisory payment associated with the Retirement Income Annuity decreases over time because the CAV goes down as payments are made under the Retirement Income Annuity.

Eagle allows the value of your Retirement Income Annuity to represent up to 30% of your new investment account allocation. Please note that if we recommend an amount that would represent more than 30% of your investment account due to your income needs, you may purchase a Guaranteed Lifetime Income Annuity from NYLIAC that will not be considered as part of the advised assets.

The Lifetime Income Annuity is similar to the Retirement Income Annuity, but there are some differences. Both products are offered by your IAR in his capacity as an insurance agent for NYLIAC, but

the Lifetime Income Annuity cannot be associated with your Eagle account and you will not receive investment advice relating to the Lifetime Income Annuity if you decide to purchase that product. Therefore, you would not be charged an advisory fee if you purchase the Lifetime Income Annuity. Instead, your agent will receive a commission from NYLIAC. Because NYLIAC pays the commission on the Lifetime Income Annuity and you pay an advisory fee on the Retirement Income Annuity, the periodic payments under the Retirement Income Annuity tend to be higher than the payments under a similar Lifetime Income Annuity for a given amount of premium. However, if you purchase the Retirement Income Annuity, an investment advisory fee will be deducted from your investment account based upon the CAV in the Retirement Income Annuity and this is not the case if you purchase a Lifetime Income Annuity.

The periodic payout amounts you receive and the amount of compensation your IAR receives could be more or less depending on the product selected, features selected, your life span, the negotiated advisory fee and the length of advisory services received. However, assuming that you live to life expectancy, the periodic payout of the Retirement Income Annuity net of the advisory fee you pay is designed to be roughly equivalent to the amount you would receive under the Lifetime Income Annuity where NYLIAC pays the commission. Similarly, the amount of compensation your IAR would receive would be roughly equivalent for both products assuming you live to your life expectancy and continue to receive advisory services until life expectancy. The Retirement Income Annuity offers some terms and features that differ from terms of the Lifetime Income Annuity. You should consider the differences between both versions of this product and consult with your IAR before deciding which is best for you.

As part of your Fixed Income allocation, we include the CAV of the Retirement Income Annuity. Therefore we may suggest that the remainder of your money be invested in a manner that is more aggressive than we would otherwise suggest if these values were not included as part of your Fixed Income allocation. Please note that although we indicate a value for the Retirement Income Annuity, it does not have a cash value or surrender value. There are limited withdrawal features, however, and you should only purchase a Retirement Income Annuity if you do not need the funds used to purchase the Retirement Income Annuity for other needs and if you want guaranteed lifetime income.

No advisory fees are assessed on the cash value of any associated life insurance policies. As outlined above, advisory fees are assessed on associated annuity policies. The client pays a separate premium (non-advisory fee) to cover the cost of any insurance product purchased in connection with the LWP Programs. Commissions paid to the insurance agent are within the limits set by New York State Insurance Law Section 4228.

b) PROGRAM SERVICES, FEES & COMPENSATION

MUTUAL FUND ADVISORY

SERIVCES:

Eagle's Mutual Fund Advisory ("MFA") Program is a mutual fund and/or ETF asset allocation program, where clients receive discretionary investment services from a Sub-Manager. In the MFA Program, Eagle acts as the adviser and the Sub-Manager is a sub-adviser. Each of the Sub-Managers available in the MFA Program are unaffiliated with Eagle. Sub-Managers can offer one or more strategies. All Sub-Managers available through Eagle's MFA program use Envestnet's trading platform, whereby the Sub-Manager provides a model portfolio to Envestnet, and as such, Envestnet is also a sub-adviser for all MFA accounts.

Eagle's Role. Eagle acts as an investment advisor in this Program, and is responsible for initial and ongoing contact with the client. The Eagle IAR helps the client complete an Investor Profile Questionnaire ("IPQ") in order to determine a client's investment objective and risk tolerance. Eagle then provides the client with a personalized investment proposal. The proposal includes Eagle's recommended portfolio objective based upon your risk tolerance, as well as a Sub-Manager's asset allocation model. If a client chooses to participate in the Program, the client selects the Sub-Manager and grants that Sub-Manager and Envestnet investment discretion to manage the client's account. Eagle also performs initial and periodic due diligence on these Sub-Managers. Please see Item 6 below for more information regarding the research process.

Sub-Manager's Role. The Sub-Manager will create and update a portfolio of mutual funds, exchange-traded funds ("ETFs"), and, in some cases, exchange-traded notes ("ETNs") consistent with the client's portfolio objective. Sub-Managers in the MFA program may use affiliated funds of Eagle in non-qualified accounts. All securities in a MFA account are selected by the Sub-Manager.

Once the account is opened, the Sub-Manager is responsible for updating the model portfolio and providing the model changes to Envestnet. The Sub-Manager is also responsible for periodic due-diligence of the funds included in the Model. For more information, please reference the Sub-Manager's Form ADV Part 2A.

Envestnet's Role. Envestnet is the platform manager which provides certain investment advisory, trade execution and other account services. In the MFA Program, Envestnet will implement and trade the model portfolio that is provided by the Sub-Manager and is responsible for the overall management of the account, including rebalancing and reallocation. All trade confirms and proxies will be directed to Envestnet on behalf of the client, unless a client requests otherwise. Please reference Envestnet's ADV Part 2 for additional information.

FEES:

The total annual fee ranges from 0.25% to 2.30% of the client's account size. The total fee assessed to the client includes the management fee, advisory fee, platform fee and custodial fees. The total advisory fee is negotiable, and is agreed upon with the client prior to opening the Program account. The fee is payable monthly, in advance. The entire fee is paid to Eagle, which distributes a portion to the Eagle IAR, to Envestnet (who in turn pays a portion to the Sub-Manager) and to NFS.

Clients should also be aware that the underlying mutual fund and ETF costs associated in a MFA account may be more expensive than if purchased directly from the mutual fund company. However, the client would not receive the benefit of Eagle's advisory services.

The maximum fee that can be charged for a Retirement Income Annuity associated with an LWP MFA account is 0.40% of the Current Annuity Value.

COMPENSATION:

Eagle pays Envestnet between 0.25% to 0.30% of the total client fee for portfolio management services. Of this, Envestnet pays a portion to the Sub-Manager.

Additionally, in certain situations, clients can be charged an additional account minimum fee of \$135 for mutual fund only strategies, and \$185 for strategies that include ETFs. This minimum account fee covers the clearing and execution costs provided by NFS, as well as Envestnet's fees, and applies only if the account falls below an account minimum of \$111,111.

The amount of compensation Eagle and/or the Eagle IAR receives varies between programs and/or between Sub-Managers selected within a program. This leads to a potential conflict of interest, as Eagle and/or the Eagle IAR may have an incentive to recommend certain options over others. Eagle addresses this conflict by disclosing it to you.

SEPARATELY MANAGED ACCOUNT

SERVICES:

Eagle's LWP Separately Managed Account ("SMA") Program is an equity or fixed income asset allocation program, where clients receive discretionary investment management services from a Sub-Manager.

Eagle selects the Sub-Managers to participate in the program. Sub-Managers in the SMA program will offer one or more strategies. The client chooses the Sub-Manager they wish to invest with. For many of the SMA Sub-Managers, Envestnet also acts as a sub-adviser ("Model Delivery Sub-Manager") and for other Sub-Manager that trade the portfolio ("Executing Sub-Managers"), Envestnet is not a sub-adviser. Please reference your Client Agreement, SIS and/or the Sub-Manager's or Envestnet's ADV Part 2 for additional information.

Eagle's Role. Eagle acts as an investment advisor in the Program and is responsible for initial and ongoing contact with the client. The Eagle IAR assists the client with completing the Investor Profile Questionnaire (IPQ). Eagle will then provide the client with a personalized investment proposal recommending a particular strategy utilizing either a Model Delivery Sub-Manager or an Executing Sub-Manager. The Eagle IAR also meets with the client periodically to help ensure that the client's investment objective or financial situation has not changed. Eagle and its IARs are responsible for ongoing account reviews, as well as communicating any changes in a client's investment objectives,

financial profile information or desired account restrictions to Envestnet who would provide the information to the Executing Sub-Manager. This review with the client will generally be conducted at least annually. Eagle also provides quarterly performance reports and other related account documents to clients. Eagle also performs initial and periodic due diligence on these Sub-Managers. Please see Item 6 below for more information regarding the research process.

Sub-Manager's Role. The Sub-Manager acts as a sub-adviser in the SMA Program. Once the client chooses the investment strategy and the Sub-Manager agrees to manage the client's account, the Sub-Manager will create a portfolio of individual securities such as equities, ETFs, and bonds that are consistent with the investment proposal. The Executing Sub-Manager will trade the portfolio with NFS. Model Delivery Sub-Managers will create and provide a model portfolio to Envestnet who is then responsible for implementing the trades. For these accounts, the Sub-Manager is responsible for updating the model portfolio and providing the model changes to Envestnet. The Sub-Manager is also responsible for ongoing due-diligence of the security selection and trading. All securities in a SMA account are selected by the Sub-Manager.

For Sub-Managers that are responsible for ongoing trading of the SMA account, the Sub-Manager provides on-going discretionary management of the account in a manner consistent with the chosen investment strategy. Once the account is opened, the Sub-Manager is responsible for ongoing maintenance on the account, including rebalancing, reallocation, selection and monitoring of positions, trading, and client reporting. All prospectuses, trade confirms and proxies will be directed to the Sub-Manager on behalf of the client, unless a client requests otherwise.

Please reference the respective Sub-Manager's Form ADV Part 2 for additional information.

Envestnet's Role. Envestnet is the platform manager which provides certain investment advisory, trade execution and other account services. For accounts where the Sub-Manager provides a model portfolio to Envestnet, Envestnet will implement and trade the model portfolio and is responsible for the overall management of the account, including rebalancing and reallocation. For Sub-Managers that are responsible for ongoing trading of the account, Envestnet provides Eagle with access to Sub-Manager on their platform. Please reference Envestnet's Form ADV Part 2 for additional information.

FEES:

The total annual fee for the SMA Program ranges from 0.69% to 2.85% of the client's account size for equity and balanced strategies, and 0.42% to 2.62% of the client's account size for fixed income strategies. The total fee assessed to the client includes the management fee, advisory fee, platform fee and custodial fees.

The exact advisory fee is negotiable, and is agreed upon with the client prior to opening the Program account. The fee is payable monthly, in advance. The entire fee is paid to Eagle, which distributes a portion to the Eagle IAR, to Envestnet (who in turn pays a portion to the Sub-Manager) and to NFS.

COMPENSATION:

For portfolio management services, Eagle pays Investnet between 0.47% and 0.60% of the total client fee for equity strategies, and 0.27% to 0.47% of the total client fee for fixed income strategies. Of this, Investnet pays a portion to the Sub-Manager.

Additionally, in certain situations, clients will be charged an additional account minimum fee of \$400. This minimum account fee covers the clearing and execution costs provided by NFS, as well as Investnet's fees, and applies only if the account falls below the following account minimums:

<u>Strategy</u>	<u>Account Size</u>
Equity and balanced	\$200,000
Fixed Income	\$285,714

The amount of compensation Eagle and/or the Eagle IAR receives varies between programs and/or between Sub-Managers selected within a program. This leads to a potential conflict of interest, as Eagle and/or the Eagle IAR may have an incentive to recommend certain options over others. Eagle addresses this conflict by disclosing it to you.

REPRESENTATIVE DIRECTED**SERVICES:**

The Representative Directed Program is segmented into three program classifications that are accessible to Eagle IARs who meet the necessary qualifications. These three programs are: Guided Portfolios (GP), Representative as Adviser (RaA) and Representative as Portfolio Manager (RaPM). GP and RaA are non-discretionary programs, while in RaPM, the Eagle IAR maintains discretionary authority. For the RaPM program, the Eagle IAR selects the securities for the account's portfolio without consulting the client. For the RaA program, the client selects the securities with the IAR. For the GP program, the client selects the securities with the IAR based on a specific asset allocation model.

The Representative Directed Program allows Eagle IARs to work with their clients in recommending and selecting mutual funds, exchange-traded funds, and/or equities (collectively, "Securities") appropriate for the client's account based upon the client's investment risk objective for the portfolio ("Portfolio Objective"). Certain Securities may not be utilized unless your IAR has the appropriate licensing requirements.

Eagle offers one share class for each fund available on the Representative Directed Program. For certain of the mutual funds on the Representative Directed Program, Eagle will make available only load-waived Class A shares, even though the fund company also offers institutional class shares of that fund. In the event that a client qualifies to purchase institutional shares of such fund, a client may wish to speak to the fund company about how they may purchase these shares; however, these clients would not get the benefit of Eagle's Program advisory services.

Eagle IARs who participate in the RaA and RaPM programs may place conditional orders, such as stop or limit orders, on behalf of certain clients. In certain instances, the IAR may place trades orders for the same security for other managed account customers. An account may not receive as favorable price as would be the case if the trade had been made at the time that the IAR placed orders for its other clients. Therefore, the process may negatively impact on the performance of the account.

In order to cover transaction costs, the IAR may either pay an asset based fee or will be charged a transaction fee every time the account buys or sells a transaction fee security. This pricing structure can create a conflict of interest for the IAR and, if the latter pricing option is chosen, the IAR has an incentive not to trade transaction fee securities in client accounts. Eagle addresses this conflict by disclosing it to you.

This Representative Directed Program is also available where a client pays the transaction costs separately and in addition to the advisory fee. Please reference the Eagle Strategies Firm Disclosure Brochure for information about this option.

Rebalancing Process. Clients can select a rebalancing frequency of either quarterly, semi-annually, or annually. The rebalancing date will be based on the anniversary date of the last rebalancing action or rebalancing review. For new accounts, the rebalancing date will be based on the anniversary of the account opening date. Envestnet assesses accounts on the designated rebalancing date to determine if a rebalance is required.

Accounts in the GP program are required to be assessed for rebalancing on at least an annual basis. If a rebalance is required, Envestnet will rebalance the account to bring all of the individual asset allocations back to within the defined parameters, based on the account's portfolio objective.

Clients with accounts in the RaA and the RaPM programs may elect to have their accounts rebalanced. The rebalancing assessment will consider the account's risk parity, program parameters (diversification and concentration) and security drift. If the portfolio falls outside of the defined portfolio objective risk score range, the action of rebalancing the account will bring the portfolio back to within the defined range. IARs are responsible for rebalancing accounts in the RaA and RaPM Programs.

In addition to the designated rebalancing date, Envestnet assesses accounts on a daily basis to determine if a rebalance is required based on the following parameters (please note that Envestnet does not assess accounts for rebalancing for market drift):

- 1) There are positions in the account that are not part of the model or Available List of securities
- 2) A client deposits or withdraws cash
- 3) A trade occurs in the account

Eagle's Role. Eagle acts as an investment advisor in the Program and is responsible for initial and ongoing contact with the client. To identify the Portfolio Objective, the Eagle IAR assists the client with completing the Investor Profile Questionnaire (IPQ). Eagle will then provide the client with a

personalized investment proposal recommending particular Securities. Your IAR will be responsible for rebalancing your account depending on the rebalancing criteria that you have selected. The Eagle IAR meets with the client periodically to help ensure that the client's investment objective or financial situation has not changed, and to review any account restrictions, where applicable. Eagle and its IARs are responsible for on-going account reviews with the client, which are generally conducted at least annually. Eagle provides quarterly performance reports and other related account documents to clients. Eagle, or a vendor selected by Eagle, also performs ongoing research and due diligence on the available Securities within the Representative Directed Program. Please see Item 6 below for more information regarding the research process.

Investnet's Role. Investnet provides the platform with which Eagle IARs use to provide advisory services to clients. Investnet does not act as a sub-adviser to the client in this program. The trading and execution process in the GP program is different than the RaA and RaPM. In the GP program, upon receiving client consent for trades, IARs will notify Investnet of the trade order and Investnet will process the trade with NFS. Clients should be aware that trades in GP accounts may not be executed by Investnet until the following business day. In addition, in the GP and RaA programs, Investnet will be responsible for notifying your IAR that rebalancing your account is necessary. Please reference Investnet's Form ADV Part 2 for additional information.

FEES:

The total annual fee for the Representative Directed Program ranges from 0.15% to 2.15%. This fee includes the advisory fee (0%-2%), platform fee and custodial fees.

The exact advisory fee is negotiable, and is agreed upon with the client prior to opening the Program account. Eagle, through its IARs, determines the fee depending, in part, on: the Program, the client's expected account size and/or number of trades, the client's individual circumstances and the scope of advisory and other client services to be rendered. The fee is payable monthly, in advance. The entire fee is paid to Eagle, which distributes a portion to the Eagle IAR and to Investnet.

Additionally, in certain situations, clients may be charged an additional account minimum fee of \$35. This minimum account fee covers the clearing and execution costs provided by NFS, as well as Investnet's fees, and applies only if the account falls below an account minimum of \$43,750.

Further, Eagle reserves the right to charge Representative Directed accounts a monthly small account fee of \$6.75 if the account balance is below \$25,000.

COMPENSATION:

The fees paid to the Eagle IAR range between 0% to 1.80% of the advisory fee. The amount of compensation Eagle and/or the Eagle IAR receives varies between the program selected. This leads to a potential conflict of interest, as Eagle and/or the Eagle IAR may have an incentive to recommend certain options over others. Eagle addresses this conflict by disclosing it to you.

SERVICES:

The LWP Unified Managed Account (“UMA”) Program is segmented into three program classifications that are accessible to Eagle IARs who meet the necessary qualifications. The three programs are: UMA Discretionary, UMA Non-discretionary; and UMA Non-discretionary Managed Products. In the UMA Discretionary program, the Eagle IAR maintains discretionary authority to create a portfolio of UMA Investment Products (defined below) and rebalance among the UMA Investment Products. Clients participating in the UMA Program are allowed to invest assets across multiple strategies. The UMA Program offers clients an overall account utilizing at least three strategies from the MFA, SMA and/or Representative Directed Programs (described above) (the “UMA Investment Products”) that are in aggregate appropriate for their investment objectives. For the UMA Non-discretionary Managed Products program, only MFA and SMA strategies are permitted as UMA Investment Products.

Rebalancing Process. UMA accounts are assessed for rebalancing on an annual basis, based on the anniversary date of the last rebalancing or rebalancing review. For new accounts, the rebalancing date is based on the anniversary of the account opening date. If a rebalance is required, Envestnet will rebalance the account to bring all of the individual asset allocations back to within the defined parameters, based on the account’s portfolio objective.

In addition to the designated rebalancing date, Envestnet assesses accounts on a daily basis to determine if a rebalance is required based on the following parameters (please note that Envestnet does not assess accounts for rebalancing for market drift):

- 1) Individual securities within the account drift above the permitted drift parameters
- 2) A client deposits or withdraws cash from the account
- 3) A service request or model change is made

Eagle’s Role. Eagle acts as an investment advisor in the Program, and is responsible for initial and ongoing contact with the client. The IAR assists the client with completing the Investor Profile Questionnaire (IPQ). Eagle will then provide the client with a personalized investment proposal and presentation. The proposal will include recommendations for both the client’s investments in the available UMA Investment Products, as well as a life insurance/annuity solution, if applicable. The client selects the mix of UMA Investment Products based on their risk tolerance and asset class and investment strategy preferences. The Eagle IAR also contacts the client periodically to help ensure that the client’s investment objective or financial situation has not changed, and to review account restrictions, if applicable. Eagle and its IARs are responsible for on-going account reviews, as well as communicating any changes in a client’s investment objectives, financial profile information or desired account restrictions to the Sub-Manager. This review with the client will generally be conducted at least annually. Eagle also provides quarterly performance reports and other related account documents to clients. Each of the UMA Investment Products are from those products that Eagle has performed investment due diligence. Please see Item 6 below for more information regarding the research process.

Clients should evaluate the relative benefits of the UMA Program against other wrap fee programs and also against the benefits of individual strategies that are available within the UMA program.

Sub-Manager's Role. The Sub-Manager is responsible for providing a model portfolio to Envestnet. Once the account is opened, the Sub-Managers are responsible for updating the model portfolio and providing the model changes to Envestnet. The Sub-Manager is also responsible for periodic due-diligence of the funds included in the Model. For more information, please reference the Sub-Manager's Form ADV Part 2.

Envestnet's Role. Envestnet is the platform manager which provides certain investment advisory, trade execution and other account services. Envestnet will implement and trade the model portfolios that are provided by the Sub-Managers and is responsible for the overall management of the account, including rebalancing and reallocation. At account inception, Envestnet liquidates all transferred-in, non-model holdings and invests all cash proceeds according to the model portfolio. All trade confirms and proxies will be directed to the Envestnet on behalf of the client, unless a client requests otherwise. Please reference Envestnet's Form ADV Part 2 for additional information.

FEES:

Clients pay one wrap fee for the UMA program. The total annual fee for the UMA Program ranges from 0.65% to 3.0% of the client's account size. The total fee assessed to the client includes the management fee, advisory fee (0%-2%), platform fee and custodial fees.

The exact advisory fee is negotiable, and is agreed upon with the client prior to opening the Program account. The fee is payable monthly, in advance. The entire fee is paid to Eagle, which distributes a portion to the Eagle IAR, to the Sub-Manager and to Envestnet.

COMPENSATION:

The portfolio management portion of the fee paid to Envestnet (who in turn pays the Sub-Manager) and/or to the Eagle IAR is based on the Program/strategy selected in the UMA Program. Please reference the Compensation sections above for more information.

Additionally, in certain situations, clients will be charged an additional account minimum fee of \$450. This minimum account fee covers the clearing and execution costs provided by NFS, as well as Envestnet's fees, and applies only if the account falls below \$225,000.

The amount of compensation Eagle and/or the Eagle IAR receives varies between programs and/or between Sub-Managers selected within a program. This leads to a potential conflict of interest, as Eagle and/or the Eagle IAR may have an incentive to recommend certain options over others. Eagle addresses this conflict by disclosing it to you.

TAX MANAGEMENT SERVICES FOR SEPARATELY MANAGED ACCOUNTS AND UNIFIED MANAGED ACCOUNTS

SERVICES:

Eagle makes available through Envestnet two styles of tax management services (collectively, Tax Management Services) in which Envestnet will have discretion to effect transactions consistent with the program's guidelines. These Tax Management Services are only available for certain equity SMA strategies (or UMA accounts that only hold these equity SMA strategies) and do not permit non-equity securities in the account.

- a) The Ongoing Tax Management Service will permit Envestnet to trade client accounts with "tax-aware" portfolio management techniques. The service employs optimization software that applies predefined rules in an attempt to keep the client tax-aware portfolio sufficiently close to the investment manager's model portfolio. The software seeks to consider the tax costs of trading (buying or selling of a particular investment) that may detract from the client's after-tax returns because of taxable gain(s) or loss(es) generated by the trading. This offering is designed for clients with managed taxable accounts who are willing to accept some deviation from their selected Sub-Manager's model portfolios and who seek to minimize the impact of taxes on their returns.
- b) The Tax Transition Service offers a premium, customizable solution for clients who want to control and customize their realization of large unrealized gains that are embedded in their portfolios, or who have other unique circumstances that require an individualized strategy. This service is designed for clients who have large unrealized gains or losses within a particular portfolio and who want to manage the realization of the gains or losses.

The trading strategies employed by Envestnet in providing these Tax Management Services may conflict with those employed by applicable Sub-Managers in achieving the client's selected model portfolio and/or that would otherwise be employed by the Platform Manager in rebalancing the client's portfolio. In the event and to the extent of any such conflict, the trading strategies employed by the Tax Management Services that the client selects will prevail, and contrary Envestnet and/or Sub-Manager investment advice will not be implemented. As a result: (i) the client's account may not receive the benefits, including gains and avoided losses, of certain recommended purchases and sales of securities; and (ii) the client's account's composition and performance may vary significantly from that of client accounts that did not employ similar Tax Management Services.

As with other Eagle programs, Eagle, and the Eagle IAR do not render tax, accounting, or legal advice, and the client should seek advice from an independent tax advisor based on his or her own particular circumstances.

The effectiveness of any Tax Management Services is dependent on the accuracy of the cost basis information that the client furnishes as well as the method the client selects for tax lot disposal. Neither Eagle nor Envestnet shall have any obligation to assess the accuracy of any tax basis information furnished by a client nor shall they have any obligation to ascertain the tax basis of any positions for which a client is unable to furnish cost basis information. Eagle and Envestnet shall be entitled to rely

solely on the client for furnishing accurate cost basis information and shall not be liable for any losses that a client may incur as the result of having provided inaccurate or incomplete tax basis information. Additionally, neither Eagle nor Envestnet shall have any obligation to assess the accuracy or benefit of the tax lot disposal method selected by the client.

Eagle's Role. Eagle acts as an investment advisor in the Program and is responsible for initial and ongoing contact with the client. The Eagle IAR assists the client with completing the Investor Profile Questionnaire (IPQ). Eagle will then provide the client with a personalized investment proposal recommending a particular strategy utilizing a Model Delivery Sub-Manager. The Eagle IAR also assists the client by directing them to furnish accurate information regarding their securities' cost basis, and, for accounts in the Tax Transition Service, also assists the client in completing a capital gains budget. The Eagle IAR also meets with the client periodically to help ensure that the client's investment objective or financial situation has not changed, and will also review account performance information with the client. Eagle and its IARs are responsible for on-going account reviews, as well as communicating any changes in a client's investment objectives, financial profile information or desired account restrictions to Envestnet. This review with the client will generally be conducted at least annually. Eagle also performs initial and periodic due diligence on these Sub-Managers. Please see Item 6 below for more information regarding the research process.

Sub-Manager's Role. The Sub-Manager acts as a sub-advisor in the SMA Program. Once the client chooses the investment strategy and the Sub-Manager agrees to manage the client's account, the Sub-Manager will create a model portfolio of individual equity securities that are consistent with the investment proposal. The Sub-Managers will create and provide a model portfolio to Envestnet who is then responsible for implementing the trades. The Sub-Manager is responsible for updating the model portfolio and providing the model changes to Envestnet. The Sub-Manager is also responsible for ongoing due-diligence of the security selection and trading. Please reference the respective Sub-Manager's Form ADV Part 2 for additional information.

Envestnet's Role. Envestnet is the platform manager which provides certain investment advisory, trade execution and other account services. Envestnet will implement and trade the model portfolio that the Sub-Manager provides and is responsible for the overall management of the account, including rebalancing and reallocation. All trade confirms and proxies will be directed to Envestnet on behalf of the client, unless a client requests otherwise. Envestnet also provides quarterly performance reports and other related account documents to clients. Since an account may deviate from the selected strategy of the model portfolio, a client's quarterly performance report may significantly differ from the comparable benchmark that is included in the quarterly performance reports. Please reference Envestnet's Form ADV Part 2 for additional information.

FEES:

The total annual fee for the Program ranges from 0.69% to 2.85% of the client's account size, plus an additional fee as outlined below for the Tax Management Services.

Chargeable Assets	Ongoing Tax Management Service Fee	Tax Transition Service Fee
First \$2,000,000	0.08%	0.13%
Next \$3,000,000	0.06%	0.11%
Over \$5,000,000	0.05%	0.09%

The total fee assessed to the client includes the management fee, advisory fee, platform fee and custodial fees.

The exact advisory fee is negotiable, and is agreed upon with the client prior to opening the Program account. The fee is payable monthly, in advance. The entire fee is paid to Eagle, which distributes a portion to the Eagle IAR, to Investnet (who in turn pays a portion to the Sub-Manager) and to NFS.

COMPENSATION:

For portfolio management services, Eagle pays Investnet between 0.47% and 0.60% of the total client fee. Of this, Investnet pays a portion to the Sub-Manager. Investnet retains all fees associated with Tax Management Services.

The amount of compensation Eagle and/or the Eagle IAR receives varies between programs and/or between Sub-Managers selected within a program. This leads to a potential conflict of interest, as Eagle and/or the Eagle IAR may have an incentive to recommend certain options over others. Eagle addresses this conflict by disclosing it to you.

c) ADDITIONAL INFORMATION REGARDING FEES

Evaluating the Cost of Eagle's Wrap Fee Programs. Investment advisory services, if purchased separately, may cost more or less than if paid for on a wrap-fee basis as described in this brochure. The wrap fee programs may cost more or less than participating in other programs or paying separately for investment advice, brokerage services, custodial services, etc.

The relative cost of the program – as compared to receiving the services separately – will depend on several factors, including (but not limited to):

- The costs associated with receiving the services if provided separately; the combination of such fees if provided separately may be higher or lower than a single wrap-fee;
- Frequency or volume of trading activity, or lack thereof, in a client's account; and
- The associated costs of trading.

Disclosure Pursuant to Rule 408(B)2. Eagle pays IARs a portion of the annual fee for the IAR's services related to the Eagle Programs. The portion of the annual fee payable to the IAR ranges from between 35% and 90% of the advisory fee received by Eagle, depending on a number of factors. On average, IARs are paid 60% of the fees received by Eagle. If you would like further information on the current level of compensation relating to your account being paid to your IAR, please call 1-888-695-3245.

Account Services. Account services provided in connection with the account – such as wire transfers, check disbursements, custodial fees, or other account maintenance features – may involve fees, expenses and other costs.

Mutual Fund and Exchange-Traded Fund Fees. If a mutual fund or ETF is held in an account, such funds will have their own internal fees and expenses. These funds may also incur redemption fees. Fees paid to Eagle for investment advisory 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 fund's investment prospectus; please refer to the prospectus for more detail. These fees will generally include a management fee, other fund expenses, and possible distribution fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or exchange traded fund directly, without the services of Eagle. In that case, the client would not receive the services provided by Eagle, which are designed to assist the client in determining which mutual fund(s) or exchange-traded fund(s) are appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Eagle to fully understand the total amount of fees to be paid by the client and the costs of the advisory services being provided.

Retirement Account Fees. The clearing brokerage firm or its affiliates may also have certain charges related to retirement accounts such as IRAs.

Compensation to Eagle and Its IARs. Eagle and Eagle IARs receive compensation as a result of client participation in the programs described herein. The amount of this compensation may be more or less than Eagle or the IAR would receive if a client participated in other programs and/or paid separately for the investment advice, brokerage and other services provided in connection with the wrap fee programs. Sales compensation varies between the wrap fee programs and other programs and financial products. Eagle and the IAR may have a financial incentive to recommend LWP Programs over other programs or services.

Additionally, Eagle IARs are eligible for additional compensation and other benefits by earning council credits. Eagle IARs may receive double council credits for selling LWP products whereas they receive single council credits on the sale of non-LWP advisory products. This creates a conflict for the IAR to recommend LWP products instead of non-LWP advisory programs. Eagle addresses this conflict by disclosing it.

B. Other Advisory Programs

a) PROGRAM SERVICES, FEES & COMPENSATION

SERVICES:

Eagle offers the Market Pace II Program sponsored by Independent Advisers Group ("IAG"), a registered investment advisor. This program is not part of the LWP suite of products. Market Pace II is a non-discretionary program where the IAR works with the client to select the securities for the account. In Market Pace II the transaction costs are included in the overall wrap fee.

Eagle also offers a similar program called the Market Pace I program, which is also sponsored by IAG. However, in this program, clients pay transaction fees in addition to and separate from the wrap fee. Please refer to the Eagle Strategies Firm Disclosure Brochure for more information regarding the Market Pace II program. Clients should consider which charge structure best suits their anticipated trading activity when deciding between the two Market Pace programs.

Eagle's Role. Eagle and its IARs are responsible for gathering the client's financial information and assisting the client to complete the questionnaire and, when appropriate, communicating any changes to the client's financial information and/or situation to IAG. The IAR then provides mutual fund and ETF recommendations, where permitted, to clients based upon each client's circumstances and financial objectives. Upon the client's instruction, the IAR will invest the client's account in the selected securities. While the Eagle IAR does not make recommendations regarding individual equity or fixed income securities within these Programs, clients may be permitted to hold such individual securities in their Program accounts.

IAG's Role. Please reference IAG's Form ADV Part 2 for additional information.

LPL's Role. Trades in this Program are processed through and custodied by LPL Financial, a broker-dealer affiliated with IAG and unaffiliated with Eagle.

FEES & COMPENSATION:

Clients pay an annual wrap-fee fee of 0.015% - 1.90% of the account's total value. Fees are deducted on a monthly or quarterly basis directly from the client's account and are billed in advance. From time to time, Eagle may allow direct billing in other accounts.

Non-qualified accounts valued less than \$100,000 at the end of the quarter will be assessed a quarterly fee of \$10.00.

If the account is closed within the first six months by the client or as a result of withdrawals bringing the account value below a required minimum, IAG may retain the pre-paid account fee for the current period and rebill all transactions in the account at normal and customary brokerage rates. Please refer to IAG's disclosure documents for further information about refunds of pre-paid advisory fees in the event an account is terminated prior to the end of the billing period.

b) ADDITIONAL INFORMATION REGARDING FEES

Depending on the Program and the elections made by clients, there may be additional fees. Certain account services (ex: wire transfers, liquidation, custodial fees) or account maintenance features may involve fees, expenses or costs. Mutual fund redemption fees may be incurred in connection with a liquidation, rebalancing or reallocation. Clients may also pay small account fees, custody fees, and/or transaction fees. Clients will also pay any fees imposed by mutual funds or ETFs held within an account (for example, 12b-1 fees or ongoing advisory fees). Mutual funds and ETFs may also pay certain advisory fees. Please refer to the prospectus for the underlying fund for more information.

ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

ACCOUNT REQUIREMENTS

Each Program has minimum account size requirements. Eagle and/or its Program partners have the option to waive account minimums. Accounts that fall below the stated requirement minimum may be charged an additional fee. Additionally, Eagle has established minimum ongoing account values (“maintenance values”) for accounts. Accounts that are invested below the maintenance value for a specified period of time may be terminated.

Certain Programs also require that clients meet a minimum net worth or minimum income requirement in order to open an account.

MUTUAL FUND ADVISORY

The initial investment minimum is \$25,000; however, certain Sub-Managers may have higher account minimums. Clients must have at least \$20,000 in income and \$150,000 in net worth. The minimum maintenance value for accounts is \$12,500; however, certain Sub-Managers may have higher maintenance values.

SEPARATELY MANAGED ACCOUNT

The initial investment minimum is \$100,000; however, certain Sub-Managers may have higher account minimums. Clients must have at least \$20,000 in income and \$150,000 in net worth. The minimum maintenance value is \$50,000; however, certain Sub-Managers may have higher maintenance values. Accounts that elect the Tax Transition Service must have an initial investment minimum of \$750,000.

REPRESENTATIVE DIRECTED

The initial investment minimum is \$25,000 and the maintenance value is \$15,000. Clients must have at least \$20,000 in income and \$150,000 in net worth.

UNIFIED MANAGED ACCOUNT

The initial investment minimum is \$100,000 and the maintenance value is \$80,000. Clients must have at least \$20,000 in income and \$150,000 in net worth. Accounts that elect the Tax Transition Service must have an initial investment minimum of \$750,000.

MARKET PACE II

The initial investment minimum is \$100,000 for non-qualified accounts, and \$50,000 for qualified accounts. Non-qualified accounts valued less than \$100,000 at the end of the quarter will be assessed a quarterly fee of \$10.00, payable to IAG. Clients must have at least \$25,000 in income and \$100,000 in liquid net worth.

Additional suitability requirements may apply. Please refer to IAG's Form ADV Part 2A for additional information.

TYPES OF CLIENTS

Eagle provides investment advisory services to a variety of clients, including individual investors, trusts, estates, charitable organizations, corporations and other business entities, pension and profit sharing plans, Traditional and Roth IRAs, SEP and SIMPLE IRAs.

ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

Eagle selects the Sub-Managers, strategies, and available securities (mutual funds, ETFs and equities) (collectively, "Investment Products") available in the LWP Programs.

SELECTION AND REVIEW PROCESS

This section describes how we select and terminate Investment Products from the programs. If Sub-Managers have more than one strategy, we may include only some of those strategies in the programs described in this brochure, may carry different strategies in different programs, and assign different statuses to different strategies.

The Investment Research and Due Diligence department ("IRDD") evaluates Investment Products on behalf of Eagle. Investment Products may participate in the program if they are on Eagle's Available List.

Eagle may also review other factors to determine which Investment Products are offered in the programs, including:

- program needs (such as whether there are a sufficient number of Investment Products available in an asset class);

- client demand; and
- the Sub-Manager's or Fund's minimum account size.

Investment Products in the programs may be terminated if Eagle changes the status to "Terminate." We may choose to terminate Investment Products from the program for various reasons (e.g., the Investment Product has a low level of assets under management in the program, the Investment Product has limited capacity for further investment, or the Investment Product is not complying with our policies and procedures).

Available List. To be considered for the Available List in the SMA and MFA Programs, Investment Products provide IRDD with relevant documentation on the strategy being evaluated, which may include sample portfolios, asset allocation histories, its Form ADV Part 2 past performance information and marketing literature. IRDD personnel may also interview the Sub-Manager or Fund and its key personnel, and may choose to examine its operations. Following this review process, Investment Products are placed on the Available List if they meet the required standards for Available List status.

IRDD periodically reviews Investment Products on the Available List. Eagle considers a broad range of factors (which may include investment performance, staffing, and operational issues). Among other things, IRDD personnel interview each Sub-Manager or Fund periodically to discuss these matters. If IRDD is familiar with a Sub-Manager or Fund following repeated reviews, IRDD is likely to focus on quantitative analysis and interviews.

The process for considering Investment Products for the Available List in the Representative Directed Program is less comprehensive, and evaluates various qualitative and quantitative factors. These may include personnel depth, turnover and experience; investment process; business and organization characteristics; and investment performance. IRDD may use an algorithm – a rules-based scoring mechanism (in-house or third-party) – that incorporates various qualitative and quantitative factors and ranks each Investment Product in a third party database. For ETFs, the screen can include factors such as liquidity, review of expense ratios, the length of time fund has been in existence. For individual equities, criteria may be different and can include an external analyst rating and market capitalization. Within the Representative Directed Program, Eagle generally offers individual equity securities that have 3 or more stars based on Morningstar's rating criteria. In certain instances, other criteria may be used. (Not all Investment Products reviewed for the Available List are required to be subject to this algorithm.) In certain instances, Investment Products that do not meet the initial screening criteria may be considered on an adhoc basis and may be added to the Available List by the Head of Eagle Investment Products. For example, a new fund that does not have a long track record may be considered if the portfolio managers and/or fund family have a well-established track record.

IRDD, along with third-party research provider, periodically reviews Investment Products on the Available List to determine whether they continue to meet the Available List standards.

Changes in Status from Available List to Hold List. Eagle may determine that an Investment Product that no longer meets the criteria for the Available List be moved to the Hold List. Hold status indicates that, in reviewing an Investment Product, IRDD has identified specific areas of the Sub-Manager's or security's business that (a) merit further evaluation by IRDD and (b) may, but are not certain to, result in the Investment Product moving to a status of "Terminate." Putting an Investment Product on Hold signifies a concern with the investment manager/strategy. Clients may continue to hold and make additional contributions to their assets in the Investment Product; however IARs may not initiate new investments for new clients on Hold status. The duration of a Hold status depends on how long IRDD needs to evaluate the Investment Product and for the Investment Product to address any areas of concern. Eagle will notify program clients regarding the status changes on a quarterly basis.

Changes in Status to Terminate. Eagle may determine that an Investment Product no longer meets the criteria of the Available or Hold List and therefore the Investment Product will no longer be recommended in Eagle's investment advisory programs. We notify affected clients of these status changes. Clients cannot retain a "Terminated" Sub-Manager or security in an account and must select a replacement or a replacement will be selected from the Available List, if you wish to retain the program's benefits in respect of the affected assets.

In some circumstances, you may be able to retain Terminated Investment Products in another advisory program or in a brokerage account subject to the regular terms and conditions applying to that program or account. Ask your Eagle IAR about these options.

In the LWP Programs, Eagle generally specifies a replacement Investment Product for a Terminated Investment Product. In selecting the replacement Investment Product, IRDD generally looks for an Investment Product in the same asset class, and with similar attributes and holdings to the Terminated Investment Product. The replacement Investment Product will typically be on the Available List.

Calculating Performance of Client Accounts. Performance is calculated by Envestnet for all LWP Accounts in the following manner:

- Performance history is calculated using a time-weighted rate of return and is shown net of management fees. For performance periods greater than one year, the return is annualized to show the average annual return over the period.
- Performance history is calculated on an account level, as well as on a household level. A household is any combination of client accounts that the client has requested to be reported on in a combined manner. Reporting is done on the account level in addition to the household level (i.e. not instead of).
- Eagle does not validate performance information with a 3rd party, but Eagle does contract with a 3rd party to provide performance information for each Eagle account.

Currently, Eagle reviews Envestnet's performance calculations for all LWP accounts.

PORTFOLIO MANAGERS

In the RaPM program and in the UMA Discretionary program, your Eagle IAR acts as the portfolio manager. Eagle and, in turn, the IAR retain a greater portion of the advisory fee in these programs than in those in which an unaffiliated investment manager acts as your portfolio manager. Eagle and the IAR are also likely to earn more compensation if you invest in a program described in this brochure than if you open a brokerage account to buy individual securities. This creates a conflict of interest for Eagle and Eagle IARs, as there is a financial incentive to recommend one of these programs described in this brochure. We address this conflict of interest by disclosing it to you.

Payments from Mutual Funds. We have a conflict of interest in offering No Transaction Fee Mutual Funds because we or our affiliates earn more money in your account from your investments in No Transaction Fee Mutual Funds than from other mutual funds or investment options. Eagle receives up to 0.32% on No Transaction Fee Mutual Funds; However, we do not share this money with your Eagle IAR (i.e. the compensation we pay to your IAR is not affected by the payments we receive from the Mutual Funds). Therefore, Eagle IARs do not have a resulting incentive to buy No Transaction Fee Mutual Funds in your account, or to buy certain Mutual Funds rather than other Mutual Funds.

Trade Allocations. Eagle IARs may aggregate the securities to be sold or purchased for more than one client to obtain favorable execution to the extent permitted by law. Eagle IARs will then allocate the trade in a manner that is equitable and consistent with Eagle's fiduciary duty to its clients (including pro rata allocation, random allocation or rotation allocation). Allocation methods vary depending on various factors (including the type of investment, the number of shares purchased or sold, the size of the accounts, and the amount of available cash or the size of an existing position in an account). The price to each client is the average price for the aggregate order.

Payments to Sub-Managers. Eagle pays certain Sub-Managers to assist in their marketing and sales of the Sub-Managers products. To the extent that these Sub-Managers are recommended over others, Eagle will receive less compensation for the LWP account. Eagle addresses this conflict by not sharing these expenses with the IAR and so the IAR does not have incentives to recommend specific Sub-Managers over others.

Affiliated Portfolio Managers. Related PMs are not subject to the same review as other third-party PMs. However, the IARs who act as PMs are subject to certain qualifications and requirements including licensing criteria, advisory assets, years of experience and training.

TYPES OF ADVISORY SERVICES OFFERED

Please see Item 4 above for a description of the advisory services Eagle offers.

TAILORING SERVICES FOR INDIVIDUAL CLIENTS

You may ask your Eagle IAR to manage your account pursuant to a particular investment strategy. In the RaPM and UMA Discretionary Programs your Eagle IAR will manage your account in accordance with your IPS, as applicable (as discussed above in Item 4). You may also place restrictions on your RaPM and UMA account (as discussed above in Item 4).

WRAP FEE PROGRAMS

Eagle acts as both the wrap fee program sponsor and the portfolio manager in the discretionary programs described in this brochure. Eagle does not act as portfolio manager to clients of other firms in any programs which are not wrap fee programs but are otherwise similar to the programs described in this brochure. Eagle retains all advisory fees for accounts in the discretionary programs because Eagle does not have to pay a third party to manage the account.

PERFORMANCE-BASED FEES

The programs described in this brochure do not charge performance-based fees.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Eagle IARs may use any investment strategy that is approved by Eagle when providing investment advice to you in the Programs described in this brochure. Investing in securities involves risk of loss that you should be prepared to bear.

VOTING CLIENT SECURITIES

Eagle's current policy is that we do not vote proxies on behalf of clients for discretionary programs. Clients will receive proxies directly from NFS, the custodian. Eagle IARs will not advise clients on the voting of proxies and clients should not contact Eagle or IARs with questions about a particular solicitation.

ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

REPRESENTATIVE AS PORTFOLIO MANAGER AND UMA DISCRETIONARY

The Eagle IAR is the portfolio manager in the RaPM and UMA Discretionary Programs described in this brochure. The Eagle IAR has access to the information you provide at account opening, including information in the IPQ you complete as part of the account opening process. To the extent that the client information changes, clients may want to notify the IAR.

SUB-MANAGERS

Certain Sub-Managers provide a model to Envestnet and are not responsible for ongoing management of the account. For these strategies, the Sub-Manager does not receive any client information.

Certain Sub-Managers are responsible for ongoing management and trading of the account. For these strategies, Eagle provides the Sub-Manager with the client account number, deposit and withdrawal information, requested restrictions, and selected strategy. Eagle promptly provides updated information based on changes in client preferences as communicated to Eagle by the client (i.e. change in restriction requests).

ENVESTNET

Envestnet has access to the information you provide at account opening, including information in the IPQ that clients complete as part of the account opening process. To the extent that you notify your Eagle IAR with updates, Envestnet will have access to the updated information as well.

ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

SUB-MANAGERS

The number of meetings per year is generally at the Sub-Manager's discretion; however Sub-Managers will make personnel knowledgeable about the account and its management reasonably available for consultation with clients. The Eagle IAR will generally contact clients on at least an annual basis.

REPRESENTATIVE AS PORTFOLIO MANAGER AND UMA DISCRETIONARY

Your Eagle IAR acts as a portfolio manager in the RaPM and UMA Discretionary accounts. In these Programs, you may contact your IAR at any time during normal business hours. Additionally, the Eagle IAR will generally contact clients on at least an annual basis.

ITEM 9 ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

Eagle does not have any material disciplinary information to report.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

I. BROKER-DEALER REGISTRATION

Eagle is not registered as a broker-dealer. Certain management persons of Eagle are also registered representatives of NYLIFE. All Eagle IARs are registered representatives of NYLIFE.

II. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISOR

Neither Eagle nor any of its management persons are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

III. MATERIAL RELATIONSHIPS WITH RELATED PERSONS

Eagle is an indirect wholly owned subsidiary of New York Life Insurance Company, a New York mutual life insurance company. Eagle is also an affiliate of NYLIAC and NYLIFE Insurance Company of Arizona (together with New York Life Insurance Company and NYLIAC, “New York Life”). New York Life’s principal business is the sale of individual and group life insurance and annuity contracts. Eagle IARs, acting in their capacity as agents of New York Life, may receive compensation for the sale of insurance products offered by New York Life.

Eagle is affiliated with the following broker-dealers, which are indirect wholly-owned subsidiaries of New York Life.

NYLIFE Securities LLC is a registered broker-dealer. All IARs of Eagle are also registered representatives of NYLIFE and, acting in their capacity as registered representatives of NYLIFE, receive commissions or other compensation for the sale of products offered through NYLIFE. A client that engages Eagle to provide advisory services under its LWP Programs will also open a NYLIFE brokerage account through which trades in the account are processed. The actual trades take place at NFS, the clearing broker-dealer. A potential conflict exists because Eagle works through an affiliate to open the LWP accounts.

Transfer between Eagle and an affiliated brokerage accounts. From time to time Eagle may journal securities from your Eagle account to your NYLIFE brokerage account. Eagle does not provide advice on any securities in your NYLIFE brokerage account.

NYLIFE Distributors LLC is a registered broker-dealer. In its capacity as a broker-dealer, NYLIFE Distributors LLC is the principal underwriter of all the proprietary mutual funds managed or administered by its affiliate New York Life Investments Management LLC. NYLIFE Distributors LLC is also the principal underwriter for variable insurance and variable annuity contracts issued by NYLIAC.

Eagle is a wholly owned subsidiary of NYLIFE, which in turn is a wholly owned subsidiary of New York Life.

Eagle is affiliated with a number of registered investment advisers, some of whom are an adviser or sub-adviser to the Mainstay mutual funds. Potential conflicts may arise because investments in affiliated mutual funds generate additional management fees and other compensation to Eagle’s affiliates. This

conflict is mitigated because Eagle and the IAR receive no portion of this compensation. A listing of the registered investment advisers that are affiliated with Eagle can be found in Eagle's Form ADV Part 1.

Currently, Eagle's investment adviser affiliates do not provide investment advisory services directly to Eagle clients.

IV. SELECTION OF OTHER ADVISERS

Eagle makes available other investment advisers including the Sub-Managers on its platform. Eagle does not receive direct compensation from these advisers. However, Eagle does receive an increased share of the advisory fee from certain of these advisers in certain cases (generally when Eagle's business with them hits certain assets under management targets). These compensation relationships create a conflict of interest and provide an incentive to Eagle to recommend certain advisers over others. As described earlier in this brochure, Eagle performs initial and periodic due diligence on the Sub-Managers to help mitigate these potential conflicts.

Eagle also has wholesaling relationships with certain of the Sub-Managers, whereby Eagle pays the Sub-Managers an additional fee in return for training, education and sales assistance.

Because advisory fees for Eagle and the IAR differ by program and manager, Eagle may have an incentive to recommend one manager over another.

In some cases, Eagle (or its affiliates) has other business relationships with certain outside advisers. Eagle contracts with Morningstar Investment Services Inc. ("MIS") and Ibbotson Associates, Inc. ("Ibbotson") (and/or their affiliates) for a variety of other services. These include due diligence services in connection with the LWP Programs, the provision of data and other performance information, and methodology for mapping clients to a particular risk profile. Ibbotson also was engaged to help develop the process of taking a life insurance policy into consideration in connection with an investment portfolio. The information and methodology are used in other programs in which MIS and Ibbotson are Program Sponsors. This could lead to potential conflicts of interest. Eagle addresses these conflicts by disclosing them to you.

CODE OF ETHICS

I. CODE OF ETHICS PURSUANT TO SEC RULE 204A-1

The Eagle Strategies Code of Ethics ("The Code") sets forth the standards of business conduct for Eagle personnel defined as Access Persons under SEC guidelines, and serves as an ethical blueprint for ensuring that all Eagle clients are treated fairly. The Code emphasizes the core values of the Eagle organization, Eagle's commitment to compliance with securities laws, and protection of material nonpublic information. The Code also sets forth commitments to which all Eagle IARs are expected to

adhere. The Code of Ethics is one of the tools Eagle uses to mitigate some of the conflicts of interest set forth herein.

Eagle will provide a Code of Ethics to all clients and prospective clients upon written request to:

Eagle Strategies LLC
Attn: Eagle Securities Standards
51 Madison Avenue
New York, NY 10010

II. RECOMMENDATIONS INVOLVING SECURITIES IN WHICH EAGLE HAS A MATERIAL FINANCIAL INTEREST

An Eagle IAR or a Sub-Manager may recommend an affiliated mutual fund or a fund advised by an affiliate of Eagle. In the Representative Directed Program the client may choose not to purchase that product.

III. CONFLICTS IN CONNECTION WITH PERSONAL TRADING

From time to time, the Eagle IAR or a Sub-Manager may also recommend the sale or purchase of securities which New York Life or an Eagle IAR (or a Sub-Manager) is purchasing or selling from its own accounts. At times New York Life or an affiliate may sell a security, while the Eagle IAR or the Sub-Manager recommends the purchase of that same security (or vice versa).

A conflict could arise where the Sub-Manager, the affiliate or the IAR takes an action with a security that disadvantages a client purchasing or selling the same security. For IARs, Eagle's Code of Ethics specifies personal securities transaction procedures designed to prevent unethical trading practices, and includes prohibitions on trading on knowledge about client transactions. Eagle also monitors the personal trading activities of Access Persons to identify instances in which these policies may have been violated.

IV. CONFLICTS IN CONNECTION WITH TIMING OF PERSONAL TRADING

From time to time, Eagle IARs may own the same securities that are being bought or sold in client accounts. Eagle's Code of Ethics specifies personal securities transaction procedures designed to prevent unethical trading practices. In addition, Eagle monitors the accounts of IARs who are Access Persons to ensure that the IAR did not make a trade in a security within 7 days before or after one of the IAR's clients makes a trade in the same security.

REVIEW OF ACCOUNTS

I. PERIODIC REVIEWS

Generally, the Eagle IAR contacts the client at least annually to review each client's current financial situation, risk tolerance and time horizon, as well as verify their current profile information is current and accurate and update account restrictions (if applicable).

Eagle determines the policies and reports for monitoring accounts participating in the Representative Directed and the IAG Market Pace Programs. Such reports differ between programs. Examples of reports include a concentrated positions report and a risk report. These reports are monitored by a team reporting to the Corporate Vice President of the Eagle Securities Standards department.

For clients participating in the other investment advisory programs, the periodic reviews will differ based on the practices of the outside adviser. Please refer to that adviser's Form ADV Part 2A for more information.

On an annual basis, the Managing Partner or a designated person reviews a sample of files for each IAR.

II. NON-PERIODIC REVIEWS

In the event of a client complaint or other concern, Eagle will review relevant accounts.

III. REGULAR REPORTS PROVIDED TO CLIENTS

Clients in the LWP Programs receive quarterly performance reports from Eagle. These reports include performance information, current portfolio composition, and reinvested and paid earnings with respect to the client's holdings. These reports are mailed directly to clients and, where applicable, posted to the Internet (www.nylifesecurities.com) on a quarterly basis. In addition, the client receives confirms, monthly statements and quarterly transaction history reports from the account's custodian.

Clients in the IAG Program receive detailed quarterly and annual performance reports from IAG describing account performance and positions. In addition to the quarterly performance reports, the broker-dealer utilized by IAG transmits to clients trade confirmations and account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. The account statements are sent monthly when the account has had activity or quarterly if there has been no activity.

All reports described herein are written.

CLIENT REFERRALS AND OTHER COMPENSATION

I. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)

Eagle is a party to cash solicitation agreements with Brinker Capital, Independent Portfolio Consultants, Niemann Capital Management and Frontier Asset Management. Eagle and its IARs receive compensation pursuant to these agreements for introducing clients to the investment advisers and for providing certain ongoing services. This compensation is typically equal to a percentage of the investment advisory fee charged by that investment adviser; such compensation may differ depending on the individual agreement with each investment adviser. The IAR may have an incentive to recommend one of these investment advisers over the other. Additional disclosure, including applicable Forms ADV and solicitor disclosure documents, will be provided to the client at the time of solicitation in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Certain Program Sponsors may pay Eagle a fee that is dependent on total Eagle assets within the applicable Program. This fee typically ranges from 0% to 0.05% of Program assets, is payable to Eagle on a quarterly basis, and serves as compensation for allowing the applicable Program to be offered through Eagle's IARs. The fees may be used for any purpose including covering certain marketing and administrative services that Eagle may incur in connection with these activities. Eagle does not share these fees with its IARs.

For LWP accounts, Eagle receives from NFS additional revenue streams on the sale of no transaction fee mutual funds through a revenue sharing arrangement. This creates a potential conflict of interest. In addition, NYLIFE receives additional compensation based on the amount of assets it holds with NFS, including the assets held in LWP Accounts. Eagle addresses this conflict by disclosing it to you, and your IAR who recommends various securities to you does not benefit from this additional compensation arrangement.

Certain non-profit institutions may compensate IARs for conducting seminars concerning charitable giving. In the event that persons who have attended such seminars purchase products through the IARs to effectuate charitable gifts, the IARs may receive additional compensation on the sale of Eagle advisory products or the sale of insurance or annuity products. As the IARs are receiving compensation for conducting the seminars and for the sale of products to persons who elect to make charitable contributions, such arrangements create a potential conflict of interest. Eagle addresses this conflict by disclosing it in this brochure, in Eagle's Firm Disclosure Brochure and the IAR's Form ADV Part 2B.

Clients should be aware that the receipt of additional compensation itself creates a conflict of interest. Eagle addresses such conflicts through disclosure.

II. COMPENSATION TO NON –ADVISORY PERSONNEL FOR CLIENT REFERRALS

Eagle has entered into one solicitor relationship with whom it pays up to 49% of the advisory fee.

FIANANCIAL INFORMATION

I. BALANCE SHEET

A copy of Eagle's most recent audited financial statement is attached.

II. FINANCIAL CONDITION REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS

Eagle is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.

III. BANKRUPTCY PETITIONS DURING THE PAST TEN YEARS

Eagle has never filed a bankruptcy petition.

Eagle Strategies LLC

(An affiliate of New York Life Insurance Company)

Statement of Financial Condition

December 31, 2012

Eagle Strategies LLC
(An affiliate of New York Life Insurance Company)
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December 31, 2012

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Report of Independent Auditors

To the Board of Managers
and Member of
Eagle Strategies LLC

We have audited the accompanying financial statement of Eagle Strategies LLC (the "Company"), which is comprised of the Statement of Financial Condition as of December 31, 2012.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Eagle Strategies LLC at December 31, 2012 in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

March 20, 2013

PricewaterhouseCoopers LLP, PricewaterhouseCoopers Center, 300 Madison Avenue, New York, NY 10017
T: (646) 471 3000, F: (813) 286 6000, www.pwc.com/us

Eagle Strategies LLC
(An affiliate of New York Life Insurance Company)
Statement of Financial Condition
December 31, 2012

Assets

Cash	\$	52,731
Investments		4,056,881
Financial planning fees receivable		106,901
Wrap fees receivable		1,034,818
Other receivables		842
Federal income taxes receivable from New York Life Insurance Company		69,667
Prepaid expenses		139,704
Prepaid commission expense		1,278,170
Fixed assets, net of accumulated depreciation of \$2,500,392		89,852
Deferred tax asset		265,665
Total assets	\$	<u>7,095,231</u>

Liabilities and Member's Equity

Commissions payable	\$	907,932
Deferred fee income		1,593,230
Deferred investment fee plan		668,599
Other accrued liabilities		58,334
Payable to New York Life Insurance Company		2,524,556
Payable to NYLIFE Securities LLC		3,854
Total liabilities		<u>5,756,505</u>
Total member's equity		<u>1,338,726</u>
Total liabilities and member's equity	\$	<u>7,095,231</u>

The accompanying notes are an integral part of these financial statements.

Eagle Strategies LLC

(An affiliate of New York Life Insurance Company)

Notes to Statement of Financial Condition

December 31, 2012

1. Organization and Business

Eagle Strategies LLC (the "Company") is a wholly-owned subsidiary of NYLIFE LLC (a wholly-owned subsidiary of New York Life Insurance Company, "NYLIC"). The Company is a Registered Investment Adviser. The Company provides financial planning and investment advisory services to clients through associated financial advisors who are registered with NYLIFE Securities LLC ("Securities"), an affiliated broker-dealer and wholly-owned subsidiary of NYLIFE LLC.

The Company, under a service agreement with Securities is billed by Securities for separately identifiable brokerage services, including clearing and custody services, provided to the Company through Securities nonaffiliated clearing broker in connection with the Company's investment advisory programs.

2. Summary of Significant Accounting Policies

Basis of Presentation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

Investments

At December 31, 2012, investments of \$4,056,881 consisted of \$3,975,157 in the New York Life Short Term Fund ("STIF") and \$81,724 of money market funds, equity securities and mutual funds in Lifetime Wealth Portfolio ("LWP") and non-affiliated managed accounts.

The STIF is a commingled fund managed by New York Life Investment Management LLC ("NYL Investments"), an indirect wholly-owned subsidiary of NYLIC, where all participants are subsidiaries or affiliates of NYLIC. The STIF is accounted for under the equity method of accounting.

LWP is an investment advisory program, offered through the Company, that provides professional money management by independent third party sub-advisors. The Company's money market funds, equity securities and mutual funds investments within the managed accounts are recorded at fair value. Investments carried at fair value are discussed in Note 3 - Fair Value Measurement.

Fixed Assets

Fixed assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of three to ten years. Cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal.

Deferred Investment Fee Plan

The Company maintains the Deferred Investment Fee Plan for Investment Adviser Representatives of Eagle Strategies LLC ("DIF Plan"), which is a non-qualified, unfunded plan that allows eligible financial advisors to defer a percentage of their wrap fee commissions. The Company records a liability for the deferrals and interest earned in the deferred investment fee plan liability on the Statement of Financial Condition.

Eagle Strategies LLC
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Notes to Statement of Financial Condition
December 31, 2012

Income Taxes

For U.S. federal income tax purposes, the Company is treated as a limited liability company whose federal taxable income or loss flows through to its parent, NYLIC, and is included in the group's U.S. federal consolidated income tax return. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company is allocated its share of the consolidated tax provision or benefit, determined generally on a separate company basis and may, where applicable, include the tax benefits of operating or capital losses utilizable in NYLIC's consolidated return. Intercompany tax balances are generally settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years.

State and local tax returns are generally filed separately. In those cases where the Company's results are included with NYLIC's state tax filings, the Company is charged or credited for state taxes paid by NYLIC only to the extent that the Company's income/loss increases or reduces NYLIC's state tax liability. However, in years where NYLIC's own income level requires it to pay a flat state tax and the Company's income/loss does not affect NYLIC's state tax liability, no state tax liability or benefit is allocated to the Company pursuant to the tax allocation agreement.

Deferred federal income tax assets and liabilities are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared. Deferred income taxes are generally recognized based on enacted tax rates and a valuation allowance is recorded if it is more likely than not any portion of the deferred tax asset will not be realized.

In accordance with the authoritative guidance related to income taxes, the Company determines whether it is more likely than not that a tax position will be sustained upon examination by the appropriate tax authorities before any part of the benefit can be recorded in the financial statements. The amount of tax benefit recognized for an uncertain tax position is the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. Unrecognized tax benefits are included within other liabilities, and are charged to earnings in the period that such determination is made. The Company classifies interest and penalties related to tax uncertainties as income tax expense.

Guarantees

In the normal course of business, the Company enters into contracts that contain a variety of representations, warranties and indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve potential future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

Eagle Strategies LLC
(An affiliate of New York Life Insurance Company)
Notes to Statement of Financial Condition
December 31, 2012

3. Fair Value Measurement

The authoritative guidance related to fair value measurements and disclosures defines fair value and establishes a framework for measuring fair value that includes a three level hierarchy. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the Statement of Financial Condition are categorized into the three levels of the fair value hierarchy based on the inputs to the valuation as follows:

- | | |
|---------|---|
| Level 1 | Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. |
| Level 2 | Fair value is based on observable inputs, other than Level 1 inputs, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. |
| Level 3 | Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions in pricing the asset or liability. |

Transfers Between Levels

Transfers between levels may occur due to changes in valuation sources, or changes in the availability of market observable inputs, which generally are caused by changes in market conditions such as liquidity, trading volume or bid-ask spreads. The Company's policy is to assume the transfer occurs at the beginning of the period. During the year ended December 31, 2012, there were no transfers between levels.

Determination of Fair Values

The following is a description of the valuation methodologies used to determine fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments

Investments carried at fair value include money market funds, equity securities and mutual funds held in managed accounts. Money market funds, equity securities and mutual funds fair value is based on quoted daily net asset values or securities reported closing prices and they are classified as Level 1 within the fair value hierarchy.

Eagle Strategies LLC
(An affiliate of New York Life Insurance Company)
Notes to Statement of Financial Condition
December 31, 2012

4. Fixed Assets

Fixed assets are comprised of the following:

	Cost at December 31, 2012	Accumulated depreciation at December 31, 2012	Net book value at December 31, 2012
Furniture and fixtures	\$ 151,700	\$ (135,637)	\$ 16,063
Leasehold improvements	323,462	(286,958)	36,504
Computers and communication equipment	366,353	(342,172)	24,181
Computer software	1,748,729	(1,735,625)	13,104
	<u>\$ 2,590,244</u>	<u>\$ (2,500,392)</u>	<u>\$ 89,852</u>

5. Related Parties Transactions

The Company is party to a service agreement with NYLIC whereby NYLIC provides services to the Company. The Company is charged for certain services based upon separately identifiable actual costs incurred. The services include personnel, office space, other services, administrative and professional fees. The Company is also charged administrative expenses from NYLIC which are specifically identifiable to the Company or allocated by NYLIC principally through analyses of time spent on matters relating to the Company or pursuant to agreed upon formulas.

6. Income Taxes

At December 31, 2012, the Company has a deferred tax asset of \$265,665 attributable to the following temporary differences between the financial reporting and the tax basis of assets:

Depreciation	\$ 35,299
Net unrealized gain on investments	(3,644)
Deferred compensation	<u>234,010</u>
Deferred tax asset, net	<u>\$ 265,665</u>

The Company does not have any federal net operating loss carryforwards as they were fully utilized in the group's consolidated tax return.

A valuation allowance against the deferred tax asset is not considered necessary because it is more likely than not the deferred tax asset will be realized.

As a member of NYLIC's consolidated group, the Company's federal income tax returns are routinely audited by the Internal Revenue Service ("IRS") and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 2007 and in 2012 began its examination of tax years 2008 through 2010. The Company believes that its recorded income tax liabilities are adequate for all open years.

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The Company did not have any uncertain tax positions for the year ended December 31, 2012.

7. Subsequent Events

Management has performed an evaluation of subsequent events through March 20, 2013, the date the financial statement was available to be issued. On February 28, 2013 the Company received a capital contribution from its parent, NYLIFE LLC, in the amount of \$8 million. Management has determined that there are no other subsequent events that would require disclosures in the Company's financial statement through this date.