

Arbor Point Advisors, LLC

Firm Brochure

(Part 2A of Form ADV)

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

Additional information about Arbor Point Advisors, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>. You can view our firm's information on this website by searching for Arbor Point Advisors, LLC or our firm's CRD number: 165127. Registration as an investment advisor does not imply a certain level of skill or training.

March 14, 2014

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SUMMARY OF MATERIAL CHANGES

Annual Update

We updated this section to discuss material changes since the annual amendment submitted in December 2013.

Summary of Material Changes since the Last Annual Amendment

1. We revised the termination provisions for financial planning services.
2. We revised the payment provisions management fees.
3. We revised the termination provisions for management services.
4. We revised the description of discretionary authority for management services.
5. Item 9, Disciplinary Information, was updated.

Our current Form ADV Part 2A will be available to existing and prospective clients 24 hours a day through the SEC's Investment Adviser Public Disclosure website. We may update this Brochure at any time and if we make any material changes we will provide you either: (i) a copy of our Form ADV Part 2A that includes or is accompanied by a summary of material changes or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV Part 2A. We urge you to carefully review all subsequent summaries of material changes as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest and disciplinary history.

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ADVISORY BUSINESS

Principal Owners

Arbor Point Advisors, LLC (also referred to as “we,” “our,” “us,” “APA” and Arbor Point Advisors throughout this Brochure) is a majority-owned subsidiary of Securities America Financial Corporation (“SAFC”). SAFC is a wholly-owned subsidiary of Ladenburg Thalmann Financial Services, Inc. (“LTFS”). LTFS is a holding company whose subsidiaries provide a diverse array of financial services. LTFS is listed on the New York Stock Exchange under the symbol LTS. LTFS’ subsidiaries include registered investment advisors, an investment company, insurance agencies, broker/dealers and a trust company. Please refer to the section *Item 10 Other Financial Industry Activities and Affiliations* for details.

Firm Description

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

Your investment advisor representative typically is not an employee of Arbor Point Advisors; rather, your investment advisor representative typically is an independent contractor of Arbor Point Advisors.

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

Amount of Assets Managed By Arbor Point Advisors

As of December 31, 2013, Arbor Point Advisors had \$31,689,387 in assets under management, all of which was managed on a discretionary basis.

Advice to Certain Types of Investments

Arbor Point Advisors provides investment advice on the following types of investments:

- Equity securities (exchange-listed securities, securities traded over the counter and foreign issues)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Investment company securities (mutual funds)
- Variable products (variable annuities, variable life insurance)
- U.S. government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Exchange traded funds (ETFs)
- Real estate investment trusts (REITS)
- Real estate investments
- Limited partnerships and private placement partnerships in tax credit programs, cable and other miscellaneous direct participation programs

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

Through SAI, Arbor Point Advisors conducts, or may hire third-party vendors to conduct, due diligence analysis of the products listed above. Although we do not establish fee-based investment advisory accounts through SAI, and thus do not execute fee-based investment advisory trades through SAI, SAI has policies and procedures in place to review the issuers of financial products such as real estate investment trusts, structured notes and annuity and life insurance products. We rely on SAI for their due diligence reviews of such products. Reviews include publicly available information and reports issued by third-party rating agencies and may, in some cases, include certain non-public information provided by the issuer. On our behalf, SAI periodically reassesses, but does not continuously monitor, the creditworthiness or financial solvency of third-party issuers. These policies and procedures are reasonably designed to limit your exposure to credit and default risks resulting from an inability of the issuers to repay the principal on a note or fulfill an insurance obligation. However, you should be advised that credit markets can be volatile and the creditworthiness of an issuer may change rapidly. Arbor Point Advisors and SAI are prohibited by regulation from guaranteeing or providing any assurance that an issuer of financial products will be available to fulfill the issuer's obligation to any purchase of a product through APA.

Tailor Advisory Services to Individual Needs of Clients

Advisory services are always provided based on your individual needs. This means, for example, that when we provide investment management services you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment advisor relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Types of Services Offered

We provide a diverse range of advisory services and programs, including wrap programs, financial planning, retirement consultation and investment management provided to you by your representative or by third party money managers.

The wrap program we offer is Asset Management Services. Generally, this program allows for investment advisory services and execution of your transactions to be provided for specified fees that are not based directly upon transactions in your account. We receive a portion of the wrap fee for investment management services we provide. Our firm and the representatives do not manage wrap fee accounts differently from other programs. We have created a separate disclosure brochure for our wrap program. If you would like additional information regarding this program, or would like to review the brochure, please contact your representative or view it online at www.adviserinfo.sec.gov.

This brochure describes our other advisory services and programs including financial planning, retirement consultation, customized investment management and research and advisory programs offered through third party custodians.

The following are descriptions of the advisory services available through Arbor Point Advisors. A written agreement detailing the exact terms of the service must be signed by you and Arbor Point Advisors before we can provide you the services described below.

Financial Planning Services

Arbor Point Advisors and your investment advisor representative offer advice through the presentation of financial plans. Clients using these services may receive a written financial plan providing them with a financial blueprint designed to achieve their stated financial goals and objectives. Financial plans may be comprehensive or may focus only on specific areas of concern to you. In general, a financial plan may address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information, divorce planning, college planning and financial goals analysis.
- Tax & Cash Flow: Income tax* and spending analysis and planning for past, current and future years. (* Arbor Point Advisors and its investment advisor representatives do not provide tax or legal advice.)
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help you achieve your retirement goals. Retirement planning could include the review of qualified and non-qualified retirement plans and strategies.
- Investments: Analysis of investment alternatives, asset allocation strategies and their effects on your portfolio.
- Life Insurance: Analysis of current and future insurance needs.

- College Planning: Analysis of your college funding and planning situations along with recommendations of academic and financial strategies to increase your cash flow, which can be used to reduce college expenses and help maintain your retirement goals.

In addition, Arbor Point Advisors and your investment advisor representative may provide financial planning consultation services on specific areas of concern to you. These services can also include retirement plan consulting services provided to the plan sponsor (through a separate Retirement Plan Advisory Services Agreement) or to individuals wanting advice on how their plan investments should be allocated.

Arbor Point Advisors and your investment advisor representative may also provide financial planning services to business entities and groups requesting educational services and financial planning seminars or individual consulting and planning services for employees or members. If individual planning or consulting services are provided, each participating employee or member will be required to execute a separate agreement with us. These services will be advice-only services. Arbor Point Advisors and your investment advisor representative will not implement transactions on your behalf as part of these services. If you want Arbor Point Advisors or your investment advisor representative to implement transactions on your behalf, you need to contract with Arbor Point Advisors and your investment advisor representative for our investment management services described later in this section. Or you may use your investment advisor representative in his or her separate capacity as a registered securities representative to establish a brokerage account and implement transactions in this separate capacity.

A conflict may exist between the interests of Arbor Point Advisors or your investment advisor representative and your interests if you choose to buy product(s) through your investment advisor representative in his or her capacity as an SAI registered securities representative where the representative may receive a commission on the product(s) sold in addition to the fees charged for financial planning and financial planning consultations. You are under no obligation to act upon Arbor Point Advisors' or your investment advisor representative's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect transactions through Arbor Point Advisors or our broker/dealer affiliate. Your investment advisor representative may recommend investments to you in which you may pay management fees and/or broker/dealer commissions if our broker/dealer affiliate processes the transaction.

When providing financial planning and financial planning consultation services, your investment advisor representative gathers information through interviews concerning your current financial status, future goals, attitude towards risk and time horizon. You may be required to complete a questionnaire and provide additional documentation as requested by Arbor Point Advisors or your investment advisor representative. Depending on the level of services you purchase, your investment advisor representative may prepare a written report. Implementing any recommendation may require you to work closely with your attorney, accountant and/or insurance agent. Implementation is entirely at your discretion. Your investment advisor representative may also provide advice on non-securities matters. Generally, this is in connection with rendering estate planning, college planning and insurance and/or annuity advice.

Some states may preclude your investment advisor representative and Arbor Point Advisors from receiving a financial planning fee for services customarily associated with the solicitation of insurance sales or the servicing of an insurance contract. Other states may permit your representative and Arbor Point Advisors to receive an insurance financial planning fee and an insurance commission provided that certain conditions are met, such as written disclosure about the services and compensation. Please consult with your representative if you have questions as which regulations govern you and your account.

Investment Management Services

Many clients receiving this Brochure will be signing up for our investment management services which can best be defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, we offer a highly customized and individualized investment program for each client. A specific investment strategy is crafted to focus on the specific client's goals and objectives.

We provide our investment management service through accounts maintained at a qualified custodian recommended and selected by Arbor Point Advisors (please refer the section *Brokerage Practices* for more information).

You must appoint our firm as your investment advisor of record on specified accounts (collectively, the "Account"). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account (please refer to *Custody* for more information).

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. Your investment advisor representative will monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We need to obtain certain information from you to determine your financial situation and investment objectives. You are responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, your investment advisor representative contacts you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. Your investment advisor representative is always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on your account management, including the ability to instruct us not to purchase certain securities.

It is important that you understand that your investment advisor representative manages investments for other clients and may give them advice or take actions for his or her own personal accounts that is different from the advice provided to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our staff's personal accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Administrative Services Provided by Orion Advisor Services, LLC

Arbor Point Advisors has engaged Orion Advisor Services, LLC ("Orion") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database

maintenance, payable reports, website administration, models, trading platforms and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Orion has access to client accounts, but Orion does not serve as an investment advisor to Arbor Point Advisors clients.

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

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

Third-Party Money Managers

In addition to financial planning and our investment management services, there may be situations where your investment advisor representative believes it would be appropriate to have some or all of your investable assets managed by a third-party investment advisor firm that offers investment strategies not otherwise available through your advisor representative. In these situations, Arbor Point Advisors permits its representative to offer advisory services by referring clients to a third-party investment advisor that provides asset management and other investment advisory services. We refer to such firms as third-party money managers. The recommendation of third-party money managers is always done on a non-discretionary basis. This means you must approve of our recommendation prior to engaging a third-party money manager. In order to select a third-party money manager, you are required to execute an agreement and other forms required by the money manager.

Third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third-party money managers in the form of solicitor or consulting fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Under this program, we assist you with identifying your risk tolerance and investment objectives. We recommend third-party money managers in relation to your stated investment objectives and risk tolerance, and you may select a recommended third-party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services.

We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third-party money manager. The third-party money manager may take discretionary authority to determine the securities to be purchased and sold for your Account. Discretionary authority allows the third-party money manager to determine the type of securities, the amount of securities that can be bought or sold and the commission rates paid for your portfolio without obtaining your consent for each transaction. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

Although we review the performance of numerous third-party money manager firms, we enter into only a select number of relationships with third-party money manager firms that have agreed to pay us a portion of

the overall fee charged to our clients. Therefore, Arbor Point Advisors has a conflict of interest because we only recommend third-party money managers that agree to compensate us for referrals of our clients.

Most third-party money managers recommended by our investment advisor representatives are unaffiliated companies. However, your investment advisor representative may recommend Ladenburg Thalmann Asset Management, Inc. (LTAM), an affiliated investment advisor. LTAM may also offer advisory services to other broker/dealers including our affiliated broker/dealer. We have an inherent conflict of interest because we may recommend LTAM over other third party money managers due to our affiliation with LTAM. We control for this conflict of interest by not imposing quotas or requirements for our investment advisor representatives to use LTAM.

Clients are advised that there may be other third-party managed programs not recommended by our firm that are suitable for the client and that may be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment advisor recommended by our firm. Further, no guarantees of performance can ever be offered by our firm.

FEES AND COMPENSATION

Fees for Financial Planning Services

The fee ranges detailed in this section are indicative of the standard fees typically charged. In some instances fees higher than those stated may be charged if the scope of the contracted project warrants a higher fee. All fees are negotiable and are agreed upon prior to entering into a contract. Investment advisor representatives may waive or reduce agreed upon financial planning, consultation and seminar fees and expenses if you buy products or enter into agreements for other services with the representative. You and the advisor representative jointly determine the exact fee and how the fee is to be paid. Investment advisor representatives negotiate fees with you based on the complexity of your personal circumstances, financial situation and the services provided, the scope of the engagement, your gross income, the experience and standard fees charged by the representative providing the services and the nature and total dollar asset value of the assets on which services are provided. In addition, fees may be negotiated based on whether you have assets under management with the representative. Financial plans are generally presented to you within 90 days of entering into the contract, provided that all information needed to prepare the financial plan has been promptly provided by you. We do not collect fees of more than \$1,200 six or more months in advance.

Investment advisor representatives may charge an hourly fee, a fixed fee or a percentage of the assets on which the advisor representative is providing financial planning consultation services. Hourly fees for financial planning and financial planning consultations are generally charged at a rate of up to \$750 or more per hour. As an alternative, a flat fee may be charged. Flat fees for financial planning and consultation services can range up to \$15,000 or more. Clients contracting for ongoing financial planning and consultation services may be charged an annual, semi-annual, quarterly or monthly retainer fee. This ongoing fee is charged as a flat fee or a percentage of assets on which the investment advisor representative is providing advice. The maximum percentage charged is 3.00% of the value of assets on which the consulting services are provided. Arbor Point Advisors and its investment advisor representatives may or may not charge individual attendees or sponsors for financial planning seminars. Financial planning seminar fees may range from zero to \$15,000 or more.

Fees may be charged to clients in advance of services being provided, upon completion of services provided or with a portion of the fee charged in advance and the remaining balance due upon completion and/or presentment of an invoice from Arbor Point Advisors. Fees for ongoing services are due upon receiving an invoice from Arbor Point Advisors.

Arbor Point Advisors and/or the investment advisor representatives may also be entitled to receive reimbursements from product sponsors for seminar expenses if disclosed and agreed to in advance by seminar attendees or sponsors. Please refer to the section *Client Referrals and Other Compensation* for more details.

You have sole discretion whether or not to implement any or all advisory recommendations. If you elect to implement, you are not under any obligation to engage Arbor Point Advisors' investment advisor representatives who are also SAI registered representatives. You may engage individuals from non-affiliated broker/dealers to implement the advisory recommendations. If you select an individual from a non-affiliated broker/dealer, you would not receive the services provided by your investment advisor representative.

Termination of Services

Financial planning services may be terminated at any time upon written notice of either Arbor Point Advisors or the client. Upon termination, clients are entitled to a refund of all deposits not already earned by Arbor Point Advisors. Clients may terminate services within five business days from the date of executing the agreement for services and receive a refund of no less than one-half of the retainer or any unearned portion of the retainer, whichever is greater. Arbor Point Advisors reserves the right to charge up to \$50 to close the account except for those clients in any state which prohibits an account closing fee. Terminating the agreement does not affect the liabilities or obligations of Arbor Point Advisors, the investment advisor representative, or the client arising out of transactions initiated prior to termination or the provision regarding arbitration. These liabilities, obligations and provisions survive any expiration or termination of the agreement. Upon termination, the client has the exclusive responsibility to monitor the securities in the account; Arbor Point Advisors and the investment advisor representative have no further obligation to act or provide investment services with respect to those assets.

Other Fees

Financial planning fees paid to Arbor Point Advisors are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to Arbor Point Advisors and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

If you elect to have your investment advisor representative, in his or her separate capacity as an insurance agent, implement the recommendations of Arbor Point Advisors, your investment advisor representative at his or her discretion may waive or reduce the fee charged for these services by the amount of the commissions received by your investment advisor representative as an insurance agent. Any reduction of the investment advisory fee will not exceed 100% of the insurance commission received.

All fees paid to Arbor Point Advisors for financial planning services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in

each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

All fees paid to Arbor Point Advisors for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment advisor to implement such recommendations.

If you elect to have your investment advisor representative, in his or her separate capacity as an SAI registered representative, implement the recommendations through an SAI commission-based account, your investment advisor representative at his or her discretion may waive or reduce the financial planning fee charged by the amount of the commissions received as a registered representative. Any reduction of the investment advisory fee will not exceed 100% of the commission received as a registered representative. In addition your investment advisor representative may recommend load or no-load mutual funds that charge you 12b-1 fees. Your investment advisor representative may receive a portion of these 12b-1 fees in his or her separate capacity as a registered representative of SAI. Receiving 12b-1 fees could represent an incentive for Arbor Point Advisors or your investment advisor representative to recommend mutual funds with 12b-1 fees or higher 12b-1 fees over mutual funds with no 12b-1 fees or lower 12b-1 fees and therefore creates a conflict of interest.

If you elect to implement the recommendations of Arbor Point Advisors through our other investment advisory programs, Arbor Point Advisors may waive or reduce a portion of the investment advisory fees for such investment advisory program(s). Any reduction is at the discretion of your investment advisor representative and disclosed to you prior to contracting for additional investment advisory services.

Lower commissions and fees for comparable services may be available from other sources.

Fees for Investment Management Services

The annual management fee charged for services provided through our investment management services is based on the complexity of your financial situation, the services provided, the experience and standard fees charged by your investment advisor representative providing services and the nature and total dollar asset value of the assets maintained in your Account.

The maximum annual fee we permit our investment advisor representatives to charge is 3.00%.

Some of our advisor representatives choose to charge a fixed flat percentage fee on the total assets in the account, a tiered fee schedule whereby the fee is calculated by applying different (decreasing) rates to different portions of the account (tiers) or a linear fee schedule for which the percentage-based fee is lowered as asset volume thresholds are met. Unlike the tiered fee schedule in which assets in each tier are charged at the tier's corresponding rate, in a linear fee schedule when assets in the account exceed a set threshold, all of the assets are then charged at the lower percentage rate. You and your investment advisor representative may negotiate the fee. Therefore fees vary from client to client. The exact fee charged to or fee schedule used with you is disclosed and quoted to you prior to services being provided. Your advisor representative can choose to "bundle" related Asset Based Brokerage Services Program accounts for you to achieve a break on management fees. Account bundling can be done on accounts with the same fee schedule and with clients in the same immediate family or under the same qualified plan. When accounts are bundled, the total average daily balance for all of the bundled accounts is used to determine the fee

percentage from the fee schedule. This percentage is then applied to each account and a fee charged to each account respectively.

Management fees are automatically deducted from your account according to your authorization provided in your agreement for services. On an exception basis, you may have the management fees paid from other accounts. For administrative and support services we retain up to 0.25% of the investment advisor representative's annualized management fee. The investment advisor representative is paid the balance. Account bundling does not reduce our administrative fee. Each account is priced separately for purposes of our administrative fee.

Management Fee Calculations and Payments for our Asset Management Services

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

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

Client agrees to maintain cash in an investment vehicle which client has selected to be part of the Account, to pay for management fees and any other fees and charges. If client has not maintained adequate cash in the Account to pay the management or other fees, APA reserves the right to direct the Broker/Dealer-Custodian to liquidate, at any time, a portion of the other assets in the Account to cover the management fee or other charges. The management fee will not be withdrawn or deducted from any variable annuity that is part of the Account or for which asset management services are being provided. At their discretion and on an exception basis, APA and the investment advisor representative may allow client to have management fees paid from other accounts or have APA or the investment advisor representative bill client directly by invoice. In such cases, management fee debits will be noted as zero on the Account statements. However, any method of paying management fees other than deduction of fees from the Account may result in the imposition of additional charges to cover the associated administrative costs.

Depending upon the investment services provided and upon the custodian selected by client, assets in excess of a threshold amount (as such amount is determined from time to time by APA), deposited into or withdrawn from the Account by the client may be charged or refunded a pro-rated portion of the management fee based on the number of days during the billing period the assets were held in the Account.

Sub-Advisor Fees

Fees charged by an outside money manager or sub-advisor will be fully disclosed to client. Sub-advisory or money manager fees may or may not be paid by the investment advisor representative from the management fee he or she receives as is disclosed in the Client Fee Schedule. Paying fees to a money manager or sub-advisor may result in increased fees to client. If such outside money manager or sub-advisor fees are not included in the management fee received by the investment advisor representative, then client is solely responsible for their payment.

Brokerage, Custodial and Clearing fees

Commissions and other transaction charges, and any charge relating to the custody of securities in the Account may or may not be paid by the investment advisor representative from the management fee he or she receives. If the investment advisor representative discloses that such fees are not included in the management fee charged, such brokerage commissions and/or transaction ticket fees charged by the Broker/Dealer-Custodian are billed directly to client's account by the Broker/Dealer-Custodian. APA and the investment advisor representative do not receive any portion of such commissions or fees from client or the Broker/Dealer-Custodian.

Termination of Services

The client agreement between you and our firm may be canceled by either party at any time, for any reason. However, services provided continue until written notice of termination is given to the other party. Termination is effective upon receipt of notice, although transactions in progress will be completed in the normal course of business. If we receive a request to terminate and liquidate your account, we have up to 72 hours to begin liquidating. If the client agreement for investment management services is terminated within five (5) business days of its signing, you receive a full refund of any investment management fees already charged. If our investment management services are terminated, any prepaid, unearned management fees are calculated and promptly refunded based upon the number of days remaining in the billing period after the termination date. Subsequent transactions in a closed account are subject to our broker/dealer's normal brokerage rates and commissions. Arbor Point Advisors reserves the right to charge up to \$50 to close the account except for those clients in any state which prohibits an account closing fee. Terminating the agreement does not affect the liabilities or obligations of Arbor Point Advisors, your investment advisor representative, or you arising out of transactions initiated prior to termination or the provision regarding arbitration. These liabilities, obligations and provisions survive any expiration or termination of the agreement. Upon termination, you have the exclusive responsibility to monitor the securities in the account; Arbor Point Advisors and your investment advisor representative have no further obligation to act or provide investment services with respect to those assets.

Other Fees

Brokerage commissions and/or transaction ticket fees charged by the broker/dealer are billed directly to your account by the broker/dealer. Arbor Point Advisors does not receive any portion of such commissions

or fees from you or the broker/dealer. In addition, you may incur certain charges imposed by third parties other than Arbor Point Advisors in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees and charges imposed by the broker/dealer-qualified custodian(s) of your account. Management fees charged by Arbor Point Advisors are separate and distinct from such fees including fees and expenses charged by investment company securities that may be held in your Account. Arbor Point Advisors does not receive any portion of such fees. A description of these fees and expenses are available in each investment company's security prospectus. The ongoing management fee for investment management services may cost you more than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold strategy for the account or do not wish to buy ongoing investment advice or management services, you should consider opening a brokerage account rather than an advisory account. Fees charged in our programs may be more than the cost of purchasing the same services separately. You may be able to obtain similar services for a lesser fee from other advisors. The fees charged vary among our programs.

Our firm also may invest a portion of your assets in mutual funds, exchange traded funds or variable annuities and charge an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for the management of your assets, one directly to our firm and one indirectly to the managers of the mutual funds, exchange traded funds or variable annuities held in their portfolios. The underlying assets may be bought directly through the mutual fund company or variable annuity company. Therefore, you could generally avoid the second layer of fees by making your own decisions regarding the mutual fund, exchange traded fund or variable annuity investment. However, in that case, you would not receive the investment management services provided by your investment advisor representative.

Arbor Point Advisors' policy prohibits imposing an asset-based fee for 18 months on products that were subject to a commission and sold by your representative at the time of purchase, with the exception of mutual fund class B and C shares and alternative investments. While these products may be allowed to be transferred from a commission-based account to an advisory account, Arbor Point Advisors' policy is to exclude these products from the fee-calculation. While Arbor Point Advisors (or an entity on its behalf) has designed reasonable controls to monitor for such activity, we encourage you to check the accuracy of your advisory fee billings in those cases where you have a commission-based product sold by your investment advisor representative transferred to a fee-based account.

Fees for Third-Party Money Managers

Arbor Point Advisors and our investment advisor representatives are compensated by third-party money managers through solicitor or consulting fees. You should be aware that the solicitor or consulting fees paid to Arbor Point Advisors differ among recommended managers. We may receive marketing override fees or preferred sponsor fees from third-party money managers. If we do not receive marketing override fees or preferred sponsor fees, then we may retain up to 10% of the investment advisor representative's solicitation fees or consulting fees from those programs.

Fees charged by third-party money managers may be negotiated but generally range from .10% to 3.0 % annually, depending upon the manager selected, the size of the account and the services covered. Under

some programs, an inclusive fee covers account management, brokerage, clearance, custody and administrative services. In other programs, the account may be charged separately for such services. The amount of the fees, services provided, payment structure, termination provisions and other aspects of each program are detailed and disclosed in the third-party investment advisor's Form ADV, the wrap fee disclosure brochure (including the brochure for the wrap program sponsored by Arbor Point Advisors) or other applicable disclosure documents such as the disclosure documents of the managers selected and the account opening documents. Arbor Point Advisors and your investment advisor representative share in a portion of the fee charged by the third-party money manager. The shared portion varies from program to program. Disclosure of the shared amount will be provided to you at the time you engage a third party money manager and can also be obtained from us upon request but generally ranges between 25% - 75% of your total fee. All fees are calculated and collected by the third-party money manager who will be responsible for delivering our portion of the fee paid by you to us.

In mutual fund/variable annuity programs, your investment advisor representative assists you in selecting various strategies consisting of model portfolios of mutual funds and/or variable annuity sub-accounts or assists you in designating certain of your existing investment in mutual funds and/or variable annuities to be managed by a third-party investment advisor firm. Arbor Point Advisors and the investment advisor representatives do not manage or obtain discretionary authority over the assets in accounts participating in these programs. The third-party advisor either rebalances the mutual funds, variable annuity sub-accounts or model portfolios selected by you on a pre-determined schedule or actively manages a portfolio of mutual funds and/or variable annuity sub-accounts in accordance with your stated general strategy or objectives.

Annual fees charged as a percentage of assets under management are charged monthly or quarterly and either in advance or arrears as agreed upon between you and your investment advisor representative. Your representative quotes an exact percentage to you based on the nature and total asset value of that account. Fees of more than \$1,200 are not collected six or more months in advance.

Under this program, you may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges and IRA and qualified retirement plan fees.

We have a conflict of interest by only offering those third-party money managers that have agreed to pay a portion of their advisory fee to us and have met the conditions of our due diligence review. In addition, we may have the incentive to recommend a money manager that agrees to allocate a higher portion of the total fee to our firm over other money managers that allocate a lower percentage to our firm. There may be other third-party money managers that may be suitable for you and/or may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

The amount of compensation Arbor Point Advisors or your representative may receive in a particular program may be more than would be received if you participated in other Arbor Point Advisors programs or paid separately for investment advice, brokerage and other services. Your investment advisor representative is not under any obligation to promote or use one money manager over another. You may want to consider the following factors when determining the reasonableness of the fees charged, including the following:

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

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

Arbor Point Advisors, SAI and your investment advisor representative in their capacity as licensed registered securities representatives of SAI are able to effect securities transactions for separate and typical compensation for any client requesting these securities transaction services. Your investment advisor representative may sell insurance products in his or her separate capacity as an independent insurance agent and receive sales commissions. If your investment advisor representative is a SAI registered securities representative, he or she has the discretion to determine the amount of commission charged to clients on products other than mutual funds or insurance products.

In addition to the advisory fees disclosed in your advisory agreement or commissions you pay for the purchase of securities and insurance products, your investment advisor representative may receive compensation, including bonuses and non-cash compensation, for selling certain securities or other investment products. Examples of non-cash compensation may include the receipt of due diligence and/or marketing allowance payments from certain sponsors. While the arrangements with each sponsor may vary, each product sponsor may pay a due diligence or marketing allowance fee based upon the amount of assets held at the sponsor or on the gross amount of each sale, depending upon the product. In certain cases, additional payments are paid or directed to Arbor Point Advisors or SAI for selling these products. This may create a conflict of interest based on the amount of compensation Arbor Point Advisors or SAI receives when recommending one non-publicly traded product over another. As a result, certain incentives and conflicts of interest may exist for your investment advisor representative if you buy certain recommended products or services. We encourage you to review this Brochure closely and discuss any conflicts of interest with your representative.

Other Fees

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

An outside third party money manager recommended by our firm may use our broker/dealer affiliate SAI and investment advisor representatives who are also SAI registered securities representatives to implement recommended transactions for separate compensation, provided that the use of SAI is consistent with the manager's obligation of best execution. We recognize your unrestricted right to select and choose any broker or dealer you wish, except in situations where we or a recommended manager is given discretionary authority over your account. However, no manager is under any obligation to use our broker/dealer affiliate for any securities transactions.

Clients may purchase securities through broker/dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. An affiliate of our firm may act as an underwriter or manager for such offerings and, as such, will receive compensation equal to either all or a portion of "gross spread" (the difference between the price the client pays for the security and the price at which the affiliated firm purchased the securities). Our firm may also receive a portion of the gross spread as a member of the selling syndicate. The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

Our firm may share a portion of payments received from a mutual fund or in connection with an initial public offering, a secondary offering, and/or a private placement with your investment advisor representative. Your representative may also receive compensation, such as 12b-1 or services fees, in connection with the sale of funds. Therefore, your investment advisor representative has an incentive to recommend implementing the recommendations made through our firm. This conflict of interest is heightened when your investment advisor representative recommends securities where our firm is a member of the selling syndicate because your investment advisor representative typically receives more compensation in connection with these securities than in connection with other types of securities. Your investment advisor representative may also have a heightened conflict of interest when recommending funds that pay compensation because he or she may receive a portion of that compensation. Your investment advisor representative may favor certain clients when offering initial public offerings, secondary offerings and other follow-on offerings. Trade allocation is determined on a basis that is fair, reasonable and equitable to those selected clients and that meets the clients' investment objectives. Factors such as the size of the account and the account's investment objectives may be taken into account when allocating investments. When an order is only partially filled, the security is allocated to accounts pro-rata to the allocation of the original order quantities. Commission and transaction costs are allocated to each account pro-rata.

With respect to initial public offerings, secondary offerings and other follow-on offerings, an allocation pro-rata to the original order quantity is applied where demand exceeds supply. Where it is not possible to apply this policy in any particular trade, efforts made to allocate the next investment opportunities so that clients participating in the offerings over time, irrespective of account size, receive equitable treatment in the filling of orders.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

TYPES OF CLIENTS

We generally provide investment advice to:

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

Account Minimums

We do not impose a minimum investment amount or other requirement for our financial planning services.

Arbor Point Advisors generally requires a minimum of \$25,000 in order to open an account. However, we may grant exceptions. Should the market value of the account fall below the stated minimum, APA has the right to require that additional monies or securities be deposited to bring the account value up to the required minimum or, at APA's option, to terminate the agreement.

Third-party money managers may have minimum account and minimum fee requirements in order to participate in their programs. Each-third party money manager will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our investment advisor representatives use various methods of analysis and investment strategies. Therefore, methods and strategies will vary based on the advisor representative providing advice. Models and strategies used by one advisor representative may be different than strategies used by other representatives.

Some investment advisor representatives may use just one method or strategy while others may rely on multiple strategies. Arbor Point Advisors does not require or mandate that a particular investment strategy be implemented by its advisor representatives. Further, Arbor Point Advisors has no requirements for using a particular analysis method and advisor representatives are provided flexibility (subject to Arbor Point Advisors supervision and compliance requirements) when developing their investment strategies.

The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by Arbor Point Advisors investment advisor representatives.

Methods of Analysis

Security analysis methods may include:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest and other indicators in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of relying on chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, relying on chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company rises just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis because it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Your investment advisor representative has access to third party vendors that provide programs or software to analyze individual securities. We also offer your advisor representative access to third party vendors that provide support services in portfolio design and strategy implementation. One of our affiliates, Ladenburg Thalmann & Co., provides research designed to help clients capitalize on inefficiencies in the market. Their institutional quality research provides their partners with value-added insights that enables their decision-making processes, informs their strategies and allows them to address critical market issues. Your representative may use the services of Ladenburg Thalmann & Co. in addition to other third-party services made available. Refer to the section titled *Other Financial Industry Activities and Affiliations* for more information about our affiliates.

Investment Strategies

Various investment strategies may be employed in our programs. However, a specific investment strategy or investment policy is determined for you to focus on your specific goals and objectives. Investment strategies and philosophies used within our managed programs vary based on the advice provided by your investment advisor representative. Models and strategies used by one representative may be different than strategies used by other representatives. Some investment advisor representatives limit their advice to mutual funds and others will provide advice on a full range of securities that include equities, mutual funds, options, fixed income and other types of investments listed elsewhere in this brochure. Your investment advisor representative may develop models or strategies that are generally applied to their clients while other representatives will develop individualized portfolios for each client. The following are descriptions of some, though not necessarily all, of the strategies used by our firm and investment advisor representatives.

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Arbor Point Advisors.

Option writing including covered options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical asset allocation. This allocation allows for a range of percentages in each asset class (such as stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

If your individual situation changes, you should notify your investment advisor representative who will assist you in revising the current portfolio and/or prepare an updated client profile so that he/she can determine if a different model portfolio would be appropriate to your new situation. You may also directly contact the third-party advisor managing the account.

It is important that you understand the concept and risks inherent in exchanging an investment from one position to another. Some investment decisions result in profit and others in losses. Arbor Point Advisors and your investment advisor representative cannot guarantee that the objectives of any investment program will be achieved. Furthermore, it is important that you understand that the exchange of shares of one mutual fund for shares of another mutual fund is treated as a sale for federal income tax purposes and that capital gains or losses may be realized unless you are eligible for tax deferral under a qualified retirement plan.

In limited circumstances, your investment advisor representative or third-party money manager may engage in a strategy involving frequent trading. You should consider the following points before entering into an advisory relationship where such trading occurs. Active trading can be extremely risky and is not appropriate for someone of limited resources and limited investment trading or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you invest in securities. In particular, you should not fund this type of trading with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership or funds required to meet your living expenses. Active trading may result in few or no profits and, worse, may lead to large financial losses very quickly. Active trading requires in-depth active knowledge of the securities market and of sophisticated and disciplined trading techniques and strategies. Also, you must compete with professional, licensed traders employed by securities firms and other knowledgeable, experienced and well-trained traders. You should have appropriate knowledge and experience before engaging in active trading. You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. Your success will be affected by strengths and weaknesses and the methods and practices of the brokerage firm in executing trades. You should develop an intimate knowledge of these matters before you engage in an active trading strategy. Active trading may involve aggressive trading, and you can generally expect to pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that each trade costs \$16 and an average of 29 transactions are conducted per day, you would need to generate an annual profit of \$111,360 just to cover commission expenses. Tax consequences can be affected due to shorter-term purchases and sells. You may want to consult your tax professional for advice. Your portfolio may tend to be more volatile with shorter term or more active trading.

Risk of Loss

Investment portfolios, programs, models, asset allocations or strategies entail the risk of loss, and values and returns will fluctuate over time. While we seek to limit any losses, there have been periods of loss in the past and there will likely be others in the future. Arbor Point Advisors and our investment advisor representatives emphasize that investment returns, particularly over shorter time periods, are highly dependent on trends in the various investments markets. Thus, our investment management services are generally suitable only for long-term investment objectives or strategies rather than for short-term trading purposes. Diversification does not guarantee a profit or guarantee to protect you against loss, and there is no guarantee that your investment objectives will be achieved. These programs, portfolios, models, asset allocations and strategies are not FDIC insured and the investments in them may lose value. All investment programs have certain risks that are borne by you. Our investment approach constantly keeps the risk of loss in mind. You face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- Inflation Risk: The risk is that the rate of inflation will exceed the rate of return on an investment.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They generally carry a higher risk of profitability than an electric company which may generate much of its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Management Risk – Your investment through our firm varies with the success and failure of your investment advisor representative's investment strategies, research, analysis and determination of portfolio securities. If your representative's investment strategies do not produce the expected returns, the value of the investment will decrease.

Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intend to borrow funds in order to purchase securities, you are required to open a margin account, which is carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines and, as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Arbor Point Advisors and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.

- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. There is no guarantee that your investment objectives will be achieved.

Our firm and our affiliated entities make no promises, representations, warranties or guarantees that any of its services rendered will result in a profit to you. Our firm and our affiliated entities do not guarantee the future performance or any specific level of performance, the success of any investment decision or strategy that our firm and any of our affiliated entities may use or the success of our overall management. You should understand that investment decisions made for you by our firm or any of our affiliated entities are subject to various market, currency, economic, political and business risks and that those investment decisions will not always be profitable. You should understand that Arbor Point Advisors, Arbor Point Advisors representatives and our affiliated entities will not be liable for any loss incurred with respect to your Account, except where such loss directly results from such party’s negligence or malfeasance. Nothing in this section is intended to be a waiver of any right of action you may have under applicable securities laws or your rights in the event Arbor Point Advisors, the Arbor Point Advisors representative or its affiliated subsidiaries breach any fiduciary duty owed to you.

Arbor Point Advisors, through SAI, monitors accounts based on standard deviation thresholds. For information about these thresholds, please visit www.securitiesamerica.com under Investors/Investor Information.

DISCIPLINARY INFORMATION

Arbor Point Advisors has no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our business or integrity. Our parent company, SAFC, and some of its subsidiaries are involved, in the normal course of business, in legal, regulatory and arbitration proceedings, including class actions, concerning matters arising in connection with the conduct of its activities.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Financial Industry Affiliates

Arbor Point Advisors conducts activities with some affiliates who are “related persons” as defined on the SEC’s Form ADV. These activities may be material to our investment advisory business or our advisory

clients. These affiliates include companies under common control of SAFC by virtue of their status as subsidiaries of SAFC. Arbor Point Advisors, SAA and SAI are subsidiaries of SAFC.

Securities America, Inc.

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

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

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

Securities America Advisors, Inc.

Arbor Point Advisors is under common ownership with another investment advisor firm, Securities America Advisors, Inc. which is also owned by SAFC. Arbor Point Advisors is registered with the SEC, relying on Rule 203A-2(c) under the *Investment Advisers Act of 1940*, because Arbor Point Advisors is under common control with SAA, an investment advisor that is registered with the SEC, and Arbor Point Advisors' principal office and place of business is the same as SAA. We share officers and home office employees with SAA. However, our investment advisor representatives are only licensed with Arbor Point Advisors and not also with SAA. Although our services are similar to those provided by SAA, our investment advisor representatives do not provide advisory services for SAA or utilize the programs sponsored by SAA.

Other Financial Industry Affiliates

SAFC is a wholly-owned subsidiary of LTFS. LTFS provides financial products and services through subsidiaries. LTFS has several other subsidiaries registered as investment advisors, broker/dealers, an investment company, a trust company and insurance companies or agencies.

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

| | |
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| Ladenburg Thalmann Fund Management, LLC (LTFM) | 50% owned by LTAM |
|--|-------------------|

| | |
|--------------------------------------|--------------------|
| Ladenburg Thalmann & Co. Inc. (LTCO) | 100% owned by LTFS |
| Ladenburg Capital Agency Inc. | 100% owned by LTFS |
| Triad Advisors, Inc. | 100% owned by LTFS |
| Investacorp, Inc. | 100% owned by LTFS |
| Investacorp Advisory Services | 100% owned by LTFS |
| Securities America, Inc. | 100% owned by LTFS |
| Securities America Advisors, Inc. | 100% owned by LTFS |
| Premier Trust, Inc. | 100% owned by LTFS |

LTFS is a publically traded company with a substantial interest, both financial and with respect to its reputation, in assuring new and/or additional shares of their securities are being purchased and our investment advisor representatives may recommend LTFS securities on a non-discretionary basis. We may have an incentive to recommend investment in these offerings because of our affiliation with LTFS rather than investment based on a client's needs. To address this conflict, we have policies and procedures in place to make sure securities in LTFS securities are recommended only to clients for whom they are suitable given the client's investment objectives and assets.

Furthermore, because of our affiliation with LTFS, clients might infer a recommendation is being made based on private information known to our investment advisor representative because of the affiliation. Our representatives generally do not have access to material non-public information concerning LTFS or their securities. Any recommendation based on such material non-public information would be considered insider trading and a violation of industry regulations. Should our representative become aware of such information he/she is prohibited from using it in any way. Clients should understand any recommendation to purchase LTFS securities must be based solely on the client's financial needs.

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

objectives and assets. In addition, clients are generally given transaction specific disclosure prior to the client's decision to invest in such securities.

Ladenburg Thalmann Asset Management (LTAM), Investacorp Advisory Services and Triad Advisors, Inc. are SEC registered investment advisors and are wholly owned subsidiaries of LTFS. Ladenburg Thalmann Asset Management, Inc. (LTAM) owns 50% of Ladenburg Thalmann Fund Management, LLC (LTFM), which is a registered investment advisor. Ladenburg Thalmann Alternative Inc. is the manager of Ladenburg Opportunity Fund I, LLC, a hedge fund.

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

We are also affiliated with LTCO, Investacorp, Inc. and Triad Advisors, Inc., which are registered full service broker/dealers.

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

Due to the interrelationship of these entities, conflicts of interest may arise that are not readily apparent to the client. In the course of its business operations, SAFC, through SAI, Arbor Point Advisors, and LTFS may engage in marketing allowance or sponsorship arrangements with third parties, sub-advisors and brokerage firms to promote the distribution of investment products, including variable annuity and insurance products, mutual funds, managed accounts and customized portfolios. These additional engagements have the potential to, but may not necessarily, result in additional assets under management with our firm. Therefore, a potential conflict of interest may exist when investment advisor representatives recommend these products, as LTFS stands to receive earnings from the internal fees of the recommended securities as well as earnings from a portion of the investment advisory fee received by our firm.

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

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

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

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

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

Other Affiliations

Banking or Thrift Institution

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

Accounting Firm

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

Law Firm

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

Insurance Company or Agency

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

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

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

Pension Consultant

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

Real Estate Broker or Dealer

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

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

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

Board of Directors

Members of the Board of Directors for SAFC may serve as board members for several of our affiliated companies. There may be a perceived conflict of interest. You should be aware that the Board of Directors does not make decisions for our firm without following the process set forth in our firm's by-laws.

Third-Party Money Managers

Our investment advisor representatives may recommend third-party money managers to manage some or all of your assets. Once you select the third-party money manager to manage all or a portion of your

assets, the third-party money manager pays us a portion of the fees you are charged. Please refer to *Advisory Business and Fees and Compensation* for full details regarding the programs, fees, conflicts of interest and materials arrangements when Arbor Point Advisors selects other investment advisors.

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

Our Approach to Conflicts of Interest

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

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

Code of Ethics

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

This response is only intended to provide you with a summary description of our Code of Ethics. If you wish to review our Code of Ethics in its entirety, a copy may be obtained by calling us at (888) 777-1992, ext. 6141 or writing to the RIA Compliance Department at Arbor Point Advisors, 12325 Port Grace Blvd., La Vista, NE, 68128.

Participation or Interest in Client Transactions

Representatives may sell mutual fund and insurance products offered by subsidiaries of LTFS. Therefore, a potential conflict of interest may exist when Arbor Point Advisors investment advisor representatives recommend these products because LTFS stands to receive earnings from the internal fees of the

recommended securities as well as earnings from a portion of the investment advisory fee received by our firm. Representatives are not under any obligation to sell these products or to meet any selling quotas related specifically to these products. We would refer you to the section titled *Other Financial Industry Activities and Affiliations* and encourage you to review this ADV closely and discuss any potential conflicts of interest with your investment advisor representative.

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

Policy Regarding Engaging in Agency Cross Transaction in Advisory Accounts

It is Arbor Point Advisors policy to prohibit representatives from engaging in agency cross transactions where representatives act as brokers for both the buy and sell of a single security between two different clients for which the representatives receive compensation in the form of an agency commission or principal mark-up for the trades. Should we adopt a different policy in this area, we will observe all rules and regulations in accordance with the disclosure and consent requirements of Section 206(3) of the *Investment Advisers Act of 1940*. Additionally, we are aware that such transactions can only occur if we can ensure that we meet our duty of best execution for the client.

Personal Trading

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

Pre-Clearance and Restricted Securities Policy

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

Insider Trading Policy

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

Arbor Point Advisors and our affiliated entities have adopted an "Insider Trading Policy" in accordance with Section 204A of the *Investment Advisers Act of 1940*, which establishes procedures to prevent the misuse of material nonpublic information by our firm and our supervised persons. If your investment advisor representative maintains a personal investment account with another advisory firm or broker/dealer, your representative must make arrangements with that outside firm or broker/dealer to send at least quarterly statements to SAI. The representative must complete an annual certification concerning their personal securities activities, and provide such additional information about personal trading activities as may be required under the Insider Trading Policy and the Code of Ethics. Supervised persons who violate this policy may be subject to sanctions imposed by our firm.

Policy Governing Contributions to Local and State Elected Officials and Candidates

Arbor Point Advisors requires that its supervised persons seeking to make a political contribution to a state or local candidate pre-clear their political contributions through the firm. We do not require our supervised persons to pre-clear contributions to candidates running for federal office, unless the candidate is currently a state or local government official running for federal office. Depending on the state or local pay-to-play rules, Arbor Point Advisors and your investment advisor representative may be subject to local and state pay-to-play rules in addition to federal securities rules and regulations.

BROKERAGE PRACTICES

Recommendation of Broker/Dealers and Custodians for Investment Management Services

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

For clients using our investment management service, we require you to use particular broker/dealers recommended or approved by us. Please note that not all investment advisors require the use of particular broker/dealers. Some investment advisors permit clients to use any broker/dealer of the client's own

choosing. In very rare cases, we may work with a client that wants to direct us to use a particular broker/dealer. In such cases, those clients must understand that we may be unable to effectively negotiate brokerage compensation on the client's behalf. When directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they obtain through their selected broker/dealer(s) are adequately favorable in comparison to those that we would otherwise obtain for our clients. Clients with client-directed brokerage arrangements should also understand we may be limited in our trading ability (compared to platforms recommended by Arbor Point Advisors) and may be required to execute client directed trades after trades are implemented through accounts at our preferred platforms. Clients are encouraged to discuss available alternatives with their advisor representative.

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

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

Clearing and Custodial Arrangement

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

A referring broker/dealer firm may also have paid for business consulting and professional services received by Arbor Point Advisors' related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Arbor Point Advisors' personnel to attend conferences or meetings relating to the programs or advisor custody and brokerage services generally. Some of the products and services made available by such referring firms may benefit Arbor Point Advisors but may not benefit its client accounts. These products or services may assist Arbor Point Advisors in managing and administering client accounts, including accounts not maintained at the referring firm. Other services made available may help Arbor Point Advisors manage and further develop its business enterprise. The benefits received by Arbor Point Advisors or its personnel generally do not depend on the

amount of brokerage transactions directed to a referring firm. As part of its fiduciary duties to clients, Arbor Point Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that receipt of economic benefits by Arbor Point Advisors or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Arbor Point Advisors' choice of one of these referring broker/dealer firms for custody and brokerage services.

TD Ameritrade Institutional

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

As disclosed above, Arbor Point Advisors participates in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Arbor Point Advisors participation in the Program and the investment advice we give to our clients, although Arbor Point Advisors receives economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Arbor Point Advisors participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology and practice management products or services provided to Arbor Point Advisors by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Arbor Point Advisors related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit Arbor Point Advisors but may not benefit our client accounts. These products or services may assist Arbor Point Advisors in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Arbor Point Advisors manage and further develop our business enterprise. The benefits received by Arbor Point Advisors or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, Arbor Point Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Arbor Points Advisors or our related persons in and of itself creates a potential conflict of interest and may indirectly influence the Arbor Point Advisors choice of TD Ameritrade for custody and brokerage services.

Some clearing and custodial firms may refer financial professionals to Arbor Point Advisors to possibly join our firm as investment advisor representatives. Currently, Arbor Point Advisors has such a referral relationship with TD Ameritrade. Any such referring broker/dealer or clearing/custodial firm does not supervise Arbor Point Advisors and has no responsibility for Arbor Point Advisors supervision of our investment advisor representatives, management of client portfolios or Arbor Point Advisors other advice or services. We have the final authority and responsibility for approving all investment advisor representatives

licensed with our firm. Our receipt of investment advisor representative referrals from these firms raises potential conflicts of interest. Such firms will most likely refer potential investment advisor representatives to Arbor Point Advisors when we encourage those investment advisor representatives' clients to custody their assets at the referring firm and whose client accounts are profitable to that firm. Consequently, in order to obtain investment advisor representative referrals, Arbor Point Advisors may have an incentive to recommend to clients that the assets under management by Arbor Point Advisors be held in custody with the referring firm and to place transactions for client accounts with that same firm. Our arrangement does not diminish our duty to seek best execution of trades for client accounts. A referring custodial or clearing firm does not receive solicitor or referral fees from us for providing Arbor Point Advisors with a potential investment advisor representative referral.

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

Schwab Advisor Services

Arbor Point Advisors may also recommend or require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Arbor Point Advisors is independently owned and operated and not affiliated with Schwab. Schwab provides Arbor Point Advisors with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab generally does not charge separately for custody services for Arbor Point client accounts maintained in its custody. Instead, it is generally compensated through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Because APA pays Schwab the execution costs associated with securities transactions, there is a potential disincentive to trade securities. Arbor Point Advisors does not receive any portion of the commission or fees from either Schwab or from clients.

In addition, clients may incur certain charges imposed by third parties other than us in connection with investments made through your account including, but not limited to, wire fees, overnight check fees,

mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges and IAR and qualified retirement plan fees. APA's fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses is available in each security prospectus.

The Arbor Point Advisors Asset Management Services program may cost clients more or less than if the assets were held in a traditional brokerage account. In a brokerage account, clients are charged commissions for each transaction and the representative has no duty to provide ongoing advice with respect to the account. If clients plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, they should consider opening a brokerage account rather than an Asset Management Services account.

Schwab also makes available to Arbor Point Advisors other products and services that benefit Arbor Point Advisors but may not benefit its clients' accounts. These benefits may include national, regional or specific Arbor Point Advisors educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of Arbor Point Advisors personnel by Schwab Advisor Services personnel, including meals, invitations to sporting events (including golf tournaments) and other forms of entertainment, some of which may accompany educational opportunities.

Other of these products and services assist Arbor Point Advisors in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Arbor Point Advisors' fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Arbor Point Advisors' accounts, including accounts not maintained at Schwab Advisor Services.

Schwab Advisor Services also makes available to Arbor Point Advisors other services intended to help Arbor Point Advisors manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Arbor Point Advisors by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Arbor Point Advisors. As a fiduciary, Arbor Point Advisors endeavors to act in its clients' best interests, but its recommendation and/or requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Arbor Point Advisors of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. This may create a potential conflict of interest.

Order Aggregation

When possible, Arbor Point Advisors and your investment advisor representative may aggregate client transactions to improve the quality of execution. The types and volumes of securities traded for client accounts do not lend themselves to aggregating or blocking trades when mutual funds are traded. To the

extent other securities are purchased that do lend themselves to aggregating or block trading (e.g., stocks or exchange traded funds), Arbor Point Advisors and your representative may aggregate client transactions or allocate orders whenever possible. Arbor Point Advisors and our representatives allocate trades to advisory clients in a fair and equitable manner that is applied consistently to all clients. When trades are not aggregated, clients may not enjoy the effects of lower transaction per share costs that often occur as a result of aggregating trades. As a result, you may pay a higher transaction cost than could be received elsewhere. Personal accounts of our investment advisor representatives, associated persons and their family members are not treated more favorably than any other client account. Arbor Point Advisors and your representative strive to allocate investment opportunities believed to be appropriate for their client's account and other accounts in a manner that is consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to Arbor Point Advisors or your representative's attention will be allocated in any particular manner. You should be aware that if an order is not aggregated, you may or may not pay higher brokerage costs.

Handling Trade Errors Made by Arbor Point Advisors or an Investment Advisor Representative

If Arbor Point Advisors or our supervised persons make a trade error in your account, the error is corrected and your account is restored to where it would have been had the trade error not occurred. Any profit or loss from the trade correction is maintained by Arbor Point.

Recommendation of Securities America, Inc.

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

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

REVIEW OF ACCOUNTS

Managed Account Reviews

Managed accounts and accounts maintained at third party money managers are reviewed at least annually, although reviews may be conducted more frequently depending upon specific account circumstances as well as overall market conditions. Factors triggering an account review may include material market, economic or political events, changes in your financial or personal situation or performance of the account in general.

Account reviews include investment strategy and objectives review and making an update if strategy and objectives have changed. Reviews are conducted by your investment advisor representative, with reviews performed in accordance with your investment goals and objectives.

Financial Plan Reviews

Your investment advisor representative is responsible for preparing initial financial planning advice and conducting any on-going reviews you may request. Arbor Point Advisors contracts with SAI to engage SAI home office staff (and SAI registered principals), on Arbor Point's behalf, to review a sampling of each supervised person's financial plans, including written financial planning advice. SAI compliance and supervision personnel are also engaged to conduct periodic reviews of financial advisor activities. Financial planning clients may contract for a review and update of their financial plans for a separate fee. Financial plans provided by Arbor Point Advisors representatives may be periodically reviewed by supervision personnel within SAI, our affiliated broker/dealer, on our behalf.

Reports and Account Statements

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

Whether position or performance reports by a third party money manager are provided to you depends upon the third party money manager.

Financial planning clients do not typically receive reports other than the written plan originally contracted for and provided by Arbor Point Advisors.

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

CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

We enter into agreements with solicitors (referring parties) to refer clients to us. The referral agreements between our firm and referring parties are designed to comply with SEC regulations as set out in 17 CFR Section 275.206(4)-3. If a referred client enters into an investment advisory agreement with our firm, and a cash referral is paid to the referring party, such fee is paid as a fixed fee or a percentage of the client advisory fees that are generated. Written disclosure regarding the referral fees we pay are provided to you prior to or at the time of entering into our investment advisory or financial planning agreements. The referral fee disclosed to you is payable to the referring party for the duration of Arbor Point Advisors' advisory relationship with you, whether or not our investment or trading strategies, or your investment objectives, change over time. We have no further referral fee obligation if the referring parties'

representations and warranties outlined in our referral agreement become inaccurate or untrue or if our investment advisory agreement with you is terminated for any reason. In those states that require solicitors to be licensed or filed as a registered investment advisor, we may require the solicitor to be licensed or filed under our registration.

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

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

Other Compensation

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

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

Your representative may be incented to join and remain affiliated with Arbor Point Advisors and SAI through certain compensation arrangements which could include bonuses, enhanced pay-outs, forgivable loans and/or business transition loans. We may also offer incentives to your representative for meeting certain

production levels above and beyond compensation he or she receives for providing advisory services through Arbor Point Advisors and/or selling products and services through SAI. The receipt of such incentives may be considered to be a conflict of interest. We encourage you to review this ADV closely and discuss any potential conflicts of interest with your representative.

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

Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or it is anticipated sales will be made.

CUSTODY

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

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

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

INVESTMENT DISCRETION

When providing investment management services and upon receiving written authorization from you in our standard client agreement, Arbor Point Advisors maintains trading authorization over your Account(s) and

provides management services on a discretionary basis. When discretionary authority is granted, we have the authority to determine the type of securities, the amount of securities that can be bought or sold, the timing of such purchase or sale, and the commission rates paid for your portfolio without obtaining your consent for each transaction.

You have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Arbor Point Advisors so long as the limitations are specifically set forth or included as an attachment to the client agreement.

VOTING CLIENT SECURITIES

Proxy Voting

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

With respect to assets managed by a third-party money manager, we do not vote the proxies associated with these assets. You need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager votes proxies on your behalf. You may request a complete copy of a third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting Arbor Point Advisors at the address or phone number indicated on Page 1 of this Brochure.

Class Action Lawsuits

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

FINANCIAL INFORMATION

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