

Triad Hybrid Solutions, LLC
Counsel Wrap Fee Program Brochure

SEC File No. 801-80075

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This Wrap Fee Brochure provides information about the qualifications and business practices of Triad Hybrid Solutions, LLC [“ADVISER” or “THS. If you have any questions about the contents of this Brochure, please contact us at www.triadhybrid.com or 866-580-8219 or via email at compliance@triadhybrid.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

THS is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about THS is also available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with THS who are registered, or are required to be registered, as investment adviser representatives of THS.

Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amended the rules pertaining to the disclosure documents that advisers provide to clients as required by SEC Rules. This brochure is prepared according to the SEC’s amended rules. This section summarizes specific material changes that have been made to the brochure.

Pursuant to the amended SEC Rules, within 120 days of the close of our firm’s fiscal year (December 31st) we will deliver either:

1. a copy of the current (updated) Brochure that includes or is accompanied by the summary of material changes, or
2. a summary of material changes that includes an offer to provide a copy of the current (updated) Brochure.

We may further provide other ongoing disclosure information about material changes as necessary as well as provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting your Investment Advisor Representative or our Compliance Department at 866-580-8219 or compliance@triadhybrid.com.

Material Changes Since the Last Update

1. This brochure by Triad Hybrid Solutions, LLC dated November 19, 2014 serves as a replacement to the Counsel Wrap Brochure dated November 1st, 2014. Material changes to this brochure since the last update are noted below:
2. Fees and Compensation: Updated this section to include a discussion on household billing.
3. Brokerage Practices: Updated section which describes factors that we consider in selecting or recommending broker-dealers for client transactions.
4. Client Referrals and Other Compensation: Discussion of persons that we may compensate for client referrals.

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Services, Fees and Compensation

**Client should read and consider the information contained in this brochure.
There is no assurance that the objectives of any client will be achieved.**

Advisory Business

Triad Hybrid Solutions, LLC (“THS”) is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser. THS is a limited liability company organized under the laws of the State of Florida on April 15, 2014.

Ladenburg Thalmann Financial Services Inc. (“LTFS”) owns 100% of THS. LTFS is listed on the NYSE Amex exchange under the symbol LTS.

Each client has an Investment Adviser Representative (“IAR”). IARs are generally broker-dealer representatives of Triad Advisors, Inc. (“Triad”), an affiliate of THS registered as both an investment adviser and a broker-dealer. In addition, the IARs may also be IARs of an independently registered investment adviser.

If your IAR is acting as a representative of an independently registered investment adviser that independently registered investment adviser is providing advisory services to you, and you will receive a disclosure brochure from that firm. For the purposes of this document, the term “Advisory Firm” refers to either THS or the independently registered investment adviser whichever is providing advisory services to you.

Clients who wish to participate in the Counsel Program (“Counsel”) generally enter into a Counsel Agreement. The Counsel agreement will set forth which Advisory Firm is providing consulting services to you.

Clients inform their IARs of the investment objectives, risk tolerance, and investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets they designate for investment through the Counsel Program. Based on this information, the IAR may provide advice and/or manage client accounts by purchasing and/or selling stocks, bonds, mutual funds, exchange-traded funds (“ETFs”), options, and Variable Annuity (“VA”) sub-accounts. IARs generally manage the accounts in Counsel on a non-discretionary basis. This means that they will purchase or sell securities for accounts only as authorized by the client. Under certain circumstances, a client may grant the IAR discretionary trading authority over an account. Clients grant this discretion in a Limited Trading Authorization Form provided by THS. This means that the IAR will buy and sell securities without consulting the client in advance.

IAR may manage various model portfolios for each VA carrier product that are maintained outside of an account structure. Although the Variable Annuities and their respective sub-accounts may be represented on various reports or statements, the Variable Annuities are held directly at the VA sponsor. Sub-account asset allocations may be limited by the VA Carrier product fund options. Certain asset allocations may also be restricted by the VA carrier. IARs will not direct reallocations of the sub-accounts through these account structures. In such cases when a reallocation is required, the IAR will direct and execute such reallocation transactions directly through the VA sponsor. Clients must complete documentation necessary under the applicable variable annuity contract to grant the IAR access to information necessary

to perform these services. THS has approved various VA carrier products for this service and may restrict the inclusion of a VA to an account structure at our discretion. The inclusion of VA products to an account structure is also subject to our policies and procedures.

Any restrictions on the management of an account imposed by a client may cause the IAR to deviate from the investment decisions or recommendations that the IAR would otherwise make with respect to the account.

Custody

An unaffiliated entity acts as custodian for Counsel Accounts. The custodian is named in the client's agreement with the Advisory Firm, as applicable. The Custodian will be National Financial Services, LLC ("NFS"), Fidelity Brokerage Services, LLC ("Fidelity"), or Charles Schwab & Co., Inc. ("Schwab").

Fees and Compensation

The client pays a quarterly Wrap Fee which is calculated based on a percentage of the value of the client's account.

The maximum annual Wrap Fee rates are:

Portfolio Value	Annual Fee
\$0 — \$150,000	2.50%
\$150,001 — \$250,000	2.25%
\$250,001 — \$500,000	1.75%
\$500,001 — \$1,000,000	1.50%
\$1,000,001 — \$3,000,000	1.25%
\$3,000,000 +	1.00%

The Wrap Fee rate may be either a flat annual fee rate (for example, a maximum rate of 2.50%) or will be a blended rate, using two or more of the rate tiers set forth above. A blended rate is calculated by charging a lower rate on the assets above the designated tiers. The rates are subject to negotiation between the IAR and each client. The Wrap Fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc.

Regardless of the actual quarterly Wrap Fee rate or the value of the assets in the accounts, the minimum fee charged to accounts in Counsel is the greater of \$30 or up to 15 basis points annually assessed per account. The imposition of the minimum fee may cause the effective Wrap Fee rate (expressed as a percentage) to be greater than the fee rates specified in the client's Counsel Agreement.

Either party at any time, and upon written notice, may terminate the Counsel Agreement and a pro rata portion of any Wrap Fee paid by the client in advance will be remitted to the client based on the number of days left in the quarter, following receipt of the notice of termination by THS.

The Wrap Fee covers the advisory services provided by the IARs, execution of transactions through the custodian, and its custodial services provided (unless otherwise agreed between the custodian and the client).

The Wrap Fee does not cover:

Certain Performance Reporting Fees. The IAR may provide certain clients with quarterly performance reports and may charge a quarterly fee for these reports in addition to the Wrap Fee. The IAR will provide clients to be charged this fee with additional information about the fee, including the amount.

Other broker-dealer and custodian fees, costs and compensation. Other costs that may be assessed by broker-dealers or the custodian and that are not included in the Wrap Fee include: fees for transactions executed away from chosen custodian, dealer mark-ups and spreads paid to market-makers. The Management Fee also does not cover debit balances or related margin interest, “mark-ups” and “mark-downs” or “dealer spreads” that broker-dealers (including broker dealer affiliates) may receive when acting as principal in certain transactions, brokerage commission or other charges resulting from transactions not effected through chosen custodian. The Management Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees or SEC fees or other fees or taxes required by law.

Variable annuity companies generally impose internal fees and expenses on client variable annuity expenses, including contingent deferred sales charges and early redemption fees. These fees are in addition to the advisory fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company’s prospectus. Please review the Variable Annuity prospectus for full details.

Certain securities, such as over-the-counter stocks and fixed income securities are traded primarily in "dealer" markets. In such markets, securities are directly purchased from, or sold to, a financial institution acting as a dealer, or "principal." Dealers executing principal trades typically include a "mark-up," "markdown," and/or spread in the net price at which transactions are executed. When Ladenburg Thalmann & Co. Inc. (“LTCO”), an affiliate of THS, executes a transaction for a security traded in the dealer markets, LTCO either will execute the transaction as agent through a dealer unaffiliated with LTCO, or as principal in accordance with applicable law. Clients in the Program will not pay commissions or separate transaction charges to LTCO in connection with these transactions; however, the client will bear the cost (including any mark-up, mark-down, and/or spread) imposed by the dealer as part of the price of the security. Thus, the dealer will receive compensation in connection with most principal trades. THS has a conflict of interest in using LTCO to execute principal transactions because LTCO will receive compensation in connection with the trade as dealer, which is in addition to the Program Fee. For more information about how this conflict of interest is addressed, see the “Other Financial Industry Activities and Affiliations” section below.

In addition, THS may execute fixed income trades through Advisors Asset Management. A THS IAR may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. THS does not receive referrals, products, research or services (i.e., soft dollars) in connection with this relationship. However, Triad receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Triad, as broker-dealer or the custodian may charge the client certain additional and/or minimum fees. In addition to the Program Fee, each mutual fund or ETF in which clients may invest also bears its own

investment advisory fees and other expenses. The mutual funds available through Counsel may be available directly from the funds pursuant to the terms of their prospectuses and without paying the Wrap Fee or Manager fee.

Exchange-traded funds are also available outside of Counsel without paying the Wrap Fee or Manager fee, subject to applicable commissions and/or transaction charges. Further, to the extent that cash used for investment comes from redemptions of a client's mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Wrap Fee on those assets.

Additional expenses associated with the specific underlying investment funds such as, redemption fees may apply. Certain mutual funds used in the Program may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that a sell is executed or model update is implemented. Redemption fees vary by fund and are described in each fund's prospectus. IARs may also actively trade option contracts or on margin for client's accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

Triad Advisors, Inc. ("Triad") may receive distribution or service ("trail") fees from the sale of certain mutual funds (including money market funds), pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services. Triad may also receive marketing allowances and other revenue sharing payments from limited partnerships, real estate investment trusts ("REITs"), business development companies and other products on our platform as compensation for distribution or administrative services. These fees may be negotiated by Triad and are distributed from the fund's total assets or charged to the client as a portion of internal expenses by the product sponsor. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus or a product's offering documents. THS may also participate in revenue sharing arrangements based on fees charged on certain mutual funds available on various custodial/record-keeper platforms.

These revenue sharing payments could potentially lead an IAR to focus more on products offered by firms that make revenue sharing payments to THS or an affiliate than those firms that do not make such payments when recommending services to their clients.

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. An affiliate of THS 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 it purchased the securities). 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.

Most THS IARs are also registered broker-dealer representatives of Triad. Triad 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 these representatives. THS IARs in their capacities as broker-dealer representatives of Triad may also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of mutual funds and other securities. Thus, THS IARs in their capacity as broker-dealer representatives of Triad have an incentive to recommend purchases of sales in certain offerings because they will receive more compensation in connection with these securities than in connection with other types of securities.

THS may “household” for fee calculation purposes only, multiple Client Accounts together within the Investment Management agreement at the Client’s request. This practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account to be, assessed a reduced advisory fee based on the asset based fee schedule. THS treats Accounts under management as part of the same household if Client resides at the same address, has the same last name, has the same Social Security Number or per Client request and execution of the Household Billing Addendum to the applicable Investment Advisory Agreement.

Accounts opened at a later date may be added for householding purposes. Client understands that they are responsible for notifying Adviser of which Account(s) Client would like to household under this agreement for fee billing purposes.

Comparison Cost of Service

The Wrap Fee may cost clients more or less than purchasing services separately depending on the frequency of trading in the accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other broker-dealers and other factors. Among the factors impacting the relative cost of the program to a particular client include the size of the account, the type of account (i.e., equity or fixed income), and the size of the assets devoted to a particular strategy.

IARs receive a portion of the total Wrap Fee charged pursuant to the client’s Counsel Agreement. This compensation may be more or less than what the IAR would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services. The IARs may therefore have a financial incentive to recommend the Counsel Program over other programs or services.

In certain wrap fee programs, transaction or ticket charges are paid by THS. Because of this practice you should be aware that an IAR may have an incentive to limit trading activities in your account. Instead of being charged a transaction charge, THS may be charged a flat basis point fee by our Custodians to cover transactions executed annually in an account. If THS pays this charge or any other administrative fees, the IAR may take those charges into account when the IAR and the Client negotiate the asset based management fee. An account in which there are no transaction charges may cost more or less than a Client would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset based fees typically assumes a normal amount of trading activity and under particular circumstances. Prolonged periods of account inactivity may result in higher compensation than if transaction charges were made separately for each transaction. In negotiating asset based fees and transaction charges, IARs will discuss with Clients the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account.

Account Requirements and Types of Clients

Account Requirements

THS does not impose an account minimum; however we will charge a minimum service fee which is the greater of \$30 or up to 15 basis points annually assessed to the advisor per account.

Types of Clients

Counsel is designed to assist clients, both individuals including high net worth individuals, and institutions (such as corporate pension and profit sharing plans, trusts, estates, charitable organizations, foundations, endowments and corporations).

Portfolio Manager Selection and Evaluation

IARs are the only portfolio managers available through Counsel. Clients select the IARs.

Individual Needs of Clients and Restrictions

IARs tailor their advisory services to the individual needs of the client. Clients inform their IARs of their investment objectives, risk tolerance, and investment time horizon and give their IARs any applicable investment policies, guidelines, or reasonable restrictions. Clients may impose reasonable restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. Any restrictions imposed by a client may cause the IAR to make different recommendations than he or she would in the absence of such restrictions. Thus, the account may not perform as well.

Other Types of Accounts

IARs may provide advisory services under different account structures. Although the services provided are generally the same under each structure, the pricing of each one is structured differently. Clients should understand that the wrap fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the model or program and IAR, plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the: 1) type and size of the account; 2) types of securities in the account; 3) historical and or expected size or number of trades for the account; and 4) number and range of supplementary advisory and client-related services provided to the client.

In addition to the Counsel Wrap Fee program described in this brochure, THS also offers the Ally account. Under this account structure, clients pay an advisory fee to THS plus additional charges in connection with each transaction. THS IARs may utilize this account structure as described in THS' firm brochure, which is available upon request. Other Advisory Firms may utilize this account structure as described in their firm brochures. IARs typically manage accounts in Counsel differently than the accounts that pay transaction fees because of the different nature of the services provided.

Several factors may influence the selection of the account structure including, but not limited to:

- i. the client's preference for a "wrap" vs. transaction charges per trade on certain or all securities
- ii. account size
- iii. anticipated trading frequency
- iv. anticipated securities to be traded
- v. management style
- vi. long term investment goals

No Performance-based Fees

Neither THS nor any IARs accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

Methods of Analysis, Investment Strategies and Risk

IARs based recommendations that they make in Counsel using various types of investment strategies. Each investment style, strategy, and investment entails varying degrees of risk. There can be no assurance that a particular investment or strategy will be successful or that clients will not suffer losses. Results generated by for each account will differ, and the investment advice provided to an individual will differ from client to client. Investment performance is not guaranteed, and the IAR's past performance with respect to a client's account or other accounts does not predict future performance.

The main sources of information IARs may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filing with the SEC and company press releases. The investment strategies used to manage accounts may include long term purchases, short term purchases, selling securities within 30 days, short sales, margin transactions, and option writing.

Types of Investments and Risks

Depending on the type of service being provided, THS and IARs can recommend different types of securities, including mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, collective investment trusts, variable annuity subaccounts, equities, fixed income securities, options, private funds, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an IAR may recommend depending on the service provided.

- Market Risk. This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- Interest Rate Risk. This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- Credit Risk. This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- Closed-End Funds. Client should be aware that closed-end funds may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- Exchange-Traded Funds. ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the

issuing company.

- Exchange-Traded Notes (“ETNs”). An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer’s ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- Leveraged and Inverse ETFs, ETNs and Mutual Funds. Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re- setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- Structured Products. Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer’s ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer’s credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a

claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- Options Risks. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable. Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of an European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the ‘Characteristics and Risks of Standardized Options’ brochure, which can be found at www.optionsclearing.com.
- Margin Risk. Leverage increases a portfolio’s risk as price swings are amplified in a margin account and clients can lose more funds than deposited if value of securities decline.
- High-Yield Debt. High-yield debt is issued by companies or municipalities that do not qualify for “investment grade” ratings by one or more rating agencies. The below investment grade designation is based on the rating agency’s opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer’s financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond’s market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- Private Funds and Managed Futures. Private and managed futures funds may be purchased by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.

- Business Development Companies (“BDCs”). BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating-rate/leveraged loan funds, private REITs and limited partnerships, investors are exposed to significant market, credit and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid portfolios. Due to the illiquid nature of non-traded BDCs, investors’ exit opportunities may be limited only to periodic share repurchases by the BDC at high discounts.
- Variable Annuities. If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- Company Stock. If company stock is available as an investment option to client in a retirement plan, and if client chooses to invest in company stock, client should understand the risks associated with holding company stock in a retirement plan. These risks may include, but are not necessarily limited to, lack of liquidity, over-dependency on client’s employer, and less flexibility to change the allocation of plan assets. Client should pay careful consideration to the benefits of a diversified portfolio. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.

Voting Client Securities

Proxy Voting.

Unless the IAR and the client otherwise agree in writing, IAR and the Advisory Firm are expressly precluded from taking any action or rendering any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the account. The client expressly retains the authority and responsibility with respect to voting proxies for the account(s) or will delegate discretion with respect to voting such proxies to a third party. If the IAR receives any proxy materials that pertain to securities held in the account, the IAR will forward the materials to person designated by the client.

Class Actions.

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

Client Information Provided to Portfolio Managers

As described in “Services, Fees and Compensation” above, clients inform their IARs of their investment objectives, risk tolerance, and investment time horizon and give their representative any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, the IARs provide investment recommendations and/or manage client accounts.

Clients should promptly inform their IAR of material changes in their financial circumstances or investment objectives. The IAR will periodically discuss, at least once a year, whether the management of the account continues to reflect the investment objectives and financial requirements of the client.

Client Contact with Portfolio Managers

Clients are free to contact IARs for questions or consultation in regards to their accounts. There are no restrictions placed on clients' ability to contact and consult with IARs.

Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of their management. THS does not have any disciplinary information.

Other Financial Industry Activities and Affiliations

Triad is a full service registered broker-dealer. In this capacity, Triad is involved in the purchase and sale of various types of securities, including, but not limited to, stocks, bonds, mutual funds and government securities. More information about Triad is set forth below. Information about other Advisory Firms is set forth in their separate disclosure documents.

In addition to being a registered investment adviser, Triad is a registered full service broker-dealer. Triad is a wholly owned subsidiary of LTFS.

Other companies that are owned by LTFS and thus affiliated with THS are:

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
Ladenburg Thalmann Asset Management, Inc. (LTAM)	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services Inc.	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS
Securities America Financial Corporation (SAFC)	100% owned by LTFS
Securities America, Inc.	100% owned by SAFC
Securities America Advisors, Inc.	100% owned by SAFC
KMS Financial Services, Inc.	100% owned by LTFS
HCHC Acquisition, Inc. (HCHC)	100% owned by LTFS
Highland Capital Brokerage	100% owned by HCHC
Triad Advisors, Inc.	100% owned by LTFS
Triad Insurance, Inc.	100% owned by Triad
Arbor Point Advisors, LLC	80% owned by SAFC

LTAM owns 50% of Ladenburg Thalmann Fund Management, LLC, ("LTFM"), which is a registered investment adviser. LTFM is an adviser to an open-end registered investment company, the Boyar Value Fund, Inc. This fund is an open-end diversified management investment company. LTCO is the

distributor of the fund. IARs may recommend that clients invest in the Boyar Value Fund or in the LTAM Alternative Strategies Fund, for which LTAM acts as investment adviser and LTCO acts as distributor. These recommendations create a conflict of interest because LTAM and LTCO 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 12(b)-1 fees. These fees are paid to Triad as broker-dealer. IARs may receive part of the compensation paid to THS in the advisor representative's capacity as a broker-dealer registered representative of Triad, to the extent permitted by applicable law. THS has policies and procedures to address such conflicts of interest.

THS IARs 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.

LTCO acts as a dealer with respect to certain securities, and as such, may execute transactions for THS clients as principal. As a dealer, LTCO may receive a "mark-up," "mark-down," and/or spread in the net price at which principal transactions are executed. This compensation is in addition to other compensation that client pays to THS and its affiliates under the Program. Thus, THS has a conflict of interest in deciding to execute trades through LTCO on a principal basis. THS addresses this conflict of interest in the following ways. After receiving disclosures about a specific principal transaction with LTCO, clients have the opportunity to reject the transaction before it is completed, to the extent required by applicable law. In addition, THS has policies and procedures in place to assure that clients receive best execution with respect to principal trades, regardless of whether the trade is executed by LTCO or an unaffiliated dealer.

THS may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. THS has a conflict of interest in recommending these securities for several reasons. First, 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 offering. THS IARs generally receive a portion of this compensation as broker-dealer representatives of Triad. 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 its affiliation with LTCO, THS has incentives to recommend these investments in these offerings for these reasons, rather than based on a client's needs. To address these conflicts, THS has 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.

Certain IARs are licensed to sell life and annuity insurance products through Triad Insurance, Inc. (a wholly owned subsidiary of Triad), and various other companies. Triad Insurance, Inc., as well as the appropriately licensed IAR, will receive compensation for the sale of such products. Clients are under no obligation to purchase insurance products through any particular insurance agency or representative.

Code of Ethics

THS has adopted a Code of Ethics for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our clients. All supervised persons at THS must acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended.

The Code of Ethics is enforced through compliance monitoring activities and surveillance. In cases where the firm discovers that an employee has violated a firm policy and/or procedure, the firm's Code of Business Conduct or Code of Ethics, a state or federal law, regulation of FINRA, the SEC, or other regulatory agency, the Compliance Department will take appropriate steps to investigate the circumstances and will take action commensurate with the manner of the violation. Such actions could take the form of a written warning to the employee in conjunction with the firm's Legal Department, or be as serious as disciplinary action up to and including termination. Any such investigations will be brought to the appropriate regulator's attention, if necessary, which may result in a disclosure of the violation on the employee's U4 form, if required.

THS Code of Ethics Rules are designed to ensure that our personnel: a) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; b) place the interests of THS clients first at all times; c) disclose all actual or potential conflicts; d) adhere to the highest standards of loyalty, candor and care in all matters relating to THS clients; e) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and f) do not use any material non-public information in securities trading. The Code of Ethics also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

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

THS personnel are required to conduct their personal investment activities in a manner that is not detrimental to THS advisory clients. They are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where THS Investment Advisor Representatives may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, officers of THS, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy.

All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from THS upon request. In the event that you request a copy of our Code of Ethics, we will furnish a copy within a reasonable period of time to you at your current address of record.

A full copy of our Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of our Privacy Policy at any time and a copy will be furnished within a reasonable period of time to you at your current address of record.

Interest in Client Transactions and Personal Trading

IARs may buy or sell for their own accounts, securities that are also held by their clients. Such transactions are permitted if in compliance with THS policy on personal securities transactions. Reports of personal transactions in securities by THS IARs are reviewed by THS' Compliance department quarterly or more frequently if required. Client should also understand that THS and IAR may perform advisory services for various other clients, and that THS and IAR may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

As described under "Fees and Compensation" above, THS may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. THS has a conflict of interest in recommending these securities for several reasons described previously. THS has policies and procedures in place to monitor such transactions and to review all such transactions for appropriate disclosures and suitability.

Brokerage Practices

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, safety of customer funds, execution capability, commission rates and responsiveness. Accordingly, although THS will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. In recommending broker-dealers for custodial services, THS considers the following:

- Quality of overall execution services provided;
- Promptness of execution;
- Creditworthiness, financial condition, and business reputation;
- Research (if any) provided;
- Promptness and accuracy of reports on execution;
- Ability and willingness to correct errors;
- Ability to access various market centers;
- The Custodian's facilities and technology;
- Commission or transaction charged to clients;
- Execution and operational capabilities of the broker-dealer

We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be "batched" for ease of execution. Since there may be several prices at which the securities transactions are executed, the orders are entered as one order for all accounts. It is our practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account.

THS receives no products, research, or services (i.e., soft dollars) that it would consider a factor in utilizing a particular broker-dealer. However, under its custodian agreements, THS receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing

services, economic forecasting and general market information, historical database information and computer software that assist THS' investment management process.

In addition, THS may execute fixed income trades through Advisors Asset Management. A THS IAR may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. THS does not receive referrals, products, research or services (i.e., soft dollars) in connection with this relationship. However, Triad receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Directed Brokerage

THS may recommend that clients establish brokerage accounts with certain registered broker-dealers ("Custodians"). Currently, THS recommends Fidelity Institutional Wealth Services ("Fidelity") through Fidelity Brokerage Services LLC or National Financial Services LLC and Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (Schwab), to maintain custody of clients' assets and to effect trades for their accounts. THS is independently owned and operated and not affiliated with these Custodians. The final decision to custody assets with the Custodians listed above is made by the Client in the applicable program agreement, 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. THS client accounts maintained at the Custodians generally do not charge separately for custody services but are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through the Custodians or that settle into their accounts. Because THS may pay the execution costs in certain programs associated with securities transactions, there is a potential disincentive to trade securities above a certain threshold. THS does not receive any portion of the commission or fees from the Custodians.

Fidelity provides THS with technology platforms or other software to access Fidelity's brokerage system. These systems aid THS in providing services to its clients, their accounts, which includes software that makes available client's account data, facilitates trade execution, allocates aggregated trade orders, facilitates payment of fees from client accounts, and assists with back office functions, such as recordkeeping and client reporting. Fidelity may also assist THS with IARs joining the Fidelity platform, and in some cases, pay account transfer fees or other charges the client may have to pay when changing custodians or service providers. The agreement for services described above may be better or worse than the terms offered to other advisors and may depend on the type or amount of business THS and its client conduct with Fidelity. Other factors may be considered as well, including the amount of assets in accounts with Fidelity within a certain timeframe. Our IARs may be motivated by these factors when recommending Fidelity accounts to clients. THS will establish pricing on commissions, account transactions, and other service fees for accounts in which Fidelity is the custodian. This pricing will be agreed upon based on the current and expected type and amount of business THS plans to do with Fidelity.

Schwab provides THS 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.

The Custodians also sponsor and make available to THS other products and services that benefit THS but may not benefit all of its clients' accounts. These benefits may include national, regional or THS specific educational events, conferences or meetings relating to the programs or advisor custody and brokerage services generally. Other potential benefits may include occasional business entertainment of personnel of THS by the Custodians' 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 THS 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 THS' 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 THS' accounts, including accounts not maintained at Schwab or Fidelity. Certain Custodians also make available to THS other services intended to help THS manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications, conferences, roundtables and webinars on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the Custodians may make available, arrange and/or pay vendors for these types of services rendered to THS by independent third parties. The Custodians 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 THS. While, as a fiduciary, THS endeavors to act in its clients' best interests, THS' recommendation/requirement that clients maintain their assets in accounts at the Custodians may be based in part on the benefit to THS 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 the Custodians, which may create a potential conflict of interest.

Review of Accounts

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

Accounts are primarily reviewed by the IAR. In addition, THS' compliance program includes the periodic review of a sample of customer accounts for consistency with a client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions.

Clients are provided with monthly or quarterly account statements from the custodian, depending on the activity in the account. Reports include details of client holdings, asset allocation, and other transaction information.

Clients who also receive account review reports from IARs are strongly encouraged to compare them to the account statements they receive from the custodian. The account statements received from the qualified custodian are the official statement of the accounts. Any account information provided by IARs is for informational purposes only. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

THS or IAR may provide clients with quarterly performance reviews of the Counsel accounts, for which the client may be charged a fee in addition to the Wrap Fee, as set forth in "Fees and Compensation" above. THS or IAR do not provide tax advice, and nothing in the performance review should be construed as advice concerning any tax matter.

Performance reviews are not a substitute for the regular monthly account statements received from the custodian or Form 1099. Performance reviews should not be used to calculate fees or to complete income tax returns. Upon a client's specific request and subject to the relevant firm's policies and procedures and applicable law, the performance review may include information about assets outside the program. By including any such assets in the performance review, the firm is not undertaking to provide or responsible for providing any services with respect to those assets.

Client Referrals and Other Compensation

THS compensates other persons for client referrals. THS enters into an agreement with such referral agents and pays them either a flat fee or a portion of the advisory fee. The referral agent discloses to the client at the time of the solicitation, the arrangement and the compensation to be received by the referral agent. The compensation to be paid in connection with these agreements is subject to negotiation between THS, the investment adviser representative and the referring party. These referral arrangements are designed to comply with SEC regulations as set out in 17 CFR Section 275.206(4)-3. In those states that require solicitors to be licensed or filed as an investment adviser representative, we will require the solicitor to be so licensed or filed under THS.

As set forth in “Fees and Compensation” above, THS and the IARs in their capacity as registered representatives of Triad, may receive compensation from third parties in connection with trades executed for or investments held in advisory accounts.

Certain mutual fund issuers and product sponsors may sponsor and pay for client luncheons, or other events, that THS’ IARs host. These arrangements may give rise to conflicts of interest, or perceived conflicts of interest, with the firm’s clients in connection with IAR recommendation of certain investment products. However, THS’ commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with THS’ independent decision-making process when choosing the best investment for our clients.

In addition, THS may execute fixed income trades through Advisors Asset Management. A THS IAR may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. THS does not receive referrals, products, research or services (i.e., soft dollars) in connection with this relationship. However, Triad receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Additionally, we receive additional compensation from our custodians for assets held in customer accounts. More specifically, THS has entered into a custodial support services agreement with Fidelity Institutional Wealth Services (“Fidelity”). Under this agreement, THS provides Fidelity with certain back office, administrative, custodial support and clerical services with respect to Client Accounts. Fidelity has agreed to pay us a fee when it acts as custodian for certain assets, namely, certain No Transaction Fee (“NTF”) mutual funds. NTF mutual funds are mutual funds that are offered through advisors or brokers without any transaction charge. THS receives additional compensation – from Fidelity, not from our clients – over and above the asset management fee we receive from our clients when such mutual funds are included in our portfolios, and such mutual funds are custodied at Fidelity. Notably, such mutual funds are excluded from this arrangement, meaning THS does not receive this fee on any mutual funds that are recommended or purchased for client accounts and custodied at Fidelity. Pursuant to THS’ agreement with Fidelity, Fidelity pays THS from 2 to 12 basis points (or from \$.02 to \$.12 for every \$100 every year), depending on the amount of eligible client assets held at Fidelity on an ongoing basis. Similar to the luncheons and events described above, this arrangement may, in theory, give rise to conflicts of interest, or perceived conflicts of interest, as THS would receive more compensation by recommending, or investing in, NTF funds for clients that are custodied at Fidelity. Clients should be aware therefore, that THS’ receipt of additional compensation from our custodians under this scenario creates a potential

conflict of interest since this benefit could influence THS' choice of (1) our custodians over other custodians that do not furnish similar benefits and (2) NTF mutual funds over other mutual funds not covered by this arrangement with our custodians. However, THS' commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with THS' independent decision-making process when choosing the most appropriate investments or custodian for our clients. In addition, as noted above, this additional compensation does not represent additional fees from your accounts to us; they are paid by our custodians. Finally, we are committed to utilizing whatever fees we may receive under this arrangement to enhance our services to you. For the most current list of custodians which pay these fees to THS, please ask your Investment Advisory Representative or contact THS directly at the number listed on the first page.

To the extent that THS is acting as a "Fiduciary" with respect to "Qualified Accounts" subject to "ERISA", THS will seek to avoid or remedy any situation where its receipt of compensation from Fidelity for Support Services would be a prohibited transaction under "ERISA". For purposes of the foregoing, "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the applicable "ERISA-mirror provisions" of Sections 4975 of the Internal Revenue Code of 1986, as amended; "Fiduciary" shall be defined as that term is defined under ERISA; and "Qualified Accounts" shall mean accounts that constitute a retirement plan (including a 401(k) plan) or other employee benefit plan subject to ERISA, an account for a tax-qualified retirement plan (including a Keogh plan), or an individual retirement account under the Internal Revenue Code.

Financial Information

THS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and is not currently, nor at any time in the past ten year been the subject of a bankruptcy proceeding. In addition, THS does not require prepayment of advisory fees six months or more in advance.

Privacy Policy

Rev 06/2014



FACTS

WHAT DOES TRIAD HYBRID SOLUTIONS, LLC DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing of your personal information. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully in order to better understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number, Date of Birth, Address, contact information and Income
- Assets and Investment Experience
- Account Transactions and Retirement Assets
- Tax Reporting and Investment Performance Information

When you are no longer our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Triad Hybrid Solutions, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Triad Hybrid Solutions, LLC share?	Can you limit this sharing?
For our everyday business purposes To administer, manage and service customer accounts, process transactions and provide related services for your accounts, it is necessary for us to provide access to personal information within the Triad Hybrid Solutions, LLC, companies and to certain nonaffiliated companies. We may share your personal information: <ul style="list-style-type: none"> • To process your transactions, maintain your account(s), respond to court orders and legal investigations, report to credit bureaus, government entities and our outside auditors. • With third party administrators and vendors for the purposes of providing current and future information on your account (such as transaction history, tax information and performance reporting). • With affiliated and nonaffiliated entities that perform services for us or function on our behalf (such as check printing services, account aggregation providers, clearing broker-dealers, investment companies, and insurance companies) 	Yes	No
For our marketing purposes To offer our products and services to you	Yes	No
For our Affiliates to market to you	Yes	No

For nonaffiliates to market to you		No	We don't share
<p>For joint marketing with other financial companies</p> <p>Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial companies with where a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies for marketing purposes if your financial advisor is not affiliated with them without your consent, but we may share information with these financial companies where necessary to service your accounts.</p>		Yes	No
<p>For clients of Independent registered and Triad Hybrid Solutions, LLC</p> <ul style="list-style-type: none">• If your financial advisor terminates his or her relationship with us and moves to a New Firm, we or your financial advisor may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial advisor to disclose your personal information to the New Firm when your financial advisor terminates his or her relationship with us, you may request that we and your financial advisor limit the information that is shared with the New Firm.• Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with your financial advisor, such as an independent insurance agency, accounting firm or independent investment advisory firm.• In the event your financial advisor (or his/her estate) agrees with an unaffiliated financial advisor to sell all or some portion of his/her securities, advisory or insurance business your personal information may be shared with the acquiring financial advisor and his/her New Firm. <p>If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, New Mexico, North Dakota, or Vermont), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm.</p>		Yes	Yes
Who we are			
Who is providing this notice?		Triad Hybrid Solutions, LLC, Inc. a registered investment adviser. Your financial advisor is an investment adviser representative of Triad Hybrid Solutions, LLC and we are required to provide this notice to inform you of how we collect, share and protect your personal information.	
What we do			
How does Triad Hybrid Solutions, LLC protect my personal information?		To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include ongoing employee training, computer safeguards and secured files and buildings.	
How does Triad Hybrid Solutions, LLC collect my personal information?		We collect your personal information, for example, when you <ul style="list-style-type: none">• Open an investment account or deposit money• Seek advice about your investments• Give us your account information or provide employment	

	<p>information</p> <ul style="list-style-type: none"> • Make a wire transfer <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> • Our affiliates include companies engaged in the financial services industry with Triad Hybrid Solutions, LLC; financial companies such as Triad Advisors, Inc., Ladenburg Thalmann & Co. Inc., Ladenburg Thalmann Alternative Asset Mgmt, Ladenburg Thalmann Fund Management LLC., Premier Trust, Inc., Securities America Inc., Securities America Advisors, Inc., Securities America Financial Corporation, Arbor Point Advisors, LLC, Highland Capital Brokerage, Inc., KMS Financial Services, Inc., Investacorp Inc., and Investacorp Advisory Services Inc.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> • Triad Hybrid Solutions, LLC does not share with nonaffiliates so they can market to you.
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Triad does not engage in joint marketing.
To limit our sharing	<p>If you prefer that we not disclose your non-public personal information to persons or companies that are not Triad affiliates, you may opt out of those disclosures, except as to disclosures that are required or permitted by law. If you wish to opt out of any such disclosures of your non-public personal information, you may do so by completing the Non-public Personal Information Opt Out Form and returning it to us as instructed on the Form. Please contact us at the number below to receive a copy of our Opt Out Form.</p> <p>Please be aware, however, that we may not be able to service your needs as effectively if you opt out of information sharing. Depending on specific circumstances, we may need to close your account or cease performing certain services or cease effecting certain transactions for you if you do not allow us to share information with persons or companies whose assistance is critical. Your Triad Hybrid Solutions Investment Adviser Representative can discuss these matters with you as they relate to your specific circumstances.</p> <p>In addition the information your financial advisor can take with them to a new firm is limited to your name, your address, your phone number, your email address and the title of your account. If you choose to Opt-Out Triad Hybrid Solutions, LLC will notify your financial advisor of your decision to keep the information confidential and not let it be taken by your financial advisor to his/her new firm.</p>
Questions?	<p>Triad Hybrid Solutions, LLC, Inc., 5185 Peachtree Parkway, Ste 280, Norcross GA 30092. Call 866-580-8219 or go to www.com</p>