

# Disclosure Brochure

February 18, 2015

## Harborview Advisors, LLC

This brochure provides information about the qualifications and business practices of Harborview Advisors, LLC (hereinafter “Harborview Advisors” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Harborview Advisors is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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## **Item 2. Material Changes**

In this Item, Harborview Advisors is required to discuss any material changes that have been made to the brochure since the last annual amendment. There are no such material changes to disclose.

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## Item 4. Advisory Business

Harborview Advisors provides its clients with investment management and financial planning services. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with Harborview Advisors setting forth the relevant terms and conditions of the advisory relationship (the "*Agreement*").

Harborview Advisors has operated as a registered investment adviser since September 2014 and is wholly owned by Harborview Investments, LLC. Daryl Stong, William Todd, Harry Krigman, and Drew Swenson are the principals of Harborview Investments, LLC. As of December 15, 2014, Harborview Advisors has approximately \$110,500,000 of assets under management, \$79,000,000 of which are managed on a discretionary basis and \$31,500,000 of which are managed on a non-discretionary basis.

While this brochure generally describes the business of Harborview Advisors, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Harborview Advisors' behalf and is subject to the Firm's supervision or control.

### Investment Management Services

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Harborview Advisors manages client investment portfolios on a discretionary or non-discretionary basis. As part of an investment management offering, the Firm may provide clients with certain financial planning services.

In providing any financial planning services, the Firm is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Clients retain absolute discretion over all decisions regarding implementation of financial planning recommendations and are under no obligation to act upon any such recommendations made by Harborview Advisors.

Harborview Advisors primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options, in accordance with the investment objectives of its individual clients. In limited circumstances, the Firm may allocate client assets to certain independent investment managers ("*Independent Managers*").

Clients may also engage Harborview Advisors to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Harborview Advisors directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting

insurance company or the custodian designated by the product's provider. Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Harborview Advisors tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. Harborview Advisors consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify Harborview Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Harborview Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### Item 5. Fees and Compensation

Harborview Advisors provides investment management services for a fee based upon assets under management. Additionally, certain of Harborview Advisors' *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a separate commission arrangement.

#### Investment Management Fees

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Harborview Advisors provides investment management services for an annual fee based on the amount of assets under the Firm's management. The fee varies based on the following fee schedule:

PORTFOLIO VALUE	ANNUAL FEE
Up to \$99,999	2.00%
\$100,000 - \$249,999	1.50%
\$250,000 - \$499,999	1.25%
\$500,000 - \$2,500,000	1.00%
Above \$2,500,000	Negotiable

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Harborview Advisors on the last day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

## Fee Discretion

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Harborview Advisors, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

## Additional Fees and Expenses

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In addition to the advisory fees paid to Harborview Advisors, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

## Fee Debit

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Clients generally provide Harborview Advisors with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Harborview Advisors. As required by applicable state securities laws, Harborview Advisors also sends clients an itemized summary detailing the advisory fees deducted from their accounts.

## Account Additions and Withdrawals

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Clients may make additions to and withdrawals from their account at any time, subject to Harborview Advisors' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Harborview Advisors, subject to the usual and customary securities settlement procedures. However, Harborview Advisors designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Harborview Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

## Commissions or Sales Charges for Recommendations of Securities

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Clients can engage certain persons associated with Harborview Advisors (but not Harborview Advisors) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Harborview Advisors.

Under this arrangement, the Firm's *Supervised Persons*, in their individual capacities as registered representatives of Kovack Securities, Inc. ("*Kovack Securities*"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. *Supervised Persons* may be entitled to a portion of the brokerage commissions paid to *Kovack Securities*, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Harborview Advisors may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with *Kovack Securities*. Harborview Advisors does not receive any portion of the commissions or transactional fees charged by *Kovack Securities*.

A conflict of interest exists to the extent that Harborview Advisors recommends the purchase of securities where Harborview Advisors' *Supervised Persons* receive commissions or other additional compensation as a result of Harborview Advisors' recommendations. Harborview Advisors has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act ("ERISA") and such others that Harborview Advisors, in its sole discretion, deems appropriate, Harborview Advisors may provide its investment advisory services on a fee-offset basis. In this scenario, Harborview Advisors may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Harborview Advisors' *Supervised Persons* in their individual capacities as registered representatives of *Kovack Securities*.

## Item 6. Performance-Based Fees and Side-by-Side Management

Harborview Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

Harborview Advisors provides its services to individuals, investment companies, investment limited partnerships or other collective vehicles, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

## **No Minimum Account Requirements**

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Harborview Advisors does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategies and Methods of Analysis**

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The Firm manages client assets based on asset diversification and rebalancing within a global macroeconomic perspective. This is a more traditional style of foundation management with its origins in Modern Portfolio Theory ("MPT"). MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, Harborview Advisors' investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account. The Firm endeavors to meet client goals by tailoring strategies, which, in its estimation, best allow for the desired outcomes.

### **Risks of Loss**

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#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

#### *Market Risks*

The profitability of a significant portion of Harborview Advisors' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Harborview Advisors will be able to predict those price movements accurately.

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.



Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Independent Managers*

Harborview Advisors may recommend the use of *Independent Managers*. In these situations, Harborview Advisors continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, Harborview Advisors generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

## **Item 9. Disciplinary Information**

Harborview Advisors has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

### Registered Representatives of Broker Dealer

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Certain of the Firm's *Supervised Persons* are registered representatives of *Kovack Securities* and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### Receipt of Insurance Commission

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Certain of Harborview Advisors' *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that Harborview Advisors recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result Harborview Advisors has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients.

## Item 11. Code of Ethics

Harborview Advisors has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. Harborview Advisors' *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of Harborview Advisors' personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Harborview Advisors *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;

- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Harborview Advisors to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

Harborview Advisors generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ ("*Schwab*") for investment management accounts.

Factors which Harborview Advisors considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables Harborview Advisors to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Schwab* has agreed to pay up to \$50,000 to reimburse clients for any transfer fees that may be assessed for moving their account(s) to *Schwab* within the first twelve months. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Harborview Advisors' clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Harborview Advisors determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Harborview Advisors seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Harborview Advisors periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Harborview Advisors in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices

from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Harborview Advisors (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Harborview Advisors may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Harborview Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Harborview Advisors may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Harborview Advisors’ clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Harborview Advisors’ clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Harborview Advisors determines to aggregate client orders for the purchase or sale of securities, including securities in which Harborview Advisors’ *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Harborview Advisors does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Harborview Advisors may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Harborview Advisors in its investment decision-making process. Such research generally will be used to service all of the Firm’s

clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Harborview Advisors does not have to produce or pay for the products or services.

### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *Kovack Securities*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *Kovack Securities* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *Kovack Securities* if they have not secured written consent from *Kovack Securities* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *Kovack Securities*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *Kovack Securities* under *Kovack Securities*' internal supervisory policies. Harborview Advisors is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Software and Support Provided by Financial Institutions**

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Harborview Advisors may receive from *Schwab*, without cost to Harborview Advisors, computer software and related systems support, which allow Harborview Advisors to better monitor client accounts maintained at *Schwab*. Harborview Advisors may receive the software and related support without cost because Harborview Advisors renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Harborview Advisors, but not its clients directly. In fulfilling its duties to its clients, Harborview Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Harborview Advisors' receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Harborview Advisors' choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, Harborview Advisors may receive the following benefits from *Schwab* through its institutional division: up to \$50,000 in credits to be used toward qualifying technology related benefits; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## Item 13. Review of Accounts

### Account Reviews

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Harborview Advisors monitors investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Harborview Advisors provides financial planning services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Harborview Advisors’ investment adviser representatives. All clients are encouraged to discuss their needs, goals and objectives with Harborview Advisors and to keep Harborview Advisors informed of any changes thereto. The Firm contacts clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. On a quarterly basis or as otherwise requested, clients may also receive written or electronic reports from Harborview Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Harborview Advisors or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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If a client is introduced to Harborview Advisors by either an unaffiliated or an affiliated solicitor, Harborview Advisors may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from Harborview Advisors’ investment management fee and does not result in any additional charge to the client. If the client is introduced to Harborview Advisors by an unaffiliated solicitor, the solicitor provides the client with a copy of Harborview Advisors’ written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor’s disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Harborview Advisors discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Harborview Advisors’ written disclosure brochure at the time of the solicitation.

## Other Economic Benefits

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In addition, Harborview Advisors is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

## Item 15. Custody

Harborview Advisors' *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Harborview Advisors through such *Financial Institution* to debit the client's account for the amount of Harborview Advisors' fee and to directly remit that management fee to Harborview Advisors in accordance with applicable custody rules.

The *Financial Institutions* recommended by Harborview Advisors have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Harborview Advisors. In addition, as discussed in Item 13, Harborview Advisors also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Harborview Advisors.

## Item 16. Investment Discretion

Harborview Advisors may be given the authority to exercise discretion on behalf of clients. Harborview Advisors is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Harborview Advisors is given this authority through a power-of-attorney included in the agreement between Harborview Advisors and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Harborview Advisors takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

### **Item 17. Voting Client Securities**

Harborview Advisors is required to disclose if it accepts authority to vote client securities. Harborview Advisors does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

### **Item 18. Financial Information**

Harborview Advisors is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



## Harborview Advisors, LLC

Prepared by:



**MARKETCOUNSEL®**  
*The Adviser's Advisor®*