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ADV, Part 2A

This brochure provides information about the qualifications and business practices of Investors Capital Advisory. If you have any questions about the contents of this brochure, please contact us at 800-949-1422 or e-mail

brochureinfo@investorscapital.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.

Registration as an investment advisor does not imply a certain level of skill or training.

This brochure details important disclosure information about certain programs that we offer.

Additional information about Investors Capital Advisory is also available on the SEC's website at ***www.adviserinfo.sec.gov***. You can search this site by a unique identifying number, known as a CRD number. Our Firm's CRD number is 30613.

ITEM 2 MATERIAL CHANGES

The following items explain material changes that you should be aware of as a current or prospective client of Investors Capital Advisory Services (“ICAS” and/or “ICA”) advisory programs or services. Each year you will receive either a summary of material changes that were made to our Form ADV disclosure brochures over the previous year or an updated brochure.

The material changes that have been made to our Form ADV disclosure brochures since our last amendment in September of 2013 are summarized below:

- On October 27, 2013, RCS Capital Corporation (RCAP) announced that it entered into an agreement to acquire the parent company of Investors Capital Advisory Services. The transaction is anticipated to close in July of 2014 and will result in a change of ownership for Investors Capital Holdings, Ltd. All Advisory clients received notifications in March and April allowing them to keep their accounts as is with ICAS or liquidate or transfer their account out of ICAS due to the change in ownership at the parent company level should they desire to do so.
- FINRA alleged that the Firm failed to have a proper process in place to ensure that prospectuses were delivered to ETF purchasers and that the Firm did not engage in training of representatives regarding ETF investment features. ICC has had an agreement with Pershing (its clearing brokerage firm) since at least 2002 that called for Pershing to provide prospectuses to clients for all prospectus-sold investments. Sometime thereafter, and without amending this agreement, Pershing transitioned to a different prospectus delivery platform whereby firms had to specifically elect what product types they wanted Pershing to deliver prospectuses for. Since ICC had been operating under the old general agreement, we did not elect any specific product types. As a result Pershing was not delivering ETF prospectuses to clients. The Firm maintains a system of continuing education for its representatives. During the FINRA review period (2009 to 2011), this continuing education did not contain modules specific to ETFs. FINRA determined that this was not appropriate, despite there being no mandate to include ETFs into Firm continuing education modules. The Firm was fined \$100,000. (Current Status – Final)

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ITEM 4 ADVISORY BUSINESS

Our Background

Investors Capital Advisory (“ICAS” and/or “ICA”) is a Registered Investment Advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. ICA provides a variety of investment advisory services to our clients. ICA is a wholly-owned subsidiary of Investors Capital Holdings, Ltd., a publicly-traded financial services holding company. Investors Capital Holdings, Ltd. is also parent to Investors Capital Corporation (“ICC”) a registered broker/dealer and ICC Insurance Agency, Inc. (“ICC Insurance Agency”), an entity that facilitates the sale of variable life insurance and variable annuities by insurance-licensed registered representatives. In addition to insurance sales, our affiliated entities engage in a variety of financial services including financial planning, investment advisory, and pension consulting services. ICC was established in 1992 to create an independent broker/dealer that would provide registered representatives an opportunity to operate in an independent environment, free from proprietary product bias. ICA’s principal place of business is located in Lynnfield, Massachusetts.

Investment advisory services are among the services offered through our investment advisor representatives (“representative” and/or “IAR”). Our representatives may also be registered representatives of the affiliated broker/dealer ICC, and/or insurance agents of ICC Insurance Agency. In these other capacities, representatives may receive commissions on insurance products, annuities, mutual funds, equities, and other securities that they sell in addition to any investment advisory fee charged by ICA. ICA programs may be offered by unaffiliated third-party investment advisors or registered broker/dealer entities that have entered into an agreement with us to offer such programs.

Advisory Services and Programs

ICA provides a variety of investment advisory services to our clients: (1) Consulting Services – where a fee is charged to clients for financial planning and/or other investment advice; (2) Third-Party Asset Management Programs (“TAMP”) Programs – where our representatives offer access to certain unaffiliated third-party investment advisory programs; (3) Managed Account Wrap Programs – where advisory fees are charged for services provided in several managed account wrap programs.

ICA and our representatives provide personal investment advisory and financial planning services. Our representatives and/or third-party investment advisors affiliated with ICA will assist clients with the formulation of an overall investment strategy and financial plan. This includes analysis of financial goals that may include financial advice regarding estate planning, retirement planning, educational funding, insurance planning and benefits planning, preparation of financial analysis, capital sufficiency, cash flow and income tax projections.

ICAS is not a custodian of any accounts. Accounts are custodied at Pershing LLC (“Pershing”) or other approved custodians. The use of other custodians is limited, and may be allowed on a case by case basis with the approval of our management team and may only be approved for certain representatives.

You pay us fees for our programs and services. We pay a portion of these fees to your IAR. The IAR’s share of the fee may vary from one advisory program to another. This presents a conflict of interest for our IARs because they may have an incentive to recommend advisory programs that may be more profitable to them. The fees we retain may also be different between IARs, depending on their agreement with us.

Our intention is to provide you with programs and services that will help you to meet your financial goals and needs. We will gather personal information when helping you choose a program or service. This information may include:

- Your investing experience
- How soon you need the money
- Your retirement goals

- Your current financial situation and future needs
- Your annual income
- Your ability to lose money
- Your ability to withstand market fluctuation
- Your personal instructions on how to invest

For all advisory services and programs, *it is the client's responsibility to notify his/her representative in a timely manner of any material changes in his/her investment objectives, risk tolerances, and/or financial circumstances.*

Important Considerations Prior to Opening an Account

We believe that it is important to operate in good faith with our clients. We want you to have the necessary information about our Firm so that you can make an informed decision when deciding who to do business with.

We would like to provide you with general overviews of several important facts that are common with the advisory programs that we offer. While the list below is not meant to include every possible situation, we do consider and take into account the following:

Reasonable Restrictions

All advisory programs that involve the purchase and sale of securities offer you the ability to place reasonable restrictions on how we manage your account. For example, a reasonable restriction may indicate your desire that we do not invest in a certain sector or industry. If we determine that a restriction is unreasonable, we may refuse to manage your account. If this occurs, we will give you the opportunity to modify or withdraw the restriction.

Deposits and/or Withdrawals

Unless specifically stated, you may make additions to or withdrawals from your account at any time. If your account falls below the minimum required account value, we may terminate your account. You may also add securities to your account; however, note that we reserve the right to not accept particular securities into your account.

Trading Authorization

Advisory accounts typically involve the purchase and/or sale of securities. These accounts may be managed either on a discretionary or non-discretionary basis.

Minimum Account Opening Balance

Each advisory program requires a program-specific minimum account opening balance. At its sole discretion, the Firm may waive the minimum account size.

1) Consulting Services/Financial Planning

Our representatives may provide advisory consulting services relating to securities and investments on a varied range of topics, including, but not limited to: financial planning, budgeting and cash flow analysis, investment tax analysis, education planning, retirement planning, portfolio analysis, estate planning, investment analysis, business succession planning, and executive benefit analysis. Consulting services offered by our representatives may involve the collection of personal and financial data from the client and giving investment and financial advice based upon such data designed to facilitate achievement of the client's stated financial

objectives. In addition, if the client desires, ongoing financial planning advice may be provided. Clients may enter into a consulting agreement with our representatives on a negotiated hourly, flat, or fixed-fee rate. If fees are charged on an hourly basis, they may not exceed \$500 per hour.

In addition to general consulting services, you may also receive education and advice on your retirement accounts that fall under the Employee Retirement Income Security Act (ERISA) and that are held with other firms. An example of this type of account is an employer sponsored 401(k) plan. In this scenario, your Advisor will act as a 3(21) Fiduciary. This means that your Advisor is required to be prudent and act in your best interest when making recommendations and providing advice.

Representatives of ICA may provide consulting services on a one-time or ongoing basis to qualified retirement plans. In addition to the hourly, flat, or fixed-fee rate, representatives may charge a consulting fee as a percentage of assets. The maximum annual account consulting fee, when charged as a percentage of assets, is 3% and is negotiable. Representatives may assist plan sponsors with their fiduciary duties and help provide advice based upon the particular needs of the plan and/or the participants. Advice may include portfolio composition, investment selection and monitoring, policy statement support, and participant advice programs.

Consulting fees are negotiable and may depend on the complexity of the client's finances and/or how comprehensive the client wishes the consultation to be. Fees will be stated in the agreement with the client and agreed to in advance by the client and the representative. Lower or higher fees for comparable services may be available from other sources. With prior approval from management, our representatives may provide consulting services at no charge for philanthropic or charitable purposes.

The client may cancel the agreement by providing written notice and receive a full refund within five business days after signing the agreement. If the client is unsatisfied with a written financial plan, he/she may request in writing a full refund of his/her fee within 90 days of the plan's presentation. If the client terminates the agreement prior to completion of the plan, the client may receive a pro-rated refund or release from payment.

2) Third-Party Asset Management Programs

ICA offers our clients access to certain unaffiliated professional third-party money managers who provide asset management and investment advisory services that are outside the scope of the Managed Account Wrap Program umbrella. Third Party Asset Management Programs or "TAMP" programs typically offer clients access to a variety of model portfolios with varying levels of risk from which they may choose. Accounts with TAMPs are not managed by ICA; rather, they are managed by the TAMP on a discretionary basis. Representatives will help clients determine their investment goals, risk tolerances, and other relevant guidelines in order to help them select a TAMP program that appears to satisfy their investment needs in relation to the information collected. A client may select a recommended TAMP based upon his/her needs. Clients will enter into an agreement directly with the unaffiliated TAMP who shall provide asset management services. Accounts with TAMPs may consist of a variety of different securities types, including but not limited to: stocks, bonds, mutual funds, fixed income, Exchange Traded Funds ("ETFs"), and variable annuities.

Our representatives may answer questions that their clients may have regarding their accounts and act as communication conduit between the TAMP and the client. Neither ICA nor our representatives have any trading authority with respect to a client's account with the TAMP. The TAMP has discretionary authority over the account.

Account minimums for unaffiliated TAMP programs will vary for each TAMP. A complete explanation of the TAMP fees, services, reporting, and minimums are disclosed within the TAMP's disclosure documents. Pursuant to an arrangement and prior to a client entering into an agreement with a TAMP, our representatives arrange for the ADV Part 2A or equivalent brochure materials relative to the advisory services to be provided to the client.

ICA and our representatives are compensated for referring clients to the TAMP programs. This compensation generally takes the form of the TAMP sharing a percentage of the advisory fee the client pays to them with ICA and his/her representative. Fees are calculated and collected by the selected TAMP, who shall then be responsible for delivering our portion of the client fee to ICA. Our representatives will provide each client with an appropriate disclosure document that provides full details of the TAMP. The TAMP will be responsible to provide each client with form ADV Part 2 and all other applicable disclosure documentation as well as make an annual offering as prescribed by the commission.

Additional charges that clients may incur include but are not limited to: sales loads, 12b-1 fees, surrender charges, transactional fees, and miscellaneous account fees. ICC does not receive any portion of such fees or commissions. ICA is compensated by the advisory fees as noted above.

ICA may charge a due diligence fee to TAMPs in order to provide ongoing supervision reviews of their products. If charged, the fee is capped at a maximum of twenty-five basis points. This potential receipt of additional compensation may create a conflict of interest.

Our representatives may have a conflict of interest by offering those TAMPs that have agreed to pay a portion of their advisory fees to ICA and have met the conditions of our due diligence review. There may be other suitable outside TAMP programs that are more or less costly to the client.

ICA monitors the services rendered by the selected TAMPs. If ICA determines that a particular selected TAMP is not providing sufficient appropriate management services to the client, we may suggest that the client contract with a different TAMP. Under this scenario, our Firm may assist the client in selecting a new third-party investment advisor and/or managed account program. However, any move to a new third-party investment advisor and/or managed account program is solely at the discretion of the client.

3) Managed Account Wrap Programs

ICA sponsors several advisory wrap programs, A-MAP, A-MAP AT, A-MAP FT, S-MAP, F-MAP and the Fund Select Wrap Program that provide managed advisory accounts for clients. Wrap programs are managed accounts where the client pays a single fee for portfolio management services. Depending on the program, clients may be responsible for transactional and miscellaneous charges but will not pay commissions or sales credits in addition to a management fee.

The Managed Account Wrap Programs (“Programs”) are offered through ICA and our representatives. As part of the process, our representatives will collect certain information from each potential client, including, but not limited to: information regarding income, liabilities, amount of investment assets, investment experience, risk tolerance and investment objectives. The representative will evaluate the client’s investment objectives and consult him/her on the various Managed Account Wrap Programs. After this evaluation and consultation, the representative will make a determination as to whether any of the Programs are appropriate given the objectives and disclosures made by the individual. After the individual has reviewed the Programs and indicated his/her understanding of the Programs, including the risks and benefits of the Programs, a Program will be selected and an account will be established. As part of the Program services, the representative will customize an investment portfolio for the client in accordance with client’s risk tolerance and investment objectives. Once the representative constructs an investment portfolio for the client, the representative will monitor the portfolio’s performance on an ongoing basis and will rebalance the portfolio as required due to changes in market conditions and in the client’s financial circumstances.

ICA, our representatives, and third-party sub-advisors affiliated with us will have full discretion over client accounts. Discretionary authorization will allow our Firm to determine the specific securities and the amount of securities to be purchased or sold for client accounts without client approval prior to each transaction. Clients

may limit our discretionary authority (for example, limiting the types of securities that can be purchased for their account) by providing our Firm with their restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of a client's portfolio and/or our ability to meet his/her investment objectives. Our representative may utilize individual equities, mutual funds, ETFs, corporate debt, municipal debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy.

The investment advisory services provided by the representative through the various Programs are dependent upon the information provided by each client. For our representative to provide suitable recommendations and to make appropriate investment decisions for the client, the client must provide accurate information and complete responses to the questions asked by his/her representative. The client should inform his/her representative of any material changes in his/her investment objectives or any changes in his/her financial situation as well as any restrictions on the account that may impact the overall investment goals. Our representatives shall, at least annually, contact their clients to determine whether there has been any change in a client's financial situation or investment objectives.

Some of our representatives, in addition to providing advisory services through the Programs, engage in other financial service activities through ICA. These activities are separate from the Programs and thus separate fees may be incurred for such services.

Each Managed Account Wrap Program has a minimum initial investment amount. Approvals for accounts below the minimum initial investment amount are at the discretion of the Firm. If an account is linked to other qualifying household accounts, the minimum initial amount may be waived.

F-MAP Advisory Wrap Program

F-Map is an advisory program where our representatives utilize a portfolio established by the ICA team which creates, manages, rebalances and reallocates portfolios that consist of but are not limited to: no-load or load-waived mutual funds, ETFs and/or variable annuities. Generally, the minimum initial investment in the F-MAP program is \$25,000. The F-MAP Program leverages the experience and knowledge of the ICA team to actively manage specific portfolios along with the representative. The ICA team utilizes six different strategic/tactical asset allocation models, invests in specific products within those allocations, actively monitors the performance of the underlying investments, and periodically rebalances and reallocates as necessary. The six models include Aggressive Growth, Growth, Growth & Income, Balanced, Income with Growth and Dynamic Risk.

S-MAP Advisory Wrap Program

S-MAP is an advisory program where ICA has entered into agreements with sub-advisors who are selected by the representatives to provide advisory services to their clients. The S-MAP portfolios are not managed by ICA; rather, they are managed by the sub-advisor on a discretionary basis. Our representatives consult with their clients and determine model portfolios based on the client's objectives and risk tolerances. The representative selects a sub-advisor to create, manage, rebalance, reallocate, and report on a portfolio of equities, ETFs, mutual funds, variable annuities, and/or other securities (such as corporate debt) that are suitable for the client's overall investment strategy. The minimum initial investment in the S-MAP Program is generally \$100,000 for equity strategies and \$250,000 for fixed income strategies. ICA maintains the authority to hire and terminate the services of each sub-advisor, as the client does not enter into a direct advisory contract with the sub-advisor.

The following is the list of ICA approved sub-advisors:

Abner, Herrman & Brock LLC
Advisors Capital Management LLC
Cambridge Financial Group Inc.
Carret Asset Management LLC

Fraser
Dividend Assets Capital LLC
Sentinel Advisory Corp.
TimeCapital Investor Advisory Services Inc.
ValueWorks LLC
Wellesley Investment Advisors Inc.

This list of approved sub-advisors may change periodically. Please refer to www.investorscapital.com or call ICAS at 800-949-1422 for the most current list.

ICA monitors the services rendered by the selected sub-advisor. If ICA determines that a particular selected sub-advisor is not providing sufficient appropriate management services to the client, we may suggest that the client contract with a different sub-advisor. Under this scenario, our Firm may assist the client in selecting a new sub-advisor and/or managed account program. However, any move to a new sub-advisor and/or managed account program is solely at the discretion of the client.

Fund Select Advisory Wrap Program

Fund Select is an advisory program where the representative creates and manages a customized portfolio constructed primarily of mutual funds without incurring transaction fees or sales credits. Using FundVest Funds, the representative can construct a portfolio of mutual funds at minimum cost with no transaction fees on qualifying transactions. FundVest is Pershing's (ICA's clearing broker/dealer) no-transaction-fee platform, which provides access to over five thousand mutual funds, managed by more than two hundred and ninety fund companies. The representative will recommend an appropriate portfolio based on the client's specific objectives and risk tolerances. Then, within the limitations of the Program and the client's financial status, the representative selects and recommends the appropriate mutual funds under the Fund Select Program that best meets the client's financial objectives. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy and meet the model's requirements. Generally, the minimum initial investment in the Fund Select Advisory Wrap Program is \$25,000.

A-MAP Suite of Advisory Wrap Programs

ICA's suite of A-MAP Programs (A-MAP, A-MAP AT, & A-MAP FT) enables the representative to assist the client in creating a personalized investment portfolio. The client's representative acts as the portfolio manager and has full investment discretion.

A-MAP

A-MAP is an advisory program where the advisory services are performed directly by the client's representative. The minimum initial investment in the A-MAP Wrap Program is generally \$25,000. The representative will customize a portfolio based on the client's objectives and risk tolerances, determine the initial investment selection and provide continued management to include rebalancing and reallocation of the underlying investments as necessary. After developing an overall investment strategy for the account, the representative will assist the client with implementation. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy. Representatives may utilize the A-MAP Program to manage the sub-accounts of variable annuities held directly at the annuity firm.

The representative will conduct periodic reviews of the overall strategy and will also consult with the client on an ongoing basis to determine whether changes to the portfolio are required.

A-MAP AT “Active Trader” Advisory Wrap Program

A-MAP AT is an advisory program where, similar to the A-MAP Program, the advisory services are performed by the client’s representative. However, the A-MAP AT Program differs from A-MAP in that the A-MAP AT Program is designed for accounts where the client’s objectives and/or the representative’s investment methodology result in frequent trading activity. To qualify for the A-MAP AT Program, the representative and client should anticipate a minimum of 25 transactions annually. As such, the A-MAP AT Program has reduced transactional charges for trades executed in the client account. The minimum initial investment in the A-MAP AT Wrap Program is generally \$25,000. The representative will customize a portfolio based on the client’s objectives and risk tolerances, determine the initial investment selection and provide continued management to include rebalancing and reallocation of the underlying investments as necessary. After developing an overall investment strategy for the account, the representative will assist the client with implementation. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client’s suitability and investment strategy.

The representative will conduct periodic reviews of the overall strategy and will also consult with the client on an ongoing basis to determine whether changes to the portfolio are required.

A-MAP FT

A-MAP FT is an advisory program where the advisory services are performed directly by the client’s representative. The A-MAP FT Program differs from the A-MAP & A-MAP AT Programs in that the A-MAP FT Program utilizes an alternative representative fee and program cost structure for the client. The A-MAP FT Program is comprised of a fixed Annual Fee of \$250 and an Annual Advisor Fee of up to 2%. The A-MAP FT does not contain an Annual Program Advisory Fee to ICA. The A-MAP FT Program consists of standardized base costs for transaction fees in equities, options, and non-FundVest Mutual Funds. The minimum initial investment in the A-MAP FT Wrap Program is generally \$25,000. The representative will customize a portfolio based on the client’s objectives and risk tolerances, determine the initial investment selection and provide continued management to include rebalancing and reallocation of the underlying investments as necessary. After developing an overall investment strategy for the account, the representative will assist the client with implementation. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client’s suitability and investment strategy.

The representative will conduct periodic reviews of the overall strategy and will also consult with the client on an ongoing basis to determine whether changes to the portfolio are required.

ERISA Fee-Based Plans

Retirement plans subject to the Employee Retirement Income Security Act of 1974 may retain an Advisor of the Firm to provide advisory and consulting services to your retirement plan. In providing these services, the Firm may act as a fiduciary as defined under Section 3(21)(A)(ii) of ERISA, but will serve in such capacity only with respect to the provision of ERISA-defined investment advice.

Advisory services may consist of:

- Reviewing or Assisting in Establishing Investment Policies and Objectives
- Preparation of Investment Policy Statement
- Investment Recommendations
- Investment Manager Recommendations
- Investment Monitoring
- Selection of Qualified Default Investment Alternative

Your Advisor can assist in coordinating the implementation of any advisory recommendations, including referral to other professionals. However, the decision to implement any recommendation rests exclusively with the Plan and its fiduciaries, and there is no obligation to implement any such recommendations through the Firm or Advisor.

Consulting services may consist of:

- Charter for Fiduciary Committee
- Education Services to Fiduciary Committee
- Performance Reports
- Fee Monitoring
- Participant Education Services
- Service Provider Recommendations

In performing consulting services, Advisor and the Firm are acting solely as an agent and at Plan's direction and not as a fiduciary of the Plan.

Excluded services not offered as part of the ERISA Fee-Based Plan Sponsor Program:

- Custody; Trade Execution – Taking custody or possession of any Plan assets, ensuring that contributions by the Plan or from participants are deposited in a timely manner with the trustee or custodian for the Plan, or executing orders for trades or securities transactions with respect to the Plan's assets.
- Employer Stock Fund; Brokerage Window – Providing advice regarding the prudence of Plan investments in any employer stock, or providing guidance to participants concerning investments through any brokerage account window under the Plan.
- Proxies – Rendering advice on, or taking action with respect to, the voting of proxies solicited on behalf of securities held in trust by the Plan, or the exercise of similar shareholder rights regarding such securities.
- Discretionary Plan Administration – Interpreting the Plan, determining eligibility under the Plan, distributing Plan assets to pay benefits or expenses, determining benefit claim, or making any other discretionary decisions with respect to the administration of the Plan.
- Legal or Tax Advice – Reviewing or amending Plan documents for compliance with changes in tax qualification requirements, or providing legal or tax advice on matters relating to the Plan, including advising on whether Plan investments will result in unrelated business taxable income.
- Participant Advice – Furnishing any fiduciary "investment advice" within the meaning of ERISA to participants relating to any participant-directed investments under the Plan. Any personal investment-related services provided by the Firm to individuals, including but not limited to individuals who are Plan participants, will be unrelated to the Services.
- Regulatory Notices; Reports – Distributing summary plan descriptions, elections, and any other notices required by law to participants, or filing any governmental reports for the Plan or Client.

Amount of Managed Assets

As of 3/31/2014, ICA was actively managing **\$1,405,411,152.40** of clients' assets on a discretionary basis and overseeing an additional **\$267,837,569.40** of clients' assets being managed by third-party investment advisors.

ITEM 5 FEES AND COMPENSATION

Advisory fees are determined based upon a negotiated rate between the representative and the client based on factors such as the overall complexity of the client's financial affairs, the number of investing entities, nature of work, and other factors unique to the advisory relationship. The advisory fees are to be agreed upon in advance between the client and the representative to a maximum annual advisory fee of 3% of assets under management

depending on the Program. The advisory fees shall be based upon a percentage of the total value of the client assets managed by the representative. The maximum Annual Account Advisory Fee is for services that may include management of the assets, custody of the assets, statements, reports, cost basis reporting, billing systems, and on-line account access. Not all services are available for each Program. Fees will be deducted from the account as agreed upon with the client in advance or in arrears on a quarterly basis and, if it is a variable annuity account, quarterly fees may be deducted in arrears. The fee amount deducted quarterly will be calculated as one-quarter of the total Annual Account Advisory Fee and will be calculated as a percentage of the account's value as of the last day of the previous calendar quarter. The initial advisory fee will be assessed at inception of the advisory relationship and if the advisory relationship is established in mid-quarter, the fee will be assessed on a pro-rated basis based on the number of billing days in the initial quarter.

Representatives utilize ICC, our affiliated broker/dealer, to execute transactions and the transactions are cleared through Pershing LLC, ICC's clearing firm. In addition to the Annual Account Advisory Fee, fees may be assessed for trades in mutual funds, equity securities, debt securities, ETFs and other securities. The transaction fees are set forth in the Pershing fee clearing schedule listed below and are subject to periodic changes without notice. The current fee schedule can be found at www.investorscapital.com.

Clients who purchase and sell mutual funds may also incur certain charges imposed by the investment company and/or third parties in connection with those mutual funds. These potential charges include, but are not limited to: mutual fund 12b-1 fees (fees charged by investment companies for activities including, but not limited to: advertising, compensation of underwriters, dealers, and sales personnel, the printing and mailing of prospectuses to prospective investors, and the printing and mailing of sales literature), sub-transfer agent fees, mutual fund and money market management fees and administrative expenses, certain deferred sales charges on previously purchased mutual funds transferred into the Program, short-term redemption fees, and other service or similar fees on IRA and qualified retirement asset accounts. ICC, ICA's affiliated broker/dealer may receive a portion of such fees. Further information regarding fees and charges assessed by a particular mutual fund are available in the appropriate mutual fund prospectus.

If an investment company pays 12b-1 fees, the fees are usually retained by ICC and are not typically paid to the representative. These 12b-1 fees are typically offset by the total fee to our clients remaining under 3%. However, ICA has previously and may currently permit the payment of 12b-1 fees to certain representatives that maintain a certain amount of assets under management with us. There may be existing representatives that have been grandfathered into receiving a portion of the 12b-1 fees based on prior Firm policies. The receiving of 12b-1 fees may create a conflict of interest in the selection of a mutual fund. We mitigate this conflict by reviewing each new account for suitability.

Our programs may be more or less costly than purchasing advisory services separately. The determining factors of cost with respect to an individual client may include the amount of investment assets, the particular goals and objectives, the volume of trading that the account engages in, and the types of investments. Depending on these factors, the program may be more or less costly than an arrangement where a client pays brokerage commissions for trading and/or a separate fee for investment advisory services.

Fees charged may vary by representative. Certain ICA representatives may provide comparable services for fees that are different from those charged by other ICA representatives.

Your IAR may also be registered as an independent contractor registered representative with Investors Capital Corporation. This may create a conflict in that your IAR may be able to choose between offering you advisory programs or services and brokerage products or services. The amount and manner of compensation that your IAR receives in either of these capacities presents a conflict of interest. To mitigate this conflict of interest, we require that any advisory program or advisory service that you are offered is suitable for your investment goals and financial needs. Investors Capital Corporation conducts suitability reviews for brokerage product solicitations.

Fees charged may ultimately be lower or higher than comparable services provided by ICC, ICA, and by other unaffiliated firms. Similar advisory services may be available from other firms at comparable or lower advisory fees.

Fees for Consulting Services/Financial Planning

Clients may enter a consulting agreement with our representatives on a negotiated hourly, flat, or fixed-fee rate. If fees are charged on an hourly basis, they may not exceed \$500 per hour.

Representatives of ICA may provide consulting services on a one-time or ongoing basis to qualified retirement plans. In addition to the hourly, flat, or fixed-fee rate, representatives may charge a consulting fee as a percentage of assets. The maximum annual account consulting fee, when charged as a percentage of assets, is 3% and is negotiable.

Consulting fees are negotiable and may depend on the complexity of the client's finances and/or how comprehensive the client wishes the consulting to be. Fees will be stated in the agreement with the client and agreed to in advance by the client and the representative. The client may cancel the agreement by providing written notice and receive a full refund within five business days after signing the agreement. If the client is unsatisfied with a written financial plan, he/she may request in writing a full refund of his/her fee within 90 days of the plan's presentation. If the client terminates the agreement prior to completion of the plan, the client may receive a pro-rated refund or release from payment.

Fees for Third-Party Asset Management Programs

ICA and our representatives are compensated for referring clients to the TAMP programs. This compensation generally takes the form of the TAMP sharing a percentage of the advisory fee the client pays to them with ICA and his/her representative. Fees are calculated and collected by the selected TAMP which shall then be responsible for delivering our portion of the client fee to ICA.

A complete explanation of the TAMP fees, services, reporting, and minimums are disclosed with the TAMP's disclosure documents. Pursuant to an arrangement, prior to a client entering into an agreement with a TAMP, our representatives arrange for the ADV Part 2A or equivalent brochure and other material relative to the advisory services to be provided to the client. The TAMP fees may or may not be negotiable.

Additional charges that clients may incur include, but are not limited to: sales loads, 12b-1 fees, surrender charges, transactional fees, and miscellaneous account fees. ICC does not receive any portion of such fees or commissions. ICA is compensated by the advisory fees as noted above.

Fees for Managed Account Wrap Programs

F-MAP Advisory Wrap Program Fees

F-MAP Advisory fees are to be agreed upon in advance with the client and the representative to a maximum Annual Account Advisory Fee of 3%. There are no transactional fees or upfront/back-end sales charges associated with the F-MAP Program. In addition to the Annual Account Advisory Fee, the F-MAP Program accounts are assessed a \$100 annual maintenance fee that is assessed quarterly. If the F-MAP Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the F-MAP Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an F-MAP Program account is terminated within the first 120 days. Pershing LLC is the custodian of the F-MAP accounts and fees associated with the F-MAP accounts are

subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

S-MAP Advisory Wrap Program Fees

S-MAP Advisory fees are to be agreed upon in advance with the client and the representative to a maximum Annual Account Advisory Fee of 3%. There are no transactional fees or upfront/back-end sales charges associated with the S-MAP Wrap Program. ICA is responsible for paying the fees charged by the sub-advisor. In turn, such fees may be charged to the client as part of the negotiated total advisory fees. This compensation is disclosed to the client in the client Services Agreement and the client will also be provided with the sub-advisor's Form ADV Part 2A. In addition to the Annual Account Advisory Fee, the S-MAP Program accounts are assessed a \$100 annual maintenance fee that is assessed quarterly. If the S-MAP Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the S-MAP Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an S-MAP Program account is terminated within the first 120 days. Pershing LLC is the custodian of the S-MAP Accounts and fees associated with the S-MAP accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Fund Select Advisory Wrap Program Fees

Advisory fees are to be agreed upon in advance with the client and the representative to a maximum Annual Account Advisory Fee of 3%. FundVest transactions must have an initial purchase of \$1000 per position, while subsequent trades must be greater than \$500. In qualified retirement accounts, however, FundVest transactions must have an initial purchase of \$500 per position, while subsequent trades must be greater than \$100. Excluding FundVest Funds, fees are assessed for transactions in mutual funds, equity securities, debt securities, ETFs, and other securities.

If the Fund Select Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. A short-term trading fee of \$75.00 will be assessed when any security or mutual fund position is held less than 90 days, including exchanges. An exchange occurs when an account sells a mutual fund and subsequently repurchases another mutual fund within the same mutual fund company.

A one-time fee of \$200 will be assessed to establish each Fund Select Program account. If a client transfers assets from an existing ICA or ICC brokerage account, the establishment fee will be reduced to \$100. There is an early termination fee of \$250 that will be assessed if a Fund Select Program account is terminated within the first 120 days. Pershing LLC is the custodian of the Fund Select accounts and fees associated with the Fund Select accounts are subject to periodic changes without notice. The annual qualified IRA maintenance fee of \$40.00 is waived for accounts that remain above the initial balance requirement. If the Fund Select Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Fees for A-MAP Suite of Advisory Wrap Programs

A-MAP Fees

Advisory fees are to be agreed upon in advance between the client and his/her representative to a maximum Annual Account Advisory Fee of 3%. In addition to the Annual Account Advisory Fee, the A-MAP Program accounts are assessed a \$100 annual maintenance fee that is assessed quarterly. If the A-MAP Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the A-MAP Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an A-MAP Program account is terminated within the first 120

days. Pershing LLC is the custodian of the A-MAP accounts and fees associated with the A-MAP accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable. *A-MAP AT Fees*

Advisory fees are to be agreed upon in advance between the client and his/her representative to a maximum Annual Account Advisory Fee of 3%. The A-MAP AT Program accounts are not charged the standard transaction fees as in the A-MAP Program. Transactions in the A-MAP AT Program are charged \$5.95. This charge is subject to change without notice but will not typically exceed \$10.00. As this fee is subject to change, please refer to the fees as outlined at www.investorscapital.com. If the A-MAP AT Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the A-MAP AT Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an A-MAP AT Program account is terminated within the first 120 days. Pershing LLC is the custodian of the A-MAP AT accounts and fees associated with the A-MAP AT accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable. Use of a managed account program that involves buying and selling securities frequently can negatively affect investment performance, particularly through increased transactional costs and taxes. The short-term trading in the A-MAP AT Program might result in short-term gains or losses for federal and state tax purposes. Tax efficiency is not the primary consideration in the management of client assets. Clients should continuously consult with a tax professional prior to and throughout the investing of their assets.

A-MAP FT Fees

Advisory fees are to be agreed upon in advance between the client and his/her representative to a maximum Annual Advisor Fee of 2%. The A-MAP FT Program consists of a standardized base transaction fee of \$19.95 for transactions in both equities and non-FundVest Mutual Funds (transactions must be entered by the representative directly through NetX360, Pershing's order entry system. Orders that are placed through ICC's trade desk are subject to the transaction fees listed in the fee schedule below. Execution services apply for all transactions). Fees assessed for transactions on other types of securities are subject to the fee schedule listed below. The transactional fees are subject to periodic changes without notice.

In addition to the Annual Advisor Fee, the A-MAP FT Program accounts are assessed a \$250 fixed Annual Fee that is assessed annually on the anniversary date of the account inception. If the A-MAP FT Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an A-MAP FT Program account is terminated within the first 120 days. Pershing LLC is the custodian of the A-MAP FT accounts and fees associated with the A-MAP FT accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Strategic Partners

Although we make a large number of products available to you, we concentrate our marketing and training efforts on investments offered by a number of companies (Strategic Partners). Strategic Partners are selected, in part, based on whether they offer competitive products, their technology, their customer service and their training capabilities. Strategic Partners may attend or sponsor education and training meetings for our Advisors. Strategic Partners have more opportunities than other companies to market and educate our representatives on investments and the products they offer. Please visit our website www.investorscapital.com for the most current list of Strategic Partners. We may, from time to time, update our list of Strategic Partners.

What Strategic Partners Pay to the Firm

It is important to know that although Strategic Partners may pay extra compensation to the Firm, our affiliated firms, and our parent company you do not pay more to purchase Strategic Partner products through us than you would pay to purchase those products through another firm. Your Advisor does not receive additional compensation for selling a Strategic Partner product. Nevertheless, this additional compensation to the Firm does create an incentive or a possible conflict of interest for us to promote Strategic Partner products over other products.

The additional amounts Strategic Partners pay us will vary from one Strategic Partner to another. In general, Strategic Partners compensate us in the following ways:

1. As a fixed dollar amount;
2. As a percentage of product sales (up to a maximum of 30 basis points – which would be \$30 on a \$10,000 investment);
3. As a percentage of our customer assets invested in the products (up to a maximum of one-tenth of one percent - which would be \$10 on a \$10,000 investment); or
4. As some combination of these.

Benefits to Your Advisor

Your Advisor does not receive additional compensation for selling a Strategic Partner product, they may receive additional benefits from our Strategic Partner program. When you purchase a mutual fund of a Strategic Partner in a Pershing brokerage account, we may absorb the nominal ticket charge for each transaction, which would normally be paid by your registered representative. Generally, the mutual fund families that participate in the Strategic Partner program subsidize some of these ticket charges. The type of transaction and dollar amount required in a Strategic Partner mutual fund purchase that may qualify for a ticket charge waiver may vary depending on the particular Strategic Partner. In general, the ticket charge will be waived for the purchase of certain mutual funds of a Strategic Partner in an amount of \$5,000 or more. Every mutual fund offered by us may be purchased without a ticket charge by processing the transaction with a check and application sent directly to the mutual fund company. We believe that these ticket charge waivers do not compromise the advice your representative provides to you.

Additionally, your Advisor indirectly benefits when Strategic Partner payments are used to support costs relating to product review, marketing or training.

List of Strategic Partners

- Columbia Management
- Eaton Vance
- Fidelity Investments(1)
- Franklin Templeton Distributors, Inc.
- Goldman Sachs(2)
- Invesco
- Ivy Funds
- J.P. Morgan Investment Management
- Lord, Abbett & Co. LLC
- Natixis Global Asset Management(3)
- OppenheimerFunds Distributor, Inc.
- Pioneer
- PIMCO(4)
- Principal Funds
- Putnam Investments

- Virtus Investment Partners, Inc.
- Voya Investment Management

1 For Fidelity Investments, ticket charges are waived on Fidelity Advisor Funds. Fidelity Direct Funds are not included in this program.

2Goldman Sachs ticket charges are not waived on fund purchases in the Institutional or IR share classes.

2 Natixis Global Asset Management ticket charges are not waived on Oakmark and Loomis Sayles funds.

4PIMCO ticket charges are not waived on fund purchases in the Institutional share class.

For detailed information on account-related charges and ticket fees, please refer to your Broker-Dealer website. Please consult the applicable fund's prospectus for important information about the fund as well as its terms and conditions. Past performance does not guarantee future results. Please direct any questions you may have to your advisor.

Fee Schedule

Transaction, clearance, and settlement fees associated with securities transactions in client accounts are passed on to the client through our broker/dealer (ICC) by our clearing firm, Pershing LLC. Transaction charges on equities, options and mutual funds may vary depending on how the representative enters an order. Representatives have the ability to enter transactions themselves through NetX360, Pershing's order entry system, or through the trade desk at ICC. Fees may vary by program. Please refer to each program fee description for complete details.

Listed Equities

<u>Clearance Fees:</u>	<u>Trade Desk</u>	<u>NetX360</u>
Listed Equities*	\$40.00	\$24.95 (\$19.95 for A-MAP FT)
OTC Equities*	\$40.00	\$24.95 (\$19.95 for A-MAP FT)
Options*	\$40.00	\$24.95 (\$19.95 for A-MAP FT)
Corporate Bonds	\$50.00	
Municipal Bonds	\$50.00	
Treasury Bonds	\$50.00	
Government Agencies	\$50.00	
Money Markets (BA's, CD's, CP)	\$50.00	
Precious Metals	\$50.00	
Mortgage Backed When Issued	\$50.00	
Unit Investment Trust	\$50.00	

Mutual Fund:

Purchase*	\$20.00	\$12.00 (\$19.95 for A-MAP FT)
Redemption	\$20.00	\$12.00 (\$19.95 for A-MAP FT)
Exchange	\$10.00	\$5.00

**Subject to a waiver for qualifying funds, please refer to the strategic partner section of this brochure for more information.*

Execution Services:

Listed Equities All Orders \$.02 per Share

NASDAQ Equities No Charge

Options Equity and Index \$1.50 per Contract

Listed Corporate Bonds \$1.00 per Bond

*Billed "per order" as opposed to "per ticket". "Per order" is defined at the point/time of order entry and may result in multiple executions from a single order.

Paper Confirmation Delivery Fee \$1.00 per confirmation

Paper Statement Delivery Fee \$1.00 per statement

Fees may change regularly. For a complete list of up-to-date fees, please refer to www.investorscapital.com.

General Fee Information

Our clients are made aware of and acknowledge that certain mutual funds may contain sales loads and/or marketing and management fees at the mutual fund level, that variable annuities contain management, insurance, and possible commissions and other fees at the variable annuity level, and that this potential receipt of additional compensation creates a conflict of interest. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity directly, without ICA or our services. In that case, the client would not receive the services provided by our Firm which are designed, among other things, to assist the client in determining which mutual funds or annuities are appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and annuities as well as our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Our clients are also made aware of and acknowledge that, based upon current tax law, withdrawals from variable annuities, even if to pay investment advisory fees, may cause the client to realize taxable income. Additionally, if these withdrawals are made prior to the age of 59 ½, he or she may incur an additional 10% penalty. For variable annuities that contain a free withdrawal provision, clients are aware and acknowledge that withdrawals from these variable annuities to pay investment advisory fees may result in a reduction in the client's annual free withdrawal amount.

Depending on the program, the total amount of Annual Account Advisory Fees may be up to a maximum of 3% of the client's investment assets and may be more than a representative would receive if the client participated in other programs or paid a separate fee for investment advisory services, brokerage commissions, and other services. As a result, representatives may have a financial incentive to recommend the program to clients rather than recommending other products or services.

Clients should be aware that when assets are invested in shares of mutual funds or insurance products, clients will pay both the direct advisory fees to ICA for our services in connection with these investments and, indirectly, the client may pay a pro-rata share of the management and other fees paid by the mutual fund. Clients may be able to invest directly in the mutual fund's shares or the insurance product without incurring the fees charged by ICA. A complete explanation of these fees and expenses is contained in each mutual fund's prospectus.

Limited Negotiability of Advisory Fees

Although ICA has established the aforementioned fee schedule(s), we retain the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports, among other factors. The specific annual advisory fee will be identified in the service agreement between the representative and each client. ICA may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our Firm.

Billing Information

Fees may be negotiated or discounted by mutual agreement between the representative and his/her client. ICC has sole discretion to waive any fee on a continuous or on a one-time basis. ICA may permit the aggregation of assets among a client's "related" managed accounts for purposes of determining the value of assets under management and the applicable advisory fee to be paid by the client. Depending on the specific advisory program selected, clients may pay fees quarterly, in advance, or in arrears.

Through the account custodian, Pershing LLC, ICC will typically debit the advisory fee from the client account automatically. The advisory fee will first be payable from free credit balances, money market funds, and/or cash equivalents, and secondly from the liquidation of a portion of the client's securities holdings, pursuant to the discretionary authority granted to the representative by the client.

Clients have the ability to be billed directly and submit payment by check to ICA for the quarterly fee amount, or by instructing ICA to charge the fee to one of the client's other ICC accounts. A written authorization must be furnished by the client to effect this type of billing arrangement. In such cases, ICA will provide the client with billing invoices for investment advisory services that will detail the amount of the fee, method by which the fee was calculated, and the value of assets upon which the fee was based. Fees to ICA do not include any fees due to third-party money managers, mutual funds, or any fees to brokers or custodians of those assets.

Clients receiving consulting services may pay fees at time of service or in monthly, quarterly, semiannual, or annual installments, as agreed to between the representative and the client. Consulting fees paid directly by the client by check should be made payable to "Investors Capital Advisory Services". At no time should a client make a check payable to their representative or the representative's "doing business as" name. If you are asked to do so by your Advisor please contact our Compliance department at 800-949-1422 x 7630.

For accounts holding variable annuities, the ICA's fee deduction procedures can be overridden by the contractual requirements and the specific fee deduction policies of the variable annuity companies. Various variable annuity companies deduct quarterly fees pro-rata from assets held within the sub-accounts regardless of the balance in the money market/cash position.

In all cases, clients may terminate their advisory arrangement by providing written notice to ICA and may receive a prorated refund of their Annual Account Advisory Fee upon request. For the calendar quarter in which the agreement is terminated, our fee will be prorated and refunded based on the number of days that the agreement was in effect during such quarter. In the event of termination, a termination or redemption fee may apply. Funds withdrawn from a managed account during a billing period are not generally entitled to a pro-rata refund unless the client is terminating their managed account program.

ICA does not require or solicit payment of advisory fees in excess of \$1,200 more than six months in advance for services rendered.

Offerings

Clients may purchase initial public offerings, secondary offerings, and participate in syndicate offerings within their advisory accounts where their representative may receive a selling concession or commission. Clients are made aware of and acknowledge that this potential receipt of additional compensation may create a conflict of interest.

Frequent & Short Term Trading

Use of a managed account program that involves buying and selling securities frequently can negatively affect investment performance, particularly through increased transactional costs and taxes. The short-term trading in the A-MAP AT Program might result in short-term gains or losses for federal and state tax purposes. Tax

efficiency is not the primary consideration in the management of client assets. Clients should continuously consult with a tax professional prior to and throughout the investing of their assets.

Wrap Fee Programs and Separately Managed Account Fees

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fees charged by ICA. Such fees may include the investment advisory fees of the independent advisors, which may be charged as part of a wrap fee arrangement.

In a wrap fee arrangement, clients pay a single fee for advisory services. Portfolio transactions may be executed without commission charges in a wrap fee arrangement. However, transactional and miscellaneous charges may apply in a wrap fee program. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Employee Retirement Income and Securities Act Disclosures

ICA offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans. ICA may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. ICA provides these retirement plan services through its IARs, and may charge a fee for these services, as described in this Form ADV Part 2A and the Consulting Agreement. As such, our Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, ICA may only charge fees for investment advice about products for which our Firm and/or our representatives do not receive any commissions or 12b-1 fees, or conversely, may only charge fees for investment advice about products for which our Firm and/or our representatives receive commissions or 12b-1 fees, however, only when such fees are used to offset ICA's advisory fees.

Retirement Plan Services are either Fiduciary Services or Non-fiduciary Services. Non-fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or applicable state laws, rules or regulations. When delivering Fiduciary Services, ICA will perform those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) or comparable state law, as applicable, and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any Fiduciary Services, ICA will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the plan. Sponsor may engage ICA to perform the Retirement Plan Services by providing information about the plan, including the plan design, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers, and by executing an Agreement. ICA will provide Sponsor a copy of this Form ADV Part 2A as well as an individualized plan agreement for review. The Agreement describes the terms of the arrangement between ICA and the Sponsor, including a description of the Retirement Plan Services and the fees to be charged by ICA. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to ICA before ICA performs any Retirement Plan Services.

As a covered service provider to ERISA plans, ICA will comply with the U.S. Department of Labor regulations on fee disclosures, effective July 16, 2011 (or such other date as provided by the Department). Thus, ICA and its advisors will disclose (i) direct compensation received from ERISA clients; (ii) indirect compensation (e.g., 12b-1 fees) received from third parties; and (iii) transaction-based compensation (e.g., commissions) or other similar compensation shared with related parties servicing the ERISA plan. These fee disclosures will be made

reasonably in advance of entering into, renewing, or extending the advisory service agreement with the ERISA client.

State Disclosures

Pursuant to California Rule 260.235.2 a conflict may exist between the interests of ICA or associated persons offering financial planning services to California residents. Representatives must render unbiased and objective advice.

Massachusetts General Law Section 203A requires disclosure that information about the disciplinary history and registration of ICA and our associated persons may be obtained by contacting the Public Reference Branch of the SEC at 202-942-8090, or by contacting the Massachusetts Securities Division at One Ashburton Place, 17th Floor, Boston, MA 02108 or at 617-727-3548.

Clients should note that similar advisory services may, or may not, be available from other registered investment advisors for similar or lower fees. Material conflicts of interest that relate to ICA or to any of our representatives that would cause ICA not to render unbiased and objective advice have been disclosed to the client in writing in the Form ADV Part 2A Brochure and Brochure Supplements.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ICA does not charge performance-based fees.

ITEM 7 TYPES OF CLIENTS

ICA generally provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above
- Charitable organizations
- State or municipal government entities

The majority of our clients are retail clients that fall under the “individuals (other than high net worth individuals)” category. This category includes, but is not limited to: individual, joint, trust, IRA, 401(k) participant, and custodial accounts.

As previously disclosed in Item 5, our Firm has established certain initial minimum account requirements based on the nature of the service(s) being provided. In some cases, account balances may be combined at the household level to satisfy the account minimums. At our discretion, ICA may waive these minimums.

- The A-MAP, A-MAP AT, A-MAP FT, F-MAP and Fund Select programs generally involve \$25,000 account minimums.
- The S-MAP program minimum generally ranges from \$100,000 to \$500,000 depending on the sub-advisor selected.
- Account minimums for third-party investment advisor programs generally range from \$500 to \$50,000.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Representatives of ICA provide individualized advisory services to their clients. When evaluating strategies and

investment products, our representatives have the flexibility and independence to select an approach they deem suitable. ICA and our representatives do not endorse any one prevailing form of analysis or strategy for use in our advisory programs. However, ICA and our representatives may rely on several of the more common strategies and types of analyses when working with clients.

Some of the more commonly used forms of analyses and strategies are as follows:

Fundamental Analysis: The intrinsic value of a security is measured by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

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

Technical Analysis: Past market movements are analyzed and applied to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

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

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

It is important to understand that past performance does not guarantee future results in technical and charting analysis.

Cyclical Analysis: In this type of technical analysis, the movements of a particular stock are measured against the overall market in an attempt to predict the price movement of the security.

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

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

Mutual Fund and/or ETF Analysis: ICA and/or our representatives look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

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

Alternative Investments: Non-traded REITS, business development companies (BDCs), limited partnerships, and direct alternatives are subject to various risks such as illiquidity and property devaluation based on adverse economic and real estate market conditions and may not be suitable for all investors or advisory accounts. A prospectus that discloses all risks, fees and expenses may be obtained from your Advisor. Read the prospectus carefully before investing. This is not a solicitation or offering which can only be made in conjunction with a copy of the prospectus.

Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. Please refer to your Advisor to determine if these investments are appropriate and available for your account.

Third-Party Investment Advisor: ICA and/or our representatives examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as ICA does not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as ICA does not control the manager's daily business and compliance operations, ICA may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all Forms of Analysis: Securities analysis methods rely on the assumption that the companies whose securities were purchased and sold, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. There is always a risk that analysis may be compromised by inaccurate or misleading information.

Long-term Purchases: Securities are purchased with the idea of holding them in the client's account for a year or longer. Typically this strategy is employed when:

- Securities are believed to be currently undervalued, and/or
- Exposure is desired to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, ICA may not take advantage of short-term gains that could be profitable to a client. Moreover, if predictions are incorrect, a security may decline sharply in value before the decision to sell is made.

Short-term Purchases: When utilizing this strategy, securities are purchased with the idea of selling them within a relatively short time (typically a year or less). This is an attempt to take advantage of conditions that are believed to soon result in a price swing in the securities purchased.

A short-term purchase strategy poses risks should the anticipated price swing not materialize, left then with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short-term Trading: Securities are purchased with the idea of selling them very quickly (typically within 30 days or less). This is done in an attempt to take advantage in predictions of brief price swings.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Margin Transactions: Stocks are purchased for client's portfolios with money borrowed from his/her

brokerage accounts. This allows the client to purchase more stock than he/she would be able to with his/her available cash and allows ICA to purchase stock without selling other holdings.

Option writing: Options may be used as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives ICA the right to buy an asset at a certain price within a specific period of time. A call may be bought if it is believed that the stock will increase substantially before the option expires.
- A put gives ICA the right to sell an asset at a certain price within a specific period of time. A put may be bought if it is believed that the price of the stock will fall before the option expires.

Options may be used to “hedge” a purchase of an underlying security; in other words, an option purchase may be used to attempt to limit the potential upside and downside of a security in a client’s portfolio.

“Covered Calls” may be used, in which an option is sold on a security the client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options may generally be more volatile than prices of other types of securities. When trading in options, clients may run the risk of losing the entire investment in a relatively short period of time.

Risk of Loss: Securities investments are not guaranteed and clients may lose money on their investments. Investing in securities involves risk of loss that clients should be prepared to bear. ICA asks that clients work with us to help us understand their tolerance for risk. Past performance is in no way an indication of future performance. ICA cannot offer any guarantees or promises that client’s financial goals and objectives will be met. All types of strategy and analysis contain risk of loss.

ITEM 9 DISCIPLINARY INFORMATION

ICA is required to disclose any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management.

ICC, as a broker/dealer and a Registered Investment Advisor, is regulated by and subject to the rules and regulations of the SEC, FINRA, and each of the 50 states. The following are disciplinary events relating to our Firm and/or our management personnel:

FINRA (2014) - FINRA alleged that the Firm failed to have a proper process in place to ensure that prospectuses were delivered to ETF purchasers and that the Firm did not engage in training of representatives regarding ETF investment features. ICC has had an agreement with Pershing (its clearing brokerage firm) since at least 2002 that called for Pershing to provide prospectuses to clients for all prospectus-sold investments. Sometime thereafter, and without amending this agreement, Pershing transitioned to a different prospectus delivery platform whereby firms had to specifically elect what product types they wanted Pershing to deliver prospectuses for. Since ICC had been operating under the old general agreement, we did not elect any specific product types. As a result Pershing was not delivering ETF prospectuses to clients. The Firm maintains a system of continuing education for its representatives. During the FINRA review period (2009 to 2011), this continuing education did not contain modules specific to ETFs. FINRA determined that this was not appropriate, despite there being no mandate to include ETFs into Firm continuing education modules. The Firm was fined

\$100,000.00. (Current Status – Final)

FINRA (2012) – On 10/12/2012 FINRA alleged the Firm failed to report certain of its TRACE-eligible corporate securities transactions to TRACE within 15 minutes of order execution. FINRA found that the Firm failed to report approximately 10.6% of its corporate debt instrument transactions to TRACE within the 15 minute time frame. This included transactions that were entered less than 90 seconds late and transactions that were first reported timely and then a trade correction was entered giving the appearance that the trade was entered late. The Firm was fined \$5,000. (Current Status – Final)

FINRA (2012) – On February 2, 2012 our self-regulatory organization, FINRA, initiated and served the Firm with an acceptance, waiver and consent “AWC” letter. FINRA alleged that the Firm charged markups in a limited number of corporate and municipal bond transactions that were greater than the expected markups in light of market conditions and other contemporaneous transactions. The Firm was fined \$22,500 and paid restitution of \$8,834.57. Without admitting or denying liability, the Firm consented to the staff’s findings in order to avoid the time and cost associated with litigation.

FINRA (2011) – The Firm is alleged to have engaged in the sale of private placements of two sponsors without engaging in an adequate due diligence process. The Firm’s processes were alleged to be deficient inasmuch as they did not call for the Firm to obtain due diligence materials other than those provided by the company or through a third-party law firm that was paid by the sponsor to produce an independent due diligence report. FINRA also alleged that the Firm did not have an adequate process to document or track its due diligence efforts or to review the new product approver’s due diligence efforts. Without admitting or denying the findings, the Firm consented to the described sanctions and to the entry of findings; therefore it is censured and shall disgorge commissions and other fees paid to the Firm in the total amount of \$400,115 in partial restitution to investors. A registered principal on behalf of the Firm shall submit satisfactory proof to FINRA of payment of restitution to the receiver no later than 30 days after acceptance of the AWC. (Current Status – Final)

FINRA (2011) – Investors Capital was alleged to have failed to establish and maintain an adequate supervisory system relating to retail collateralized mortgage obligation (CMO) transactions. Investors Capital’s CMO systems and procedures were inadequate because they did not address the increased risks associated with inverse floater and interest-only CMOs, which were sold to Investors Capital’s customers. The supervisory systems and procedures also failed to provide guidance to supervisors in connection with the sale of inverse floater and interest-only CMOs and failed to establish adequate supervisory measures to monitor suitability for these riskier CMOs. As a result, inverse floater and interest-only CMOs were sold to approximately 40 customers without an adequate suitability review, including whether the purchasing customers were sophisticated or had a high risk profile. FINRA did not find these transactions to be unsuitable. Accordingly, the suitability determinations made by the Firm did not take into account FINRA’s guidance regarding the additional risks posed by inverse floater and interest-only CMOs. The Firm’s systems and procedures also failed to require its brokers to offer to customers the educational materials required under interpretative material 2210-8. Without admitting or denying the findings, Investors Capital consented to the described sanctions and to the entry of findings; therefore Investors Capital was censured, fined \$200,000, and consented to undertake a comprehensive review of its policies and procedures concerning suitability of CMOs. (Current Status – Final)

State of Massachusetts (2010) – Allegations that a branch office engaged in sales of variable annuities in advisory accounts without making adequate suitability determinations regarding the transactions. The Firm consented to the findings, was fined \$300,000, and retained an independent consultant to review certain Firm policies and procedures. Investors Capital consented to and made offers of reimbursement of surrender charges and rebated advisory fees to certain customers. (Current Status – Final)

FINRA (2009) – Investors Capital was alleged to have not accurately completed a self-assessment regarding breakpoint compliance in mutual fund class A shares per NASD Rule 2110. Without admitting to or denying the finding, Investors Capital was censured and was fined \$25,000. (Current Status – Final)

State of Texas (2009) – Allegations that a client of a registered representative of Investors Capital liquidated an annuity, incurring a surrender charge which was unsuitable in the totality of the circumstances, and subsequently purchased an investment for which the client was not suitable. Texas alleged that Investors Capital failed to enforce our written supervisory procedures regarding correspondence and communications and failed to report complaints on two of our registered representatives. Without admitting to or denying the state's allegations, the firm consented, was fined \$10,000, and made restitution in the amount of \$21,610.13 to one client. (Current Status – Final)

State of Massachusetts (2009) – Allegations that Investors Capital's pre-hire and supervisory procedures were not robust enough to detect or prevent one rogue agent from misappropriating funds from several customers. Investors Capital consented to the findings, paid a \$250,000 administrative fine and reimbursed two clients in the amount of \$1,735,000. The Firm agreed to reimburse other qualifying clients if necessary. Investors Capital agreed to hire an independent consultant to review our related procedures. (Current Status – Final)

FINRA (2008) – Investors Capital was alleged to have either bought or sold six corporate bonds from/to customers at a price that was unfair to the customer and did not comply with FINRA guidance on accepted sales charges. The Firm also failed to show nine order entry times on brokerage order memoranda. Without admitting to or denying the findings, Investors Capital consented to and was fined \$12,000 and paid \$1,558.23 plus interest in client restitution. (Current Status – Final)

FINRA (2007) – Investors Capital was alleged to have not enforced our procedures and policies regarding e-mail communication. As a result, Investors Capital also was alleged to have failed to maintain and preserve electronic communications. Without admitting to or denying the alleged violations, the Firm consented, was fined \$75,000, and agreed to review and certify our procedures. (Current Status – Final)

State of Pennsylvania (2006) – Investors Capital, without admitting to or denying the allegations, consented to a single finding of failure to supervise our agents through an in-state Office of Supervisory Jurisdiction Principal. The Firm was fined \$160,000 as well as \$90,000 for the state's legal and investigative cost. (Current Status – Final)

State of Massachusetts (2006) – Allegations that Investors Capital failed to establish/maintain/enforce reasonable supervisory and compliance policies and procedures and allowed several certain registered representatives to hold themselves out as unregistered investment advisor representatives. This facilitated the sales of equity-indexed annuities to individuals over the age of 75 to whom such products were deemed unsuitable. Investors Capital consented to and was ordered to pay fines and restitution in the total amount of \$1,000,000. Investors Capital was ordered to retain an independent consultant to review related procedures. (Current Status – Final)

State of Florida (2004) – Investors Capital consented to and was fined \$20,000 for having two branch office locations operating without the proper state registration. (Current Status – Final)

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As a dual registrant, ICA is under common ownership with the registered broker/dealer, ICC. ICA and ICC are owned by the holding company Investors Capital Holdings, Ltd. ICA representatives are generally registered representatives with ICC and, depending upon securities registrations, are licensed to sell securities in this capacity. ICC's principal business is as a broker/dealer selling investment products and services, including, but not limited to: stocks, bonds, mutual funds, annuities, insurance products, options, real estate investment trusts, and alternative investments. ICC and our principal officers devote a majority of their time to these securities

business activities. ICC has a fully disclosed clearing arrangement with Pershing LLC, a Bank of New York Mellon company.

In addition to being registered as a broker/dealer and registered investment advisor, ICC has a related company that is licensed as an insurance agency under the name of ICC Insurance Agency, Inc. Our representatives are registered with ICC as registered representatives and may also be licensed insurance agents of ICC Insurance Agency or as independent insurance agents. ICC and our representatives, acting in capacity as insurance agents, will earn commission-based compensation for selling insurance products such as life, health, and long-term care products. Insurance commissions are separate from our advisory fees. This practice presents a conflict of interest where representatives providing investment advice on behalf of our Firm who are insurance agents, have an incentive to recommend insurance products to clients for the purpose of generating commissions rather than solely based on their needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through ICC, ICC Insurance Agency, Inc., and/or any representative affiliated with our Firm.

ICA and our representatives may recommend that clients use a third-party investment advisor (“TAMP”) based on their needs and suitability. ICA and our representatives may receive compensation from these TAMPs for recommending that clients use their services. This compensation generally takes the form of the TAMP sharing a percentage of the advisory fee the client pays to them with ICA and his/her representative. These compensation arrangements present a conflict of interest because ICA and our representatives have a financial incentive to recommend TAMPs that pay fees rather than those that don’t. In addition, ICA and our representatives may have a conflict to refer clients to those TAMPs that pay higher fees over those that pay lower fees. Clients are not obligated, contractually or otherwise, to use the services of any TAMP that ICA or our representatives recommend.

Some representatives may also own their own law firm, accounting firm, insurance firm or run their own unaffiliated Registered Investment Advisor. For clients in need of such services, the representative may recommend that the client retain these entities for such services. The fees for such services are separate and apart from the advisory fees charged by ICA. Clients are under no obligation to use any representative’s affiliated entity and may use the service provider of their choice. Please refer to the representative’s ADV Part 2B Brochure Supplement for details, if applicable, on their outside business activities.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our Firm has adopted a Code of Ethics that sets forth high ethical standards of business conduct that ICA requires of our representatives, including compliance with applicable federal securities laws. ICA and our representatives owe a duty of loyalty, fairness, and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Our Code of Ethics includes policies regarding quarterly securities transaction reports, as well as initial and annual securities holdings reports that must be submitted by the Firm’s access persons. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering such as a private placement or an initial public offering. The Code of Ethics provides oversight, enforcement and recordkeeping provisions. The Code of Ethics further includes the Firm’s policy prohibiting the use of material non-public information. While ICA does not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy by calling ICA at 800-949-1422.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our

representatives and employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while allowing representatives and employees to invest for their own accounts at the same time.

ICA generally does not participate in agency cross or principal transactions. If ICA was to participate in agency cross or principal transactions, our Firm will comply with SEC Rule 206(3). ICA will only conduct agency cross and principal transactions if a client has consented in advance to the conduct of such transaction.

Our Firm generally does not buy or sell securities for our own account that it recommends to clients. Representatives and employees may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) that may also be recommended to a client.

These situations represent actual or potential conflicts of interest to our clients and could create potential incentives for our representatives to put their own interests ahead of clients'. Personal securities transactions by representatives and employees are monitored by ICC. ICA has established the following personal trading practices to ensure our Firm and representatives comply with our regulatory obligations and provide our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No representative or employee of our Firm may put his or her own interest above the interest of an advisory client.
- No representative or employee of our Firm may buy or sell securities for his or her personal portfolio(s) where his or her decision is the result of information received as a result of his or her employment unless the information is also available to the investing public.
- No representative or employee may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our Firm requires prior approval for any initial public offerings or private placement investments by related persons of the Firm.
- All of our representatives and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- ICA requires delivery and acknowledgement of the Code of Ethics by each supervised person of our Firm.

ITEM 12 BROKERAGE PRACTICES

General

Clients of ICA are generally required to use ICC as the introducing broker/dealer of record when using our managed account programs. All accounts established through ICC will be cleared and held at Pershing LLC. Pershing is the qualified custodian for the accounts established through ICC. ICC has a clearing relationship with Pershing for the execution of transactions in client accounts.

ICA believes that we can provide efficient and cost effective services through ICC. As dual registrants, ICA and ICC are under common ownership with mutual executive officers and control persons. The decision to use Pershing is mutually determined by both ICA and ICC and is based on the competitive pricing and services ICC has negotiated with Pershing. Pershing provides ICA and ICC competitive services that include, but are not limited to: account custody, trade execution services, clearing services, and online client account access. The receipt of these services may create a conflict of interest since these services may influence our choice of custodian.

Generally, ICA does not provide clients the option to direct securities brokerage transactions to other broker/dealers or to other account custodians. Should a client request the use of a broker/dealer other than ICC or Pershing, the client should be aware that ICA will generally be unable to negotiate fees and commissions on behalf of the client. ICA may be unable to achieve the most favorable best execution of client transactions, and this practice may increase client costs. ICA will be compensated for directing business to Pershing LLC, this may be perceived as a conflict of interest. For a complete list of revenue and compensation you may request to view sections of Schedule A of our clearing agreement with Pershing LLC.

ICA may receive economic benefits from using our dual registrant broker/dealer, ICC, for the managed account programs, rather than an unaffiliated broker/dealer. As broker/dealer, ICC may receive 12b-1 fees as well as add its own cost to the transaction charges applied to client accounts at Pershing. This may create a conflict of interest with ICA clients. ICA may be unable to achieve the most favorable execution of client transactions.

Due to the fact that your Advisor has the ability to offer advisory and brokerage services, your Advisor may be conflicted as to the investment options they recommend. In a brokerage account, your Advisor is paid based on a transactional basis. In an advisory account, your Advisor is compensated based on an advisory fee that may be flat, fixed, or a percentage of the assets under management. Your investment needs should influence your decision whether to open an advisory or a brokerage account. An advisory account is likely more suitable if you are looking for a long-term investment strategy, performance reporting, and an ongoing relationship with your Advisor.

To mitigate this conflict of interest, we routinely review our client accounts to ensure that the services and products being recommended are consistent with your stated goals and objectives.

Best Execution

As a fiduciary, ICA seeks to obtain the best execution of transactions for our clients. ICA endeavors to acquire the best combination of execution and net price when conducting transactions for client accounts through our clearing firm, Pershing LLC. Through the use of an internal Best Execution Committee, ICC routinely reviews Pershing's execution quality and ICC's processes to confirm that ICA continues to execute securities transactions in such a manner that the total cost or proceeds in each transaction are the most favorable under the circumstances. As part of our periodic review, ICC may examine such factors as: size of the transaction, speed of the transaction, size of the spread, nature of security being purchased or sold, overall trade execution quality of the broker/dealer compared to our peers, clearing firm's financial stability and industry reputation, and the execution, clearance, and settlement capabilities of the executing broker/dealer and clearing firm.

Clients may pay fees and commissions that are higher than what other qualified broker/dealers might charge to effect the same transaction. 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 the broker/dealer's services.

Aggregated Trades

Generally, transactions for each client will be effected independently, unless ICA or his/her representative decides to purchase or sell the same security for several clients at approximately the same time. This practice is referred to as aggregating orders, block trading, or average price trading. ICA and our representative may use trade aggregation to attempt to obtain better executions, to reduce commissions or other costs, or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and fees. ICA and our representatives are not required or obligated to use trade aggregation.

When ICA or our representative utilizes aggregated orders, transactions are generally allocated pro-rata to the client accounts in proportion to the size of the order placed for each account. The amount allocated to the client

may be adjusted upward or downward to help avoid odd lots or a small number of shares going to a client. If an aggregated trade is deemed to be impractical to allocate among clients on a pro-rata basis, ICC may allocate such securities in a manner determined to be fair and equitable to the clients involved. This is typically the result of an aggregated order not fully executing.

Trade Errors

In the event that ICA or our representative causes a trading error in a client's account, it is ICA's policy to ensure that any such error is handled and corrected within a timely manner and to restore his/her account to the position it should have been in had the trading error not occurred.

If the error resulted in a loss, ICA will work with the custodian in order to reimburse the costs paid by the client and to make his/her account whole. If the error results in a profit, the client will not keep the profit, as it will be maintained by the custodian or by ICC to offset future losses. The retained gain is not shared with the ICA representative or account owner. ICA does not permit our representatives to make payments to clients or to client accounts.

Additional Compensation

ICA may receive marketing and event reimbursements directly from sub-advisors and/or third-party investment advisors for marketing, distribution, business and client development, and/or for educational enhancement costs incurred by ICA and our representatives.

Representatives do not receive a greater or lesser fee as a result of the receipt of these reimbursements. As representatives receive no direct or indirect differential compensation for selecting one advisory program over another, ICA does not believe that representatives are subject to a conflict of interest when selecting a sub-advisor or TAMP that makes reimbursement payments to ICA over a sub-advisor or TAMP that does not. In all cases, such reimbursements will be paid to ICA from the sub-advisor and/or TAMP's own resources and not directly from client funds or assets. Such arrangements do not impact the fees charged to the client by ICA, our representative, and/or the sub-advisor and TAMP. There are no requirements for representatives to offer or sell a service or product of any sub-advisor or TAMP.

Soft Dollars

ICA does not use commissions to pay for research and brokerage services ("soft dollar transactions") but reserves the right to do so in accordance with existing SEC requirements. However, before effecting such soft-dollar transactions, ICA will determine in good faith that commissions are reasonable in relation to but not limited to the value of the brokerage, research, and/or other products and services received. The use of soft dollars may create a potential conflict of interest.

ITEM 13 REVIEW OF ACCOUNTS

Representatives monitor advisory accounts on an ongoing basis and typically conduct reviews annually. However, reviews may occur more frequently based upon individual circumstances, nature and/or complexity of the portfolio, and/or changes in market, political, or economic environment. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio. ICA requests that clients meet and/or communicate with their representatives at least annually to ensure that the investment plan/strategies continue to be aligned with the clients' stated individual objectives, needs, goals, risk tolerance, and time horizon. Clients will receive monthly or quarterly statements as well as transactional confirmations from the account custodian. Clients should review these statements carefully and contact their representative immediately if discrepancies are noted.

Principals in the compliance and trading/operations departments of ICC review client managed accounts periodically to identify circumstances that may warrant a more detailed review of a client account. ICC uses multiple exception, transaction, and surveillance reports designed to aid in the continuous review of managed advisory accounts. Circumstances that may trigger a review include, but are not limited to: transactions, inactivity, and balance amounts.

Your IAR may also provide you with reports created by Albridge Wealth Reporting Solutions (“Albridge”). Albridge is a reporting vendor we have contracted with to enable your IAR to create reports for your accounts. These reports may encompass different information than the performance reports we deliver to you and may include information about brokerage accounts, variable annuities and alternative investments. There may be discrepancies in the pricing of securities between Albridge reports, the performance reports we prepare for you, and the statements you receive from your custodian. These discrepancies may be the result of different calculation and reporting methods between Albridge, our reporting vendors, and your custodian. If you have a question about a discrepancy or any other aspect of any of these reports, you should direct it to your IAR. If you are not satisfied with your IAR’s explanation, please contact us at 800-949-1422 ext 7630.

The custodian of your account will also send account statements to you on a monthly or quarterly basis. Although the information we provide in the performance reports we deliver to you has been retrieved from sources believed to be reliable, we urge you to compare the holdings listed on the custodian’s statement to those listed on reports we or our IARs may deliver to you. Should you note any discrepancies, please contact us at 800-949-1422 ext 7630. In addition, the reports that we deliver to you should not be relied upon for tax calculations or any other legal representation.

Managed Account Wrap Programs

Principals in the compliance and trading/operations departments of ICC review client managed accounts periodically, as well as consulting and financial plans, to identify circumstances that may warrant a more detailed review of a client account. ICC uses multiple exception, transaction, and surveillance reports designed to aid in the continuous review of managed advisory accounts. Circumstances that may trigger a review include, but are not limited to: transactions, inactivity, and balance amounts.

Third-Party Asset Management Programs

Clients should refer to the independent third-party investment advisor’s firm brochure (or other disclosure documents used in lieu of the brochure) for information regarding the nature and frequency of reviews and reports provided by that independent third-party investment advisor. Third-party investment advisors generally provide the client with a quarterly report of account holdings, transactions, and balances.

Consulting Services / Financial Planning

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews, unless otherwise contracted for, will be conducted for consulting and/or financial planning services. Such reviews will be conducted by the client’s representative.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

If clients are introduced to ICA or a representative by a solicitor, ICA or our representative may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of

1940 as amended. Any such referral fee shall be paid solely by the representative in a one-time fee and shall not result in any additional charge to the client. Clients will not pay additional fees because of any referral arrangement. A solicitor has financial incentive to recommend our Firm to clients for advisory services. This creates a conflict of interest; however, clients are not obligated to retain our Firm for advisory services. Comparable services and/or lower fees may be available through other firms.

ICA and our representative may recommend third-party investment advisors. ICA may be compensated by these third-party investment advisors for referring a client's advisory business to them. This compensation generally takes the form of ICA and the representative sharing the third-party investment advisor's advisory fee that the third-party investment advisor charges the client. Both the representative and ICA may have a conflict of interest to refer the client's advisory business to those third-party investment advisors that pay referral fees to ICA or to those that pay higher referral fees to ICA.

Representatives and/or ICA may also receive educational support and training, marketing support, or some other economic benefits in addition to our receipt of the referral fees from a third-party investment advisor to whom we have referred advisory business. These benefits and support are paid from the third-party investment advisor's own funds and not from client funds. However, representatives and/or ICA may have a conflict of interest to favor referring advisory business to those third-party investment advisors that provide this support and economic benefit over those third-party investment advisors that don't provide such support or economic benefit.

Other Compensation

Our Firm and representatives are eligible to receive incentive awards (including prizes such as trips) based on sales and/or number of new accounts opened. While ICA endeavors at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

ITEM 15 CUSTODY

ICA does not generally provide custodial services for client assets. However, ICA directly debits client account(s) for the payment of our advisory fees. This ability causes our Firm to exercise limited custody over clients' funds and securities.

Clients may not forward stock certificates to their advisors and/or the home office as we do not take custody of such items. You must forward them directly to the transfer agency or custodian without fail. If inadvertently a certificate is sent to an advisor or the home office it will be promptly returned to the stated return address.

Clients will receive account statements at least quarterly from the broker/dealer, bank, or other independent qualified custodian that holds and maintains their funds and securities. Clients should carefully review the statements they receive from their account custodians. Clients should contact ICA directly at 800-949-1422 if they believe that there may be an error in their statement. It is important to compare the information on these statements with any reports received from ICA. Please note that there may be minor variations due to reporting dates, accounting procedures, and/or valuation methodologies.

ITEM 16 INVESTMENT DISCRETION

Clients hire ICA to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount and price of the security to buy or sell

Such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients may in writing impose limitations and restrictions on the discretionary authority used by our Firm. Clients may limit our discretionary authority (for example, limiting the types of securities that can be purchased) by providing our Firm with their restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of the client's portfolio and/or our ability to meet the client's investment objectives. Clients may also change/amend such limitations by once again providing ICA with written instructions.

Discretionary authority is limited to trading and will not extend to money movement, including the withdrawal of funds from the client's account.

ITEM 17 VOTING CLIENT SECURITIES

As a matter of firm policy, ICA does not vote proxies on behalf of clients. Therefore, although our Firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing the custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. In the event ICA was to receive any proxy materials, we would forward them directly to the client.

At the client's request, ICA may offer him/her general advice regarding his/her proxy voting rights.

ITEM 18 FINANCIAL INFORMATION

ICA does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. ICA does not take physical custody of client funds or securities or serve as trustee or signatory for client accounts. ICA does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to our clients. ICA has not been the subject of a bankruptcy petition at any time during the past ten years.

Therefore, ICA is not required to include a financial statement with this brochure.



**6 Kimball Lane
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Telephone: 800-949-1422
www.investorscapital.com**

January 15, 2015

ADV, Part 2A Appendix 1

This brochure provides information about the qualifications and business practices of Investors Capital Advisory. If you have any questions about the contents of this brochure, please contact us at 800-949-1422 or e-mail ***brochureinfo@investorscapital.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.

Registration as an investment advisor does not imply a certain level of skill or training. This brochure details important disclosure information about certain programs that we offer.

Additional information about Investors Capital Advisory is also available on the SEC's website at ***www.adviserinfo.sec.gov***. You can search this site by a unique identifying number, known as a CRD number. Our Firm's CRD number is 30613.

ITEM 2 MATERIAL CHANGES

The following items explain material changes that you should be aware of as a current or prospective client of Investors Capital Advisory Services (“ICAS” and/or “ICA”) advisory programs or services. Each year you will receive either a summary of material changes that were made to our Form ADV disclosure brochures over the previous year or an updated brochure.

The material changes that have been made to our Form ADV disclosure brochures since our last amendment in September of 2013 are summarized below:

- On October 27, 2013, RCS Capital Corporation (RCAP) announced that it entered into an agreement to acquire the parent company of Investors Capital Advisory Services. The transaction is anticipated to close in July of 2014 and will result in a change of ownership for Investors Capital Holdings, Ltd. All Advisory clients received notifications in March and April allowing them to keep their accounts as is with ICAS or liquidate or transfer their account out of ICAS due to the change in ownership at the parent company level should they desire to do so.
- FINRA alleged that the Firm failed to have a proper process in place to ensure that prospectuses were delivered to ETF purchasers and that the Firm did not engage in training of representatives regarding ETF investment features. ICC has had an agreement with Pershing (its clearing brokerage firm) since at least 2002 that called for Pershing to provide prospectuses to clients for all prospectus-sold investments. Sometime thereafter, and without amending this agreement, Pershing transitioned to a different prospectus delivery platform whereby firms had to specifically elect what product types they wanted Pershing to deliver prospectuses for. Since ICC had been operating under the old general agreement, we did not elect any specific product types. As a result Pershing was not delivering ETF prospectuses to clients. The Firm maintains a system of continuing education for its representatives. During the FINRA review period (2009 to 2011), this continuing education did not contain modules specific to ETFs. FINRA determined that this was not appropriate, despite there being no mandate to include ETFs into Firm continuing education modules. The Firm was fined \$100,000. (Current Status – Final)

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ITEM 4 SERVICES, FEES, AND COMPENSATION

Services

ICA sponsors several advisory wrap programs, A-MAP, A-MAP AT, A-MAP FT, S-MAP, F-MAP and the Fund Select Wrap Program that provide managed advisory accounts for clients. Wrap programs are managed accounts where the client pays a single fee for portfolio management services. Depending on the program, clients may be responsible for transactional and miscellaneous charges but will not pay commissions or sales credits in addition to a management fee.

The Managed Account Wrap Programs (“Programs”) are offered through ICA and our representatives. As part of the process, our representatives will collect certain information from each potential client, including, but not limited to: information regarding income, liabilities, amount of investment assets, investment experience, risk tolerance and investment objectives. The representative will evaluate the client’s investment objectives and consult him/her on the various Managed Account Wrap Programs. After this evaluation and consultation, the representative will make a determination as to whether any of the Programs are appropriate given the objectives and disclosures made by the individual. After the individual has reviewed the Programs and indicated his/her understanding of the Programs, including the risks and benefits of the Programs, a Program will be selected and an account will be established. As part of the Program services, the representative will customize an investment portfolio for the client in accordance with client’s risk tolerance and investment objectives. Once the representative constructs an investment portfolio for the client, the representative will monitor the portfolio’s performance on an ongoing basis and will rebalance the portfolio as required due to changes in market conditions and in the client’s financial circumstances.

ICA, our representatives, and third-party sub-advisors affiliated with us will have full discretion over client accounts. Discretionary authorization will allow our Firm to determine the specific securities and the amount of securities to be purchased or sold for client accounts without client approval prior to each transaction. Clients may limit our discretionary authority (for example, limiting the types of securities that can be purchased for their account) by providing our Firm with their restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of a client’s portfolio and/or our ability to meet his/her investment objectives. Our representative may utilize individual equities, mutual funds, ETFs, corporate debt, municipal debt, fixed income, variable annuities, and/or other securities that are consistent with the client’s suitability and investment strategy.

The investment advisory services provided by the representative through the various Programs are dependent upon the information provided by each client. For our representative to provide suitable recommendations and to make appropriate investment decisions for the client, the client must provide accurate information and complete responses to the questions asked by his/her representative. The client should inform his/her representative of any material changes in his/her investment objectives or any changes in his/her financial situation as well as any restrictions on the account that may impact the overall investment goals. Our representatives shall, at least annually, contact their clients to determine whether there has been any change in a client’s financial situation or investment objectives.

Some of our representatives, in addition to providing advisory services through the Programs, engage in other financial service activities through ICA. These activities are separate from the Programs and thus separate fees may be incurred for such services.

Each Managed Account Wrap Program has a minimum initial investment amount. Approvals for accounts below the minimum initial investment amount are at the discretion of the Firm. If an account is linked to other qualifying household accounts, the minimum initial amount may be waived.

F-MAP Advisory Wrap Program

F-Map is an advisory program where our representatives utilize a portfolio established by the ICA team which creates, manages, rebalances and reallocates portfolios that consist of but are not limited to: no-load or load-waived mutual funds, ETFs and/or variable annuities. Generally, the minimum initial investment in the F-MAP program is \$25,000. The F-MAP Program leverages the experience and knowledge of the ICA team to actively manage specific portfolios along with the representative. The ICA team utilizes six different strategic/tactical asset allocation models, invests in specific products within those allocations, actively monitors the performance of the underlying investments, and periodically rebalances and reallocates as necessary. The six models include Aggressive Growth, Growth, Growth & Income, Balanced, Income with Growth and Dynamic Risk.

S-MAP Advisory Wrap Program

S-MAP is an advisory program where ICA has entered into agreements with sub-advisors who are selected by the representatives to provide advisory services to their clients. The S-MAP portfolios are not managed by ICA; rather, they are managed by the sub-advisor on a discretionary basis. Our representatives consult with their clients and determine model portfolios based on the client's objectives and risk tolerances. The representative selects a sub-advisor to create, manage, rebalance, reallocate, and report on a portfolio of equities, ETFs, mutual funds, variable annuities, and/or other securities (such as corporate debt) that are suitable for the client's overall investment strategy. The minimum initial investment in the S-MAP Program is generally \$100,000 for equity strategies and \$250,000 for fixed income strategies. ICA maintains the authority to hire and terminate the services of each sub-advisor, as the client does not enter into a direct advisory contract with the sub-advisor.

The following is the list of ICA approved sub-advisors:

Abner, Herrman & Brock LLC
Advisors Capital Management LLC
Cambridge Financial Group Inc.
Carret Asset Management LLC
Dividend Assets Capital LLC
Fraser
Sentinel Advisory Corp.
TimeCapital Investor Advisory Services Inc.
ValueWorks LLC
Wellesley Investment Advisors Inc.

This list of approved sub-advisors may change periodically. Please refer to www.investorscapital.com for the most current list.

ICA monitors the services rendered by the selected sub-advisor. If ICA determines that a particular selected sub-advisor is not providing sufficient appropriate management services to the client, we may suggest that the client contract with a different sub-advisor. Under this scenario, our Firm may assist the client in selecting a new sub-advisor and/or managed account program. However, any move to a new sub-advisor and/or managed account program is solely at the discretion of the client.

Fund Select Advisory Wrap Program

Fund Select is an advisory program where the representative creates and manages a customized portfolio constructed primarily of mutual funds without incurring transaction fees or sales credits. Using FundVest Funds, the representative can construct a portfolio of mutual funds at minimum cost with no transaction fees on qualifying transactions. FundVest is Pershing's no-transaction-fee platform, which provides access to over five thousand mutual funds, managed by more than two hundred and ninety fund companies. The representative will

recommend an appropriate portfolio based on the client's specific objectives and risk tolerances. Then, within the limitations of the Program and the client's financial status, the representative selects and recommends the appropriate mutual funds under the Fund Select Program that best meets the client's financial objectives. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy and meet the model's requirements. Generally, the minimum initial investment in the Fund Select Advisory Wrap Program is \$25,000.

A-MAP Suite of Advisory Wrap Programs

ICA's suite of A-MAP Programs (A-MAP, A-MAP AT, & A-MAP FT) enables the representative to assist the client in creating a personalized investment portfolio. The client's representative acts as the portfolio manager and has full investment discretion.

A-MAP

A-MAP is an advisory program where the advisory services are performed directly by the client's representative. The minimum initial investment in the A-MAP Wrap Program is generally \$25,000. The representative will customize a portfolio based on the client's objectives and risk tolerances, determine the initial investment selection and provide continued management to include rebalancing and reallocation of the underlying investments as necessary. After developing an overall investment strategy for the account, the representative will assist the client with implementation. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy. Representatives may utilize the A-MAP Program to manage the sub-accounts of variable annuities held directly at the annuity firm.

The representative will conduct periodic reviews of the overall strategy and will also consult with the client on an ongoing basis to determine whether changes to the portfolio are required.

A-MAP AT "Active Trader" Advisory Wrap Program

A-MAP AT is an advisory program where, similar to the A-MAP Program, the advisory services are performed by the client's representative. However, the A-MAP AT Program differs from A-MAP in that the A-MAP AT Program is designed for accounts where the client's objectives and/or the representative's investment methodology result in frequent trading activity. To qualify for the A-MAP AT Program, the representative and client should anticipate a minimum of 25 transactions annually. As such, the A-MAP AT Program has reduced transactional charges for trades executed in the client account. The minimum initial investment in the A-MAP AT Wrap Program is generally \$25,000. The representative will customize a portfolio based on the client's objectives and risk tolerances, determine the initial investment selection and provide continued management to include rebalancing and reallocation of the underlying investments as necessary. After developing an overall investment strategy for the account, the representative will assist the client with implementation. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy. The representative will conduct periodic reviews of the overall strategy and will also consult with the client on an ongoing basis to determine whether changes to the portfolio are required.

A-MAP FT

A-MAP FT is an advisory program where the advisory services are performed directly by the client's representative. The A-MAP FT Program differs from the A-MAP & A-MAP AT Programs in that the A-MAP FT Program utilizes an alternative representative fee and program cost structure for the client. The A-MAP FT Program is comprised of a fixed Annual Fee of \$250 and an Annual Advisor Fee of up to 2%. The A-MAP FT

does not contain an Annual Program Advisory Fee to ICA. The A-MAP FT Program consists of standardized base costs for transaction fees in equities, options, and non-FundVest Mutual Funds. The minimum initial investment in the A-MAP FT Wrap Program is generally \$25,000. The representative will customize a portfolio based on the client's objectives and risk tolerances, determine the initial investment selection and provide continued management to include rebalancing and reallocation of the underlying investments as necessary. After developing an overall investment strategy for the account, the representative will assist the client with implementation. The representative may recommend individual equities, mutual funds, ETFs, corporate debt, fixed income, variable annuities, and/or other securities that are consistent with the client's suitability and investment strategy.

The representative will conduct periodic reviews of the overall strategy and will also consult with the client on an ongoing basis to determine whether changes to the portfolio are required.

Fees and Compensation

Advisory fees are determined based upon a negotiated rate between the representative and the client based on factors such as the overall complexity of the client's financial affairs, the number of investing entities, nature of work, and other factors unique to the advisory relationship. The advisory fees are to be agreed upon in advance between the client and the representative to a maximum annual advisory fee of 3% depending on the Program. The advisory fees shall be based upon a percentage of the total value of the client assets managed by the representative. The maximum Annual Account Advisory Fee is for services that may include management of the assets, custody of the assets, statements, reports, cost basis reporting, billing systems, and on-line account access. Not all services are available for each Program. Fees will be deducted from the account as agreed upon with the client in advance or in arrears on a quarterly basis and, if it is a variable annuity account, quarterly fees may be deducted in arrears. The fee amount deducted quarterly will be calculated as one-quarter of the total Annual Account Advisory Fee and will be calculated as a percentage of the account's value as of the last day of the previous calendar quarter. The initial advisory fee will be assessed at inception of the advisory relationship and if the advisory relationship is established in mid-quarter, the fee will be assessed on a pro-rated basis based on the number of billing days in the initial quarter.

Representatives utilize ICC, our affiliated broker/dealer, to execute transactions and the transactions are cleared through Pershing LLC, ICC's clearing firm. In addition to the Annual Account Advisory Fee, fees may be assessed for trades in mutual funds, equity securities, debt securities, ETFs and other securities. The transaction fees are set forth in the Pershing fee clearing schedule listed below and are subject to periodic changes without notice. The current fee schedule can be found at www.investorscapital.com.

Clients who purchase and sell mutual funds may also incur certain charges imposed by the investment company and/or third parties in connection with those mutual funds. These potential charges include, but are not limited to: mutual fund 12b-1 fees (fees charged by investment companies for activities including, but not limited to: advertising, compensation of underwriters, dealers, and sales personnel, the printing and mailing of prospectuses to prospective investors, and the printing and mailing of sales literature), sub-transfer agent fees, mutual fund and money market management fees and administrative expenses, certain deferred sales charges on previously purchased mutual funds transferred into the Program, short-term redemption fees, and other services or similar fees on IRA and qualified retirement asset accounts. ICC, ICA's affiliated broker/dealer may receive a portion of such fees. Further information regarding fees and charges assessed by a particular mutual fund are available in the appropriate mutual fund prospectus.

If an investment company pays 12b-1 fees, the fees are usually retained by ICC and are not typically paid to the representative. These 12b-1 fees are typically offset by the total fee to our clients remaining under 3%. However, ICA has previously and may currently permit the payment of 12b-1 fees to certain representatives that maintain a certain amount of assets under management with us. There may be existing representatives that have been grandfathered into receiving a portion of the 12b-1 fees based on prior Firm policies. The receiving of 12b-

1 fees may create a conflict of interest in the selection of a mutual fund. We mitigate this conflict by reviewing each new account for suitability.

Our programs may be more or less costly than purchasing advisory services separately. The determining factors of cost with respect to an individual client may include the amount of investment assets, the particular goals and objectives, the volume of trading that the account engages in, and the types of investments. Depending on these factors, the program may be more or less costly than an arrangement where a client pays brokerage commissions for trading and/or a separate fee for investment advisory services.

Fees charged may vary by representative. Certain ICA representatives may provide comparable services for fees that are different from those charged by other ICA representatives.

Fees charged may ultimately be lower or higher than comparable services provided by ICC, ICA, and by other unaffiliated firms. Similar advisory services may be available from other firms at comparable or lower advisory fees.

F-MAP Advisory Wrap Program Fees

F-MAP has a maximum Annual Account Advisory Fee of 3%. There are no transactional fees or upfront/back-end sales charges associated with the F-MAP Program. In addition to the Annual Account Advisory Fee, the F-MAP Program accounts are assessed a \$100 annual maintenance fee that is assessed quarterly. If the F-MAP Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the F-MAP Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an F-MAP Program account is terminated within the first 120 days. Pershing LLC is the custodian of the F-MAP accounts and fees associated with the F-MAP accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

S-MAP Advisory Wrap Program Fees

S-MAP has a maximum Annual Account Advisory Fee of 3%. There are no transactional fees or upfront/back-end sales charges associated with the S-MAP Wrap Program. ICA is responsible for paying the fees charged by the sub-advisor. In turn, such fees may be charged to the client as part of the negotiated total advisory fees. This compensation is disclosed to the client in the client Services Agreement and the client will also be provided with the sub-advisor's Form ADV Part 2A. In addition to the Annual Account Advisory Fee, the S-MAP Program accounts are assessed a \$100 annual maintenance fee that is assessed quarterly. If the S-MAP Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the S-MAP Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an S-MAP Program account is terminated within the first 120 days. Pershing LLC is the custodian of the S-MAP accounts and fees associated with the S-MAP accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Fund Select Advisory Wrap Program Fees

Advisory fees are to be agreed upon in advance with the client and the representative to a maximum Annual Account Advisory Fee of 3%. FundVest transactions must have an initial purchase of \$1000 per position, while subsequent trades must be greater than \$500. In qualified retirement accounts, however, FundVest transactions must have an initial purchase of \$500 per position, while subsequent trades must be greater than \$100. Excluding FundVest Funds, fees are assessed for transactions in mutual funds, equity securities, debt securities, ETFs, and other securities.

If the Fund Select Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. A short-term trading fee of \$75.00 will be assessed when any security or mutual fund position is held less than 90 days, including exchanges. An exchange occurs when an account sells a mutual fund and subsequently repurchases another mutual fund within the same mutual fund company.

A one-time fee of \$200 will be assessed to establish each Fund Select Program account. If a client transfers assets from an existing ICA or ICC brokerage account, the establishment fee will be reduced to \$100. There is an early termination fee of \$250 that will be assessed if a Fund Select Program account is terminated within the first 120 days. Pershing LLC is the custodian of the Fund Select accounts and fees associated with the Fund Select accounts are subject to periodic changes without notice. The annual qualified IRA maintenance fee of \$40.00 is waived for accounts that remain above the initial balance requirement. If the Fund Select Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Fees for A-MAP Suite of Advisory Wrap Programs

A-MAP Fees

Advisory fees are to be agreed upon in advance between the client and his/her representative to a maximum Annual Account Advisory Fee of 3%. In addition to the Annual Account Advisory Fee, the A-MAP Program accounts are assessed a \$100 annual maintenance fee that is assessed quarterly. If the A-MAP Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the A-MAP Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an A-MAP Program account is terminated within the first 120 days. Pershing LLC is the custodian of the A-MAP accounts and fees associated with the A-MAP accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

A-MAP AT Fees

Advisory fees are to be agreed upon in advance between the client and his/her representative to a maximum Annual Account Advisory Fee of 3%. The A-MAP AT Program accounts are not charged the standard transaction fees as in the A-MAP Program. Transactions in the A-MAP AT Program are charged \$5.95. This charge is subject to change without notice but will not typically exceed \$10.00. As this fee is subject to change, please refer to the fees as outlined at www.investorscapital.com. If the A-MAP AT Program account is a qualified retirement account, an additional maintenance fee of \$40.00 is assessed annually. If the A-MAP AT Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an A-MAP AT Program account is terminated within the first 120 days. Pershing LLC is the custodian of the A-MAP AT accounts and fees associated with the A-MAP AT accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Use of a managed account program that involves buying and selling securities frequently can negatively affect investment performance, particularly through increased transactional costs and taxes. The short-term trading in the A-MAP AT Program might result in short-term gains or losses for federal and state tax purposes. Tax efficiency is not the primary consideration in the management of client assets. Clients should continuously consult with a tax professional prior to and throughout the investing of their assets.

A-MAP FT Fees

Advisory fees are to be agreed upon in advance between the client and his/her representative to a maximum Annual Advisor Fee of 2%. The A-MAP FT Program consists of a standardized base transaction fee of \$19.95

for transactions in both equities and non-FundVest Mutual Funds (transactions must be entered by the representative directly through NetX360, Pershing's order entry system. Orders that are placed through ICC's trade desk are subject to the transaction fees listed in the fee schedule below. Execution services apply for all transactions). Fees assessed for transactions on other types of securities are subject to the fee schedule listed below. The transactional fees are subject to periodic changes without notice.

In addition to the Annual Advisor Fee, the A-MAP FT Program accounts are assessed a \$250 fixed Annual Fee that is assessed annually on the anniversary date of the account inception. If the A-MAP FT Program account is a qualified retirement account, a termination fee of \$75.00 is assessed. There is an early termination fee of \$250 that will be assessed if an A-MAP FT Program account is terminated within the first 120 days. Pershing LLC is the custodian of the A-MAP FT accounts and fees associated with the A-MAP FT accounts are subject to change without notice. Miscellaneous fees may apply, clients will be provided with a detailed explanation of such fees if and when applicable.

Strategic Partners

Although we make a large number of products available to you, we concentrate our marketing and training efforts on investments offered by a number of companies (Strategic Partners). Strategic Partners are selected, in part, based on whether they offer competitive products, their technology, their customer service and their training capabilities. Strategic Partners may attend or sponsor education and training meetings for our Advisors. Strategic Partners have more opportunities than other companies to market and educate our representatives on investments and the products they offer. Please visit our website www.investorscapital.com for the most current list of Strategic Partners. We may, from time to time, update our list of Strategic Partners.

What Strategic Partners Pay to the Firm

It is important to know that although Strategic Partners may pay extra compensation to the Firm, our affiliated firms, and our parent company you do not pay more to purchase Strategic Partner products through us than you would pay to purchase those products through another firm. Your Advisor does not receive additional compensation for selling a Strategic Partner product. Nevertheless, this additional compensation to the Firm does create an incentive or a possible conflict of interest for us to promote Strategic Partner products over other products.

The additional amounts Strategic Partners pay us will vary from one Strategic Partner to another. In general, Strategic Partners compensate us in the following ways:

1. As a fixed dollar amount;
2. As a percentage of product sales (up to a maximum of 30 basis points – which would be \$30 on a \$10,000 investment);
3. As a percentage of our customer assets invested in the products (up to a maximum of one-tenth of one percent - which would be \$10 on a \$10,000 investment); or
4. As some combination of these.

Benefits to Your Advisor

Your Advisor does not receive additional compensation for selling a Strategic Partner product; they may receive additional benefits from our Strategic Partner program. When you purchase a mutual fund of a Strategic Partner in a Pershing brokerage account, we may absorb the nominal ticket charge for each transaction, which would normally be paid by your registered representative. Generally, the mutual fund families that participate in the Strategic Partner program subsidize some of these ticket charges. The type of transaction and dollar amount required in a Strategic Partner mutual fund purchase that may qualify for a ticket charge waiver may vary

depending on the particular Strategic Partner. In general, the ticket charge will be waived for the purchase of certain mutual funds of a Strategic Partner in an amount of \$5,000 or more. Every mutual fund offered by us may be purchased without a ticket charge by processing the transaction with a check and application sent directly to the mutual fund company. We believe that these ticket charge waivers do not compromise the advice your representative provides to you.

Additionally, your Advisor indirectly benefits when Strategic Partner payments are used to support costs relating to product review, marketing or training.

List of Strategic Partners

- Columbia Management
- Eaton Vance
- Fidelity Investments(1)
- Franklin Templeton Distributors, Inc.
- Goldman Sachs(2)
- Invesco
- Ivy Funds
- J.P. Morgan Investment Management
- Lord, Abnett & Co. LLC
- Natixis Global Asset Management(3)
- OppenheimerFunds Distributor, Inc.
- Pioneer
- PIMCO(4)
- Principal Funds
- Putnam Investments
- Virtus Investment Partners, Inc.
- Voya Investment Management

1 For Fidelity Investments, ticket charges are waived on Fidelity Advisor Funds. Fidelity Direct Funds are not included in this program.

2Goldman Sachs ticket charges are not waived on fund purchases in the Institutional or IR share classes.

2 Natixis Global Asset Management ticket charges are not waived on Oakmark and Loomis Sayles funds.

4PIMCO ticket charges are not waived on fund purchases in the Institutional share class.

For detailed information on account-related charges and ticket fees, please refer to your Broker-Dealer website. Please consult the applicable fund's prospectus for important information about the fund as well as its terms and conditions. Past performance does not guarantee future results. Please direct any questions you may have to your advisor.

Fee Schedule

Transaction, clearance, and settlement fees associated with securities transactions in client accounts are passed on to the client through our broker/dealer (ICC) by our clearing firm, Pershing LLC. Transaction charges on equities, options and mutual funds may vary depending on how the representative enters an order. Representatives have the ability to enter transactions themselves through NetX360, Pershing's order entry system, or through the trade desk at ICC. Fees may vary by program. Please refer to each program fee description for complete details.

Listed Equities

<u>Clearance Fees:</u>	<u>Trade Desk</u>	<u>NetX360</u>
Listed Equities*	\$40.00	\$24.95 (\$19.95 for A-MAP FT)

OTC Equities*	\$40.00	\$24.95 (\$19.95 for A-MAP FT)
Options*	\$40.00	\$24.95 (\$19.95 for A-MAP FT)
Corporate Bonds	\$50.00	
Municipal Bonds	\$50.00	
Treasury Bonds	\$50.00	
Government Agencies	\$50.00	
Money Markets (BA's, CD's, CP)	\$50.00	
Precious Metals	\$50.00	
Mortgage Backed When Issued	\$50.00	
Unit Investment Trust	\$50.00	

Mutual Fund:

Purchase*	\$20.00	\$12.00 (\$19.95 for A-MAP FT)
Redemption	\$20.00	\$12.00 (\$19.95 for A-MAP FT)
Exchange	\$10.00	\$5.00

**Subject to a waiver for qualifying funds, please refer to the strategic partner section of this brochure for more information.*

Execution Services:

Listed Equities All Orders \$.02 per Share

NASDAQ Equities No Charge

Options Equity and Index \$1.50 per Contract

Listed Corporate Bonds \$1.00 per Bond

*Billed "per order" as opposed to "per ticket". "Per order" is defined at the point/time of order entry and may result in multiple executions from a single order.

Paper Confirmation Delivery Fee \$1.00 per confirmation

Paper Statement Delivery Fee \$1.00 per statement

Fees may change regularly. For a complete list of up-to-date fees, please refer to www.investorscapital.com.

General Fee Information

Our clients are made aware of and acknowledge that certain mutual funds may contain sales loads and/or marketing and management fees at the mutual fund level, that variable annuities contain management, insurance, and possible commissions and other fees at the variable annuity level, and that this potential receipt of additional compensation creates a conflict of interest. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity directly, without ICA or our services. In that case, the client would not receive the services provided by our Firm which are designed, among other things, to assist the client in determining which mutual funds or annuities are appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and annuities as well as our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Our clients are also made aware of and acknowledge that, based upon current tax law, withdrawals from variable annuities, even if to pay investment advisory fees, may cause the client to realize taxable income. Additionally, if these withdrawals are made prior to the age of 59 ½, he or she may incur an additional 10% penalty. For variable annuities that contain a free withdrawal provision, clients are aware and acknowledge that withdrawals from these variable annuities to pay investment advisory fees may result in a reduction in the client's annual free withdrawal amount.

Depending on the program, the total amount of Annual Account Advisory Fees may be up to a maximum of 3% of the client's investment assets and may be more than a representative would receive if the client participated in other programs or paid a separate fee for investment advisory services, brokerage commissions, and other

services. As a result, representatives may have a financial incentive to recommend the program to clients rather than recommending other products or services.

Clients should be aware that when assets are invested in shares of mutual funds or insurance products, clients will pay both the direct advisory fees to ICA for our services in connection with these investments and, indirectly, the client may pay a pro-rata share of the management and other fees paid by the mutual fund. Clients may be able to invest directly in the mutual fund's shares or the insurance product without incurring the fees charged by ICA. A complete explanation of these fees and expenses is contained in each mutual fund's prospectus.

Limited Negotiability of Advisory Fees

Although ICA has established the aforementioned fee schedule(s), we retain the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual advisory fee will be identified in the service agreement between the representative and each client. ICA may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our Firm.

Billing Information

Fees may be negotiated or discounted by mutual agreement between the representative and his/her client. ICC has sole discretion to waive any fee on a continuous or on a one-time basis. ICA may permit the aggregation of assets among a client's "related" managed accounts for purposes of determining the value of assets under management and the applicable advisory fee to be paid by the client. Depending on the specific advisory program selected, clients may pay fees quarterly, in advance, or in arrears.

Through the account custodian, Pershing LLC, ICC will typically debit the advisory fee from the client account automatically. The advisory fee will first be payable from free credit balances, money market funds, and/or cash equivalents, and secondly from the liquidation of a portion of the client's securities holdings, pursuant to the discretionary authority granted to the representative by the client.

Clients have the ability to be billed directly and submit payment by check to ICA for the quarterly fee amount, or by instructing ICA to charge the fee to one of the client's other ICC accounts. A written authorization must be furnished by the client to effect this type of billing arrangement. In such cases, ICA will provide the client with billing invoices for investment advisory services that will detail the amount of the fee, method by which the fee was calculated, and the value of assets upon which the fee was based. Fees to ICA do not include any fees due to third-party money managers, mutual funds, or any fees to brokers or custodians of those assets.

Clients receiving consulting services may pay fees at time of service or in monthly, quarterly, semiannual, or annual installments, as agreed to between the representative and the client. Consulting fees paid directly by the client by check should be made payable to "Investors Capital Advisory Services". At no time should a client make a check payable to their representative or the representative's "doing business as" name. If you are asked to do so by your Advisor please contact our Compliance department at 800-949-1422 x 7630.

For accounts holding variable annuities, the ICA fee deduction procedures can be overridden by the contractual requirements and the specific fee deduction policies of the variable annuity companies. Various variable annuity companies deduct quarterly fees pro-rata from assets held within the sub-accounts regardless of the balance in the money market/cash position.

In all cases, clients may terminate their advisory arrangement by providing written notice to ICA and may receive a prorated refund of their Annual Account Advisory Fee upon request. For the calendar quarter in which the agreement is terminated, our fee will be prorated and refunded based on the number of days that the agreement was in effect during such quarter. In the event of termination, a termination or redemption fee may apply. Funds withdrawn from a managed account during a billing period are not generally entitled to a pro-rata refund unless the client is terminating their managed account program.

ICA does not require or solicit payment of advisory fees in excess of \$1,200 more than six months in advance for services rendered.

Offerings

Clients may purchase initial public offerings, secondary offerings, and participate in syndicate offerings within their advisory accounts where their representative may receive a selling concession or commission. Clients are made aware of and acknowledge that this potential receipt of additional compensation may create a conflict of interest.

Frequent & Short Term Trading

Use of a managed account program that involves buying and selling securities frequently can negatively affect investment performance, particularly through increased transactional costs and taxes. The short term trading in the A-MAP AT Program might result in short term gains or losses for federal and state tax purposes. Tax efficiency is not the primary consideration in the management of client assets. Clients should continuously consult with a tax professional prior to and throughout the investing of their assets.

Wrap Fee Programs and Separately Managed Account Fees

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fees charged by ICA. Such fees may include the investment advisory fees of the independent advisors, which may be charged as part of a wrap fee arrangement.

In a wrap fee arrangement, clients pay a single fee for advisory services. Portfolio transactions may be executed without commission charges in a wrap fee arrangement. However, transactional and miscellaneous charges may apply in a wrap fee program. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Employee Retirement Income and Securities Act Disclosures

ICA offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans. ICA may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. ICA provides these retirement plan services through its IARs, and may charge a fee for these services, as described in this Form ADV Part 2A and the Consulting Agreement. As such, our Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, ICA may only charge fees for investment advice about products for which our Firm and/or our representatives do not receive any commissions or 12b-1 fees, or conversely, may only charge fees for investment advice about products for which our Firm and/or our representatives receive commissions or 12b-1 fees, however, only when such fees are used to offset ICA's advisory fees.

Retirement Plan Services are either Fiduciary Services or Non-fiduciary Services. Non-fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or applicable state laws, rules or regulations. When delivering Fiduciary Services, ICA will perform those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) or comparable state law, as applicable, and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any Fiduciary Services, ICA will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the plan. Sponsor may engage ICA to perform the Retirement Plan Services by providing information about the plan, including the plan design, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers, and by executing an Agreement. ICA will provide Sponsor a copy of this Form ADV Part 2A as well as an individualized plan agreement for review. The Agreement describes the terms of the arrangement between ICA and the Sponsor, including a description of the Retirement Plan Services and the fees to be charged by ICA. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to ICA before ICA performs any Retirement Plan Services.

As a covered service provider to ERISA plans, ICA will comply with the U.S. Department of Labor regulations on fee disclosures, effective July 16, 2011 (or such other date as provided by the Department). Thus, ICA and its advisors will disclose (i) direct compensation received from ERISA clients; (ii) indirect compensation (e.g., 12b-1 fees) received from third parties; and (iii) transaction-based compensation (e.g., commissions) or other similar compensation shared with related parties servicing the ERISA plan. These fee disclosures will be made reasonably in advance of entering into, renewing, or extending the advisory service agreement with the ERISA client.

State Disclosures

Pursuant to California Rule 260.235.2 a conflict may exist between the interests of ICA or associated persons offering financial planning services to California residents. Representatives must render unbiased and objective advice.

Massachusetts General Law Section 203A requires disclosure that information about the disciplinary history and registration of Investors Capital Advisory and our associated persons may be obtained by contacting the Public Reference Branch of the SEC at 202-942-8090, or by contacting the Massachusetts Securities Division at One Ashburton Place, 17th Floor, Boston, MA 02108 or at 617-727-3548.

Clients should note that similar advisory services may, or may not, be available from other registered investment advisors for similar or lower fees. Material conflicts of interest that relate to ICA or to any of our representatives that would cause ICA not to render unbiased and objective advice have been disclosed to the client in writing in the Form ADV Part 2A Brochure and Brochure Supplements.

ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Types of Clients

ICA generally provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)

- Corporations or other businesses not listed above
- Charitable organizations
- State or municipal government entities

The majority of our clients are retail clients that fall under the “individuals (other than high net worth individuals)” category. This category includes, but is not limited to: individual, joint, trust, IRA, 401(k) participant, and custodial accounts.

Account Requirements

ICA has established certain initial minimum account requirements based on the nature of the service(s) being provided. In some cases, account balances may be combined at the household level to satisfy the account minimums. At ICA's discretion, we may waive these minimums.

- The A-MAP, A-MAP AT, A-MAP FT, F-MAP and Fund Select programs generally involve \$25,000 account minimums.
- The S-MAP program minimum generally ranges from \$100,000 to \$500,000 depending on the sub-advisor selected.
- Account minimums for third-party investment advisor programs generally range from \$25,000 to \$50,000.

ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

ICA selects our sub-advisors and Investment Policy Committee by evaluating certain criteria which may include but is not limited to: investment philosophy, business reputation, stability of management and support staff, regulatory history, and wrap account experience.

ICA monitors the services rendered by the selected sub-advisor in the S-MAP Program. If ICA determines that a particular selected sub-advisor is not providing sufficient appropriate management services to the client, we may suggest that the client contract with a different sub-advisor. Under this scenario, our Firm may assist the client in selecting a new sub-advisor and/or managed account program. However, any move to a new sub-advisor and/or managed account program is solely at the discretion of the client.

As the ICA representative is the portfolio manager of the Fund Select, A-MAP, A-MAP AT, and A-MAP FT Programs, the representative is subject to replacement only by the client's termination of participation in the Program.

ICA does not review portfolio manager performance information. Performance information may not be calculated on a uniform and consistent basis. ICA does not review performance information to determine accuracy or compliance with presentation standards. Clients will receive monthly or quarterly statements as well as transactional confirmations from the account custodian. Clients should review these statements carefully and contact their representative immediately if discrepancies are noted.

Clients hire ICA to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount and price of the security to buy or sell

Such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Advisory Business

ICA representatives will collect certain information from each potential client, including, but not limited to: information regarding income, liabilities, amount of investment assets, investment experience, risk tolerance and investment objectives. The representative will evaluate the client's investment objectives and consult him/her on the various Managed Account Wrap Programs. After this evaluation and consultation, the representative will make a determination as to whether any of the Programs are appropriate given the objectives and disclosures made by the individual. After the client has reviewed the Programs and indicated his/her understanding of the Programs, including the risks and benefits of the Programs, a Program will be selected, an account will be established, and a portfolio will be customized.

Clients may limit the ICA, sub-advisor, or representative's discretionary authority (for example, limiting the types of securities that can be purchased for their account) by providing our Firm with their restrictions and guidelines in writing. Such restrictions/guidelines may affect the composition and performance of a client's portfolio and/or our ability to meet his/hers investment objectives. Clients may also change/amend such limitations by once again providing ICA with written instructions.

ICA receives a portion of the total wrap fee for providing investment management services.

Performance-Based Fees and Side-By-Side Management

ICA does not charge performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

Representatives of ICA provide individualized advisory services to their clients. When evaluating strategies and investment products, our representatives have the flexibility and independence to select an approach they deem suitable. ICA and our representatives do not endorse any one prevailing form of analysis or strategy for use in our advisory programs. However, ICA and our representatives may rely on several of the more common strategies and types of analyses when working with clients.

Some of the more commonly used forms of analyses and strategies are as follows:

Fundamental Analysis: The intrinsic value of a security is measured by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

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

Technical Analysis: Past market movements are analyzed and applied to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

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

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

It is important to understand that past performance does not guarantee future results in technical and charting analysis.

Cyclical Analysis: In this type of technical analysis, the movements of a particular stock are measured against the overall market in an attempt to predict the price movement of the security.

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

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

Mutual Fund and/or ETF Analysis: ICA and/or our representatives look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

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

Alternative Investments: Non-traded REITS, business development companies (BDCs), limited partnerships, and direct alternatives are subject to various risks such as illiquidity and property devaluation based on adverse economic and real estate market conditions and may not be suitable for all investors or advisory accounts. A prospectus that discloses all risks, fees and expenses may be obtained from your Advisor. Read the prospectus carefully before investing. This is not a solicitation or offering which can only be made in conjunction with a copy of the prospectus.

Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. Please refer to your Advisor to determine if these investments are appropriate and available for your account.

Third-Party Investment Advisor: ICA and/or our representatives examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as ICA does not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as ICA does not control the manager's daily business and compliance operations, ICA may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all Forms of Analysis: Securities analysis methods rely on the assumption that the companies whose securities were purchased and sold, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. There is always a risk that analysis may be compromised by inaccurate or misleading information.

Long-term Purchases: Securities are purchased with the idea of holding them in the client's account for a year or longer. Typically this strategy is employed when:

- Securities are believed to be currently undervalued, and/or

- Exposure is desired to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, ICA may not take advantage of short-term gains that could be profitable to a client. Moreover, if predictions are incorrect, a security may decline sharply in value before the decision to sell is made.

Short-term Purchases: When utilizing this strategy, securities are purchased with the idea of selling them within a relatively short time (typically a year or less). This is an attempt to take advantage of conditions that are believed to soon result in a price swing in the securities purchased.

A short-term purchase strategy poses risks should the anticipated price swing not materialize, left then with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short-term Trading: Securities are purchased with the idea of selling them very quickly (typically within 30 days or less). This is done in an attempt to take advantage in predictions of brief price swings.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Margin Transactions: Stocks are purchased for client's portfolios with money borrowed from his/her brokerage accounts. This allows the client to purchase more stock than he/she would be able to with his/her available cash and allows ICA to purchase stock without selling other holdings.

Option writing: Options may be used as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives ICA the right to buy an asset at a certain price within a specific period of time. A call may be bought if it is believed that the stock will increase substantially before the option expires.
- A put gives ICA the right to sell an asset at a certain price within a specific period of time. A put may be bought if it is believed that the price of the stock will fall before the option expires.

Options may be used to "hedge" a purchase of an underlying security; in other words, an option purchase may be used to attempt to limit the potential upside and downside of a security in a client's portfolio.

"Covered Calls" may be used, in which an option is sold on a security the client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options may generally be more volatile than prices of other types of securities. When trading in options, clients may run the risk of losing the entire investment in a relatively short period of time.

Risk of Loss: Securities investments are not guaranteed and clients may lose money on their investments. Investing in securities involves risk of loss that clients should be prepared to bear. ICA asks that clients work with us to help us understand their tolerance for risk. Past performance is in no way an indication of future performance. ICA cannot offer any guarantees or promises that client financial goals and objectives will be met.

All types of strategy and analysis contain risk of loss.

Voting Client Securities

As a matter of Firm policy, ICA does not vote proxies on behalf of clients. Therefore, although our Firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing the custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. In the event ICA was to receive any proxy materials, we would forward them directly to the client.

At the client's request, ICA may offer him/her general advice regarding his/her proxy voting rights.

ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

S-MAP & F-MAP Managed Account Wrap Programs

Client profile information, such as financial background, prior investment experience, investment objectives, goals and restrictions, if any, and risk tolerance, will be provided to the portfolio manager (sub-advisor and/or ICA's Investment Committee), as applicable. Should the client's financial situation or investment objectives change and he/she wishes to modify his/her investment objectives and/or account restrictions at any time, the client should promptly notify his/her ICA representative. Upon receipt, ICA will forward any material information to the client's portfolio manager.

A-MAP, A-MAP AT, A-MAP FT, & Fund Select Managed Account Wrap Programs

As representatives of ICA are the portfolio managers, representatives have direct contact and interaction with clients and the clients control what information and how often or under what circumstances information is provided to their representatives.

ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

S-MAP & F-MAP Managed Account Wrap Programs

Clients generally do not communicate directly with sub-advisors or with ICA's Investment team, although clients are encouraged to channel communications through their ICA representative.

A-MAP, A-MAP AT, A-MAP FT, & Fund Select Managed Account Wrap Programs

As ICA representatives are the portfolio managers, ICA does not place any restrictions on the clients' ability to contact or consult with their representatives to discuss the management of their ICA account(s).

ITEM 9 ADDITIONAL INFORMATION

Disciplinary Information

ICA is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

ICC, as a broker/dealer and a Registered Investment Advisor, is regulated by and subject to the rules and regulations of the SEC, FINRA, and each of the 50 states. The following are disciplinary events relating to our Firm and/or our management personnel:

FINRA (2014) - FINRA alleged that the Firm failed to have a proper process in place to ensure that prospectuses were delivered to ETF purchasers and that the Firm did not engage in training of representatives regarding ETF investment features. ICC has had an agreement with Pershing (its clearing brokerage firm) since at least 2002 that called for Pershing to provide prospectuses to clients for all prospectus-sold investments. Sometime thereafter, and without amending this agreement, Pershing transitioned to a different prospectus delivery platform whereby firms had to specifically elect what product types they wanted Pershing to deliver prospectuses for. Since ICC had been operating under the old general agreement, we did not elect any specific product types. As a result Pershing was not delivering ETF prospectuses to clients. The Firm maintains a system of continuing education for its representatives. During the FINRA review period (2009 to 2011), this continuing education did not contain modules specific to ETFs. FINRA determined that this was not appropriate, despite there being no mandate to include ETFs into Firm continuing education modules. The Firm was fined \$100,000. (Current Status – Final)

FINRA (2012) - On 10/12/2012 FINRA alleged the Firm failed to report certain of its TRACE-eligible corporate securities transactions to TRACE within 15 minutes of order execution. FINRA found that the Firm failed to report approximately 10.6% of its corporate debt instrument transactions to TRACE within the 15 minute time frame. This included transactions that were entered less than 90 seconds late and transactions that were first reported timely and then a trade correction was entered giving the appearance that the trade was entered late. The Firm was fined \$5,000.

FINRA (2012) - On February 2, 2012 our self-regulatory organization, FINRA, initiated and served the Firm with an acceptance, waiver and consent “AWC” letter. FINRA alleged that the Firm charged markups in a limited number of corporate and municipal bond transactions that were greater than the expected markups in light of market conditions and other contemporaneous transactions. The Firm was fined \$22,500 and paid restitution of \$8,834.57. Without admitting or denying liability, the Firm consented to the staff’s findings in order to avoid the time and cost associated with litigation.

FINRA (2011) - The Firm is alleged to have engaged in the sale of private placements of two sponsors without engaging in an adequate due diligence process. The Firm’s processes were alleged to be deficient inasmuch as they did not call for the Firm to obtain due diligence materials other than those provided by the company or through a third-party law firm that was paid by the sponsor to produce an independent due diligence report. FINRA also alleged that the Firm did not have an adequate process to document or track its due diligence efforts or to review the new product approver’s due diligence efforts. Without admitting or denying the findings, the Firm consented to the described sanctions and to the entry of findings; therefore it is censured and shall disgorge commissions and other fees paid to the Firm in the total amount of \$400,115 in partial restitution to investors. A registered principal on behalf of the Firm shall submit satisfactory proof to FINRA of payment of restitution to the receiver no later than 30 days after acceptance of the AWC. (Current Status - Final)

FINRA (2011) - ICC was alleged to have failed to establish and maintain an adequate supervisory system relating to retail collateralized mortgage obligation (CMO) transactions. ICC’s CMO systems and procedures were inadequate because they did not address the increased risks associated with inverse floater and interest-only CMOs, which were sold to ICC’s customers. The supervisory systems and procedures also failed to provide guidance to supervisors in connection with the sale of inverse floater and interest-only CMOs and failed to establish adequate supervisory measures to monitor suitability for these riskier CMOs. As a result, inverse floater and interest-only CMOs were sold to approximately 40 customers without an adequate suitability review, including whether the purchasing customers were sophisticated or had a high risk profile. FINRA did not find these transactions to be unsuitable. Accordingly, the suitability determinations made by the Firm did not take into account FINRA’s guidance regarding the additional risks posed by inverse floater and interest-only CMOs. The Firm’s systems and procedures also failed to require its brokers to offer to customers the educational materials required under interpretative material 2210-8. Without admitting or denying the findings, ICC

consented to the described sanctions and to the entry of findings; therefore ICC was censured, fined \$200,000, and consented to undertake a comprehensive review of its policies and procedures concerning suitability of CMOs. (Current Status - Final)

State of Massachusetts (2010) - Allegations that a branch office engaged in sales of variable annuities in advisory accounts without making adequate suitability determinations regarding the transactions. The Firm consented to the findings, was fined \$300,000, and retained an independent consultant to review certain Firm policies and procedures. ICC consented to and made offers of reimbursement of surrender charges and rebated advisory fees to certain customers. (Current Status - Final)

FINRA (2009) - ICC was alleged to have not accurately completed a self-assessment regarding breakpoint compliance in mutual fund class A shares per NASD Rule 2110. Without admitting to or denying the finding, ICC was censured and was fined \$25,000. (Current Status - Final)

State of Texas (2009) - Allegations that a client of a registered representative of ICC liquidated an annuity, incurring a surrender charge which was unsuitable in the totality of the circumstances, and subsequently purchased an investment for which the client was not suitable. Texas alleged that ICC failed to enforce our written supervisory procedures regarding correspondence and communications and failed to report complaints on two of our registered representatives. Without admitting to or denying the state's allegations, the Firm consented, was fined \$10,000, and made restitution in the amount of \$21,610.13 to one client. (Current Status - Final)

State of Massachusetts (2009) - Allegations that ICC's pre-hire and supervisory procedures were not robust enough to detect or prevent one rogue agent from misappropriating funds from several customers. ICC consented to the findings, paid a \$250,000 administrative fine and reimbursed two clients in the amount of \$1,735,000. The Firm agreed to reimburse other qualifying clients if necessary. Investors Capital agreed to hire an independent consultant to review our related procedures. (Current Status - Final)

FINRA (2008) - ICC was alleged to have either bought or sold six corporate bonds from/to customers at a price that was unfair to the customer and did not comply with FINRA guidance on accepted sales charges. The Firm also failed to show nine order entry times on brokerage order memoranda. Without admitting to or denying the findings, ICC consented to and was fined \$12,000 and paid \$1,558.23 plus interest in client restitution. (Current Status - Final)

FINRA (2007) - ICC was alleged to have not enforced our procedures and policies regarding e-mail communication. As a result, ICC also was alleged to have failed to maintain and preserve electronic communications. Without admitting to or denying the alleged violations, the Firm consented, was fined \$75,000, and agreed to review and certify our procedures. (Current Status - Final)

State of Pennsylvania (2006) - ICC, without admitting to or denying the allegations, consented to a single finding of failure to supervise our agents through an in-state Office of Supervisory Jurisdiction Principal. The Firm was fined \$160,000 as well as \$90,000 for the state's legal and investigative cost. (Current Status - Final)

State of Massachusetts (2006) - Allegations that ICC failed to establish/maintain/enforce reasonable supervisory and compliance policies and procedures and allowed several certain registered representatives to hold themselves out as unregistered investment advisor representatives. This facilitated the sales of equity-indexed annuities to individuals over the age of 75 to whom such products were deemed unsuitable. ICC consented to and was ordered to pay fines and restitution in the total amount of \$1,000,000. ICC was ordered to retain an independent consultant to review related procedures. (Current Status - Final)

State of Florida (2004) - ICC consented to and was fined \$20,000 for having two branch office locations operating without the proper state registration. (Current Status - Final)

Other Financial Industry Activities and Affiliations

As a dual registrant, ICA is under common ownership with the registered broker/dealer, ICC. ICA and ICC are owned by the holding company Investors Capital Holdings, Ltd. ICA representatives are generally registered representatives with ICC and, depending upon securities registrations, are licensed to sell securities in this capacity. ICC's principal business is as a broker/dealer selling investment products and services, including, but not limited to: stocks, bonds, mutual funds, annuities, insurance products, options, real estate investment trusts, and alternative investments. ICC and our principal officers devote a majority of their time to these securities business activities. ICC has a fully disclosed clearing arrangement with Pershing LLC, a Bank of New York Mellon company.

In addition to being registered as a broker/dealer and registered investment advisor, ICC has a related company that is licensed as an insurance agency under the name of ICC Insurance Agency, Inc. Our representatives are registered with ICC as registered representatives and may also be licensed insurance agents of ICC Insurance Agency or as independent insurance agents. ICC and our representatives, acting in capacity as insurance agents, will earn commission-based compensation for selling insurance products such as life, health, and long-term care products. Insurance commissions are separate from our advisory fees. This practice presents a conflict of interest where representatives providing investment advice on behalf of our Firm who are insurance agents, have an incentive to recommend insurance products to clients for the purpose of generating commissions rather than solely based on their needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through ICC, ICC Insurance Agency, Inc., and/or any representative affiliated with our Firm.

ICA and our representatives may recommend that clients use a third-party investment advisor ("TAMP") based on their needs and suitability. ICA and our representatives may receive compensation from these TAMPs for recommending that clients use their services. This compensation generally takes the form of the TAMP sharing a percentage of the advisory fee the client pays to them with ICA and his/her representative. These compensation arrangements present a conflict of interest because ICA and our representatives have a financial incentive to recommend TAMPs that pay fees rather than those that don't. In addition, ICA and our representatives may have a conflict to refer clients to those TAMPs that pay higher fees over those that pay lower fees. Clients are not obligated, contractually or otherwise, to use the services of any TAMP that ICA or our representatives recommend.

Some representatives may also own their own law firm, accounting firm, insurance firm or may operate an unaffiliated Registered Investment Advisor. For clients in need of such services, the representative may recommend that the client retain these entities for such services. The fees for such services are separate and apart from the advisory fees charged by ICA. Clients are under no obligation to use any representative's affiliated entity and may use the service provider of their choice. Please refer to the representative's Brochure Supplement for details, if applicable, on their outside business activities.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our Firm has adopted a Code of Ethics that sets forth high ethical standards of business conduct that ICA requires of our representatives, including compliance with applicable federal securities laws. ICA and our representatives owe a duty of loyalty, fairness, and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code of Ethics.

Our Code of Ethics includes policies regarding quarterly securities transaction reports, as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering such as a private placement or an initial public offering. The Code of Ethics provides oversight, enforcement and recordkeeping provisions. The Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While ICA does not believe that we have any particular access to non-public information, all employees are reminded

that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy by calling ICA at 800-949-1422.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our representatives and employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while allowing representatives and employees to invest for their own accounts at the same time.

ICA generally does not participate in agency cross or principal transactions. If ICA was to participate in agency cross or principal transactions, our Firm will comply with SEC Rule 206(3). ICA will only conduct agency cross and principal transactions if a client has consented in advance to the conduct of such transaction.

Our Firm generally does not buy or sell securities for our own account that it recommends to clients. Representatives and employees may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) that may also be recommended to a client.

These situations represent actual or potential conflicts of interest to our clients and could create potential incentives for our representatives to put their own interests ahead of clients'. Personal securities transactions by representatives and employees are monitored by ICC. ICA has established the following personal trading practices to ensure our Firm and representatives comply with our regulatory obligations and provide our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No representative or employee of our Firm may put his or her own interest above the interest of an advisory client.
- No representative or employee of our Firm may buy or sell securities for his or her personal portfolio(s) where his or her decision is the result of information received as a result of his or her employment unless the information is also available to the investing public.
- No representative or employee may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our Firm requires prior approval for any initial public offerings or private placement investments by related persons of the Firm.
- All of our representatives and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- ICA requires delivery and acknowledgement of the Code of Ethics by each supervised person of our Firm.

Review of Accounts

Representatives monitor advisory accounts on an ongoing basis and typically conduct reviews annually. However, reviews may occur more frequently based upon individual circumstances, nature and/or complexity of the portfolio, and/or changes in market, political, or economic environment. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio. ICA requests that clients meet and/or communicate with their representatives at least annually to ensure that the investment plan/strategies continue to be aligned with the clients' stated individual objectives, needs, goals, risk tolerance, and time horizon. Clients will receive monthly or quarterly statements as well as transactional confirmations from the account custodian. Clients should review these statements carefully and contact their representative immediately if discrepancies are noted.

Principals in the compliance and trading/operations departments of ICC review client managed accounts periodically to identify circumstances that may warrant a more detailed review of a client account. ICC uses

multiple exception, transaction, and surveillance reports designed to aid in the continuous review of managed advisory accounts. Circumstances that may trigger a review include, but are not limited to: transactions, inactivity, and balance amounts.

Client Referrals and Other Compensation

Client Referrals

If clients are introduced to ICA or a representative by a solicitor, ICA or our representative may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 as amended. Any such referral fee shall be paid solely by the representative in a one-time fee and shall not result in any additional charge to the client. Clients will not pay additional fees because of any referral arrangement. A solicitor has financial incentive to recommend our Firm to clients for advisory services. This creates a conflict of interest; however, clients are not obligated to retain our Firm for advisory services. Comparable services and/or lower fees may be available through other firms.

ICA and our representative may recommend third-party investment advisors. ICA may be compensated by these third-party investment advisors for referring a client's advisory business to them. This compensation generally takes the form of ICA and the representative sharing the third-party investment advisor's advisory fee that the third-party investment advisor charges the client. Both the representative and ICA may have a conflict of interest to refer the client's advisory business to those third-party investment advisors that pay referral fees to ICA or to those that pay higher referral fees to ICA.

Representatives and/or ICA may also receive educational support and training, marketing support, or some other economic benefits in addition to our receipt of the referral fees from a third-party investment advisor to whom we have referred advisory business. These benefits and support are paid from the third-party investment advisor's own funds and not from client funds. However, representatives and/or ICA may have a conflict of interest to favor referring advisory business to those third-party investment advisors that provide this support and economic benefit over those third-party investment advisors that don't provide such support or economic benefit.

Other Compensation

Our Firm and representatives are eligible to receive incentive awards (including prizes such as trips) based on sales and/or number of new accounts opened. While ICA endeavors at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Financial Information

ICA does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. ICA does not take physical custody of client funds or securities or serve as trustee or signatory for client accounts. ICA does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to our clients. ICA has not been the subject of a bankruptcy petition at any time during the past ten years.

Therefore, ICA is not required to include a financial statement with this brochure.