

Argent Advisors, Inc.

SEC File Number: 801 – 60187

ADV Part 2A, Firm Brochure

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This brochure provides information about the qualifications and business practices of Argent Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (318) 324-8000 or bhull@argentadvisors.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.

Additional information about Argent Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Argent Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the most recent annual update filing, this ADV Part 2A, Firm Brochure has been materially amended: at Item 5 to more fully disclose the fees incurred by clients in connection with the services offered by Argent Advisors, Inc.; at Item 8.C. to reflect that Argent Advisors, Inc. no longer recommends that certain clients authorize the active discretionary management of their assets among independent investment managers or investment programs; and at Item 12 to reflect that Argent Advisors, Inc. no longer receives “Soft Dollar Benefits” as contemplated by Section 28(e) of the Securities Exchange Act of 1934.

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Item 4 Advisory Business

- A. Argent Advisors, Inc. (the “Registrant”) is a corporation formed in January 1996 in the State of Louisiana. The Registrant became registered as an investment adviser firm in April 2004. The Registrant is principally owned by Argent Financial Group, Inc. Dean Mailhes is the Registrant’s President.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. When consistent with a client’s stated investment objectives, Registrant may also allocate client’s investment assets among one or more mutual fund asset allocation programs as fully described in Item 8 below.

In addition to the investment advisory services that it provides directly to its clients, Registrant may also provide sub-advisory services to other investment advisers and/or trust entities, including independent affiliates of Argent Trust Company, N.A. (“ATCNA”), as well as Argent Trust related affiliates. ATCNA and Registrant are wholly owned subsidiaries of Argent Financial Group. Argent Trust Company, N.A. may provide portfolio management services for advisory accounts custodied at ATCNA as well as those accounts custodied elsewhere. In addition, Registrant may utilize the services of other independent investment advisers pursuant to a sub-advisory agreement between the Registrant and the independent investment adviser.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the Registrant’s representatives in their individual capacities as registered representatives of LPL Financial Corporation (“LPL”) and/or licensed insurance professionals. (See disclosures at Item 10.C. below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or

reject any recommendation from the Registrant. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. Please Also Note: It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant and no portion of the Registrant's services should be construed otherwise. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of the Registrant in their separate registered and/or licensed capacities as discussed below at Item 10.C. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Sub-Advisory Arrangement. The Registrant has entered into a sub-advisory agreements with Highland Capital Management, LLC, CRD # 104842 ("*Highland*") and ATCNA. *Highland* is an affiliated, SEC registered, investment advisor firm. ATCNA is an affiliated custodian and trust company.

The Registrant has engaged *Highland* specifically to allow the Registrant's clients access to *Highland's* investment management services, investment models and strategies. As a sub-advisor, *Highland* shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Registrant. *Highland* shall continue in such capacity until the arrangement is terminated or modified by the Registrant. The Registrant shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services.

The Registrant has engaged ATCNA specifically to maintain the MAP program the Registrant makes available to its clients. As a sub-advisor, ATCNA shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Registrant. ATCNA shall continue in such capacity until the arrangement is terminated or modified by the Registrant. The Registrant shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account, and client is unavailable, the

Registrant will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's verbal consent.

Please Note: Retirement Rollovers-No Obligation/Conflict of Interest: A client or prospective client is under no obligation to engage Registrant as the investment adviser for his/her employer sponsored retirement account. Rather, a client can continue to self-direct his/her retirement account at his/her employer. If the client determines that he/she would like Registrant's assistance, Registrant shall charge a separate and additional advisory fee for its ongoing advisory services. The client will not incur this separate and additional advisory fee if he/she determines to continue to self-direct his/her account. As a result, any recommendation by Registrant that a client engage Registrant to manage his/her retirement account presents a conflict of interest since Registrant shall derive an economic benefit from such engagement. Again, a client is under no obligation to engage Registrant as the investment adviser for his/her retirement account.

Please Note-Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Registrant's initial and ongoing investment advisory services.

Please Note: Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant maintains cash positions for defensive purposes. All cash positions (money markets, etc) shall be included as part of assets under management for purposes of calculating the Registrant's advisory fee. **Please Further Note:** When the account is holding cash positions, those cash positions will be subject to the same fee schedule as set forth above for fixed income.

Please Note: Inverse/Enhanced Market Strategies. The Registrant may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2014, the Registrant had \$394,115,000 in assets under management on a discretionary basis and \$35,780,000 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary or non-discretionary investment advisory services on a *fee* basis, the Registrant's negotiable annual investment advisory fee shall vary depending upon various objective and subjective factors, and is generally charged according to the following fee schedule*:

<u>Account Type</u>	<u>Assets Under Management</u>	<u>Annual Fee</u>
<u>Standard Portfolio Management:</u>	First \$500,000	1.25%
MAP Managed, Retirement Builder,	Next \$500,000	1.00%
Prime/Prime Plus, Individually	Next \$1,000,000	0.90%
Managed Accounts	Over \$2,000,000	0.70%
 <u>Dynamic Asset Models:</u>	First \$1,000,000	2.00%
Momentum Select, Absolute Return,	Over \$1,000,000	1.00%
<i>Plus \$20 per month operations fee</i>		
 Prime Dynamic	First \$1,000,000	1.50%
	Over \$1,000,000	1.25%
 Directed Accounts:	First \$2,000,000	0.40%
	Over \$2,000,000	0.30%

*Please refer to Item 5.C. below with respect to additional service fees and charges that clients incur in addition to the investment advisory fees generally described above.

Please Note: Fee Differentials/Conflict of Interest-the Registrant shall receive an investment management fee based upon a percentage (%) of the market value of the assets placed under management (between 0.30% and 2.00%). However, fees shall vary depending upon various objective and subjective factors, including but not limited to: the amount of assets to be invested, the type of assets being invested and/or monitored, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, and negotiations with the client. As a result, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Since the Registrant's representative shall receive a portion of the advisory fee charged to the client, a material conflict of interest arises, because an increase in the management fee paid by the client may result in increased compensation received by the Registrant's representative.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but are generally \$150 on an hourly rate basis or between \$1,000 and \$5,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients monthly or quarterly in arrears, based upon the market value of the assets on the last business day of the previous month or quarter.
- C. The Registrant may recommend particular broker-dealers and/or custodians for client investment management assets, including ATCNA, an affiliated trust company (See Item 10.C.5. below) and/or Fidelity Investments ("Fidelity"). Broker-dealers such as ATCNA and Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual debt and/or equity transactions may be effected through broker-dealers with whom Registrant has entered into arrangements for prime brokerage clearing services.

In addition to the above: clients whose accounts are custodied with SEI Investments Distribution Co ("SEI") who maintain less than \$50,000 under management may incur a \$15.00 quarterly fee. Accounts custodied at ATCNA may be subject to a minimum annual fee of \$350. Accounts custodied at Fidelity are subject to a \$50 annual base fee. With respect to Individual Retirement Accounts, the Registrant charges an annual fee of \$50.00 for account maintenance and Form 5498 reporting, an annual fee of \$75.00 for

calculation of required minimum distribution amounts; an annual fee of \$250 for unique asset set up, monitoring, and appraisal evaluation; and a \$25.00 charge for every outgoing wire transfer request.

Please Note: For those clients who elect to custody their investment management assets with *ATCNA*, *ATCNA* shall receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. *ATCNA* and Registrant are wholly owned subsidiaries of Argent Financial Group. (See Item 10.C below). The recommendation that a client custody their investment management assets with *ATCNA* presents a material conflict of interest, as *ATCNA*, an affiliated entity may receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. In addition, certain of the investment models utilized may also pay 12b-1 fees. Registrant's related persons *may* indirectly benefit from the payment of these fees to *ATCNA*. This indirect benefit may provide an incentive to recommend *ATCNA* as a custodian based on economic benefits, rather than on a particular client's need. No client is under any obligation to engage *ATCNA* as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians.

- D. Registrant's annual investment advisory fee shall be prorated and paid monthly or quarterly, in arrears, based upon the market value of the assets on the last business day of the previous month or quarter. The Registrant generally requires: an annual minimum fee of \$350 for accounts custodied at *ATCNA*. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fees requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the client shall remain responsible for payment for all services rendered by the Registrant prior to the date of termination.

- E. **Commission Transactions.** In the event that the client desires, the client can engage certain of the Registrant's representatives, in their individual capacities as registered representatives of LPL Financial Corporation ("*LPL*"), an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *LPL*, *LPL* will charge brokerage commissions to effect securities transactions, a portion of which commissions *LPL* shall pay to Registrant's representatives, as applicable. The brokerage commissions charged by *LPL* may be higher or lower than those charged by other broker-dealers. In addition, *LPL*, as well as Registrant's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *LPL* presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from *LPL*.
2. Please note: Clients may purchase investment products recommended by

Registrant through other, non-affiliated broker dealers or agents.

3. The Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the Registrant recommends to its clients.
4. When Registrant's representatives sell an investment product on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage the Registrant to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Registrant's representatives on a separate commission basis.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. The Registrant generally requires an annual minimum fee of \$350. Certain investment models may require a minimum asset value for participation. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. The Registrant shall utilize the following methods of security analysis:
 - Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend options transactions. The use of such an investment strategy has a high level of inherent risk. (See discussion below).

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by the

Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity and fixed income securities, mutual funds and/or exchange traded funds on a discretionary and/or non-discretionary basis in accordance with the client's designated investment objective(s).

Registrant may allocate investment management assets of its client accounts, on a discretionary basis, among one or more mutual fund asset allocation programs. The mutual fund asset allocation programs comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Registrant's management of client assets:

1. **Initial Interview** – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. **Annual Contact** – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account.
5. **Consultation Available** – the Registrant shall be reasonably available to consult with the client relative to the status of the client's account;
6. **Quarterly Statement** – the client shall be provided with a quarterly report for the account for the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
9. **Separate Account** - a separate account is maintained for the client with the Custodian; and
10. **Ownership** – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs.

However, Registrant's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). Please Note: Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

These allocation models include the following:

Argent Advisors Standard Portfolio Management Portfolios

Retirement Builder

Retirement Builder portfolios will use more active asset allocation to meet objectives. Stock, bond, and cash positions will be allocated based on market and economic conditions. This style is more suited to conservative investors who are willing to give up market potential for a less volatile portfolio. The portfolio will also use mutual funds in the models that give the managers of those funds more flexibility in making asset allocation calls. Three models are available, one with 20% equity average and one with a 40% equity average and one with a 65% equity average.

SEI Asset Allocation Models – Certain individual advisers may use one of *SEI's* asset allocation models, comprised of no-load mutual funds. *SEI* employs a multi-manager and multi style approach. *SEI* reviews all trades made by the investment managers they utilize in their programs. *SEI* has developed asset allocation models for both tax qualified accounts (IRA's, SEP's, 401(k)'s, 403(b), etc). For investors seeking tax efficient portfolios *SEI* designs portfolios employing tax exempt securities. All *SEI* asset allocation models are regularly rebalanced. Clients can utilize portfolios designed to match their attitudes toward risk and desired investment returns.

Strategic Asset Solution (SAS) – SAS-Investors that seek to participate in the stock and bond markets should do so through a well designed, disciplined and diversified approach. The SAS utilizes no-load and load-waived mutual funds to meet each solutions objective. Currently there are four strategically designed portfolios. Clients can select a specific solution based on their investment objective, time horizon and risk tolerance. The allocations for each solution will not vary greatly over time and we do not move client assets from one portfolio to another without a discussion and confirmation from our clients.

Prime/Prime Plus – The theory behind PRIME/PRIME Plus is that participation in the stock and bond market should be made through a disciplined, diversified approach. The model uses mutual funds and ETFs to meet its objectives. Clients select from five different PRIME/PRIME Plus models based on their return objectives and risk attitudes. The Registrant uses Active Asset Allocation to adjust the percentages of the client's holdings based on market conditions. This process spreads investor dollars between several different asset types. The Registrant may under or over-weight asset classes based on market outlook. Please Note: PRIME has a minimum account requirement of \$15,000 and PRIME Plus has a minimum account requirement of \$60,000.

Managed Asset Portfolio (“MAP”) – MAP employs top-performing no-load (or load waived) funds, diversification and asset allocation to provide clients active market participation in good markets and a less volatile portfolio in down markets. Clients in MAP can select from six different models as determined by risk attitudes and return objectives. Models range from all income to all equity mutual funds. Through asset allocation, the percentages of holdings are adjusted, based on market conditions. The process of asset allocation will spread investor dollars between several different asset classes and may be overweight or underweight based on market outlook. MAP models are managed by ATCNA. (See Item 10.C below)

Individual Managed Portfolio – On occasion, some portfolios will use assets outside of the models listed above. These assets will generally be used to obtain specific portfolio needs and objectives, such as high income, tax free, etc. The securities will be selected from our *Buy List*.

Argent Advisors Dynamic Asset Allocation Portfolios

The Registrant primarily serves individual/retail investors. By definition, individual investors have shorter time frames in which to accomplish their investment goals. These time horizons are considerably shorter than those of institutional investors. To accommodate the enhanced sensitivity to risk that accompanies shorter investment time horizons The Registrant offers dynamic asset allocation programs. While active management tends to make some adjustments in percentages of client holdings based on market conditions, dynamic portfolio management makes larger portfolio modifications.

The term dynamic can connote different meanings. The Registrant differentiates active from dynamic investment management in two distinct ways. The first discipline which we employ is to analyze major asset classes like stocks, bonds, and cash and increase or reduce allocations to those areas based on macro economic conditions, statistical analysis, and trend analysis. The second discipline utilized is to employ technical analysis for the purpose of observing trends and performance of approved portfolio models. When portfolio models exhibit characteristics which deviate from expected risk adjusted returns then portfolio modifications are made with the expressed desire to minimize loss of principal and maximize long-term performance over an entire business cycle.

Momentum Select®

Momentum Select® will maintain a dynamic asset allocation strategy. At this time, the Portfolio will be invested exclusively in mutual funds. As a result, assets held in the Portfolio will be highly liquid. The Advisor has the flexibility to utilize other investment vehicles should they provide features similar to mutual funds.

The investment structure of the various Momentum Select® Portfolios is essentially the same in concept, yet different in application. Investment decisions are made based on determining an appropriate asset allocation for each Investor and modifying that asset allocation as risk and asset performance dictates. The asset classes which may be utilized are funds representing the following areas: money market funds, government bonds, corporate bonds, high yield corporate bonds, strategic income, enhanced income, floating rate bonds, currencies, commodities, global equities, sectors, real estate investment trusts, dividend stocks, small cap growth and value stocks, midcap growth and value stocks,

large cap growth and value stocks, the S&P 500, the NASDAQ 100, and the Europe 30. Inverse funds will also be utilized to hedge against negative macroeconomic trends. Momentum Select® models will utilize indexed funds as well as actively managed funds in an attempt to deliver excess returns over full market cycles. As innovation allows, Momentum Select® will look to expand this list where appropriate.

It is the dynamic selection of asset classes over which the process of statistical analysis is superintended which signifies the highest risk and potential return of a portfolio. As a result five model portfolios are currently available for application. They range in category from the following: conservative, moderately conservative, moderate (2), and moderately aggressive. We have labeled these models as follows: Strategic Fixed Income, Conservative Wealth Management, Dynamic Balanced, Quality Cash Flow and Strategic Growth.

Absolute Return Model

The Absolute Return Model has as its objective positive returns on an annual basis. By utilizing trend analysis, relative strength analysis and long short positioning, the mutual funds employed by this model strive to provide a positive equity curve while keeping volatility in check. This is NOT a traditional asset allocation model. Performance will be measured against absolute returns and not against any corresponding indexes.

Dynamic Portfolio

Prime Dynamic

The Registrant allows each investment advisor representative the discretion to deviate from a specific investment model up to a maximum of 20% of the portfolio. For the dynamic prime portfolios the investment manager intends to utilize this policy to create a dynamic asset allocation program. This derivation of the prime models will utilize technical analysis for the purpose of observing trends and performance of each of the Prime models. When portfolio models exhibit characteristics which deviate from expected risk adjusted returns then portfolio modifications are made with the expressed desire to minimize loss of principal and maximize long-term performance over an entire business cycle.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. As disclosed above in Item 5.E, certain of Registrant's representatives are also registered representatives of LPL Financial Corporation ("*LPL*"), an SEC registered and FINRA member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

- C. **Registered Representatives of LPL.** As disclosed above in Item 5.E, certain of Registrant's representatives, are registered representatives of *LPL*, an SEC Registered and FINRA member broker-dealer. Clients may choose to engage, Ty Pendergrass, Barry Guinn, Brent Graham, and/or Trey Curtis in their individual capacities as registered representatives of *LPL*, to implement investment recommendations on a commission basis.

Affiliated Investment Companies. Argent Financial Group, the Registrant's principal owner, is also the sole owner of Argent Fiduciary Consulting Services, LLC (provides consulting and compliance services to trust companies and registered investment advisers), Family Wealth Practices, LLC (affiliated Mississippi state registered investment adviser firm), Highland Capital Management, LLC (affiliated SEC registered investment adviser firm), Argent Insurance Services, LLC (insurance), Argent Property Services, LLC (oil and gas, lease management, timber property management, etc.), Argent Trust Company, N.A. (custodian and trust services) and Argent Advisors Leasing Services, LLC (an employment leasing company). (See below concerning Argent Trust Company, N.A.) There may be instances when portfolio managers may purchase municipal bonds for advisory accounts in issues where Institutional Services (a department of Argent Trust) serves as trustee and / or paying agent / registrar.

In certain circumstances, Registrant's Associated Persons may refer clients to entities owned by Argent Financial Group, including those referenced in the immediately preceding paragraph. Those entities may provide services to the client, which are not investment-related.

The recommendation that a client utilize the services of the above referenced affiliated entities presents a material conflict of interest, as the associated person making the referral to any of the above entities may receive referral fees from that affiliated entity. In addition, affiliated entities may enter into a referral agreement with Registrant. In so doing, the affiliated entity making the referral may receive referral fees from the Registrant. **Please Note:** Clients are under no obligation to engage the services of such affiliated entities. The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Heritage Capital Management, Inc. Registrant's associated person, Dean Mailhes is also President and owner of Heritage Capital Management, an investment advisory firm registered with the State of Louisiana. Additionally, Vaughn Antley is an investment advisor representative with Heritage Capital Management, Inc.

Argent Trust Company, N.A. As previously stated, *ATCNA* and the Registrant are both wholly owned subsidiaries of Argent Financial Group. The Registrant is not operationally independent of *ATCNA*, the affiliated custodian. *ATCNA* maintains a segregated account for each account it custodies. In addition, *ATCNA* may use independent qualified custodians including Northern Trust for DTC eligible securities (50 South LaSalle Street B-7, Chicago, IL 60603) and Matrix Settlement and Clearance Services, LLC for open-end mutual funds (700 17th Street, Suite 300, Denver, CO 80202). The Registrant has developed and implemented policies and procedures to minimize risks to client accounts. An independent auditing firm will conduct an annual surprise examination to verify client funds and securities. Moreover, *ATCNA* is subject to an annual audit, which is conducted by an independent auditing firm and will include an opinion evaluating the internal

controls relating to the custody of client assets. A copy of the report can be provided upon written request.

In the majority of instances, Registrant will recommend clients custody assets with *ATCNA*. *ATCNA* and Registrant are both wholly owned subsidiaries of Argent Financial Group. Certain of *ATCNA* (a wholly owned subsidiary of Argent Financial Group) employees may also be employed with Registrant. If the client determines to utilize *ATCNA* for custody, Registrant may purchase through *ATCNA* certain mutual funds. In these circumstances, in addition to custodial fees and/or transaction fees, *ATCNA* will also receive a shareholder services fee. Please Note: This arrangement presents a material conflict of interest.

The recommendation that a client custodies their investment management assets with *ATCNA* presents a material conflict of interest, as *ATCNA*, an affiliated entity shall receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. In addition, certain of the investment models utilized may also pay 12b-1 fees. Registrant's related persons *may* indirectly benefit from the payment of these fees to *ATCNA*. This indirect benefit may provide an incentive to recommend *ATCNA* as a custodian based on economic benefits, rather than on a particular client's need. No client is under any obligation to engage *ATCNA* as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians. The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Licensed Insurance Agency/Agents. Argent Insurance Services, LLC is an affiliated licensed insurance agency. Dean Mailhes, Michael R. Jones, Byron R. Moore, Ty Pendergrass, Barry Guinn, Trey Curtis and/or Brent Graham, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Registrant's representatives to effect insurance transactions on a commission basis.

Conflicts of Interest: The recommendation by either Dean Mailhes, Michael R. Jones, Byron R. Moore, Ty Pendergrass, Barry Guinn, Trey Curtis and/or Brent Graham, that a client purchase a securities or insurance commission product presents a material conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Dean Mailhes, Michael R. Jones, Byron R. Moore, Ty Pendergrass, Barry Guinn, Trey Curtis and/or Brent Graham. Clients are reminded that they may purchase securities and/or insurance products recommended by Registrant through other, non-affiliated professionals. The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Generally, neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest. However, upon the specific request of a client, the Registrant and/or related persons of the Registrant may recommend the sale of securities in which the Registrant and/or a related person of the Registrant has a material financial interest. Registrant's clients are under absolutely no obligation to consider or make an investment in securities in which the Registrant and/or a related person of the Registrant has a material financial interest. The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities truncation policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a

position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *ATCNA*, an affiliated trust company and/or *Fidelity*. (See Item 10.C above). The Registrant may determine to use the brokerage services of LPL financial for trading. No commissions generated from these trades shall result in any compensation for Ty Pendergrass, Brent Graham, Barry Guinn, or Trey Curtis. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *ATCNA* and/or *Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

The recommendation that a client custodies their investment management assets with *ATCNA* presents a material conflict of interest, as *ATCNA*, an affiliated entity shall receive custodial fees, per trade transaction fees, rebates and a shareholder services fee. In addition, certain of the investment models utilized may also pay 12b-1 fees. Registrant's related persons *may* indirectly benefit from the payment of these fees to *ATCNA*. This indirect benefit may provide an incentive to recommend *ATCNA* as a custodian based on economic benefits, rather than on a particular client's need. No client is under any obligation to engage *ATCNA* as their account custodian. Clients are reminded that they may engage other, non-affiliated account custodians. The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, investment

manager, platform and/or mutual fund sponsor, Registrant may receive from broker-dealers and/or custodians, investment manager, platform and/or mutual fund sponsor, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to broker/dealers and/or custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

The Registrant’s Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission

rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, annual investment reviews are completed by each investment advisor and submitted to compliance for review. Any issues are presented to the Board for review and possible action. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.1 above, the Registrant may receive an indirect economic benefit from broker-dealers and/or custodians (i.e. *Fidelity*). The Registrant, without cost (and/or at a discount), may also receive support services and/or products from broker-dealers and/or custodians.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at their respective broker-dealers and/or custodians as result of this arrangement. There is no corresponding commitment made by the Registrant to broker-dealers and/or custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state

securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by the solicitor from the Registrant.

The parent company of the Registrant, Argent Financial Group, may enter into financial agreements with certain solicitors of the Registrant. Through these arrangements, the Registrant's parent company may provide compensation for support personnel and related expenses. This arrangement is between the Registrant's parent company and the soliciting firm and does not impact fees. This arrangement may present a conflict of interest. In certain circumstances, a portfolio manager may purchase proprietary products with firms that have entered into a financial agreement with Argent Financial Group. These products purchased for advisory accounts will primarily be certificates of deposit.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a monthly or quarterly basis. Clients are provided, at least quarterly, with regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Please Note: Custody Situations: The Registrant engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, client shall be required to execute *Investment Advisory Agreement*, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name for found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, in writing, on the Registrant's discretionary authority. (i.e. limit the

types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc).

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Therefore, although Registrant may provide investment advisory services relative to client investment assets, Registrant 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, bankruptcy proceedings or other type events pertaining to the client's investment assets. Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients may instruct the custodian, including but not limited to *ATCNA*, to vote client proxies their behalf. Such an arrangement to vote client proxies is between the client and the custodian, and not on behalf of Registrant. A copy of Rules 206(4)-6 is available upon written request.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Blair M. Hull, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.