



GREYSTONE

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FINANCIAL

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G R O U P



## **PART 2A OF FORM ADV**

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This brochure provides information about the qualifications and business practices of Greystone Financial Group. If you have any questions about the contents of this brochure, please contact us at 248-267-1270. 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.

Greystone Financial Group is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Greystone Financial Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site by a unique identifying number, known as an IARD/CRD number. Greystone Financial Group's IARD/CRD number is 112683.



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## **ITEM 4 - ADVISORY BUSINESS**

### **Description of Services**

Greystone Financial Group, Inc. is a registered investment adviser based in Troy, Michigan. We are organized as a corporation under the laws of the State of Michigan and we have been providing investment management services since 1995. John Mullins and Todd Moss are our principal owners and both own fifty percent (50%) of our firm's common stock.

Please refer to the description of each investment management service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," "Greystone," and "us" refer to Greystone Financial Group, Inc. and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons is our officers, employees, and all individuals providing investment advice on behalf of Greystone.

Greystone generally requires Associated Persons to have a college degree and/or a minimum five years related experience, display a high degree of integrity in previous business background, high standards of morals and ethics and be committed to providing quality investment advice. If not previously attained, Associated Persons are encouraged to obtain a Master's degree in a related field within five years of employment. Prior to providing investment advice, Associated Persons will obtain an acceptable professional designation or security license and register as an investment adviser representative in all appropriate jurisdictions.

### **Financial Planning and Consulting Services**

We offer general financial planning and consultative services as an integral part of our management services described below. Financial planning will typically involve developing a plan to use a variety of advisory services to manage your financial resources based upon an analysis of your individual needs. Financial planning can simplify your situation and help determine financial alternatives by: (1) defining and narrowing your objectives and investment options; (2) identifying the areas of greatest concern; (3) creating a unique picture of your overall financial situation, and (4) by providing an effective way for us to address your unique financial needs and objectives.

We utilize in-depth personal meetings with clients, and their professional advisors if required, to determine the client's investment goals and objectives. These services are rendered in accordance with personal circumstances as determined in these meetings, and will generally include the client's current financial situation, age, family position, level of investment experience, risk tolerance, earning capacity, tax situation and goals and objectives.



Our financial planning and consulting services include, but are not limited to:

- General Financial Planning
- Educational Fund Planning
- Retirement Planning
- Estate Planning
- Corporate Retirement Planning
- Investment Planning
- Individual Tax Planning
- Risk Management
- Business Planning
- Business Succession Planning

We may also use financial planning software that incorporates actual historical data for specific asset classification to determine a historical, statistical analysis of your current portfolio. An investor questionnaire is utilized to gather information prior to any recommendation of management services. Once we review and analyze the information you provide to us, we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify us if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations.

As part of our financial planning/consulting services, we may introduce you to, or utilize, various third party service providers. Complete and full disclosure of any relationship between Greystone and third parties, including any shared fee arrangement, will be provided to you when recommending a third party.

## **Management Services**

### ***Overview***

We offer discretionary investment management services including investment strategies utilizing various third party service providers to facilitate different strategies which include unified managed account programs and separately managed account programs. During the planning process, we help you define your risk profile, recommend an investment portfolio for your accounts and prepare an investment recommendation describing the types of investments and strategies to guide our management of your accounts (“Investment Recommendation”). With your approval, we may amend the Investment Recommendation from time to time. You will have the right to place reasonable restrictions on your account and our services. You must inform us, in writing, of any limitations or restrictions applicable to your investments or our services. You should notify us promptly, in writing, if your financial situation, investment objectives or investment restrictions change. We will select or assist you in selecting one of the



investment strategies based on our understanding of your specific financial circumstances and risk tolerance.

Prior to becoming our client, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### ***Unified Managed Account Program***

We offer discretionary investment management services in a managed account program through an Overlay Manager (the “UMA Program”). This UMA Program may consist of using model portfolio advisers, model portfolios or other investment options such as mutual funds and/or exchange-traded funds (“ETFs”) to represent different investment strategies for managing your account. Each of these investment strategies is designed to meet a specific goal.

Prior to investing in the UMA Program, you will execute a discretionary investment management agreement with us setting forth the terms and conditions of our management of your investments within the UMA Program. Depending on the management services the client selects, the client will grant us limited discretionary authority to manage the client account, in accordance with the Investment Recommendation, through selection of an overlay manager (“Overlay Manager”), other subadvisers (“Subadviser”) and/or model portfolio advisers (“Model Portfolio Advisers”; collectively, “Third-Party Service Providers”). In addition, the client will authorize the custodian to follow our instructions as well as instructions given by Third-Party Service Providers to effect transactions, deliver securities, make transfers and payments, deduct fees and take other actions with respect to the client account. The client will not have a direct contractual relationship with the Overlay Manager, Subadviser or any other Third-Party Service Provider.

If an account is managed in a model portfolio, the timing of trades in the client account will primarily depend upon the model or changes in the model and, generally, will not take into consideration how long a client may have held the position indicated by the model.

We will retain the right to replace the Overlay Manager, the Subadviser and any Model Portfolio Adviser on a discretionary basis. Depending on the service a client has selected, we will separately provide the client with the firm brochure (Part 2 of Form ADV) for the applicable Third-Party Service Provider(s) which includes information about their services, model portfolios, and investment strategies at or before the execution of our discretionary investment management agreement.

### ***Separately Managed Accounts***

If you select Separately Managed Account management services, we will engage a Subadviser to assist us in designing a custom portfolio based on the information you have provided us and our understanding of your specific financial circumstances, anticipated future financial needs, investment goals, return objectives, investment horizon, and risk tolerance. The



Subadviser will be responsible for model portfolio construction, additional research services and making recommendations of subadvisers, mutual funds and ETFs.

### ***Portfolio Management***

#### **1. Ameritrade ASA Accounts**

We recommend an internet asset allocation service through a sub-advisor to Greystone, Amerivest Investment Management, LLC, an investment adviser registered with the SEC (“Amerivest”), and affiliate of TD Ameritrade, Inc. Amerivest provides us a tool in making investment decisions for our clients that have established Ameritrade ASA Accounts (“ASA Accounts”). The service provides asset allocation recommendations, generally in the form of Exchange Traded Funds (“ETFs”) that are based upon the application of Amerivest’s computer-based models to specific categories of information that we provide to Amerivest regarding our client. This information may not include all of your individual financial circumstances that we consider when making investment decisions for you and the service recommendations may not be consistent with your financial situation or goals, including those which may have been provided to TD Ameritrade. Greystone makes the final investment decisions and suitability determinations with respect to investments for your accounts and neither Amerivest nor TD Ameritrade assumes any responsibility for our investment decisions or the suitability of the investments for our clients.

#### **2. Core ETF and Alpha Strategy**

When appropriate, Greystone will recommend a blend of the Core ETF and Alpha Strategy. The Alpha Strategy complements the Core ETF; more or less of your portfolio will be allocated to the Alpha Strategy according to your risk tolerance and investing goals. The Alpha Strategy will seek Alpha through individual stock picking, ETF’s, and options trading. The Core ETF strategy will focus on low beta and long-term investing. Beta is a measure of a security's volatility in relation to the market. Both strategies will utilize options and therefore, clients that are looking for exposure to options trading would be appropriate for the Core ETF and Alpha Strategy.

#### **3. Investment Management as a 3(38) Fiduciary Manager for Qualified Plans**

We provide, on a discretionary basis, investment management services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). As part of our services to qualified plans, we will act as a fiduciary of the plan under Section 3(21)(A)(ii) and as an Investment Manager under Section 3(38) of ERISA. As a 3(38) investment manager, you give us discretionary authority to manage the plan’s assets. This means the you shift your fiduciary responsibility to us for the selection of the plan’s investments.



For all qualified plan clients, we will review the plan's investment objectives, risk tolerance and goals with the fiduciary to develop an appropriate investment policy statement ("IPS") or we will review and amend the plan's existing IPS. The IPS will be based upon modern portfolio theory and will incorporate considerations such as employee and participant demographics, nature of asset class categories, any limits or investment return objectives for the asset class categories set forth in the IPS including the designated investment alternatives. Your IPS may place restrictions on the types of investments the plan may invest assets in. Under our investment management agreement, we will have limited discretionary authority to manage the plan's assets in accordance with the IPS. We will select, monitor, remove, and replace the plan's designated investment alternatives, including a qualified default investment alternative as defined in ERISA 404(c)(5) and DOL Regulation 2550.404c5 (the "Designated Investment Alternatives") consistent with the IPS. The designated investment alternatives will comprise the plan's core investment menu. As a 3(38) investment manager we will retain full discretionary authority to make changes to the designated investment alternatives without prior consultation with you. We continually monitor the performance of all investment options.

If elected by the plan fiduciary, we may offer investment advice ("Advice Services") to plan participants as an additional service under our agreement, subject to the terms and conditions set for in the Participant Advice Supplement. Advice Services will be available to plan participants in two ways: (a) by telephone service and (b) in person. Our representatives will gather information concerning plan participant's time horizon, risk tolerance and investment goals. Our representatives will review the information provided and invest, on a discretionary basis, the participant's account in accordance with his or her objectives. Advice Services are provided only to those participants who elect to meet with our representatives and accept our services.

### *Annuity Management*

If you wish to invest in an annuity, we will recommend and manage the investments within the annuity using the financial information you provide to us.

### *Tax Overlay Manager Services*

Tax overlay management services are available as an option for accounts utilizing the UMA Program through the Overlay Manager. If you elect tax overlay management services, the portion of your fee paid as the management fee on your account will increase. The overlay manager will develop a tax strategy for your account based on the information and instructions provided by you in the Tax Overlay Management Services Enrollment Form. Tax overlay management services in an investment account offer benefits and limitations, as described below. The tax strategy developed for you by the overlay manager is provided solely in connection with your account and the overlay manager does not provide general tax planning services. If you do elect the tax overlay management services option, please consider the following:



- The Tax Overlay Manager will implement tax overlay management services based on the information and instructions provided by you for your account(s).
- The Tax Overlay Manager does not provide general tax advice, tax return preparation or tax planning services.
- The Tax Overlay Manager will seek to reduce the overall tax burden of the account while seeking to maintain the risk and return characteristics of the model portfolios received from Model Portfolio Advisers.
- When providing tax overlay management services to the account, short-term gains are avoided where possible, but long-term gains are not limited unless you have requested a mandate to limit realized long-term gains.

The Overlay Manager will provide tax overlay management services with the assumption that the Overlay Manager will continue to provide services to the account for an entire tax year. The termination or removal of the overlay management services before the completion of an entire tax year may result in adverse tax consequences, including without limitation realization of short-term capital gains. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

As described in the “Fees and Compensation” section below, the Tax Overlay Management Services are offered at an additional cost to you. Please refer to the Overlay Manager’s Part 2A of Form ADV for more information about the fee.

### ***Our Wrap Fee Program***

Previously, we offered discretionary management services through a wrap fee program where clients were charged one all-inclusive fee for such services. We no longer offer this program to new clients.

### **Assets Under Management**

As of September 30, 2014, we manage \$340,655,000 in client assets on a discretionary basis and \$113,000 in client assets on a nondiscretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

The fee schedule for our investment management services is generally based upon a percentage of the client’s assets under our management and the investment program of the account. The specific manner in which we charge fees is established in our written agreement with the client.



If you select the UMA Program, the Separately Managed Account and/or the Tax Overlay Management Services, fees are charged quarterly in advance on the first day of the calendar quarter or on the first day assets are in the account. These fees are in addition to our investment management fee and deducted quarterly from your account. Management fees will be adjusted on a pro rata basis for deposits or withdrawals over \$25,000 that occurs anytime in your account, other than on the last business day of each calendar quarter. The value of the account shall be based on the value of the account as of the last business day of the preceding calendar quarter.

In addition to the fees below, you will be responsible for the fees of the Model Portfolio Adviser. Model Portfolio Adviser fees will be determined by multiplying your account value by the current target allocation to such Model Portfolio Adviser, by the applicable quarterly fee. Generally, fees fall between 0.20% and 1.0%. We will notify you from time to time of the fees associated with the selected Model Portfolio Advisers.

Although our fees for our services may be negotiated under certain circumstances, our standard fee schedules for the different management services are as follows:

#### **Minimum Fees for Unified Managed Account Program and Separately Managed Accounts**

- \$12.50 for Accounts which hold at the end of the quarter only mutual funds, ETFs or similar securities or investment products;
- \$25.00 for Accounts that include any allocation to Model Portfolio Advisers

#### **Unified Managed Account Program**

##### **Annualized Fees**

<b>Asset Amount</b>	<b>Greystone Fee</b>	<b>Overlay Manager</b>		<b>Subadvisor</b>	<b>Custodian</b>	<b>Reporting Services</b>
		<b>ETFs/Mutual Funds</b>	<b>Separate Account Management</b>			
<b>Up to \$250,000</b>	<b>1.25%</b>	<b>0.08%</b>	<b>0.16%</b>	<b>0.10%</b>	<b>0.14%</b>	<b>0.017%</b>
<b>\$250,001 to \$500,000</b>	<b>1.25%</b>	<b>0.08%</b>	<b>0.16%</b>	<b>0.10%</b>	<b>0.11%</b>	<b>0.017%</b>
<b>\$500,001 to \$2,000,000</b>	<b>1.25%</b>	<b>0.08%</b>	<b>0.16%</b>	<b>0.10%</b>	<b>0.07%</b>	<b>0.017%</b>
<b>Over \$2,000,000</b>	<b>1.00%</b>	<b>0.08%</b>	<b>0.16%</b>	<b>0.10%</b>	<b>0.05%</b>	<b>0.017%</b>

**Greystone Fee:** Greystone charges a tiered rate; 1.25% on all amounts up to \$2 Million and then 1.00% on all amounts in excess of \$2 Million.



**Custodian Fee:** Custodian charges a tiered rate; 0.14% on the first \$250,000, 0.11% on the next \$250,000, 0.07% on the next \$1.5 Million and 0.05% on amounts above \$2 Million.

### **Separately Managed Accounts**

#### **Annualized Fees**

<b>Asset Amount</b>	<b>Greystone Fee</b>	<b>Subadvisor</b>	<b>Custodian</b>
<b>Up to \$250,000</b>	<b>1.25%</b>	<b>0.10%</b>	<b>0.14%</b>
<b>\$250,001 to \$500,000</b>	<b>1.25%</b>	<b>0.10%</b>	<b>0.11%</b>
<b>\$500,001 to \$2,000,000</b>	<b>1.25%</b>	<b>0.10%</b>	<b>0.07%</b>
<b>Over \$2,000,000</b>	<b>1.00%</b>	<b>0.10%</b>	<b>0.05%</b>

#### **Annualized Fees for Fixed Income Portfolios**

<b>Asset Amount</b>	<b>Greystone Fee</b>	<b>Subadvisor and Model Portfolio Fee</b>	<b>Custodian</b>
<b>Up to \$250,000</b>	<b>0.50%</b>	<b>0.10%</b>	<b>0.14%</b>
<b>\$250,001 to \$500,000</b>	<b>0.50%</b>	<b>0.10%</b>	<b>0.11%</b>
<b>\$500,001 to \$2,000,000</b>	<b>0.50%</b>	<b>0.10%</b>	<b>0.07%</b>
<b>Over \$2,000,000</b>	<b>0.50%</b>	<b>0.10%</b>	<b>0.05%</b>

**Greystone Fee:** Greystone charges a tiered rate; 1.25% on all amounts up to \$2 Million and then 1.00% on all amounts in excess of \$2 Million.

**Custodian Fee:** Custodian charges a tiered rate; 0.14% on the first \$250,000, 0.11% on the next \$250,000, 0.07% on the next \$1.5 Million and 0.05% on amounts above \$2 Million.

**Custodian Fee:** Custodian charges a tiered rate; 0.14% on the first \$250,000, 0.11% on the next \$250,000, 0.07% on the next \$1.5 Million and 0.05% on amounts above \$2 Million.

**Reporting Fee:** Greystone charges a flat rate of 0.017% on any portion of an account where Greystone provides reporting services. If client reports are prepared, for a fee, by a subadvisor, the fees will be established in our written agreement with the client.

**Statement Delivery Fee:** If client reports are prepared and delivered by a subadvisor through the U.S. Postal service, fees will be established in our written agreement with the client.



## **Portfolio Management**

### 1. Ameritrade ASA Accounts

Value of Account	Annualized Fee
All Assets	1.50%

TD Ameritrade does not charge commissions on transactions in ETFs for our client's invested in ASA Accounts, including transactions to liquidate positions transferred into such accounts. See "Brokerage Practices" below for additional disclosures regarding the portfolio management services provided through the Amerivest ASA Program.

### 2. Core ETF and Alpha Strategy

#### **Annualized Fees**

		Brokerage Fees	
Value of Account	Greystone Fee	Asset Based Fee	Transaction Based Fee
\$25,000 to \$250,000	1.50%	0.14%	Execution fees for purchase and sale transactions.
\$250,001 to \$500,000	1.50%	0.11%	
\$500,001 to \$2,000,000	1.50%	0.07%	
Over \$2,000,000	1.50%	0.05%	

**Greystone Fee:** Greystone charges a flat rate of 1.50% on all assets.

**Asset Based Fee:** TD Ameritrade charges a tiered rate; 0.14% on the first \$250,000, 0.11% on the next \$250,000, 0.07% on the next \$1.5 Million and 0.05% on amounts above \$2 Million.

**Transaction Based Fee:** TD Ameritrade charges brokerage fees, commissions and other related costs and expenses.

Clients invested in these strategies will determine, with our Associated Person, the appropriate platform for brokerage and custodial services. In determining whether to recommend the asset based platform to the client, our Associated Person will consider with the client, the trading patterns of the strategy for the client's account, the costs and potential benefits of this arrangement as compared to paying commissions on a per-trade basis. If your account is subject to asset based broker fees, the fees will include the cost of execution of transactions by the broker-dealer. You will incur a "traded away" fee if transactions in your account are not traded at your broker or dealer. Management fees will be adjusted on a pro rata basis for deposits or withdrawals over \$25,000 that occurs anytime in the account, other than on the last business day of each calendar quarter.



### 3. Investment Management as a 3(38) Fiduciary Manager for Qualified Plans

Our fees for our investment management services to our qualified plan clients may be negotiated. The specific manner in which we charge fees is established in our written investment management agreement. We bill our fees quarterly, in advance, based on the value of the plan's assets as of the last day of the prior quarter, as reported by the plan's custodian and upon appropriate valuation information. Fees for Advice Services is based on the value of the accounts of those plan participants electing Advice Services as of the last day of the prior quarter, as reported by the plan's custodian or third party record keeper.

#### **Annuity Management**

<b>Asset Amount</b>	<b>Annualized Fee</b>
<b>First \$2,000,000</b>	<b>1.25%</b>
<b>Over \$2,000,000</b>	<b>1.00%</b>

Fees are charged quarterly in advance on the first day of the calendar quarter or on the first day assets are in the account. These fees are in addition to our investment management fee and deducted quarterly from your account. We will adjust our management fees on a pro rata basis for deposits or withdraws over \$25,000 that occurs anytime in your account, other than on the last business day of each calendar quarter. The value of the account shall be based on the value of the account as of the last business day of the preceding calendar quarter. There is no minimum fee for this service.

#### **Tax Overlay Management Services**

For any account allocated to the Tax Overlay Management Service, there will be an annual fee of 0.10%. Minimum fee for accounts enrolled in tax overlay management services at the end of the quarter is \$62.50.

#### **Termination**

Either party may terminate the investment management agreement by providing 30 days' written notice. Your death, disability, or incompetence will not terminate or change the terms of the investment management agreement. However, your executor, guardian, attorney-in-fact, or other authorized representative may terminate our investment management agreement with you by providing us with proper written notice.

You will incur a pro rata charge for services rendered prior to the termination of the investment management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Termination of our agreement shall not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by us for your account. You are responsible for any cost incurred in transferring assets from your account to a different



account and any management fees accrued and unpaid at the time of termination. If you have pre-paid advisory fees that we have not yet earned, we will refund a prorated amount of the fee to you for the period from the termination date through the end of the billing period. After the termination date, we shall have no further duties or obligations to you under our agreement. Termination of our agreement will not terminate the client's agreement with their broker-dealer or custodian.

### **Additional Fees and Expenses**

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses you will incur and are in addition to our fee. You may also incur certain charges imposed by custodians, brokers, and Third-Party Service Providers such as wire transfer and electronic fund fees, check writing fees, SEC expenses on securities transactions, custodial termination fees, and other fees and taxes on brokerage accounts and securities transactions. We do not receive any portion of these fees or commissions. Our fee is inclusive of any financial planning advice or financial plan we may provide you as part of our investment management services to you.

We may amend our agreement, including the management services schedule and fee schedule by providing you with 30-days prior written notice. You may terminate our agreement, as provided above, if the change is not acceptable.

If your account is subject to asset based broker fees, the fees will include the cost of execution of transactions by the broker-dealer. However, the Overlay Manager or the Subadviser, as applicable, may effect transactions other than through your broker or dealer as necessary due to regulatory or other constraints or if the Overlay Manager or the Subadviser reasonably believes in good faith that the other broker or dealer may effect such transactions at a price, including any brokerage commissions or dealer markup or markdown, that is more favorable to your account than would be the case if the transaction were effected through your broker-dealer.

As part of your investment strategies you may be invested in mutual funds and exchange traded funds. ETFs and Mutual Funds typically charge their shareholders various transactions and operating expense costs associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. The fees that you pay to us for investment management services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds (described in each fund's prospectus).

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: you pay one layer of fees to the fund and you pay one layer of advisory fees and expenses to us. Generally speaking, most funds may be purchased directly, without using our services and without



incurring our advisory fees. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds and exchange traded funds, Greystone, and others.

### **Direct Billing to Client's Custodian**

Generally, clients authorize us to grant the custodian permission to directly deduct the fees from their account. Under our investment management agreement, you will authorize our fees (as well as those of other service providers as described in our investment management agreement) to be automatically deducted and paid by the custodian. The custodian's periodic statements will show these fee deductions from your account. You may withdraw this authorization for direct billing of these fees at any time by notifying us and your custodian in writing.

### **Comparing Costs**

Your total cost of each of the services provided through our management service offerings, if purchased separately, could be more or less than the costs of our bundled services with the Third-Party Service Providers. Cost factors can include:

- your ability and the costs to obtain the desired investment management services;
- your ability to retain the desired overlay manager and obtain model portfolio(s), where applicable;
- your ability to obtain expertise in selecting and monitoring the overlay manager and model portfolio providers;
- your ability to invest in and where applicable, rebalance the desired investments without payment of a sales charge; and
- your ability to obtain reports comparable to those provided through our management services.

When making cost comparisons, you should be aware that the combination of investment management, custodial, consulting, and brokerage services available through our management services may not be available separately. In addition, certain model portfolio providers or the overlay manager may not be available to you outside of our management services either because of minimum account size requirements, fee schedules, geographic availability, or other factors.

### **Family & Friend Accounts**

We may provide the same services for no fee or for fees lower than those charged to clients who are not members of our families or friends of Greystone. These fees are not available to our general clients.

### **Compensation for the Sale of Other Investment Products**

We are licensed as an insurance producer and some persons providing investment advice on behalf of Greystone are licensed as independent insurance agents. Greystone and these Associated Persons will earn commission-based compensation for selling insurance products. Insurance commissions earned are separate and in addition to our advisory fees. This practice



presents a conflict of interest because we have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through Greystone or our Associated Persons.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the "Fees and Compensation" section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

#### **ITEM 7 - TYPES OF CLIENTS**

We offer investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$250,000 to open and maintain a managed account in the UMA Program. Some strategies, within the UMA Program, may have higher required minimums to participate. Some of the Separately Managed Account programs require a minimum of \$250,000. Portfolio Management services through Amerivest ASA Program are most appropriate for accounts under \$250,000. The minimum investment in an annuity is \$25,000. We do not require a minimum investment in the Core ETF and Alpha Strategy.

At our discretion, we may waive the minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

#### **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the investments and strategies used to guide our management of your account.



We obtain research materials prepared by third-parties. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

For accounts utilizing the UMA Program through the Overlay Manager, see “Other Services” above, for information about utilizing a tax overlay management service.

For accounts utilizing the Core ETF and Alpha Strategy, we utilize fundamental analysis to evaluate the investments. Fundamental analysis involves researching the quantitative and qualitative characteristics of a security, taking into account applicable economic, industry, or other external considerations to try to determine its intrinsic value. Because it can take a long time for a security’s value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the security’s market price rises to the security’s true value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If security prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

The Core ETF and Alpha Strategy are disclosed under the “Advisory Business” section in this Brochure. We may use long-term, short-term, short sales trading and option writing as part of our investment strategy when managing your account(s).

**Long Term Purchases:** Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Short Term Purchases:** Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Short Sales:** Securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited.

**Option Writing:** Security transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

In some cases, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes. Our strategies and investments do not take into account tax implications. Unless we specifically agree



otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

### **Recommendation of Particular Investment Strategies**

As disclosed under the “Advisory Business” section in this Brochure, depending on the management services you have selected, we will separately provide you with the firm brochure (Part 2 of Form ADV) for the applicable Third-Party Service Provider(s) which includes information about their methods of analysis, investment strategies and risk of loss.

### **Information Regarding Exchange Traded Funds**

ETFs are types of securities that derive their value from a basket of securities such as stocks, bonds, commodities or indices and trade on exchanges during the day like individual stocks, while traditional mutual funds are priced once a day at the close. The value of our portfolio will fluctuate with the value of the underlying securities. ETFs trade like a stock, and there will be brokerage commissions associated with the buying and selling of the ETFs.

We may invest in passively managed funds designed to seek the investment results that correspond generally to the price and yield of an index however; we may invest in actively managed ETFs. ETFs that are actively managed do not merely seek to passively track an index; instead they seek to achieve a specified investment objective using an active investment strategy.

You should anticipate that the value of an ETF shares would decline, more or less, in correlation with any decline in the value of its corresponding index. An ETF return may not match the return of the index. The ETF may invest in small capitalization, mid-capitalization, emerging markets and international companies. Such companies may experience greater price volatility than larger, more established companies. Sometimes referred to as a “tracking error,” expenses and other factors may affect the performance of an ETF so that the ETF’s performance will not exactly match the performance of their respective underlying indexes.

### **Risk of Loss**

While we strive to render our best judgment on our clients’ behalf, many economic and market variables beyond our control can affect the performance of client investments. As a result, we cannot guarantee to clients any specific level of performance, nor can we assure clients that their investments will be profitable or assure clients that no losses will occur in their investment portfolio. Past performance is one consideration with respect to any investment or investment advisor, but it is not a predictor of future performance. Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or the Overlay Manager, Model Portfolios or other Third-Party Service Providers’ methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer



any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Each type of investment has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. While we cannot foresee all potential risks, and many more exist than listed below, these are the most common risks investors face:

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Income Risk.** Income may decline when interest rates fall. This decline can occur because the ETF/mutual fund must invest in lower-yielding bonds as bonds in its portfolio mature, bonds in the underlying index are substituted or the ETF/mutual fund otherwise needs to purchase additional bonds.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to market events or other factors. This type of risk is caused by external factors independent of a security's particular individual circumstances. For example, political, economic and social conditions may trigger market events. ETFs are largely influenced by the value of the index it tracks. As the index value changes in response to news and general economic conditions of domestic and international markets, in general, so will the value of the ETF, which can result in a loss of principal to investors.

**Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar in the future, because purchasing power is eroding at the rate of inflation. Your investment may lose value if it is not keeping pace with inflation.

**Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar relative to the currency of the investment's home country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** The risk that proceeds from maturing investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily affects fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, pharmaceutical companies depend on developing new drugs, a lengthy and expensive process, which may or may not be successful, thus affecting their future profits. Their risk of a profit shortfall is greater than say an electric company, which has established investments in place and generates a more predictable income from customers who buy their already available product.



**Liquidity Risk:** Liquidity is the ability to quickly convert an investment into cash. Markets can also experience a decline in liquidity which can negatively impact ETP prices while increasing the difficulty to exit a position. The ability to purchase or sell large positions of ETP securities, due to possible low trade volume, may take time (i.e. days).

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risks to profitability, because the company must meet the terms of its debt obligations in good times and bad. The inability to meet debt obligations, in severe economic downturns, may result declining market value of the company's debt and equity securities or possibly even bankruptcy.

**International Investment Risk.** International investments may involve risk of capital loss from unfavorable fluctuations in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability in other nations.

**Emerging Markets Risk.** Investments in emerging markets may be subject to a greater risk of loss than investments in more developed markets. Emerging markets may be more likely to experience inflation risk, political turmoil and rapid changes in economic conditions than more developed markets. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We will work with you to attempt to identify the balance of risk and reward that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Neither Greystone nor any of our Associated Persons has any reportable disciplinary information.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

In addition to being registered as an investment adviser, we are also licensed as an insurance producer. Persons providing investment advice on behalf of Greystone may also be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products. Please see the "Fees and Compensation" section in this brochure for more information on compensation we receive for selling insurance.

Greystone Investment Group, LLC, a related person under common control and ownership with Greystone, is the Manager of Greystone Capital II, LLC (the "Fund").



Greystone Capital II, LLC is a private pooled investment vehicle which makes private equity investments. Greystone Investment Group, LLC receives compensation for acting as Manager of Greystone Capital II, LLC and such compensation is separate and apart from the fees charged by us for investment management services. Clients of Greystone may be solicited to invest in Greystone Capital II, LLC, and are hereby advised that we may have an incentive to recommend this over other investments given the affiliation between the firms and given that our associated persons have made an investment into Greystone Investment Group, LLC and Greystone Capital II, LLC. Greystone Capital II, LLC is offered to certain sophisticated investors only by way of private offering memorandum and other documents. Investors and prospective investors should refer to such documents for a complete description of the fees, investment objectives, risks and other relevant information.

In April 2014, Greystone Financial Group, Inc. and South Padre Ventures 2 L.L.C. formed Greystone Retirement Group, LLC, as a joint venture company, each firm owns 50% of the ownership of Greystone Retirement Group, LLC. This company was formed to provide investment management services to trustees of qualified retirement plans and the plan's participants.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with Greystone submit reports of their personal account holdings and transactions to a qualified representative of Greystone who will review these reports on a periodic basis. Persons associated with Greystone are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with Greystone.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer at 248-267-1270.

### **Participation or Interest in Client Transactions**

We may solicit clients to invest in the Fund referenced above. We have an incentive to recommend the Greystone Capital II, LLC fund over other investments as associated persons and/or related entities to us have made an investment into the Fund. Please refer to the Other Financial Industry Activities and Affiliation section above for more information on the Fund.



## **Personal Trading Practices**

Greystone and our Associated Persons are permitted to buy or sell securities that we recommend to clients. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor Greystone shall have priority over your account in the purchase or sale of securities.

## **ITEM 12 - BROKERAGE PRACTICES**

As disclosed under the “Advisory Business” section in this Brochure, depending on the management services you have selected, we will separately provide you with the firm brochure (Part 2 of Form ADV) for the applicable Third-Party Service Provider(s) which includes information about their brokerage practices and may include specific disclosures regarding their trade aggregation, trade allocation and trade error policy.

### **Directed Brokerage**

Unless you participate in the UMA Program, you may direct us to utilize a specified broker-dealer of your choice to effect transactions for or with your account. You should understand that, in the case of such a directed brokerage arrangement:

- you will be solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements;
- we will not seek better execution services or prices from other brokers and dealers in connection with transactions for your account;
- we will not be able to “batch” or “aggregate” transactions for your account with transactions for our other clients not subject to a similar such arrangement;
- we will not monitor the performance of or the services provided by the brokers and dealers so designated; and
- you 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.

However, we may seek better execution services or prices from other brokers or dealers or “batch” your transactions for execution if such action is required by law or fiduciary duties, including but not limited to, the fiduciary duty provisions under the Employee Retirement Income Security Act of 1974, as amended (ERISA), if the client is a plan subject to ERISA, or if the designated broker or dealer is unable or unwilling to effect a particular transaction or transactions.



## **Recommended Brokerage and Custodial Services and Soft Dollars**

We recommend the brokerage and custodial services of TD Ameritrade Institutional, Division of TD Ameritrade, Inc., member FINRA/SIPC & TD Ameritrade Clearing, Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated discount broker-dealer. We participate in the TD Ameritrade Institutional program.

TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program. We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade, including the value of research provided, the firm’s reputation, execution capabilities, commission rates, and responsiveness to our clients and to us. In recognition of the value of research services and additional brokerage products and services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

As disclosed above, we participate in TD Ameritrade’s institutional customer program. There is no direct link between our participation in the TD Ameritrade program and the investment advice we give our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade’s retail investors. These non-“soft dollar” benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Greystone’s participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client accounts); the ability to have our fees deducted directly from our client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering our client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Greystone manage and further develop our business enterprise. The benefits received by us or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our Associated Persons in, and of, itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.



We also receive from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment advisers participating in the program. Specifically, the Additional Services consist of Asset Book, a software program which assists us with investment reporting.

TD Ameritrade provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. Greystone and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

Our receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to our clients that the assets under management by Greystone be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

### **Trade Aggregation, Allocation Policy and Partial Fills**

We may aggregate orders for securities transactions on a portfolio basis such that all client accounts invested in accordance with the same portfolio will be traded in a block trade. In doing so, we strive to treat each client fairly and will not favor one client over another client. Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by us in that security on a given business day. If an aggregated order is not filled in its entirety, it may be allocated among participating accounts on a pro rata basis. However, if the partial fill is determined to be inappropriate for an account such that the number of shares for a particular account would be too few to warrant the investment or result in partial shares, then the shares will not be allocated to that account. If the security is so thinly traded that we are unable to obtain sufficient shares for all clients, it is possible that the entire trade would be busted.

We will not aggregate trades for your accounts if you have placed restrictions on your accounts or when your account is subject to customized management. Where the client has required that we implement exceptions to trading the account in accordance with our Core ETF and Alpha Strategy those accounts are not subject to block trading. We are unable to include these accounts in our block trade because the restrictions placed on the account by the client require individual review before we make any trades. Thus, if you place restrictions on your account, we will not aggregate your trades with that of our other clients.



## **Trade Error Policy**

We have the responsibility to process trade orders correctly, promptly and ensure the best interests of our clients are served. In the event an error occurs in the handling of any client transaction, due to our action or actions of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting us. If we are responsible for a trade error that results in a loss in the client's account, we reimburse the client's account for the entire amount of the loss as soon as practical after the discovery of the error. If a trade error results in a gain, TD Ameritrade will automatically sweep the gain from our trade error account to a designated TD Ameritrade error account and then donate the balance of the TD Ameritrade error account to charity.

## **Portfolio Management**

As described under "Management Services" above, we offer portfolio management services utilizing a sub-advisor Amerivest, an internet asset allocation service. In selecting TD Ameritrade, Inc. as the broker and custodian for certain of our current and future Client accounts, we also consider our agreement with TD Ameritrade, Inc.'s affiliate, Amerivest Investment Management, LLC, an investment adviser registered with the SEC ("Amerivest"), dated June, 2006 (the "Agreement").

We pay Amerivest an annual sub-advisory fee, payable quarterly, for this service. The fee is based on the amount of our client assets that we place or commit to place in the service, net of withdrawals. Client assets that are "plan assets" (subject to Title I of the Employee Retirement Income Security Act of 1974, as amended, or of a plan as defined in Section 4975 of the Internal Revenue Code) will be excluded from the determination of the level of client assets in the service for the purpose of the fee computation.

The basic fee we pay for the Amerivest service is 30 basis points per year for each client account. There is a \$25,000 minimum asset requirement per client account. The basic fees are reduced when we place or commit to place more client assets in the service. The basic fee is reduced for all client accounts when we place or commit to place \$1 million or more of our client assets in the service and is reduced further when we place or commit to place \$5 million or more of our client assets in the service. If we place or commit to place \$1 million to \$4,999,999.99 of our client assets in the service, we will have the annual fee reduced to 25 basis points. If we commit to place such amount, but in fact do not within ninety (90) days, we will be charged at the basic rate. Similarly, if we place or commit to place \$5 million or more of client assets in the service, we will have the annual fee reduced to 20 basis points. If we commit to place such amount, but in fact do not within ninety (90) days, we will be charged at the rate applicable to \$1 million or more if that level is reached or, if not, at the basic rate. The actual amount we pay will be based on the market value of client assets in the service on the last day of each calendar quarter multiplied by one fourth of the applicable fees.



We determine the amount of the investment management fees we charge to our clients. We may include the amount of fees we pay to Amerivest for the service in the fees we charge and may or may not pass on to clients any fee reduction we receive in connection with the service. Although we currently believe that the TD Ameritrade custody and brokerage services and the Amerivest sub-advisory service are competitive in the marketplace for similar services offered by other broker-dealers, custodians and advisers, the agreement with Amerivest and its fee structure may affect our independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for our client accounts and Amerivest as a sub-advisor.

### **TD Ameritrade Institutional Advisor Panel and Institutional Operations Panel**

Representatives of Greystone serve on the TD Ameritrade Institutional Advisor Panel (“Panel”). The Panel consists of approximately twenty-four independent investment advisors that advise TD Ameritrade Institutional (“TDA Institutional”) on issues relevant to the independent advisor community and the Institutional Operations Panel also discusses their experience with TD Ameritrade’s service, technology and products. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Advisor Panel for two year terms by TDA Institutional senior management. An investment advisor may serve longer than their initial appointment if appointed to additional terms by TDA Institutional senior management. At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade does not compensate Panel members. However, TD Ameritrade pays or reimburses us for the travel, lodging and meal expenses our representatives incur in attending Panel meetings. The benefits received by Greystone or our Associated Persons by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Greystone or our Associated Persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Review and Reports of Accounts**

We will monitor your account on an ongoing basis and will offer to meet with you on at least on an annual basis to discuss and review your current investment objectives and the performance of your account. We will provide you with periodic reports in addition you will receive trade confirmations and at least quarterly statements from your qualified account custodian(s).



## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

### **TD Ameritrade AdvisorDirect**

We receive client referrals from TD Ameritrade through participation in TD Ameritrade's AdvisorDirect Program (the "referral program"). As described above in "Item 12: Brokerage Practices", TD Ameritrade is a discount broker-dealer independent of and unaffiliated with us and there is no employee or agency relationship between us. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise us and has no responsibility for our management of client portfolio or our other advice or services. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to recommend to clients that they custody their assets with TD Ameritrade and place transactions for client account with TD Ameritrade. Please refer to the "Brokerage Practices" section above for disclosures on research and benefits we may receive resulting from our relationship with TD Ameritrade. Referrals from this arrangement may raise potential conflicts of interest described below.

We pay TD Ameritrade an on-going solicitation fee for each successful client referral even if the referred accounts are maintained at, or transferred to a custodian other than TD Ameritrade. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to us (Solicitation Fees). We will also pay TD Ameritrade the solicitation fee on any advisory fees received by us from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired us on the recommendation of such referred client. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require us to do so. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedules offered to our clients or otherwise pass on Solicitation Fees paid to TD Ameritrade to our clients. Our participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form you received when you were referred to us by TD Ameritrade.

### **Other Third Party Solicitors**

We may directly compensate non-employee (outside) individuals and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from Greystone, Solicitors



must comply with the requirements of the jurisdictions in which they operate. If you were referred to us by a Solicitor, you should have received a copy of Greystone's firm brochure (Part 2 of Form ADV) along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to us will receive a percentage of the advisory fee you pay us for as long as you are a client with us, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with us. Therefore, a Solicitor has a financial incentive to recommend us to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain us for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We recommend that you request that the Solicitor disclose to you whether multiple referral relationships exist and whether comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

### **Employees**

We have written agreements with some of our employees in which we pay those employees a percentage of assets under management for soliciting and servicing our clients. You will not receive a separate solicitor brochure with respect to this activity.

### **Other Compensation**

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of Greystone may be licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

## **ITEM 15 - CUSTODY**

As discussed above, Greystone Investment Group, LLC, a related person under common control and ownership with our firm, is the Manager of Greystone Capital II, LLC. As Manager of the Fund, Greystone Investment Group, LLC has custody of the vehicle's assets. An independent CPA conducts the annual surprise audit on the Fund and a copy of the pooled-investment report is sent to investors.

For management services, we directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes us to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the



independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should compare our reports with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at 248-267-1270.

#### **ITEM 16 - INVESTMENT DISCRETION**

We receive discretionary authority in writing from you at the outset of our advisory relationship in the investment management agreement. We exercise limited discretion in a manner consistent with the Investment Recommendation. As described in “Advisory Business” above, we will implement our services depending on the management services you have selected. You must inform us, in writing, of any limitations or restrictions applicable to your investments or our services.

If you select management services that utilize an Overlay Manager, you will grant the Overlay Manager complete and unlimited discretionary trading authority with respect to your account. The Overlay Manager will be solely responsible for the day-to-day investment management decisions for your account, and neither we nor any model portfolio adviser will be responsible for making the investment trading decisions.

Also, you will sign an agreement with your custodian which generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within your account but restricts our ability to direct the assets outside of your account.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. You are solely responsible for exercising your right to vote as a shareholder.

In most cases, you will arrange to receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized us to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.



## **ITEM 18 - FINANCIAL INFORMATION**

We do not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you.

### **ADDITIONAL INFORMATION**

#### **Our Privacy Policy**

Greystone Financial Group, Inc. is a registered investment adviser. We are committed to safeguarding the confidential information of our clients because mutual trust is essential to the advisor-client relationship. This notice is our policy describing how we treat your nonpublic personal information.

“Nonpublic personal information” is nonpublic information about you that we obtain in connection with providing a financial service to you for personal, family, or household purposes. It does not include information available from government records, widely distributed media (like telephone directories), or government mandated disclosures.

#### *INFORMATION WE COLLECT FROM YOU*

We receive nonpublic personal information about you, our client, in the normal course of providing our investment management services. This information is usually communicated to us by you to assist us in managing your investments.

The categories of nonpublic information that we collect from each client depends upon the scope of the client engagement. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on your applications or other forms, such as your name, address, social security number, telephone number, assets, and income.
- Information about your transactions for your account, including such matters as your account balance, investment portfolio, investment cost, investment distributions, investment gain or loss.

#### *THIRD PARTIES WITH WHOM WE MAY SHARE INFORMATION*

We do not disclose nonpublic personal information about our clients or former clients to anyone except as otherwise permitted by law. For example, we are permitted by law to share information about you with:

- Our investment advisor representatives, employees, and the independent third-party service providers and with whom you continue to work.
- Your accountant, tax preparer, or lawyer, with your prior consent.



- Companies that assist us in processing your transactions and servicing your account, such as introducing and clearing brokerage firms, mutual fund companies, and other account custodians.
- Our lawyers, accountants, and compliance professionals who assist us in complying with applicable laws, rules, and regulations.
- Federal and state regulators who regulate us and our Associated Persons.

We do not provide your personally identifiable information to direct marketers or independent solicitors (for other companies) for any purpose.

#### *DISCLOSURE OF INFORMATION ABOUT FORMER CLIENTS*

If you decide to close your account(s), we will continue to adhere to the privacy practices described in this notice when you become a former client. You become a former client when your investment management agreement with us (or your independent financial advisor) is terminated. We will maintain nonpublic personal information about you as required by federal and state securities laws. After the required period of record retention, all of your information will normally be destroyed.

#### *OUR SECURITY POLICIES AND PRACTICES*

We take reasonable steps to assure the privacy of client information. We restrict access to nonpublic personal information about you except to the extent necessary to provide our services, as permitted by law.

We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

#### *CHANGES IN OUR PRIVACY POLICY*

If, at any time in the future, it is necessary for us to change our privacy policy to allow for disclosure of a client's nonpublic personal information which is inconsistent with this policy, we will give you advance notice of the proposed change, to allow you the opportunity to opt-out of such disclosure.

If you have questions regarding our Privacy Policy, please call us at (248) 267-1270.