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Part 2A Appendix 1, Wrap Fee Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Sowell Management Services. If you have any questions about the contents of this brochure, please contact us at (502) 219-2434 or email:

Businessdevelopment@sowellmanagement.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. Sowell Management Services 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 Sowell Management Services is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sowell Management Services is 127145.

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

There have been no material changes since our initial wrap fee brochure filing dated March 21, 2014.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated on page one or you may contact Connie at 501-219-2434 or Connie@sowellmanagement.com.

We encourage you to read this document in its entirety.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

This document, offered by Sowell Management Services (“SMS”) discloses information about the investment advisory services we provide and the manner in which we provide them to you, the Client. This brochure discusses our asset management services offered on a “wrap” fee basis.

We are a fee-based third party investment management and financial planning firm located in North Little Rock, Arkansas. The firm was established in 2001 by Sowell Management, Inc. and Cindy Sowell. Sowell Management Inc. is 100% owned by William Sowell.

Portfolio Management Services

We offer investment management strategies tailored to the individual needs of our clients. We utilize various asset classes including: registered investment companies (commonly referred to as “mutual funds”), equities, exchange traded funds (“ETF”), bonds, and/or other securities in association with the investment service selected by you.

We begin the process using a confidential Risk Assessment Questionnaire (“RAQ”) that provides questions regarding your time horizon, long-term goals and expectations, and short-term risk attitudes. The RAQ will help you identify your most comfortable style of management and provide you with a list of Sowell Management Services Portfolios to choose from. The RAQ is used by our firm as the primary reference for managing your portfolio. You may also indicate any special instructions or limits that you request us to follow in managing your assets.

Through our continuous monitoring of asset class segments’ return and risk factors, we may change your portfolio asset mix in order to help you meet your objectives. The specific percentages allocated to each asset class may vary due to the nature of asset performance and/or the strategy selected. It is our intent to maintain a risk exposure commensurate with your objectives by using the various investment portfolio choices available under the strategy selected by you. As a general rule, we believe that investing is best suited to those who believe in a long-term buy-and-hold policy. Therefore, you should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, portfolio modifications may be advisable and made.

As indicated above, when providing Portfolio Management Services, we will exercise discretion as granted in the signed Investment Advisory Agreement. When doing so, it allows us to select the securities to buy and sell, the amount to buy and sell, and when to buy and sell without obtaining specific consent from you for each trade. You should be aware we may make different recommendations and effect different trades with respect to the same securities and variable products-insurance to different advisory clients. Execution of securities transactions are covered by the wrap service fee implemented through your custodian but may not be better than the commissions or execution available if you used another brokerage firm. However, we believe that the overall level of services and support provided to you by custodians and broker/dealers for any trade not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

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When exercising discretion, we may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and/or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which we then allocate to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

Although we generally do not exercise discretion to select brokerage firms, we typically recommend the custody and transaction services of Fidelity Institutional Wealth Services ("Fidelity Institutional"), TD Ameritrade Institutional, Pershing Advisor Solutions ("PAS"), Charles Schwab Advisor Services ("Charles Schwab") or Interactive Brokers ("IB"), these custodians are unaffiliated SEC-registered broker/dealer and FINRA members. Our custodians offer independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. They also provide preparation of account activity statements, and facilitation of the payment of advisory fees due SMS.

If you direct us to effect transactions through a particular broker/dealer, we will do so. However, such an instruction may have implications to you which may include incurring transaction costs and commissions that may be higher or lower than if the instruction had not been given. Also, restricting us to particular broker/dealers may limit our ability to include a client account order within block orders to obtain the best price or execution.

You should be aware of the fact that not all advisers require clients to use a particular brokerage firm. Because clients having accounts managed by Sowell Management Services are required to open accounts with, and use the transaction services of Fidelity Institutional, TD Ameritrade, PAS, Charles Schwab or IB, we may not be able to achieve the most favorable execution of client transactions. Thus, use of only these custodians may cost you more money.

We do not process transactions through our custodians in return for them referring new clients to Sowell Management Services.

We do not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by Sowell Management Services. We may recommend ETFs which are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Portfolio Management Services Wrap Fee

Fees payable for asset management services are calculated as a percentage of the total value of assets under management. Our investment advisory fees shall not exceed 2.5~~5~~% annually. The specific advisory fees are set forth in your Investment Advisory Agreement. In certain circumstances, our fees and the timing of the fees may be negotiated.

The asset-based fee includes all fees and charges for services, as applicable, for SMS, and transaction fees. However, this fee does not include the following: (a) charges for services

provided by SMS outside the scope of the Investment Management Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, account fees, and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) other fees and charges imposed because we may choose to effect securities transactions for the account with or through a broker/dealer other than the custodian; (d) sales loads and internal operating expenses on mutual funds, ETFs, and variable insurance contracts; (e) commissions on transactions occurring after notice of Agreement termination is given; and (f) commissions on transactions ordered by a client. Each of these additional charges may be separately charged to your account or reflected in the price paid or received for a given security.

In most cases, the annual fee for portfolio management services is billed monthly, in advance, based on the market value of the assets on the last day of the month as reported by the custodian. Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin debit balances do not reduce the value of assets under management. Any variance from monthly billing, in advance, will be disclosed and agreed upon in writing.

Either SMS or you may terminate the management Agreement, upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given, and any unearned fees will be refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

With prior client permission, fees payable to us are deducted from your account when due. We will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the Investment Advisory Agreement. The periodic portfolio statements from the custodian disclose all amounts disbursed from your account, including advisory and service fees paid.

Costs

Our “wrap” fees shown above (fees which include both Sowell Management Services’ advisory fee and certain transaction fees) may be more or less than those charged by us to another client for similar services, and by other advisers for similar services.

Also, our “wrap” fee may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately. The factors that bear upon the cost of services are the size of the account, type of transaction and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commission’s being charged to the account.

Internal Fees of Funds and Other Excluded Costs

Since ETFs or mutual funds are part of a client’s portfolio, the mutual funds charge additional and separate internal fees as described in the fund’s prospectus. Thus, when these funds are in a client’s account, two advisory fees are imposed: one internally by the fund, the other by SMS.

Not all transaction-related expenses are covered by the “wrap” fee. Certain account charges by the custodian, commissions and costs for transactions not placed through our recommended custodian, commissions on transactions occurring after termination of our services agreement, and client-ordered transaction commissions are not covered. See the “Portfolio Management Services Wrap Fee” section above.

Wrap Fee Incentives

Because we absorb certain transaction costs, we may have a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to us, thereby reducing our revenue. Thus, an incentive exists to place trades less frequently. Also, because fees are asset-based, there is an incentive for us to recommend that you do not reduce positions since doing so will reduce the fee to our firm. Also, we may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

We do not guarantee the results of investment management or consulting advice we give, including the performance of our investment models. Thus, significant losses can occur by using our services.

Private Accounts Service Fees

The annual fee for portfolio management services for the Private Account Services may be negotiable and is billed monthly in advance based on the market value of the assets on the last day of the preceding month. Fees will be assessed pro rata in the event the Investment Advisory Agreement is executed at any time other than the first day of a calendar month. The annualized fees for portfolio management services shall not exceed 2.05%.

For accounts invested and managed at the full discretion of Sowell Management Services with Fidelity Institutional Wealth Services as custodian, clients have the option to pay all the transaction charges incurred in the management of the account or choose to have SMS pay all transaction charges. This option is only available for accounts \$100,000 and over. This option is a separate cost above and beyond the SMS management fee and varies between .05% and .50% depending on the accounts values. This additional cost is applied to each account on an account-by-account basis and is not applied to the breakpoint provided to a household. A detailed and complete breakdown of this option can be found in our Investment Advisory Agreement specific to Fidelity Institutional Wealth Services.

At our discretion, we may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee or meeting the required minimum account size. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause the account(s) to be assessed a reduced advisory fee based on the breakpoints available in our fee schedule described in Item 5.

The independent qualified custodian holding your funds and securities will debit your account directly for our advisory fees. You will provide written authorization permitting the fees to be paid directly from your account(s) held by the qualified custodian. We will not have access to your funds for payment of fees without your consent in writing. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you. You are encouraged to review your account statements for accuracy. We will receive a duplicate copy of the statement that has been delivered to you.

You have the right to cancel this agreement or liquidate your account at any time by notifying us in writing. We may cancel this agreement at any time by providing written notice to you. The management fee will be pro-rated for the month in which the cancellation notice was given and any unearned fees will be refunded to you.

Other Compensation

Associates of SMS may be licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through our associates which are not covered by the wrap fee. When selling these products, a conflict of interest exists.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We provide investment advice to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, foundations, estates, charitable organizations, corporations, or other business entities. A minimum of \$100,000 is required to open and maintain an account under the Asset Management Portfolio Program. A minimum of \$200,000 is required to open and maintain any of the Flagship Portfolios. The Platinum Plus Portfolios have an account minimum of \$500,000. The Tactical Asset Portfolios have an account minimum of \$100,000. We may waive account minimums at our sole discretion.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

We do not select and review outside portfolio managers for our Portfolio Management Services. All portfolio management is performed by Sowell Management Services. Since there is no outside manager utilized there is no conflict of interest between our own portfolio management and management from a third party.

The Investment Committee manages the portfolio for our wrap fee program.

Advisory Business. See description above.

Performance Based Fees and Side-By-Side Management

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). All fees are disclosed above.

Methods of Analysis, Investment Strategies and Risk of Loss.

Methodologies

We manage the strategies in each of these categories by utilizing one or more of the following investment methodologies: risk management, consisting of both risk budgeting and strategic/active asset allocation as well as dynamic and tactical allocation.

Strategic/Active Asset Allocation

Strategic/Active Asset Allocation is a management portfolio strategy that seeks to add value by actively adjusting a portfolio by overweighting attractive market exposures and underweighting unattractive market exposures. Non-risk management strategies utilizing an active asset allocation methodology may hold more concentrated portfolios than portfolios managed using a risk-management methodology. Increased concentration may lead to a wider range of performance over time. Additionally, portfolios holding concentrated investments in a particular market segment or sector make the portfolio more susceptible to any single economic, market, political or regulatory occurrence affecting that particular segment or sector than a more diversified portfolio.

Dynamic Allocation

Dynamic Allocation is a methodology that adjusts the mix of assets as markets rise and fall and the economy strengthens and weakens based on equity price factors. As prices change, the more likely the allocations will adjust in response to market movements.

The method of analysis we utilize can be both fundamental and technical depending on the management style selected. We gather our information for investment purposes from financial newspapers, magazines, research prepared by others, corporate rating services, company press

releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

Sowell recognizes that a solid and disciplined sell strategy is just as important as its buy approach. Consequently, when the characteristics of an individual holding in a portfolio venture out of the criteria to hold the security, the position will be sold and the proceeds invested in a new opportunity.

Tactical Allocation

Tactical Allocation is a moderately active portfolio strategy using quantitative investment models to systematically exploit inefficiencies or temporary imbalances in values among different asset classes or market segments. Examples include trend analysis, benchmark timing, and relative strength techniques to produce excess returns. A form of market timing is utilized to take advantage of different asset class strengths based on market analysis. This strategy utilizes portfolios consisting of fixed income only, equity and fixed income, and equity only positions based on anticipated market performance within the next six months.

Strategies

We offer you a number of different strategies to choose from which we classify into four broad categories: Mutual Funds, Exchange Traded Funds, Individual Equities, and Separately Managed Accounts.

Asset Management Portfolio (“AMP”) Program

Our investment planning program involves researching and selecting a mix of mutual funds, ETFs, and other investment products using our own proprietary process. We screen potential fund investments on key criteria which may include, but is not limited to:

- Fund objectives and investment styles
- Superior performance relative to fund peer groups over a number of years
- Asset size providing liquidity and maneuverability
- Consistent fund management
- Relatively low expense ratios - After investments are selected for a portfolio we monitor your account closely to ensure that each fund continues to be aligned with the portfolio’s specific needs while enhancing its return.

Exchange Traded Funds Portfolio Program

Our investment planning program involves researching and selecting a mix of ETFs. We screen potential ETF investments on key criteria which may include, but is not limited to:

- Fund objectives and investment styles
- Superior performance relative to fund peer groups over a number of years
- Asset size providing liquidity and maneuverability
- Targeted relative strength of the asset class to the overall market

- Relatively low expense ratios - After investments are selected for a portfolio we monitor your account closely to ensure that each fund continues to be aligned with the portfolio's specific needs while enhancing its return.

Sowell Flagship and Platinum Plus Separately Managed Account Portfolio Program

Our investment planning program involves researching and selecting individual stocks using our own proprietary process. We screen potential individual stock investments on key criteria, which may include, but is not limited to:

- Superior performance relative to peer groups over a number of months and/or years
- Individual asset size providing liquidity and maneuverability
- Targeted relative strength of the individual stock asset class to the overall market
- Heavy "insider purchasing" as disclosed in the SEC EDGAR System
- High expected dividend yields as well as a long track record of earnings growth, dividend growth and low price betas
- Low priced stocks in relation to earnings and cash flow valuations
- Individual stocks with high earnings and earnings estimate revisions
- Individual stocks with high return on assets and equity expectations of future earnings are rising

Risk Management System

The objective of the Sowell Risk Management System is to use a rules-based model of models to determine if the current market environment is a good environment to be in the stock market, or the sidelines in cash, or short the stock market. This system is an "opt-in" system and is applied to half the equity position of the account (and only to the equity portion of the portfolio)

Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

You should be aware that your account is subject to the following risks:

- Stock Market Risk – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- Managed Portfolio Risk – The manager’s investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- Industry Risk – The portfolio’s investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- Non-U.S. Securities Risk – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- Emerging Markets Risk – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- Currency Risk – The value of your portfolio’s investments may fall as a result of changes in exchange rates.
- Interest Rate Risk - The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- Credit Risk - Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- Inflation Risk - Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- ETF and Mutual Fund Risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETF’s or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with us varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio.
- Options Risk - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Voting Proxies on Client Securities

We exercise voting authority with respect to securities on the LPL Financial Services Platform. All other platforms, we do not vote proxies. For the LPL Financial Services Platform, we have adopted written proxy voting policies and procedures. To facilitate our proxy responsibilities, we have contracted with EC Proxy Voting Service, Inc. to vote all proxies on the LPL Financial Services Platform. Prior to any proxy vote, recommendations are reviewed by one of our portfolio managers, with the reasons for any votes that are contrary to EC Proxy Voting Service recommendations being documented. Those on the LPL Financial Services Platform do not have the option to vote your proxies. Upon receipt of a request for more information, we will provide you with a copy of the proxy policy and/or how we voted proxies for you pursuant to this policy. It is our policy not to disclose how we voted your proxy to third parties.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We do not use outside portfolio managers for our wrap program. All client information is maintained by Sowell Management Services. Client information is reviewed and updated at least annually.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

As the portfolio manager, clients are free to contact us at any time.

ITEM 9 - ADDITIONAL INFORMATION

Disciplinary Information

In 2009, the State of Arkansas found that William Sowell mistakenly allowed his Investment Advisor Representative registration to lapse while continuing to engage in investment advisor activities. The State required Mr. Sowell to pay a fine and waived the exam requirement. Mr. Sowell is now properly registered in the State of Arkansas.

Other Financial Industry Activities and Affiliations

Broker/Dealer

Certain Investment Advisor Representatives ("IAR") of SMS may be registered representatives of a securities broker/dealer, and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of some of our IARs is spent in connection with broker/dealer activities.

Broker/dealers engage in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by SMS or its IARs, investments in securities may be recommended for clients. As the broker/dealer, its registered representatives, including certain IARs of SMS, may receive commissions for executing securities transactions. When IARs of SMS receive commissions in connection with the advice given to advisory clients, SMS may reduce a portion of its fees by the amount of the commissions earned by SMS IARs.

You are advised that as the broker/dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through these IARs of SMS or the broker/dealer.

Moreover, you should note that under the rules and regulations of Financial Industry Regulatory Authority ("FINRA"), broker/dealers have an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require the broker/dealer to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisors other than that of the broker/dealer. Accordingly, the broker/dealer may limit the use of certain custodial and brokerage arrangements available to clients of SMS and the broker/dealer may collect as paying agent of SMS the investment advisory fee remitted to SMS by the account custodian.

Certain IARs of SMS may (in their capacity as a registered representatives or as agents appointed with various life, disability or other insurance companies) receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received these IARs in connection with the advice given to advisory clients, SMS may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by SMS or its IARs. However, clients should note that they are under no obligation to purchase any investment products through these IARs of SMS.

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

Sowell Management Services and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Sowell Management Services, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of SMS shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Sowell Management Services shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Sowell Management Services.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2A; attn: Chief Compliance Officer.

Review of Accounts

Account Reviews and Reviewers – Portfolio Management Services

A review is performed at least annually and may be reviewed as frequently as weekly for some accounts. The reviews are contingent on you maintaining a current advisory relationship with our Firm. William Sowell (President and Portfolio Manager), Lindsay Lingo (Operations Manager), and Chris Magann (Portfolio Manager) will review all existing accounts. The frequency of account review within that range is based on the complexity of the accounts, the nature of the advisory plan recommendations, and changes in tax or market conditions. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in personal circumstances.

Securities held in the individual Private Account Services portfolios are monitored daily and a full analysis of the individual equities takes place on a monthly basis. Accounts in the Asset Management Portfolio Program and Omni Portfolios will be analyzed quarterly.

If you are a client of other investment advisors, it is the responsibility of the other advisor's representatives to review the account with you and determine ongoing suitability and investment objectives. Any changes to account information should be provided to us by these representatives.

Statements and Reports

Reports are provided to you on a quarterly basis or as otherwise agreed upon with the client. The reports will include market analysis and performance summary.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly.

You are urged to compare the reports provided by Sowell Management Services against the account statements you receive directly from your account custodian.

Client Referral and Other Compensation

We participate in the institutional customer programs for TD Ameritrade, Inc., Pershing Advisor Solutions, Fidelity Institutional Wealth Services, Charles Schwab Advisor Services and Interactive Brokers. Accordingly, we may recommend one of these custodians to you for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to you, although we receive economic benefits through our participation in their programs that are typically not available to retail investors. These 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 advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from your account; 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. These custodians may also have paid for business consulting and professional services received by our associated persons. Some of the products and services made available by the custodians through their programs may benefit us, but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at these custodians. Other services made available by the custodians are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the programs do not depend on the amount of brokerage transactions directed to the custodians. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of custodians for custody and brokerage services.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Although receipt of these travel expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

We may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, we agree to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to SMS. All referral agreements will be governed by and comply with Rule 206(4)-3 under the Investment Advisors Act of 1940.

Financial Information

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.