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Firm Brochure  
March 2015

This brochure provides information about the qualifications and business practices of Miracle Mile Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Miracle Mile Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor. Additional information about Miracle Mile Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

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Miracle Mile Advisors, LLC is required to advise clients of any material changes to our Firm Brochure (“Brochure”) from our last annual update.

Since our last Annual Amendment Filing in January 2014, the following updates have been made:

- We now offer the custodial services of TD Ameritrade. For more information please see Items 12 and 14 of this Brochure;
- Our firm is owned by Mr. Brock Moseley and Mr. Duncan Rolph;
- Our firm may now also compensate for the referral of clients. Please see Item 14 for more information

## TABLE OF CONTENTS

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Firm Brochure.....	1
Material Changes .....	2
Table of Contents.....	3
Item 4: Advisory Business.....	4
Item 5: Fees & Compensation .....	4
Item 6: Performance-Based Fees & Side-By-Side Management.....	5
Item 7: Types of Clients .....	5
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss.....	5
Item 9: Disciplinary Information .....	6
Item 10: Other Financial Industry Activities & Affiliations.....	6
Item 11: Code of Ethics, ParticipAtion or Interest In Client Transactions & Personal Trading.....	6
Item 12: Brokerage Practices.....	7
Item 13: Review of Accounts.....	10
Item 14: Client Referrals & Other Compensation.....	10
Item 15: Custody.....	11
Item 16: Investment Discretion.....	11
Item 17: Voting Client Securities.....	12
Item 18: Financial Information .....	12

## **ITEM 4: ADVISORY BUSINESS**

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### **Who We Are**

Miracle Mile Advisors, LLC (referred to as “we,” “our,” “us,” or “MMA”), has been registered as an investment advisor since May 2007. Prior to March 2010, the registration was held in the name of Miracle Mile Advisors, Inc. Our firm is owned by Brock Moseley and Duncan Rolph.

### **Services We Offer**

MMA provides fee-based asset management on a discretionary basis. MMA believes that the most important investment decision for any investor is the asset allocation decision. As a result, our aim is to develop a customized asset allocation for each client based on his/her specific risk/reward profile and investment goals. We use proprietary analytics programs including, efficient frontier analysis, monte-carlo analysis, time-period analysis, and value-at-risk analysis to shape our allocation selections. Our second step is to populate that allocation with carefully selected investment products, such as exchange traded funds (“ETFs”), individual bonds and mutual funds. On a case by case basis, our firm may recommend the use of private investment funds, hedge funds, etc. Our third step is to actively manage the client’s asset allocation through the ongoing monitoring, selection, and rebalancing of client investment holdings.

Each client has a separate account and many clients request that we maintain positions in certain concentrated individual securities. In those instances, we will create a portfolio of ETF securities around the individual securities previously held by the client.

We may utilize Independent Money Managers, where we design an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

### **Participation in Wrap Fee Programs**

Our firm does not offer a wrap fee program to clients.

### **Assets Under Management**

As of December 31, 2014, we manage assets of \$432,709,480 on a discretionary basis.

## **ITEM 5: FEES & COMPENSATION**

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### **Advisory Fees & Billing Practices**

The maximum annual fee to be charged will not exceed 1.50% of the assets under management. The fee assessed to the client account(s) will be detailed in our firm’s Investment Management Agreement. The detailed fee schedule shall be applied to the Market Value of the Account’s Assets as reasonably determined by our firm. Fees are negotiated with each client prior to the inception of the relationship based on the size and complexity of a client’s account(s).

Our firm’s fees are billed on a pro-rata annualized basis quarterly in arrears based on the value of the account(s) on the last day of the quarter. Fees will be adjusted for deposits and withdrawals made during the quarter, and will be deducted from the client’s managed account(s). As part of this process, clients understand and acknowledge the following:

- a) The chosen independent custodian sends statements at least quarterly to clients, showing the market values for each security included in the Assets and all disbursements in the account including the amount of the advisory fees paid to us;
- b) Clients provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to clients, it will include a legend urging the comparison of information provided in our statement with those from the qualified custodian.

Either party may terminate the advisory relationship at any time with written notice. Following termination, pro-rata advisory fees will be charged to client accounts for services rendered to the point of termination. If advisory fees cannot be deducted, we will send an invoice for due advisory fees.

## Other Costs Involved

In addition to our advisory fee shown above, clients are responsible for paying fees associated with investing in each account. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by the chosen custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however clients may be able to obtain similar services from other sources at a lower price.

## Commissionable Securities Sales

Our firm does not sell securities for a commission in our advisory accounts.

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### **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

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Our firm does not charge performance-based fees.

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### **ITEM 7: TYPES OF CLIENTS**

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Our clients are primarily families with multiple types of accounts including individual accounts, Personal Trust Accounts, Family Trust Accounts, and Individual Retirement Accounts (including SEP IRAs, Roth IRA, Rollover IRAs and Traditional IRAs)

Generally we require that clients maintain \$500,000 under management with us. We may, however, waive that minimum at our sole discretion.

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### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

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We use proprietary analytics programs including, efficient frontier analysis, monte-carlo analysis, time-period analysis, and value-at-risk analysis to formulate our allocation models. Our second step is to populate that allocation with carefully selected investment vehicles that meet our macro investment outlook. We identify macro themes in the global marketplace and we select from the universe of ETFs, mutual funds, and individual bonds to find the best options that meet our thematic outlook.

All investments involve different degrees of risk that clients should be prepared to bear. Clients should be aware of their risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions. Past or historical returns are not indicators of future returns.

The primary type of security we use to populate our allocations are ETFs. Since all of these funds are traded on a public exchange, they are subject to the same risks of any publically traded security including an unanticipated early closing of an Exchange which could result in a shareholders inability to buy or sell fund shares on that day. Investments in public securities, in general, are subject to the market risks that may cause their prices to fluctuate over time. An investment in the fund may lose money. Unlike many investment funds, ETF funds may not be "actively" managed. This means that, based on market and economic conditions, the fund's performance could be lower than other types of mutual funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline. Tracking error risk refers to the risk that the ETF provider may not be able to cause the fund's performance to match or correlate to that of the fund's underlying index, on a daily or aggregate basis. Tracking error risk may cause the fund's performance to be less than clients expect. Shares may trade below their net asset value ("NAV"). The NAV of shares will fluctuate with changes in the market value of the fund's holdings. In addition, although the fund's shares are currently listed on the exchange, there can be no assurance that an active trading market for shares will be developed or be maintained. The objective of this tax exempt strategy is tax exempt income with a secondary emphasis on capital preservation. We selectively purchase individual fixed income securities. Bottom up security valuation analysis is a critical tool for portfolio construction and management while top down economic analysis leads to an intermediate targeted duration. All bond portfolios are personalized to the tax situation of the end client, considering the state of residence and tax bracket. MMA may also utilize the services of the SEC registered third party firms to seek opportunities for improving income and risk adjusted returns through careful security selection, yield curve analysis, bond swapping, portfolio diversification, and credit monitoring.

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## **ITEM 9: DISCIPLINARY INFORMATION**

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There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

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As a registered investment advisor, we are required to disclose when we, or any of our principals or persons providing investment advice on our behalf, have any other financial industry affiliations. Joseph Schlater is a registered representative of Aurus Advisors, Inc, member FINRA/SIPC ("AAI"). Commissions are generated as a result of securities or brokerage transactions. The brokerage services offered by AAI will not be made available to clients of MMA.

Some representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn.

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

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### **Code of Ethics**

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by MMA and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before the client's,
- using non-public information gathered when providing services to clients for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us to receive a full copy of this Code of Ethics.

## Personal Trading for Associated Persons

We may buy or sell some of the same securities for clients that we already hold in our personal account. We may also buy for our personal account some of the same securities that clients already hold in their account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by client transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders section of "Item 12: Brokerage Practices." When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

MMA and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## **ITEM 12: BROKERAGE PRACTICES**

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### The Custodian and Brokers We Use

We do not maintain custody of client assets that we manage, although we may be deemed to have constructive custody of client assets if our firm is given the authority to withdraw assets from client account(s) (see "Item 15: Custody"). Client assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. We recommend TD Ameritrade, Inc ("TD Ameritrade") and Charles Schwab & Co., Inc. ("Schwab") (collectively "Recommended Custodians"), members FINRA/SIPC/NFA, as the qualified custodian from whom we are independently owned and operated. The Recommended custodians will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that clients use the Recommended Custodians, clients will decide whether to do so and will open an account with the Recommended Custodians by entering into an account agreement directly with them. We do not open the account for clients, although we may assist in doing so. If clients do not wish to place their assets with the Recommended Custodians, we will not be able manage the account(s).

Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though a client account is maintained at the Recommended Custodians, we can still use other brokers to execute trades for that account as described below (see "Client Brokerage & Custody Costs").

## How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client account(s))
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed

## Client Brokerage & Custody Costs

The Recommended Custodians generally do not charge clients separately for custody services but are compensated by charging clients commissions or other fees on trades that it executes or that settle into the client's account(s). Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our firm collectively maintains a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. TD Ameritrade does not require that our firm collectively maintain a minimum total of assets under management. This commitment benefits the client because the overall commission rates paid are often lower than they would be otherwise. In addition to commissions, Schwab charges the account a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client account(s). We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

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 our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of the Recommended Custodians for custody and brokerage services.

## Products & Services Available to Us

Our firm participates in Schwab Advisor Services™ (formerly called Schwab Institutional®) and Institutional Advisor Program (the "Program") offered by TD Ameritrade Institutional, which provide our firm and our clients with access to their institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. The Recommended Custodians also make available various support services. Some of those services help us manage or administer our client accounts, while others help us manage and grow our business. The Recommended Custodians' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of the provided support services:



## **Services That Benefit Clients**

The Recommended Custodians' brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through TD Ameritrade and Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

## **Services That May Not Directly Benefit Clients**

Other products and services that benefit us, but may not directly benefit clients or client account, may be made available to our firm. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Recommended Custodians' own and that of third parties. This research may be used to service all or a substantial number of our client accounts, including accounts not maintained with the Recommended Custodians. In addition to investment research, the Recommended Custodians may also make available software and other technology that provide the following:

- Access to client account data (such as duplicate trade confirmations and account statements)
- Research related products and tools
- Trade execution and allocate aggregated trade orders for multiple client accounts
- Block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts)
- Pricing and other market data
- Payment of our fees from our clients' accounts
- Back-office functions, recordkeeping, and client reporting

## **Services That Generally Benefit Us**

The Recommended Custodians may also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

The Recommended Custodians may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The Recommended Custodians may also discount or waive fees for some of these services or pay all or a part of a third party's fees. They may also provide us with other benefits, such as occasional business entertainment of our personnel. Other than using custodial services and trade execution from the Recommended Custodians, MMA uses its own proprietary analytics and third party research in making investment decisions for clients.

## **Our Interest in These Services**

The availability of these services from the Recommended Custodians benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. The \$10 million minimum may give us an incentive to require that clients maintain their account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. Although this is a potential conflict of interest, we believe that our selection of Schwab as custodian and broker is in the best interests of our clients. TD Ameritrade does not require that our firm collectively maintain a minimum total of assets under management. Our Recommended Custodians' selection is primarily supported by the scope, quality, and price of services (see "How We Select Brokers/Custodians") and not services that benefit only us.

## Aggregation of Orders

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We may choose to block (aggregate) trades for client accounts with those of other client accounts and personal accounts of persons associated with MMA. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. Clients will pay the same commission whether a trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

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### ITEM 13: REVIEW OF ACCOUNTS

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At minimum, we perform a quarterly client review with each of our clients. The review is conducted either by a conference call or by a face to face meeting. It is the client's choice. All quarterly reviews are (at minimum) conducted by Senior Advisors or Portfolio Managers.

Clients receive quarterly reports that include:

- Portfolio Performance Summary which shows the quarterly net time-weighted rate of return (TWR) versus a customized blended benchmark, equity indices, bond indices, cash indices and other indices.
- Asset Allocation which shows the clients current allocation versus the strategic target allocation.
- A Portfolio Statement which lists all of the securities in the account.
- Quarterly Billing Statement

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### ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

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#### TD Ameritrade

Our firm may receive client referrals from TD Ameritrade through our participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, our firm 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, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect 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 our firm and has no responsibility for our firm's management of client portfolios or our firm's other advice or services. Our firm pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to our firm ("Solicitation Fee"). Our firm will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by our firm 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 our firm on the recommendation of such referred client. Our firm will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. 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.

Our firm's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, our firm may have an incentive to recommend to clients that the assets under management by our firm be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, our firm has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Our firm's participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

### **Schwab**

Our firm receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see "Item 12: Brokerage Practices"). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Referral Fees**

Our firm may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to clients. In this regard, we maintain Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

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## **ITEM 15: CUSTODY**

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TD Ameritrade and/or Schwab maintain actual custody of client assets. Our firm is, however, deemed to have constructive custody if clients authorize our firm to deduct our advisory fees directly from their managed accounts. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in "Item 5: Fees and Compensation." Clients will receive account statements directly from TD Ameritrade and/or Schwab at least quarterly. They will be sent to the email or postal mailing address clients have provided to TD Ameritrade and/or Schwab. Clients are urged to carefully review those statements promptly when received and to compare the periodic portfolio reports clients will receive from us.

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## **ITEM 16: INVESTMENT DISCRETION**

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Clients may provide discretionary authority for us to manage client assets. Discretionary authority means that clients are giving us a limited power of attorney to place trades on the client's behalf. This limited power of attorney does not allow us to withdraw money from client accounts, other than advisory fees if clients agree to give us that authority.

Clients grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on the client's behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for the managed account(s).

If there is any limitation placed on our discretionary authority, it would come from a client who has an inherited security that they want to stay in the portfolio. In that case, we may not have the ability to buy a certain security recommended for our other clients because that inherited security has filled our allocation to the target allocation.

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#### **ITEM 17: VOTING CLIENT SECURITIES**

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We do not accept the authority to vote proxies on behalf of clients. Clients will receive proxies and other related paperwork directly from their chosen custodian. Upon request we will provide guidance about voting a specific proxy solicitation.

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#### **ITEM 18: FINANCIAL INFORMATION**

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Our firm is not required to provide financial information as a supplement to this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance, we do not take custody of client funds or securities, and we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.