



## Item 1 – Cover Page

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September 2015

Form ADV, Part 2A Appendix, our “Wrap Fee Program Brochure” or “Wrap Brochure” as required by the United States Securities and Exchange Commission is a very important document between Clients (“you”, “your”) and M C Byrd Wealth Management, LLC (“M C Byrd”, “Adviser”, “the Firm”, “us”, “we”, “our”). M C Byrd’s IARD firm number is 151070.

This Wrap Fee Program Brochure provides information about our qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (979) 865-0660. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a state registered investment adviser. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about M C Byrd also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “Investment Adviser Search” and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

The only material changes to report since the last filing of our Form ADV Part 2 or “Disclosure Brochure” dated February 2015 is the Firm is now eligible for SEC registered and will use Fidelity as one of our custodians. This document was developed in response to new requirements adopted and imposed by the SEC.

1. In future filings, this section of the Wrap Fee Program Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Wrap Fee Program Brochure and send a copy to you with summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].
3. If you would like another copy of this Wrap Fee Program Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, Monte C. Byrd at (979) 865-0660 or via email at [monte@mcbyrdwealth.com](mailto:monte@mcbyrdwealth.com).

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## Item 4 – Services, Fees and Compensation

M C Byrd is a Limited Liability Company formed under the laws of the State of Texas since July 30, 2009. We have been registered with Securities and Exchange Commission, and notice filed with the Texas Securities Board and the Louisiana Commissioner of Financial Institutions since September 30, 2009 until August 6, 2012. We transitioned our registration from a federally registered investment adviser to a state registered investment adviser with the Texas Securities Board and the Louisiana Commissioner of Financial Institutions on June 27, 2012. We have filed our application to transition our registration from a state registered investment adviser to a federally registered investment adviser with the SEC, and notice file with the Texas Securities Board and the Louisiana Commissioner of Financial Institutions, in order to provide the investment advisory products and services described within this document. M C Byrd is 51% owned by Monte C. Byrd and 49% owned by Cathy J. Byrd.

As of January 21, 2014, we have 488 clients with \$95,100,922 of assets under management managed on a discretionary basis and \$89,846,943 managed on a non-discretionary basis.

M C Byrd offers a Wrap Fee Account which is administered through its clearing broker/dealer, LPL Financial ("LPL"). Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs). The Wrap Fee Program is designed to assist clients, both individuals and institutions (such as pension and profit sharing plans, trusts, estates, charitable organizations, and others), to clarify their investment needs and to obtain professional asset management for a convenient single "wrap" fee on a limited discretionary basis.

The Wrap Fee Program includes an investor profile analysis. M C Byrd consults with the client to obtain detailed financial information and other pertinent data on an Investor Profile Worksheet to define the client's goals and objectives, taking into consideration the client's: i) investment goals; ii) risk tolerance; iii) time horizon; iv) performance expectations; v) income needs; vi) liquidity requirements; vii) tax considerations; and viii) current investments to help determine the investment strategy in building the client's portfolio and assist in ascertaining the suitability of the Wrap Fee Account.

M C Byrd will continually monitor and manage the client's account by consulting with the client periodically to determine whether any data in the client's Investor Profile

Worksheet needs to be updated and whether any changes should be made to the client's investment guidelines, risk tolerance, or other factors pertaining to the continued suitability of the Wrap Fee Account for the client. Clients also are encouraged to contact M C Byrd promptly to notify it of any changes to the information the client has provided or any other changes in the client's financial circumstances or investment goals. In addition, clients should feel free to contact M C Byrd with any questions they have about the Wrap Fee Program on their accounts.

An investment policy statement may be produced for certain clients from the profile worksheet and the recommended asset mix coupled with the appropriate style diversification is presented to the client for approval and/or further comment. M C Byrd diversifies and manages the client's portfolio which includes, but is not limited to, no-load and load-waived mutual funds, stocks, bonds, ETFs, UITs, alternative investments, conservative options, fund of hedge funds, managed futures, and a fee based variable annuity. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income and other various suitability factors. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by clients affect the composition and performance of portfolios. For these reasons, performance of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolios will be identical with the average client of M C Byrd.

As a participant in the Wrap Fee Program, the client will pay an annualized asset-based fee not to exceed 2% or as negotiated within the client's contract. The client's fees will take into account the aggregate number of portfolios under management with M C Byrd. The WRAP fee does not cover incidental fees such as wire charges or other transaction charges. The minimum account size to open and maintain of \$15,000 has been waived.

Under the Wrap Fee Program, the client will pay a single fee, based on the amount of assets under management, for investment advice and all transaction related costs associated with executing transactions for the client (except for incidental costs such as wire fees or bank charges). The client may direct M C Byrd to execute transactions through a broker outside the Wrap Fee Program, in which case the client shall pay all transaction-related costs associated with those transactions. The Wrap Fee also does not cover certain fees and expenses associated with investments in mutual funds discussed below.

Fees are negotiable and will be discussed prior to initiating the service with M C Byrd. The first advisory fee is based on the value of the account on the first day of management by M C Byrd and is payable within one month after execution of the agreement. The first advisory fee will be assessed on a pro-rata basis taking into

account the time for which the account was not managed by M C Byrd and the time left in the quarter. Subsequent quarterly payments are due and will be assessed on the first day of each calendar quarter based on the sum of the market (net asset) value of all account funds under management. In some instances this value is calculated as of the close of business on the last business day of the preceding quarter. Should assets be deposited after the inception of a quarter and subsequently withdrawn prior to the end of the same quarter, the fee will be prorated based on the number of days the assets were held in the account during the quarter.

For valuation purposes, the assets will be treated as if they were held in the account as of the end of the quarter. The client shall grant limited authorization to M C Byrd to withdraw the contractually agreed upon fees from the account. M C Byrd will notify the client in writing of the date of withdrawal, the amount of withdrawal, and the specific manner and basis on which the fee is calculated. The brokerage firm or custodian of the account will be advised in writing of the limitation on M C Byrd's access to the account.

All fees paid to M C Byrd for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Fees and expenses charged by mutual funds are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. The IARs may receive a portion or all of this sales charge/commission in their separate capacities as registered representatives of LPL. IARs may also receive 12(b)-1 fees in this manner.

Either party may terminate the agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing M C Byrd's investment advisory agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by M C Byrd on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination excluding administrative fees, account set-up fees, and minimum quarterly fees and such fees will be due and payable by the client. Refunds will be given on a pro-rata basis.

M C Byrd provides the Form ADV Part 2 to clients and prospective clients not less than forty-eight (48) hours prior to entering into an advisory contract. In the event the disclosure brochure is not delivered until entry into the contract, the client may terminate the contract without penalty within five (5) business days after entering into the contract.

The Wrap Fee Service may cost clients more or less than purchasing such services separately depending on the frequency of trading in the client's accounts, commissions

charged at other broker/dealers for similar products and fees charged for like services by other broker/dealers and other factors.

Finally, because the Wrap Fee Program may cost clients more or less than purchasing the included services separately, M C Byrd may have a financial incentive to recommend participation in the Wrap Fee Program.

## **Item 5 – Account Requirements and Types of Clients**

The Wrap Fee Program is designed to assist clients, both individuals and institutions (such as pension and profit sharing plans, trusts, estates, charitable organizations, and others). The minimum account size to open and maintain w Wrap Fee account is \$15,000.



## **Item 6 – Portfolio Manager Selection and Evaluation**

### **Advisory Business**

M C Byrd is a Limited Liability Company formed under the laws of the State of Texas and we have been an investment adviser since September 30, 2009. M C Byrd offers investment advisory services to individuals, pension and profit sharing plans, trusts, and estates. M C Byrd serves in the capacity of portfolio manager of the Wrap Fee Program.

M C Byrd will emphasize continuous personal client contact and interaction in providing discretionary or non-discretionary investment supervisory services. Further, Adviser will work with its clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' goals and objectives. Advisor may create a portfolio, consisting of individual stocks or bonds; electronically traded funds; no-load funds and/or load-waived funds (front-end commissions will not be charged).

Investment strategies may include long term buy and hold, and short-term trading. Each portfolio will be initially designed to meet particular investment goals. Advisor has determined that the portfolio is suitable to the client's goals, objectives, circumstances, and risk tolerance. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Advisor's strategy, generally, will be to seek to meet client investment objectives while providing clients with access to personal advisory services on at least a quarterly basis, or more often, depending upon prior agreement.

### **Performance Based Fees and Side-By-Side Management**

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance based fees). Our compensation structure is disclosed in detail in Item 5 above.

### **Methods, of Analysis, Investment Strategies and Risk of Loss**

As described in above, our investment strategies may include long term buy and hold, and short-term trading. Each portfolio will be initially designed to meet particular investment goals. Advisor has determined that a portfolio is suitable to the client's goals, objectives, circumstances, and risk tolerance. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Advisor's strategy, generally, will be to seek to meet client investment objectives while

providing clients with access to personal advisory services on at least a quarterly basis, or more often, depending upon prior agreement.

In determining the investment advice to give to you, we may utilize charting to determine trends and project future values. In a fundamental analysis, we analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets the clients' needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. We may also perform a security analysis discipline, known as a technical analysis, in forecasting the direction of prices through the study of past market data, primarily price and volume.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

M C Byrd offers investment advice in the areas of listed and OTC equity and debt securities, commercial paper, certificates of deposit, municipal securities, variable life insurance, mutual funds, government securities and interests in partnerships investing in real estate.

M C Byrd utilizes a charting, fundamental, technical, and cyclical method of securities analyses for long and short term investing.

M C Byrd's main sources of information include financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

### **Voting Client Securities**

Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. M C Byrd and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

M C Byrd will also not advise the client or act for the client in any legal proceedings, including bankruptcies, involving securities held or previously held in the Wrap Fee Account or the issuers of those securities.

## **Item 7 – Client Information Provided to Portfolio Managers**

As noted above, M C Byrd serves in the capacity of portfolio manager of the Wrap Fee Program. Each client is advised that it remains his/her/its responsibility to promptly notify M C Byrd if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising the Advisor's previous recommendations and/or services. Also, see Item 8 below for additional information.

## **Item 8 – Client Contact with Portfolio Managers**

As noted above, M C Byrd serves in the capacity of portfolio manager of the Wrap Fee Program. M C Byrd and your IAR consult with the client to obtain detailed financial information and other pertinent data on an Investor Profile Worksheet to define the client's goals and objectives, taking into consideration the client's: i) investment goals; ii) risk tolerance; iii) time horizon; iv) performance expectations; v) income needs; vi) liquidity requirements; vii) tax considerations; and viii) current investments to help determine the investment strategy in building the client's portfolio and assist in ascertaining the suitability of the Wrap Fee Account.

## **Item 9 – Additional Information**

### **Disciplinary Information**

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client / Adviser relationship with us.

### **Other Financial Industry Activities and Affiliations**

Neither M C Byrd nor any of our management persons are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person (or registered representative) of the foregoing entities.

In addition, neither M C Byrd nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that M C Byrd or any of our management persons have with any related person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,

- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

Certain Associated persons of the Advisor are registered representatives of LPL. These individuals may suggest that clients implement recommendations through LPL or Fidelity. If the client chooses to do so, this would present a conflict of interest to the extent that registered representatives could receive commissions as registered representatives or compensation as IARs of the Advisor.

Certain IARs of the Advisor are licensed to sell insurance products through various companies. These individuals may receive compensation for the sale of such products. Clients are under no obligation to purchase insurance products through them and are free to choose the sources through which to implement investment advisory recommendations.

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

Our firm has adopted a written Code of Ethics and in compliance with state regulations. All employees of M C Byrd are deemed by the Advisers Act to be supervised persons<sup>1</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, M C Byrd and all of our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable period of time at the current address of record.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of M C Byrd might take advantage of that knowledge for their own benefit. M C Byrd has in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that M C Byrd’s personnel (i) observe applicable legal (including compliance with applicable state and

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<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of M C Byrd's clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, M C Byrd's personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

M C Byrd's personnel are required to conduct their personal investment activities in a manner that M C Byrd believes is not detrimental to its advisory clients. M C Byrd's personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where M C Byrd's personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons<sup>2</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from M C Byrd upon request by contacting us during regular business hours. We will furnish a copy within a reasonable period of time to you at your current address of record.

Associated persons of the Advisor may buy or sell for their own accounts the same securities, at the same time, which may be recommended to advisory clients. This raises a potential conflicts of interest if the associated person is selling a security they are simultaneously recommending to a client (or visa-versa). However, associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly

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<sup>2</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

monitored. In instances where the representative buys or sells the same securities as those of their clients, the client's accounts are given priority to avoid such potential conflicts of interest.

We do not nor a related person recommends to you, or buys or sells for your accounts, securities in which we (or a related person) have a material financial interest.

We do not, nor does a related person, recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account.

Each Wrap Fee Program client will grant M C Byrd limited authority to exercise discretion in effecting transactions for the client's account. M C Byrd decides what securities to buy and sell for each account, and in what quantity, consistent with each client's investment objectives. Clients will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to M C Byrd.

Since the fee paid by the client covers all transaction-related costs, the client will not pay separate commissions for purchases or sales of securities for the client's account unless the client directs M C Byrd to execute transactions in securities with a broker-dealer other than LPL or Fidelity. Because all transaction related fees are paid for out of the "wrap fee", M C Byrd anticipates that it will fulfill its duty to obtain best price and execution of client orders by effecting those transactions itself, as registered representatives of LPL. If M C Byrd effects a transaction for a client through another broker, the net purchase or sale price reflected on the confirmations of such trades may reflect brokerage commissions or dealer "mark-ups" or "mark-downs" outside the scope of the "wrap fee".

If requested, M C Byrd will arrange for the execution of securities brokerage transactions for the account through broker-dealers that M C Byrd reasonably believes will provide "best execution". In seeking "best execution", the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although M C Byrd will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Transactions for each client account generally will be effected independently, unless M C Byrd decides to purchase or sell the same securities for several clients at approximately the same time. M C Byrd may, but is not obligated to, combine or "batch" such orders to obtain "best execution", to negotiate more favorable commission rates or to allocate equitably among M C Byrd's clients differences in prices and commissions or



other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among M C Byrd's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that M C Byrd determines to aggregate client orders for the purchase or sale of securities, including securities in which M C Byrd's principals (and/or associated persons) may invest, M C Byrd shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* M C Byrd shall not receive any additional compensation or remuneration as a result of the aggregation.

The client may direct M C Byrd to use a particular broker-dealer (subject to M C Byrd's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and M C Byrd will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by M C Byrd. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs M C Byrd to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through M C Byrd.

In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to M C Byrd, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through M C Byrd.

While M C Byrd does recommend broker, dealers or custodians, clients are free to select any broker, dealer or custodian they wish. As previously discussed, M C Byrd may be limited in the broker, dealers or custodians where client's contracting for asset management services will be allowed to maintain their assets. If client directs the use of a particular broker, dealer, or custodian, such direction must be provided in writing to M C Byrd. When a client directs the use of a particular broker, dealer or other custodian, M C Byrd may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular broker, dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a

particular broker, dealer, or custodian. Further, clients with directed brokerage arrangements will not be able to participate in aggregate trades (i.e. block trades) and directed trades may be placed by M C Byrd after effecting non-directed trades.

In all of these cases, M C Byrd may receive compensation or other benefits in addition to the Wrap Fee it receives from clients and, therefore, may have an incentive to engage in such transactions. Further, M C Byrd will maintain records of all securities purchased and sold by M C Byrd and its associated persons, which will be available for client inspection upon reasonable request.

### **Review of Accounts**

Accounts will be reviewed with the client at least on a quarterly basis by the Chief Compliance Officer. Upon client requests, a more frequent review will be provided and may be made through a face to face meeting. The review encompasses asset allocation per class against the recommended allocation per investment objective. Accounts are also reviewed for consistency with the investment strategy and performance among other things. Additional reviews may be triggered by changes in an account holder's personal, tax, or financial status.

Macroeconomic and company specific events may also trigger reviews. There is currently no limit on the number of accounts that can be reviewed by the reviewer.

A detailed performance report is provided to clients on a quarterly basis. This report includes a summary of the performance of client's overall portfolio, as well as each asset component, for the quarter and longer trailing periods, as well as a breakdown of realized gains and losses over the most recent quarter.

### **Client Referrals and Other Compensation**

In their capacities as registered representatives of LPL, associated persons of the Advisor may receive payments from certain mutual funds distributed pursuant to a 12b-1 distribution plan or other such plans as compensation for administrative services, representing a separate financial interest. As such, a conflict of interest may exist with respect to recommendations to buy or sell securities. In all cases, transactions are effected in the best interests of the client.

Some of M C Byrd's associated persons may sell securities to any client for commissions in their separate capacities as registered representatives of LPL. This situation could present a conflict of interest since the associated persons could receive fees and commissions if the client chooses to implement the recommendations of M C Byrd's associated persons through the associated persons in their separate capacities as registered representatives of LPL. Clients are not obligated to implement any

recommendation through M C Byrd or through its associated persons and are free to choose any broker-dealer they wish to implement the recommendations.

Certain IARs of M C Byrd are licensed to sell insurance products through various companies. These individuals may receive compensation for the sale of such products. Clients are under no obligation to purchase insurance products through them and are free to choose the sources through which to implement investment advisory recommendations.

While M C Byrd does not receive cash or economic benefit from a non-client, its IARs may occasionally receive compensation from firms in which the client implements non-security transactions. They may also receive commissions or fees from LPL, or Fidelity and various insurance companies and 12b-1 fees from certain mutual funds. As such, a conflict of interest may exist with respect to recommendations to buy or sell such securities.

As part of its duties to its clients, M C Byrd endeavors at all times to put the interest of its clients first.

Sponsorship of client seminars that mutual fund vendors pay for is also available to the Advisor provided LPL has approved each seminar and sponsorship.

### **Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit prepayment of fees more than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.

## **Item 10 – Requirements for State-Registered Advisers**

We are an SEC registered investment adviser so this section does not apply to us.