

# Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Sica Wealth Management, LLC (hereinafter "Sica Wealth"). If you have any questions about the contents of this brochure, please contact Cheryl Costa at (973) 975-0750. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Sica Wealth is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sica Wealth is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Sica Wealth is required to discuss any material changes that have been made to the brochure since the last annual amendment dated March 3, 2015.

### Registered Representatives of Broker Dealer

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Certain of the Firm's Supervised Persons are registered representatives of Capital Guardian ("CG") and may provide clients with securities brokerage services under a separate commission-based arrangement.

### Custodial Relationship

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Sica Wealth now recommends the brokerage, clearing and custodial services of Charles Schwab & Co., Inc. ("*Schwab*"), and Millennium Trust Company for custody of certain alternative investments. The firm only indirectly recommends the brokerage, clearing and custodial services of TD Ameritrade, Inc. ("*TD Ameritrade*"). Both *TD Ameritrade* and *Schwab* are unaffiliated SEC registered broker-dealers and members FINRA/SIPC/NFA. Sica Wealth has indirect access to *TD Ameritrade* through Argentus Capital Management, LLC ("*Argentus*"). As such, clients may be required to complete an agreement with *Argentus* as well as *TD Ameritrade*. There are certain risks associated with this arrangement. While Sica Wealth reasonably believes that *Argentus* will properly effect all trades, the firm has delegated to *Argentus* the trading authority and has no direct relationship with *TD Ameritrade*. Sica Wealth retains sole responsibility for all services provided to clients and will have sole responsibility for determining the suitability of all investment recommendations.

### Association with Real Estate Fund

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The Principal of the firm, Jeffrey Sica, serves on the Management Team and Investment Committee of Sica Convergence Hampshire Real Estate Fund, LLC (the "*Hampshire Net Lease Fund*"). The *Hampshire Net Lease Fund* is a real estate focused pooled investment vehicle, the interests of which are privately offered pursuant to Regulation D of the Securities Act of 1933. Accordingly, Item 10 "Other Financial Industry Activities and Affiliations" has been updated to reflect this arrangement. A conflict of interest exists to the extent Sica Wealth recommends an investment in the *Hampshire Net Lease Fund* due to Jeffrey Sica's affiliation therewith. Sica Wealth seeks to ensure that all such recommendations are aligned with its clients' best interests.

### Association with Investment Adviser

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The Principal of the firm, Jeffrey Sica, serves as the CEO of Circle Squared Alternative Investments, LLC ("*CSQ*"), a newly organized investment adviser and investment services company. Accordingly, Item 10 "Other Financial Industry Activities and Affiliations" has been updated to reflect this change. A conflict of interest exists to the extent Sica Wealth recommends an investment in the *CSQ* due to Jeffrey Sica's

affiliation therewith. Sica Wealth seeks to ensure that all such recommendations are aligned with its clients' best interests.

## **Agreements with Aequitas and Hampshire**

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SWM and its affiliate, CSQ, have entered into various Agreements with Aequitas Capital Management, Inc. ("Aequitas") and The Hampshire Companies ("Hampshire"), an affiliate of the Hampshire Net Lease Fund. (See "Item 4. Advisory Business", "Item 10. Other Financial Industry Activities and Affiliations" and "Item 14. Client Referrals and Other Compensation"). As a result there is a conflict of interest whereby Sica Wealth may recommend that clients invest in or do business with Aequitas and Hampshire.

## **Accelerate-IT Ventures GP LLC**

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Mr. Sica also sits on the Advisory Committee of Accelerate-IT Ventures GP LLC ("AITV"), which is comprised of industry executives whose purpose is to provide on-going guidance to the company. Mr. Sica provides AITV with strategic, financial, technological and commercial advice to optimize returns for AITV investors; provide an educational platform to AITV strategic partners; coordinate communications between strategic partners of AITV through seminars and podcasts; advise portfolio companies in strategic, financial and technological aspects related to their daily operations; plan and execute a media communications strategy; conduct month conferences to help brand AITV to family offices and advisers; help create a marketing strategy to investment advisers; and make introductions to institutions, including private equity firms, venture capital funds and institutions. Mr. Sica gets a fixed consulting fee for these services and is not compensated based on investments. Accordingly, there is a conflict of interest where SWM's Supervised Persons recommend an investment in AITV due to Jeffrey Sica's affiliation therewith. (See "Item 10. Other Financial Industry Activities and Affiliations").

## **Financial Information**

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In April 2014 CSQ and Aequitas Commercial Finance, LLC, an affiliate of Aequitas, entered into a Business Loan Agreement pursuant to which CSQ has borrowed \$500,000 the proceeds of which were used by CSQ to commence operations.

In February 2015 CSQ entered into a promissory note with Hampshire Destination Properties, an affiliate of the Hampshire Net Lease Fund and The Hampshire Companies, pursuant to which it has borrowed \$100,000 to be used for operating capital. (See "Item 18. Financial Information").

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## Item 4. Advisory Business

Sica Wealth is an investment adviser that provides a holistic approach to financial planning, consulting, and investment management services. Sica Wealth has been in business since May 2010 and Jeffrey Sica is the principal owner. As of January 21, 2015, Sica Wealth had approximately \$111,203,417 in assets under management, \$48,351,284 of which was managed on a discretionary basis, \$62,852,133 of which was managed on a non-discretionary basis.

Prior to engaging Sica Wealth to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Sica Wealth setting forth the terms and conditions under which Sica Wealth renders its services (collectively the "*Agreement*"). Neither Sica Wealth nor the client may assign the *Agreement* without the consent of the other party. A transaction that does not result in a change of actual control or management of Sica Wealth is not considered an assignment.

This disclosure brochure describes the business of Sica Wealth. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Sica Wealth's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Sica Wealth's behalf and is subject to Sica Wealth's supervision or control.

### Financial Planning and Consulting Services

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Sica Wealth may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). These services are tailored to the individual need of the client.

In performing its services, Sica Wealth is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Sica Wealth may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Sica Wealth recommends its own services. The client is under no obligation to act upon any of the recommendations made by Sica Wealth under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Sica Wealth itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Sica Wealth's recommendations. Clients are advised that it remains their responsibility to promptly notify Sica Wealth if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Sica Wealth's previous recommendations and/or services.

## Wealth Management Services

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Clients can engage Sica Wealth to manage all or a portion of their assets. Sica Wealth provides clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios. As needed, Sica Wealth develops a comprehensive financial plan which takes into consideration the business planning, investments, insurance, retirement, education, estate planning, and tax and cash flow needs of the client.

Sica Wealth primarily allocates clients' investment management assets among *Independent Managers* (as defined below), mutual funds, exchange-traded funds ("ETFs"), and individual debt and equity securities, as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. Sica Wealth also provides advice about any type of investment held in clients' portfolios.

Sica Wealth also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, Sica Wealth either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Sica Wealth tailors its advisory services to the individual needs of clients. Sica Wealth consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Sica Wealth ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Sica Wealth if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Sica Wealth's management services.

## Use of Independent Managers

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As mentioned above, Sica Wealth recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between Sica Wealth or the client and the designated *Independent Managers*. Sica Wealth renders services to the client relative to the discretionary selection of *Independent Managers*. Sica Wealth also monitors and reviews the account performance and the client's investment objectives. Sica Wealth receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When selecting an *Independent Manager* for a client, Sica Wealth reviews information about the *Independent Manager* such as its disclosure statement and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that Sica Wealth considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, Sica Wealth's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by Sica Wealth, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to Sica Wealth's written disclosure statement, the client also receives the written disclosure statement of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Sica Wealth. In such instances, Sica Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

If Sica Wealth refers a client to an *Independent Manager* where Sica Wealth's compensation is included in the advisory fee charged by such *Independent Manager* and the client engages the *Independent Manager*, Sica Wealth shall be compensated for its services by receipt of a fee to be paid directly by the *Independent Manager* to Sica Wealth in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the *Independent Manager's* investment management fee, and does not result in any additional charge to the client.

### **Other Consulting Services**

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Sica Wealth and CSQ provide consulting services to consulting clients and Sica Wealth may advise financial planning, wealth management, or other clients, to invest in funds sponsored by consulting clients or engage in other transactions with consulting clients, including Aequitas Capital Management, Inc. ("Aequitas"), and Accelerate-IT Ventures GP LLC ("AITV"). (See "Item 10. Other Financial Industry Activities and Affiliations" and "Item 14. Client Referrals and Other Compensation"). As a result there is a conflict of interest whereby Sica Wealth may recommend that clients invest in or do business with Aequitas or AITV as a result of these agreements.

## Item 5. Fees and Compensation

Sica Wealth offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Alternatively, certain of Sica Wealth's *Supervised Persons* may offer securities brokerage services and insurance products under a commission arrangement.

### Financial Planning and Consulting Fees

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For financial planning and consulting outside its wealth management services, Sica Wealth may charge a fixed fee and/or hourly fee. These fees are negotiable, but generally range from \$1,500 to \$10,000 on a fixed fee basis and/or from \$100 to \$500 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. In limited circumstances, Sica Wealth may charge an ongoing consulting fee based upon a percentage of the assets covered by the consulting agreement. The terms of the fee structure, including timing and the amount of the fee, is agreed upon with the client in advance of rendering services. If the client engages Sica Wealth for additional investment advisory services, Sica Wealth may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Sica Wealth to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Sica Wealth setting forth the terms and conditions of the engagement. Generally, Sica Wealth requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### Wealth Management Fees

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Sica Wealth provides wealth management services for an annual fee based upon a percentage of the market value of the assets being managed by Sica Wealth. The annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Sica Wealth does not, however, receive any portion of these commissions, fees, and costs. Sica Wealth's annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by Sica Wealth on the last day of the previous month. The annual fee varies (between 0.50% and 2.50%) depending upon the market value of the assets under management and the type of wealth management services to be rendered.

### Fee Discretion

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Sica Wealth, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).



## **Fees Charged by Financial Institutions**

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Sica Wealth may only implement its investment management recommendations after the client has arranged for and furnished Sica Wealth with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, those broker-dealers discussed in Item 12 (below), any other broker-dealer recommended by Sica Wealth, broker-dealer directed by the client, trust companies, banks etc. (collectively "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Sica Wealth's fee.

## **Fee Debit**

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Sica Wealth's *Agreement* and the separate agreement with any *Financial Institutions* authorize Sica Wealth and/or *Independent Managers* to debit the client's account for the amount of Sica Wealth's fee and to directly remit that management fee to Sica Wealth or the *Independent Managers*. Any *Financial Institutions* recommended by Sica Wealth have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Sica Wealth. Alternatively, clients may elect to have Sica Wealth send an invoice for payment.

## **Fees for Management During Partial Months of Service**

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Clients may make additions to and withdrawals from their account at any time, subject to Sica Wealth's right to terminate an account. Additions may be in cash or securities provided that Sica Wealth reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Sica Wealth, subject to the usual and customary securities settlement procedures. However, Sica Wealth designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Sica Wealth may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis. The *Agreement* between Sica Wealth and the client will continue in effect until terminated by either party

pursuant to the terms of the *Agreement*. Sica Wealth's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

If assets are deposited into or withdrawn from an account after the inception of a month, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the month.

## **Commissions or Sales Charges for Recommendations of Securities**

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Sica Wealth expects that clients will be able to engage certain persons associated with Sica Wealth (but not Sica Wealth) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Sica Wealth. Under this arrangement, clients may implement securities transactions through certain of Sica Wealth's *Supervised Persons* in their respective individual capacities as registered representatives of an independent broker-dealer Capital Guardian ("CG"). CG may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by CG to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with CG. The brokerage commissions charged by CG may be higher or lower than those charged by other broker-dealers. In addition, certain of Sica Wealth's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that Sica Wealth recommends the purchase of securities where Sica Wealth's *Supervised Persons* receive commissions or other additional compensation as a result of Sica Wealth's recommendations. Sica Wealth has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that Sica Wealth, in its sole discretion deems appropriate), Sica Wealth provides its investment advisory services on a fee-offset basis. In this scenario, Sica Wealth may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Sica Wealth's *Supervised Persons* in their individual capacities as registered representatives of CG. However, Sica Wealth generally does not render brokerage services to the same accounts where it provides investment management services. While Sica Wealth may have clients that have both brokerage and advisory accounts, these accounts are managed separately.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Sica Wealth does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

Sica Wealth provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### **Minimums Imposed By Independent Managers**

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Sica Wealth does not impose a minimum portfolio size or minimum annual fee. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than Sica Wealth. In such instances, Sica Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

### Methods of Analysis

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Sica Wealth utilizes a combination of largely fundamental, technical and cyclical methods of analysis

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Sica Wealth will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Sica Wealth will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Sica Wealth is recommending. The risks with cyclical analysis are similar to those of technical analysis.

### Investment Strategy

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When developing client portfolios, Sica Wealth first determines the appropriate asset allocation for the client through suitability (including investment time horizon, investment experience, risk tolerance, and income needs), and a client's other needs. Sica Wealth updates this asset allocation annually to ensure that the client's asset allocation is consistent with changing needs. After setting an asset allocation strategy, Sica Wealth builds a portfolio for the client with a mix of individual equities (including common and preferred stocks), ETFs, closed-end funds, mutual funds, fixed income securities, alternatives and money market instruments (cash investments) to offer the best combination of potential return and risk. Sica Wealth focuses its decision on investments in relation to how they fit into a client's asset allocation rather than decisions upon any one security that is attractive in the marketplace at a given time.

*Common Stocks* are analyzed by Sica Wealth with a focus towards the company, including its fundamentals, products and services, historical performance, and dividend yield. Sica Wealth's stock allocation may include U.S. large, small, or mid-size capitalization, or a blend of the three. International stocks are purchased through American Depositary Receipts (ADRs) are given the same analysis as

domestic equities, but Sica Wealth also considers additional costs with these securities (i.e. international taxes).

*ETFs* are evaluated through a similar analysis as common stocks, but in the case of sector, currency, or ETFs of a particular country, Sica Wealth also performs macroeconomic research. Sica Wealth assesses leveraged ETFs on a more stringent level to fully understand the level of leverage and associated risk.

*Closed-end funds* are selected after a thorough analysis of the issuing company, the discount/premium to net asset value (NAV), yield analysis including stability of distributions, historical performance, and the fund's internal holdings.

*Preferred Stocks* are chosen only after they are put through the same analysis as common stock. Preferred stocks are also subject to a yield analysis (including yield to worst and yield to call numbers, as well as when/how dividends will be paid). Sica Wealth also considers the credit rating of each individual preferred stock, in addition to the taxability of each preferred stock (i.e. whether they are eligible for a favorable tax rate on distributions or taxed at ordinary income rates).

*Mutual funds* are chosen only after thorough analysis of the mutual fund's structure, the investment allocation and sector weightings within the mutual fund, manager tenure, internal expenses, historical performance, and the mutual fund company itself. For fixed income mutual funds, duration, credit ratings on the internal holdings, interest rate sensitivity, and yield are also a factor. Sica Wealth's investment in mutual funds may include (but are not limited to): U.S. large, small, or mid-size capitalization, international, emerging markets, taxable US fixed income, tax-free US fixed income, global fixed income, real estate, commodities, sector specific, and/or any combination of the above.

*Fixed income securities* are selected after thorough analysis of the issuers credit rating, a yield analysis including yield to worst and yield to call numbers are evaluated, and when/how interest will be paid. Sica Wealth also considers the taxability of each individual bond (and specifically for municipal bonds, the taxable equivalent yield of the security and the stability of issuer / ability to pay). In addition to the analysis above, corporate bonds must also undergo an analysis of their issuing company, much like an analysis that would be performed on its common stock. Fixed income securities are also subject to macroeconomic research, as interest rate sensitivity must be considered in the analysis. Sica Wealth's investments in fixed income may include, but are not limited to: U.S. municipal debt, U.S. government debt, U.S. agency debt, corporate debt (including convertible bonds), and certificates of deposit.

*Cash investments* may be held (when appropriate) through money market and bank deposit sweeps, which are set-up for any available cash in client portfolios. As market conditions dictate, Sica Wealth may be fully invested in securities, fully in "cash", or anywhere in between. The "cash" investments found within these money markets and bank deposit sweeps may include a variety of various money market instruments, U.S. treasury bills, government agency debt, high quality commercial paper, and certificates of deposits.

Once a portfolio is constructed in line with the client's target asset allocation, Sica Wealth monitors it through constant research and implements changes when necessary. Sica Wealth does not make investments outside the client's state asset allocation without a conversation with the client and recommends a shift in the client's investment strategy. At that time, a new asset allocation is created and the investments in the portfolio are modified to be consistent with the new stated asset allocation. Sica Wealth ensures ongoing communication with clients and aims for quarterly review (either by phone or in person) so that a client's asset allocation remains as current as possible.

## **Risks of Loss**

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### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential loss.

### *Market Risks*

The profitability of a significant portion of Sica Wealth's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Sica Wealth will be able to predict those price movements accurately.

### *Mutual Funds and Exchange-Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares

or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Independent Managers*

Sica Wealth may recommend the use of *Independent Managers*. In these situations, Sica Wealth continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, Sica Wealth generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

### *Use of Private Collective Investment Vehicles*

Sica Wealth recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.



## **Item 9. Disciplinary Information**

Sica Wealth is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Sica Wealth does not have any required disclosures to this Item.

## Item 10. Other Financial Industry Activities and Affiliations

Sica Wealth is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

### Registered Representatives of Broker Dealer

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Certain of the Firm's Supervised Persons are registered representatives of Capital Guardian ("CG") and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### Registration as Insurance Agency

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Sica Wealth is a duly licensed insurance agency. Additionally, certain of Sica Wealth's *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. Sica Wealth may also refer clients to The Hotaling Group, a full service insurance brokerage. In such instances, Sica Wealth or its *Supervised Persons* will receive a share of the commissions earned by the Hotaling Group. A conflict of interest exists to the extent that Sica Wealth or its *Supervised Persons* recommend the purchase of insurance products where Sica Wealth or its *Supervised Persons* receive insurance commissions or other additional compensation.

### Fees from Independent Managers

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As discussed above, Sica Wealth recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Managers*. In certain circumstances Sica Wealth's compensation is included in the advisory fee charged by such *Independent Managers*. There may be a conflict of interest to choose such *Independent Managers*; however, Sica Wealth evaluates *Independent Managers* based on the criteria in Item 4 and not based on the amount of compensation it would receive from a particular *Independent Manager*.

### Association with Other Ventures

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The Principal of the firm, Jeffrey Sica, is also the CEO of Circle Squared Alternative Investments, LLC, a newly organized investment adviser and investment services company ("CSQ"). CSQ has launched alternative investment funds, including funds set up as feeder funds into master funds advised by third party advisers ("CSQ Funds"). CSQ Funds may be recommended to Sica Wealth clients for investment directly or may be available on third party investment fund platforms to which clients of Sica Wealth have access. Sica Wealth clients who invest in CSQ Funds will bear fund fees and expenses, as disclosed in the CSQ Fund offering documents, and the client's Sica Wealth advisory fees as agreed between Sica Wealth and the client. Sica Wealth has an incentive to recommend CSQ Funds on account of the compensation CSQ Funds pay to CSQ, in addition to any other objective reasons that Sica Wealth may

recommend these funds. In some cases, CSQ or Sica Wealth provides services to third party platform sponsors for which it receives additional compensation. CSQ or CSQ Funds, from time to time, may pay third party platform sponsors for making CSQ Funds available on the platform or for other products or services. Further information about these arrangements is available to affected clients upon request.

The Principal of the firm, Jeffrey Sica, serves on the Management Team and Investment Committee of Hampshire Net Lease Fund, LLC (the "*Hampshire Net Lease Fund*"). The *Hampshire Net Lease Fund* is a real estate focused pooled investment vehicle, the interests of which are privately offered pursuant to Regulation D of the Securities Act of 1933. In addition, Mr. Sica and CSQ have taken a loan from Hampshire Destination Properties, LLC, a company that is affiliated with the *Hampshire Net Lease Fund* referenced above. A conflict of interest exists to the extent Sica Wealth's *Supervised Persons* recommend an investment in the *Hampshire Net Lease Fund* due to Jeffrey Sica's affiliation therewith and the loan provided by Hampshire Destination Properties, LLC.

Additionally, Mr. Sica, in his individual capacity, holds several advisory positions with other unaffiliated real estate, advisory and/or private equity ventures, which operate independently of Sica Wealth. Specifically, Mr. Sica performs services for and on behalf of Hampshire Companies, Aequis Capital Management, Clinton Group, CrownPoint Group, Matrix Development Group, SCA, AITV, Connell Real Estate & Development, Taurus Group and Partnervest Advisory Services, LLC.

Mr. Sica also sits on the Advisory Committee of Accelerate-IT Ventures GP LLC ("AITV"), which is comprised of industry executives whose purpose is to provide on-going guidance to the company. Mr. Sica provides AITV with strategic, financial, technological and commercial advice to optimize returns for AITV investors; provide an educational platform to AITV strategic partners; coordinate communications between strategic partners of AITV through seminars and podcasts; advise portfolio companies in strategic, financial and technological aspects related to their daily operations; plan and execute a media communications strategy; conduct month conferences to help brand AITV to family offices and advisers; help create a marketing strategy to investment advisers; and make introductions to institutions, including private equity firms, venture capital funds and institutions. Mr. Sica gets a fixed consulting fee for these services and is not compensated based on investments. Accordingly, there is a conflict of interest where SWM's *Supervised Persons* recommend an investment in AITV due to Jeffrey Sica's affiliation therewith.

Sica Wealth seeks to ensure that any such recommendations are provided on a fully-disclosed basis and only when aligned with its clients' best interests.

## Item 11. Code of Ethics

Sica Wealth and persons associated with Sica Wealth ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Sica Wealth's policies and procedures.

Sica Wealth has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Sica Wealth or any of its associated persons. The *Code of Ethics* also requires that certain of Sica Wealth's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Sica Wealth's *Code of Ethics*, none of Sica Wealth's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Sica Wealth's clients.

When Sica Wealth is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Sica Wealth is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Sica Wealth to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

Sica Wealth generally recommends the brokerage services of Charles Schwab & Co., Inc. ("*Schwab*"), Millennium Capital Partners ("*Millennium*") and only indirectly *TD Ameritrade* through a relationship with Argentus. *Schwab* and *Millennium* are SEC registered broker-dealers and members FINRA/SIPC/NFA, and are not affiliated with Sica Wealth. *Schwab* and *Millennium* offer to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

Factors which Sica Wealth considers in recommending *Schwab*, *Millennium* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* and *Millennium* may enable Sica Wealth to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* or *Millennium* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Sica Wealth's clients comply with Sica Wealth's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Sica Wealth determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Sica Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Sica Wealth periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Sica Wealth in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Sica Wealth will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Sica Wealth (as described below). As a result, the 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. Subject to its duty of best execution, Sica Wealth may decline a client's request to direct brokerage if, in Sica Wealth's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Sica Wealth decides to purchase or sell the same securities for several clients at approximately the same time. Sica Wealth 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 Sica Wealth'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 generally be averaged as to price and allocated among Sica Wealth's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Sica Wealth determines to aggregate client orders for the purchase or sale of securities, including securities in which Sica Wealth's *Supervised Persons* may invest, Sica Wealth shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Sica Wealth shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Sica Wealth determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Sica Wealth may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Sica Wealth in its investment decision-making process. Such research generally will be used to service all of Sica Wealth's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Sica Wealth does not have to produce or pay for the products or services.

### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain *Supervised Persons* in their respective individual capacities, expect to be registered representatives of CG. These *Supervised Persons* will be subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless CG provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through CG unless they first secure written consent

from CG to execute securities transactions through a different broker-dealer. Sica Wealth is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

## Software and Support Provided by Financial Institutions

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Sica Wealth may receive from *Schwab*, at a discount or without cost, computer software and related systems support, which allow Sica Wealth to better monitor client accounts maintained at *Schwab*. Sica Wealth may receive the software and related support without cost because Sica Wealth renders investment management services to clients that maintain assets at *Schwab*. The software and related systems support may benefit Sica Wealth, but not its clients directly. These benefits are not directly tied to client account transactions (i.e., not “soft dollars”). In fulfilling its duties to its clients, Sica Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Sica Wealth’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Sica Wealth’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

## Schwab Institutional Program

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Sica Wealth may receive the following benefits from *Schwab* through its Schwab Institutional Division:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services the Schwab Institutional participants;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Sica Wealth receives additional services from Schwab Advisor Services to help it manage and further develop its business enterprise. These services may include:

- Compliance, legal and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

*Schwab* may make available, arrange and/or pay third-party vendors for the types of services rendered to Sica Wealth. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Sica Wealth.

Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Sica Wealth’s personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, Sica Wealth, in addition to the factors described above, may take into account the availability of some of the foregoing products and services and other arrangements as

part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by *Schwab*, which may create a potential conflict of interest.



## Item 13. Review of Accounts

### Account Reviews

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For those clients to whom Sica Wealth provides wealth management services, Sica Wealth monitors investment portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Sica Wealth provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Sica Wealth’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Sica Wealth and to keep Sica Wealth informed of any changes thereto. Sica Wealth shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

### Reports and Statements

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Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Sica Wealth provides investment advisory services will also receive a report from Sica Wealth that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance as clients may request from time to time. Clients should compare the account statements they receive from their custodian with those they receive from Sica Wealth.

### Financial Planning and Consulting Reports

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Those clients to whom Sica Wealth provides financial planning and/or consulting services will receive reports from Sica Wealth summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Sica Wealth.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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Sica Wealth may compensate a third-party solicitor for client referrals. If a client is introduced to Sica Wealth by either an unaffiliated or an affiliated solicitor, Sica Wealth may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Sica Wealth's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Sica Wealth by an unaffiliated solicitor, the solicitor shall provide the client with a copy of Sica Wealth's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Sica Wealth shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Sica Wealth's written disclosure statement at the time of the solicitation.

### Other Economic Benefit

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Sica Wealth may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and all such relationships are disclosed in response to Item 12.

### Other Compensation

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#### *Aequitas*

As a result of the following arrangements there is a conflict of interest whereby Sica Wealth may recommend that clients invest in or do business with Aequitas as a result of the Sica Wealth and CSQ agreements with Aequitas.

Sica Wealth is a party to a Consulting Services Agreement with Aequitas Capital Management, Inc. Pursuant to the terms of the agreement, Sica Wealth provides various services to Aequitas and its affiliates, including, but not limited to: advisory services, marketing for investment and fund raising strategies, and introductions to prospective investment opportunities and prospective investors. As compensation for these services Aequitas pays Sica Wealth a fixed retainer, and a fixed monthly consulting fee.

CSQ provides consulting services to consulting clients, and either directly, or through its affiliate, SWM, may advise other clients to invest in funds sponsored by consulting clients or engage in other transactions with consulting clients, including Aequitas Capital Management, Inc. ("Aequitas"). (See "Item 10. Other Financial Industry Activities and Affiliations" and "Item 14. Client Referrals and Other Compensation").

As a result there is a conflict of interest whereby Sica Wealth may recommend that clients invest in or do business with Aequitas as a result of the Sica Wealth and CSQ agreements with Aequitas.

In April 2014 CSQ and Aequitas Commercial Finance, LLC, an affiliate of Aequitas, entered into a Business Loan Agreement pursuant to which CSQ has borrowed \$500,000 the proceeds of which were used by CSQ to commence operations.

## *Hampshire*

As a result of the following arrangements there is a conflict of interest whereby Sica Wealth may recommend that clients invest in or do business with Hampshire as a result of the Sica Wealth and CSQ agreements with Hampshire.

In February 2015 CSQ entered into a promissory note with Hampshire Destination Properties, an affiliate of the Hampshire Net Lease Fund, pursuant to which it has borrowed \$100,000 to be used for operating capital.

## **Accelerate-IT Ventures GP LLC (“AITV”)**

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As a result of the following arrangements there is a conflict of interest whereby Sica Wealth may recommend that clients invest in or do business with AITV as a result of the Sica Wealth and CSQ agreements with AITV.

In December 2014 Mr. Sica agreed to sit on the Advisory Committee of Accelerate-IT Ventures GP LLC (“AITV”), which is comprised of industry executives whose purpose is to provide on-going guidance to the company. Mr. Sica provides AITV with strategic, financial, technological and commercial advice to optimize returns for AITV investors; provide an educational platform to AITV strategic partners; coordinate communications between strategic partners of AITV through seminars and podcasts; advise portfolio companies in strategic, financial and technological aspects related to their daily operations; plan and execute a media communications strategy; conduct month conferences to help brand AITV to family offices and advisers; help create a marketing strategy to investment advisers; and make introductions to institutions, including private equity firms, venture capital funds and institutions. Mr. Sica gets a fixed consulting fee for these services and is not compensated based on investments. Similar to the disclosure for CSQ above, there is a conflict of interest where SWM’s Supervised Persons recommend an investment in AITV due to Jeffrey Sica’s affiliation therewith. (See “Item 10. Other Financial Industry Activities and Affiliations”).

## Item 15. Custody

Sica Wealth's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Sica Wealth through such *Financial Institution* to debit the client's account for the amount of Sica Wealth's fee and to directly remit that management fee to Sica Wealth in accordance with applicable custody rules.

The *Financial Institutions* recommended by Sica Wealth have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Sica Wealth. In addition, as discussed in Item 13, Sica Wealth also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Sica Wealth.

## Item 16. Investment Discretion

Sica Wealth may be given the authority to exercise discretion on behalf of clients. Sica Wealth is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Sica Wealth is given this authority through a power-of-attorney included in the agreement between Sica Wealth and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Sica Wealth takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The *Financial Institutions* used to execute client account transactions; and
- The *Independent Managers* to be hired or fired.

## Item 17. Voting Client Securities

Sica Wealth does not vote client securities (i.e., proxies) on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* where their assets are custodied and may consult Sica Wealth about the proxies and other such notices.

## Item 18. Financial Information

Sica Wealth is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; however, however in April 2014 CSQ and Aequitas Commercial Finance, LLC, an affiliate of Aequitas, entered into a Business Loan Agreement pursuant to which CSQ has borrowed \$500,000 the proceeds of which were used by CSQ to commence operations, and in February 2015 CSQ entered into a promissory note with Hampshire Destination Properties, an affiliate of the Hampshire Net Lease Fund, pursuant to which it has borrowed \$100,000 to be used for operating capital; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.



Prepared by:

