



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

| <b>Principal Place of Business</b>  | <b>Michigan Office</b>  |
|---|---|
| <b>824 E. Street<br/>San Rafael, CA 94901<br/>Phone: 415-263-5600<br/>Facsimile: 415-263-8909</b> | <b>305 W. Big Beaver Road, Suite 205<br/>Troy, Michigan 48084<br/>Phone: 248-267-1270<br/>Facsimile: 415-263-8909</b> |

**[www.greystonefg.com](http://www.greystonefg.com)**

**December 30, 2015**

This brochure provides information about the qualifications and business practices of Greystone Financial Group. If you have any questions about the contents of this brochure, please contact us at 248-267-1270. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Greystone Financial Group is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Greystone Financial Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site by a unique identifying number, known as an IARD/CRD number. Greystone Financial Group's IARD/CRD number is 112683.



## **ITEM 2 – MATERIAL CHANGES**

Under the Amendments to the Form ADV that was published by the SEC on July 28, 2010, Greystone Financial Group, Inc. may provide you with this Summary of Material Changes detailing any material changes that we made to our Brochure since the last annual update December 17, 2014, in lieu of sending a full copy of our Brochure to all our clients.

### ***Principal Place of Business***

Under “Item 4 – Advisory Business” we disclose that our principal place of business is in San Rafael, California. We continue to maintain our Troy, Michigan and Houston, Texas offices.

### ***Advisory Business and Services***

Under “Item 4 – Advisory Business” we disclose that in October 2015, Moss Equity Management, LLC, whose sole member is Todd R. Moss, became the sole shareholder of our firm’s common stock. In addition, we discuss Polaris Greystone Financial Group, LLC a company formed in October 2015 when Greystone Financial Group combined its business and operations with Polaris Wealth Advisers, LLC.

We no longer offer to provide management services or financial planning or consulting services to new clients. However, will continue to provide these services until all of our clients provide written consent to assign their investment advisory agreement to Polaris Greystone or terminate our services.

We have entered into a subadvisory agreement with Polaris Greystone to provide investment advisory services to our clients. In addition, our Investment Adviser Representatives will continue to provide these services to clients as registered Investment Adviser Representatives of Polaris Greystone. We will separately provide our clients with the Part 2 of Form ADV for Polaris Greystone which includes information about their management services and brokerage practices.

### ***Additional Information***

Our Brochure is available free of charge to any interested party by contacting us at 248-267-1270.

Additional information about us is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of our firm.



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

## **ITEM 4 - ADVISORY BUSINESS**

### **Description of Services**

Greystone Financial Group, Inc. is a registered investment adviser and our principal place of business is in San Rafael, California. We are organized as a corporation under the laws of the State of Michigan and we have been providing investment management services since 1995. In October 2015, Moss Equity Management, LLC, whose sole member is Todd R. Moss, became the sole shareholder of our firm’s common stock and then Greystone Financial Group combined its business and operations with Polaris Wealth Advisers, LLC. The combined firm operates as Polaris Greystone Financial Group, LLC (referred to hereinafter as “Polaris Greystone”). We have entered into a subadvisory agreement with Polaris Greystone to provide investment advisory services to our clients. In addition, our Investment Adviser Representatives will continue to provide these services to clients as registered Investment Adviser Representatives of Polaris Greystone. Polaris Greystone is also a federally registered investment adviser, you can find out more information about our affiliate on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Polaris Greystone’s IARD/CRD Number is 158718.

We no longer offer to provide management services or financial planning or consulting services to new clients. We will continue to provide these services, as described in this brochure, until all of our clients provide written consent to assign their investment advisory agreement to Polaris Greystone or terminate our services. Discretionary investment management services are provided through a subadvisory agreement with Polaris Greystone. This includes utilizing various third party service providers to facilitate different strategies which include unified managed account programs and separately managed account programs. Investment Adviser Representatives will assist you in updating the information necessary to understand your individual investment objectives, financial circumstances, and risk tolerance. We will separately provide you with the firm brochure (Part 2 of Form ADV) for Polaris Greystone and the applicable Third-Party Service Provider(s) which includes information about their management services and brokerage practices.

### **Management Services**

During the planning process, we helped you define your risk profile, recommend an investment portfolio for your accounts and prepare an investment recommendation describing the types of investments and strategies to guide our management of your accounts (“Investment



Recommendation”). With your approval, we may amend the Investment Recommendation from time to time. You will have the right to place reasonable restrictions on your account and our services. You must inform us, in writing, of any limitations or restrictions applicable to your investments or our services. You should notify us promptly, in writing, if your financial situation, investment objectives or investment restrictions change. We will select or assist you in selecting one of the investment strategies based on our understanding of your specific financial circumstances and risk tolerance.

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

We provide discretionary investment management services in a managed account program through an Overlay Manager (the “UMA Program”) however; as stated above, we no longer offer this program to new clients. This UMA Program may consist of using model portfolio advisers, model portfolios or other investment options such as mutual funds and/or exchange-traded funds (“ETFs”) to represent different investment strategies for managing your account. Each of these investment strategies is designed to meet a specific goal.

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

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

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

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

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



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

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

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

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

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

### ***Annuity Management***

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



## **Financial Planning and Consulting Services**

As disclosed under the “Description of Services” section in this Brochure, we no longer offer financial planning and consulting services to new clients. If you previously engaged us to provide financial planning or consulting services, you must promptly notify us if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations.

As part of our financial planning/consulting services, we may have introduced you to, or utilized, various third party service providers. Complete and full disclosure of any relationship between Greystone and third parties, including any shared fee arrangement, was provided to you when we recommended a third party.

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

Previously, we offered discretionary management services through a wrap fee program where clients were charged one all-inclusive fee for such services. We no longer offer this program to new clients however; we still are providing services under our wrap fee program to clients that have not currently assigned their agreement. Additional information about our wrap fee program is available for fee by requesting a copy of our “Wrap Fee Brochure”.

## **Assets Under Management**

As of December 22, 2015, we manage \$65,369,000 in client assets on a discretionary basis and \$21,600 in client assets on a nondiscretionary basis.

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

As disclosed under the “Advisory Business” section in this Brochure, as of October 2015, we no longer are offering to provide advisory services to new clients. The fee schedule for our investment management services is generally based upon a percentage of the client’s assets under our management and the investment program of the account. The specific manner in which we charge fees is established in our written agreement with the client.

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

In addition to the fees below, you will be responsible for the fees of the Model Portfolio Adviser. Model Portfolio Adviser fees will be determined by multiplying your account value by



the current target allocation to such Model Portfolio Adviser, by the applicable quarterly fee. Generally, fees fall between 0.20% and 1.0%. We will notify you from time to time of the fees associated with the selected Model Portfolio Advisers.

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

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

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

**Unified Managed Account Program**

**Annualized Fees**

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

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

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

**Separately Managed Accounts**

**Annualized Fees**

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



### Annualized Fees for Fixed Income Portfolios

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

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

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

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

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

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

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

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

### **Annuity Management**

| Asset Amount      | Annualized Fee |
|-------------------|----------------|
| First \$2,000,000 | 1.25%          |
| Over \$2,000,000  | 1.00%          |



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

### **Termination**

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

You will incur a pro rata charge for services rendered prior to the termination of the investment management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Termination of our agreement shall not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by us for your account. You are responsible for any cost incurred in transferring assets from your account to a different account and any management fees accrued and unpaid at the time of termination. If you have pre-paid advisory fees that we have not yet earned, we will refund a prorated amount of the fee to you for the period from the termination date through the end of the billing period. After the termination date, we shall have no further duties or obligations to you under our agreement. Termination of our agreement will not terminate the client's agreement with their broker-dealer or custodian.

### **Additional Fees and Expenses**

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

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



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

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

Consequently, for any type of fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: you pay one layer of fees to the fund and you pay one layer of advisory fees and expenses to us. Generally speaking, most funds may be purchased directly, without using our services and without incurring our advisory fees. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds and exchange traded funds, Greystone, and others.

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

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

### **Comparing Costs**

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

- your ability and the costs to obtain the desired investment management services;
- your ability to retain the desired overlay manager and obtain model portfolio(s), where applicable;



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

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

### **Family & Friend Accounts**

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

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

We are licensed as an insurance producer and some persons providing investment advice on behalf of Greystone are licensed as independent insurance agents. Greystone and these Associated Persons will earn commission-based compensation for selling insurance products. Insurance commissions earned are separate and in addition to our advisory fees. This practice presents a conflict of interest because we have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through Greystone or our Associated Persons.

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

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



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

We provide discretionary investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities through our subadvisory agreement with Polaris Greystone. We no longer offer these services to new clients.

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

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

As disclosed under the “Advisory Business” section in this Brochure, as of October 2015, we no longer are offering to provide advisory services to new clients. We will separately provide you with the firm brochure (Part 2 of Form ADV) for Polaris Greystone and the applicable Third-Party Service Provider(s) which includes important information about their methods of analysis and investment strategies.

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

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

In some cases, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes. Our strategies and investments do not take into account tax implications. Unless we specifically agreed otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

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

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



## **Information Regarding Exchange Traded Funds**

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

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

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

## **Risk of Loss**

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

Each type of investment has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely.

Investing in securities involves risk of loss that you should be prepared to bear. Obtaining higher rates of return on investments typically entails accepting higher levels of risk. We will work with you to attempt to identify the balance of risk and reward that is appropriate



and comfortable for you. However, it is still your responsibility to ask questions if you do not fully understand the risks associated with any investment or investment strategy.

### **ITEM 9 - DISCIPLINARY INFORMATION**

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

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

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

Greystone Investment Group, LLC, a related person under common control and ownership with Greystone, is the Manager of Greystone Capital II, LLC (the “Fund”). Greystone Capital II, LLC is a private pooled investment vehicle which makes private equity investments. Greystone Investment Group, LLC receives compensation for acting as Manager of Greystone Capital II, LLC and such compensation is separate and apart from the fees charged by us for investment management services. Previously clients of Greystone may have been solicited to invest in Greystone Capital II, LLC, and are hereby advised that we may have had an incentive to recommend this over other investments given the affiliation between the firms and given that our Associated Persons have made an investment into Greystone Investment Group, LLC and Greystone Capital II, LLC. Greystone Capital II, LLC is offered to certain sophisticated investors only by way of private offering memorandum and other documents. Investors and prospective investors should refer to such documents for a complete description of the fees, investment objectives, risks and other relevant information.

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

As disclosed above under “Advisory Business”, we combined our business and operations with Polaris Wealth Advisers, LLC. The combined firm operates as Polaris Greystone Financial Group, LLC (referred to hereinafter as “Polaris Greystone”).



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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons and describes certain personal account holdings and transactions reporting requirements. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. Our Associated Persons are expected to adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with Greystone.

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

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

We no longer solicit our clients to invest in the Fund referenced above. Please refer to the Other Financial Industry Activities and Affiliation section above for more information on the Fund.

### **Personal Trading Practices**

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

## **ITEM 12 - BROKERAGE PRACTICES**

As disclosed under the “Advisory Business” section in this Brochure, as of October 2015, we no longer are offering to provide advisory services to new clients. We will separately provide you with the firm brochure (Part 2 of Form ADV) for Polaris Greystone and the applicable Third-Party Service Provider(s) which includes important information about their service and brokerage practices.

### **Directed Brokerage**

Previously, unless a client participated in the UMA Program, the client could direct us to utilize a specified broker-dealer of your choice to effect transactions for or with your account. We no longer allow clients to direct brokerage. Recommended Brokerage and Custodial Services and Soft Dollars



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

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

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



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

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

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

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

As disclosed under the “Advisory Business” section in this Brochure, as of October 2015, discretionary investment management services are provided through a subadvisory agreement with Polaris Greystone. We will separately provide you with the firm brochure (Part 2 of Form ADV) for Polaris Greystone and the applicable Third-Party Service Provider(s) which includes important information about their trading practices.

### **Trade Error Policy**

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

### **TD Ameritrade Institutional Advisor Panel**

Representatives of Greystone serve on the TD Ameritrade Institutional Advisor Panel (“Panel”). The Panel consists of approximately twenty-four independent investment advisers



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

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

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

If we provide you with investment management services, Polaris Greystone’s representatives will monitor your account on an ongoing basis and will offer to meet with you on at least on an annual basis to discuss and review your current investment objectives and the performance of your account. Reviews may involve the entire account or just specific securities held in your account. Polaris Greystone will provide you with periodic reports in addition you will receive trade confirmations and at least quarterly statements from your qualified account custodian(s).

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

#### **TD Ameritrade AdvisorDirect**

Previously we received client referrals from TD Ameritrade through participation in TD Ameritrade’s AdvisorDirect Program (the “referral program”). As described above in “Item 12: Brokerage Practices”, TD Ameritrade is a discount broker-dealer independent of and unaffiliated with us and there is no employee or agency relationship between us. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise us and has no responsibility for our management of client portfolio or our other advice or services. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade



of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. Please refer to the “Brokerage Practices” section above for disclosures on research and benefits we may receive resulting from our relationship with TD Ameritrade. Referrals from this arrangement may raise potential conflicts of interest described below.

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

### **Other Third Party Solicitors**

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

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



## **Other Compensation**

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

## **ITEM 15 - CUSTODY**

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

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

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

## **ITEM 16 - INVESTMENT DISCRETION**

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

If you select management services that utilize an Overlay Manager, you will grant the Overlay Manager complete and unlimited discretionary trading authority with respect to your account. The Overlay Manager will be solely responsible for the day-to-day investment



management decisions for your account, and neither we nor any model portfolio adviser will be responsible for making the investment trading decisions.

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

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

As disclosed under the “Advisory Business” section in this Brochure, as of October 2015, we no longer are offering to provide advisory services to new clients. We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. You are solely responsible for exercising your right to vote as a shareholder.

### **ITEM 18 - FINANCIAL INFORMATION**

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

### **ADDITIONAL INFORMATION**

#### **Our Privacy Policy**

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

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

#### ***INFORMATION WE COLLECT FROM YOU***

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



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

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

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

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

- Our investment advisor representatives, employees, and the independent third-party service providers and with whom you continue to work.
- Your accountant, tax preparer, or lawyer, with your prior consent.
- Companies that assist us in processing your transactions and servicing your account, such as Polaris Greystone, introducing and clearing brokerage firms, mutual fund companies, and other account custodians.
- Our lawyers, accountants, and compliance professionals who assist us in complying with applicable laws, rules, and regulations.
- Federal and state regulators who regulate us and our Associated Persons.

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

### *DISCLOSURE OF INFORMATION ABOUT FORMER CLIENTS*

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



## *OUR SECURITY POLICIES AND PRACTICES*

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

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

## *CHANGES IN OUR PRIVACY POLICY*

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

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