



Sequoia Financial Advisors, LLC

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This Brochure provides information about the qualifications and business practices of Sequoia Financial Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (888) 225-3777 and/or www.sequoia-financial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Sequoia Financial Advisors, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you determine to hire or retain an Adviser.

Additional information about Sequoia Financial Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section discusses only material changes to Sequoia Financial Advisors, LLC's Form ADV Part 2A Brochure since the date of our last annual update. The date of our last Disclosure Document Brochure was April 29, 2015. The only material updates made at that time were regarding our Assets Under Management (within Item 4), an update to our branch locations (within Item 4), an update to Trustee Support Services (within Item 5), an update regarding our Soft Dollars arrangements (within Item 12), and updates regarding Client Referrals and Other Compensation (within Item 14).

Our Disclosure Document Brochure has now been updated as of April 15, 2016 to reflect an update regarding our Assets Under Management (within Item 4). We also note a new branch office (within Item 4).

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated April 15, 2016, is prepared according to the SEC's requirements and rules.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Sequoia Financial Advisors, LLC at 1-888-225-3777 or sending a request via our website under "Contact Us." Our Brochure is also available on our web site www.sequoia-financial.com, under the **Disclosures** Link.

Additional information about Sequoia Financial Advisors, LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Sequoia Financial Advisors, LLC who are registered, or are required to be registered, as Investment Adviser Representatives of Sequoia Financial Advisors, LLC.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Wealth Planning Services:	1
Investment Management Services:	1
Retirement Planning Consulting Services:	2
Item 5 – Fees and Compensation	4
Wealth Planning Services Fees:	4
Investment Management Services Fees:	5
Trustee Support Services Fees:	7
Retirement Planning Consulting Services Fees:	7
Other:	9
General Information:	9
Item 6 – Performance-Based Fees and Side-By-Side Management	10
Item 7 – Types of Clients	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	10
Methods of Analysis:	10
Investment Strategies:	15
Risk of Loss:	16
Item 9 – Disciplinary Information	18
Item 10 – Other Financial Industry Activities and Affiliations	18
Certified Public Accountants:	18
Pooled Investment Vehicle:	19
Item 11 – Code of Ethics	19

Item 12 – Brokerage Practices	20
Qualified Custodian/Broker-Dealer:	20
Handling of Trade Errors:.....	25
Item 13 – Review of Accounts.....	26
Item 14 – Client Referrals and Other Compensation.....	27
Item 15 – Custody	31
Item 16 – Investment Discretion	31
Item 17 – Voting Client Securities.....	32
Item 18 – Financial Information.....	32

Item 4 – Advisory Business

Firm Overview:

Sequoia Financial Advisors, LLC [“Sequoia Financial Advisors”, “us”, “we”, or “SFA”] is an Ohio limited liability company, founded in 2000, and is a Registered Investment Advisory firm under the Investment Advisor Act of 1940. We have been an SEC Registered Investment Advisor since 2002, and are 100% owned by Sequoia Financial Group, LLC, an independent financial services firm formed in 1991. Sequoia Financial Group, LLC is owned by Cohen Sequoia Enterprises, Ltd. (CSE, Ltd). Sequoia Financial Group, LLC has arrangements with Cohen & Company, Ltd. and its affiliates, firms engaged in the practice of public accounting. While Cohen & Company, Ltd. and/or its affiliates do not directly or indirectly control Sequoia Financial Advisors, certain members of Cohen & Company, Ltd. maintain an indirect ownership in Sequoia Financial Advisors through the entity called Cohen Sequoia Enterprises, Ltd. Sequoia Financial Advisors’ President, Thomas Haught and Chief Compliance Officer & Chief Financial Officer, Gerald Knotek, each have an ownership interest in CSE, Ltd.

In March 2016, Sequoia Financial Advisors’ opened a new branch office in St. Clair Shores, Michigan. This location was part of a purchase agreement between GHD Wealth Management, LLC and Sequoia Financial Advisors, LLC.

Sequoia Financial Advisors offers many different services as a Registered Investment Advisor. We offer these services through individual Investment Advisory Representatives (“IAR”). Sequoia Financial Advisors provides investment advisory services on a discretionary and non-discretionary basis. We tailor our investment advisory services to the individual needs of our clients. Clients may impose restrictions on investing in certain securities or types of securities.

Wealth Planning Services:

SFA’s investment advisory business offers clients financial planning services involving, but not limited to, estate planning, insurance planning, retirement planning and/or investment planning. These services are generally referred to as “Wealth Planning Services” and may or may not include specific investment advice. SFA’s Wealth Planning Services may involve the gathering of personal and financial data, establishing the Clients’ needs, goals and objectives and processing and analysis of this information to assist a Client as they work to try and meet their stated objectives. For certain Wealth Planning Services, clients may execute an Engagement Letter which outlines the specific wealth planning services to be provided, and the fees associated with those services. General asset categories may be recommended in the written financial plans, along with specific investment advice about individual investments.

Investment Management Services:

SFA also offers investment management services, which are typically managed by IARs on a limited-discretionary basis for a fee, based on a percentage of assets under management. The services may include investment analysis, allocation of investments in mutual funds

and/or other general securities, regular account updates, and ongoing monitoring services of the client's portfolio. Our Investment Management Services offerings could also include family office services. When investment management services are provided, clients sign an Advisory Services Agreement (titled: *Sequoia Client Agreement*) and/or an Engagement Letter.

Through our investment management services, SFA may offer our proprietary allocation models, or a customized investment program to clients.

For discretionary accounts, the client grants us limited trading authority (discretionary authority) in their account by executing appropriate documents with our qualified Custodians, Charles Schwab & Co., Inc. (Schwab) and Fidelity Investments (Fidelity) (herein together referred to as 'Custodian') and also by executing an Advisory Services Agreement (*Sequoia Client Agreement*). The discretionary authority allows SFA to enter securities transactions on the client's behalf, determining which securities and the amount of securities to buy or sell. The client is notified of all transactions by trade confirmations from Custodian and through communications with their SFA Managing Planner.

For non-discretionary accounts, SFA prepares securities recommendations as it does for discretionary accounts, but provides these recommendations to the client directly so if they accept, the client can provide approval instructions to SFA to proceed with the provided recommendations.

As of 01/31/2016, discretionary Assets under Management, \$1,135,579,811

As of 01/31/2016, non-discretionary Assets under Management, \$715,068,262

Retirement Planning Consulting Services:

SFA offers Retirement Planning Consulting Services to employee benefit plans, including but not limited to 401(k), 403(b), 457, Money Purchase Pension Plans, Cash Balance Plans, Defined Benefit Pension Plans, etc., and the plan sponsors based upon an analysis of the needs of the plan. It is the "plan sponsor" who is our client. In general, these services may include service as the Plan's investment manager, as defined in ERISA §3(38), or service as an ERISA §3(21)(A)(ii) investment fiduciary, an existing plan review, plan design consulting, vendor search, formation of an investment policy statement, fund menu design, investment performance monitoring, investment performance reporting, investment committee formation and guidance, selection of a Qualified Default Investment Alternative, support with ERISA §404(c) compliance, education services to the plan committee and/or communication and education services where SFA will assist the client in providing meaningful information regarding the retirement plan to its participants. The nature of the topics to be covered in the participant education services is determined by SFA and the client under the guidelines established in ERISA §404(c), Department of Labor (DoL) Regulation 29 C.F.R. 2550.404c-1, and Department of Labor Interpretive Bulletin 29 C.F.R. 2509.96-1. The provided key categories of education as directed include: Plan Information, General Financial and Investment Information, Asset Allocation Models, and Interactive Investment Materials. The educational support does NOT provide plan participants with individualized, tailored investment advice unless specifically retained to do so.

Additionally, we may offer the client assistance in setting up a relationship with other required service providers e.g., custodian, record keeper, auditor, attorney, third party administrator and support with certain ministerial plan functions, such as, communicating enrollment forms to the record keeper. SFA will not have discretion over the Administration of the plan or the plan assets, unless specifically retained to do so under a Plan Administrator relationship as defined by ERISA §3(16)(A). Advice to plan participants will be limited to general, impersonal advice unless specifically retained to do so as a Qualified Fiduciary Adviser under ERISA §§408(b)(14) and 408(g).

Client investments are monitored based on the procedures and timing intervals outlined in the investment policy statement. SFA monitors the client's investment menu/portfolio and may make recommendations to the client as market factors and the client's needs dictate. Sequoia Financial Advisors may review investment menus on an as retained basis. The most common retention relationships are semi-annual and quarterly investment reviews. Unless specifically retained to do so, SFA does not exercise discretionary authority over these accounts, and does not generally handle securities transactions in these accounts.

Retirement Planning Consulting Services are offered, where appropriate, typically to employee benefit plans. These accounts are regulated under the Employee Retirement Income Security Act of 1974 ("ERISA") and/or tax-qualified retirement plan under §401(a) of the Internal Revenue Code of 1986, as amended and not covered by ERISA. The client must make the ultimate decision as to retaining the services of such investment advisors as we may recommend. The client is free to seek independent advice about the appropriateness of any recommended services for the plan.

Third-Party Money Management Programs:

SFA has established relationships with non-affiliated, third-party entities to provide different money management programs. Depending on the money management program selected, SFA's role differs greatly. In some instances, SFA's role may be limited to referring the client to a third-party investment advisor and providing clients with the account opening documents. We will make such referrals when information provided by the client causes us to believe such referrals are suitable. Although SFA has reviewed the different money manager's strategies, which SFA refers clients to, clients should be aware that SFA is not affiliated with the third-parties involved, does not custody the accounts opened, and does not control the daily investment management of securities held in these accounts. The client should be aware that with some money management programs, they may be authorizing the third-party investment advisor to act with discretion (i.e. execute trading decisions without first consulting client).

The client should become familiar with the specific features of any managed account program before selecting such program. Each money management program generally involves different custodial, administrative, and fee arrangements, and may require certain minimum initial account investments. Account minimums and advisory fees charged may be negotiable at the discretion of SFA or the third-party registered investment advisors involved.

For those clients who choose to participate in a Separately Managed Account (SMA) through the Schwab Platform, please note that in addition to the annual assets under management fee paid to SFA for its provided investment management services, an additional fee for the services of the SMA Manager(s) you select may also be charged. Fees for SMA Managers will vary depending on the strategy and manager selected.

For the third-party money management programs, SFA serves as a non-discretionary investment advisor for the client, and each client will have to execute an investment advisory agreement with SFA for the services it actually provides. Additionally, the client will have to execute another agreement with the third-party investment advisor for services that advisor provides. SFA has no or limited authority to change the terms and conditions of the managed account programs described and will not be consulted before transactions are executed by third party advisors in client's accounts. Money management programs substantially the same as, or similar to, those recommended by SFA may be available elsewhere at a lower fee.

Further information regarding any investment management program is described in the Form ADV Part 2A of the third party advisors involved in each program.

Item 5 – Fees and Compensation

Wealth Planning Services Fees:

SFA charges a fee for certain Wealth Planning Services typically ranging between \$1,500 and \$10,000, or a negotiated fee, depending on the complexity of the Wealth Planning Services and Financial Plan. Wealth Planning Services may include, but are not limited to, retirement planning and/or investment planning, insurance planning, and estate planning. Fees can vary by client, scope of engagement, and complexity of situation, among other factors.

For certain new written financial plans, the first half of the undiscounted plan fee is typically due upon signing and execution of the Engagement Letter, and the second half is due upon the written financial plan delivery. On-going Wealth Planning Services fees are typically billed upon the delivery of an updated plan document or quarterly in advance, depending on client relationship and Wealth Planning Services to be provided. These fees may be deducted directly from the client's account, if they maintain an investment management account at Custodian. Clients must provide the qualified Custodian with written authorization to have these fees deducted from their account and paid to SFA. However, this authorization does not give SFA authority to deduct other monies from client account(s), except to request that Custodian disburse funds directly to the client or client agents upon specific instructions. For clients that do not authorize us to have their fees deducted directly from their account, or for those who do not have an investment management account at Custodian, payment is due within thirty (30) days after receipt of the billing statement from SFA.

Below are Sequoia Financial Advisors standard fee schedules for wealth planning services:

Wealth Planning Services Fee Schedule: New Financial Plans

Plan Type	Planning Fee
Financial Independence Plan	\$1,500
Estate Review	\$3,000
Basic Financial Plan	\$3,500
Comprehensive Financial Plan	\$5,500
Wealth Management Plan	\$10,000/negotiated fee
Family Wealth Monograph	Negotiated Fee

Wealth Planning Services Fee Schedule: Plan Updates and Monitoring Services

Pricing is Relationship Based:

Typically 50% of current price of the original plan level purchased (75% for Financial Independence Plan).

Additional fees may be charged pending Plan update frequency.

Investment Management Services Fees:

Fees for investment management services may vary by client and situation, and are charged as a percentage of assets under management ranging from 0.075% - 1.50%. The actual fee charged to each client is negotiable based on factors such as the client's financial situation and circumstances, the amount of assets under management or review, whether SFA will have limited trading authorization over the client's account, and the overall complexity of the services provided. The exact services and fees will be agreed upon and disclosed in the Advisory Services Agreement (*Sequoia Client Agreement*) before investment management services are provided. The value of assets under management in each portfolio is computed as of the last business day of the previous quarter. A portfolio's initial fee will be pro-rated for the remaining days in the quarter. Investment Management Services fees are not charged based on performance. SFA will not be compensated on the basis of a share of capital gains or capital appreciation of the funds or any portion of the Client's funds.

Fees for investment management services are billed quarterly in advance based on the value of the account on the last day of the previous quarter. Fees will be pro-rated for each net capital flow made during the applicable calendar quarter. Investment Management Services fees are generally deducted directly from the client's account. Clients must provide the qualified Custodian with written authorization to have fees deducted from their account and paid to SFA. However, this authorization does not give SFA authority to deduct other monies from client account(s), except to request that Custodian disburse funds directly to the client or client agents upon specific instructions. For clients that do not authorize us to have their fees deducted directly from their account, payment is due within thirty (30) days after receipt of the billing statement from SFA. Custodian will send client statements, at a minimum, quarterly, showing all disbursements from the account including the amount of the advisory fee, if deducted directly from the account.

All investment management services fees incurred by the account are paid from the cash balance. If the account does not have a sufficient cash balance to cover the fees, SFA may

sell mutual funds or other securities as necessary to pay them. Selling securities to pay fees and expenses may incur transaction costs and could create tax consequences for the client.

Below are Sequoia Financial Advisors standard fee schedules for investment management:

Investment Management Services Fee Schedule:

Balanced Portfolio-Above \$500,000 (Tiered Pricing)

Asset Level	Fees
\$0 to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.75%
\$5,000,001 to \$15,000,000	0.50%
\$15,000,001 to \$25,000,000	0.40%
\$25,000,001 to \$50,000,000	0.25%
\$50,000,001+	0.15%

Fixed Income-Above \$500,000 (Tiered Pricing)

Asset Level	Fees
\$0 to \$2,000,000	0.500%
\$2,000,001 to \$5,000,000	0.375%
\$5,000,001 to \$15,000,000	0.250%
\$15,000,001 to \$25,000,000	0.200%
\$25,000,001 to \$50,000,000	0.125%
\$50,000,001+	0.075%

Under \$500,000 (Straight Fee)

Asset Level	Fees
\$0 to \$100,000	1.50%
\$100,001 to \$250,000	1.25%
\$250,001 to \$500,000	1.00%

For those clients who choose to participate in a Separately Managed Account (SMA) through the Schwab Platform, please note that in addition to the annual assets under management fee paid to SFA for its provided investment management services, an

additional fee for the services of the SMA Manager(s) you select may also be charged. Fees for SMA Managers can vary depending on the strategy and manager selected.

Trustee Support Services Fees:

SFA charges a set-up fee for Trustee Support Services ranging from \$0 to \$2,500, depending on the complexity of the Trust. This is in addition to annual management fees. Services may include, but are not limited to: consulting, investment management/advice, trust accounting and record keeping, and beneficiary wealth planning. Fees vary by client, scope of engagement, and complexity of situation, among other factors.

Below are Sequoia Financial Advisors standard fee schedules for trustee support services:

Trustee Support Services Fee Schedule:

Asset Level	Fees
\$0 to \$2,000,000	1.10%
\$2,000,001 to \$5,000,000	0.85%
\$5,000,001 to \$15,000,000	0.60%
\$15,000,001 +	Negotiable
One time Set-up Fee	Negotiable

For those clients who utilize the Trustee Support Services of SFA, there is an annual fee minimum of \$5,000 for administrative support and \$10,000 fee minimum for fully managed Trust assets.

Retirement Planning Consulting Services Fees:

SFA may be deemed a fiduciary to certain advisory clients that are employee benefit plans or individual retirement accounts pursuant to ERISA §3(21)(A)(ii) and/or ERISA §3(38). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation and method of disclosure. To avoid engaging in prohibited transactions, SFA may only charge fees for investment advice about products for which our firm and/or our Investment Advisor Representatives do not receive any commissions or 12b-1 fees, unless such fees are waived.

The scope of these services, the fees, and the terms of the agreement for Retirement Planning Consulting Services are negotiated on a case-by-case basis with each client depending upon the complexity of the plan and the agreement with the client. The actual fee charged to each client is negotiable based on client's specific circumstances, and the exact services and fees will be agreed upon and disclosed in the Advisory Services

Agreement (*Sequoia Client Agreement*). In addition, the terms regarding payment of fees, termination, and refund will be clearly set forth in the Advisory Services Agreement (*Sequoia Client Agreement*) executed between us and the client. Retirement Planning Consulting Services fees may be paid directly upon receipt of the invoice or the client can authorize the qualified Custodian or record keeper to pay the fees due to SFA, directly from the plan assets.

Below is Sequoia Financial Advisors standard fee schedule for core retirement planning consulting services:

Core Retirement Planning Consulting Services Fee Schedule:

Min Plan Size	-	Max Plan Size	Min Fee	-	Max Fee
\$0	-	\$3,000,000	\$0	-	\$19,600
\$3,000,001	-	\$10,000,000	\$15,250	-	\$34,000
\$10,000,001	-	\$50,000,000	\$27,750	-	\$76,500
\$50,000,001	-	\$75,000,000	\$63,250	-	\$85,750
\$75,000,001	-	\$100,000,000	\$70,000	-	\$92,000
\$100,000,001	-	\$250,000,000	\$75,000	-	\$122,000
\$250,000,001	-	∞	\$97,500	-	∞

The fees in the above chart represent multiple services offerings and so the minimum fee of a tier may be less than the maximum fee in the proceeding tier based on the service offering selected.

Additional fees may be incurred if a client requests services that fall outside the general Retirement Planning Consulting Services that are covered under the standard fee schedule above. For example, \$1,500/day for participant education. Additional Project Work begins at a base fee of \$2,500 and then at \$250 per hour after 10 hours of work. Examples of Project Work include but are not limited to: Plan Conversion, Department of Labor Audit Support, Fiduciary File Construction Support, Support during Merger/Acquisition of another Company, etc.

Pooled Asset Management Consulting Services Fee Schedule:

Asset Size	Asset Size	Tiered Bps Fee	Min. Fee	Max. Fee	Min. Bps	Max. Bps
\$0	\$2,000,000	0.75%	\$0	\$15,000	-	0.7500%
\$2,000,001	\$5,000,000	0.40%	\$15,000	\$27,000	0.7500%	0.5400%
\$5,000,001	\$25,000,000	0.20%	\$27,000	\$67,000	0.5400%	0.2680%
\$25,000,001	\$50,000,000	0.10%	\$67,000	\$92,000	0.2680%	0.1840%

\$50,000,001	\$250,000,000	0.05%	\$92,000	\$192,000	0.1840%	0.07680%
\$250,000,001	+	0.03%	\$192,000	∞	0.07680%	∞

Asset management services operate on a tiered fee schedule. The first \$2,000,000 will always be charged 0.75% with any additional dollar charged 0.60% up to \$5,000,000 and so on. Special project fees may apply - subject to prior agreement.

Other:

SFA may also provide investment advice on an hourly or project basis at a client's request. Implementation of recommendations in this situation is handled by the client. If the client prefers implementation be handled by SFA, the client may choose to engage SFA for ongoing investment advisory services in the form of investment management services.

Please see Item 14 (Client Referrals and Other Compensation) for fees associated with SFA's participation in the Schwab Advisor Network®, and fees associated with service agreement engagements with unaffiliated registered investment advisers.

General Information:

Clients should note that similar investment advisory services may (or may not) be available from other Registered (or Unregistered) Investment Advisers for similar or lower fees.

Fees in excess of \$1,200 are never collected more than six months in advance of services rendered.

SFA reserves the right to modify fees at our discretion, subject to notification in accordance with applicable laws and regulations. SFA receives no additional fee or compensation for placing a client into its proprietary models. Item 12 (*Brokerage Practices*) further describes the factors that SFA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions). Either the client or SFA may terminate an agreement for investment advisory services at any time. If services are terminated by the client within five (5) business days of executing the Advisory Services Agreement (*Sequoia Client Agreement*), services will be terminated without penalty and no fees shall be due. If services are terminated after the initial five day period, any fees due will be pro-rated and billed to the client. In the event a client terminates services, termination is effective from the time SFA receives the notification, assets leave our management, or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final payment of investment advisory fees. There will be no penalty charge upon termination. In the event SFA terminates the relationship, the Advisory Services Agreement will be terminated on the fifth day after notification is delivered to the client or such time as may be mutually agreed upon, also subject to the settlement of transactions in progress and the

final payment of investment advisory fees. Upon termination of an account by the client, pre-paid, unearned fees will be refunded to the client. SFA will be entitled to a fee, prorated for the number of days in the fee period prior to the effective date of termination for the account, which is the date in which the last asset transferred out of the account, or when the client account was removed from any association with SFA. Any unearned fee shall be returned by SFA, and any earned, unpaid fees will be due and payable.

Brokerage commissions, transaction ticket fees and other related costs and expenses imposed by custodians, brokers, third-party investment managers and other third parties, such as fees charged by managers, custodial fees, 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 are billed directly to the client. Such charges, fees and commissions are exclusive of and in addition to SFA's fee, and we will not receive any portion of these commissions, fees, and costs. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus [Note: SFA generally recommends "no-load" funds. No-load funds are mutual funds without a sales charge or commission].

Item 6 – Performance-Based Fees and Side-By-Side Management

Sequoia Financial Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Sequoia Financial Advisors provides investment advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, trusts, family offices and other U.S. institutions.

Aggregate account minimums for investment management services are typically \$100,000. Account minimums can vary by client and situation at the discretion of SFA.

Sequoia Financial Advisors offers three proprietary models, for managing client accounts, *Sequoia Premier Allocation* and *Sequoia ETF Allocation*, and *Sequoia Select Value*. *Sequoia Premier Allocation* requires a \$100,000 minimum investment, *Sequoia ETF Allocation* requires a \$5,000 minimum investment, and *Sequoia Select Value* requires a \$100,000 minimum investment.

Third-party money management programs may require certain minimum initial account investments. Clients should review the third-party money management advisory agreement for details.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

SFA provides comprehensive Wealth Planning Services that may involve the gathering of personal and financial data, establishing the clients' needs, goals and objectives and processing and analysis of this information to assist a client as they work to try and meet

their stated objectives. We can analyze a client's financial situation by looking at personal and financial data, employee benefit programs, business continuation plans and even his/her recent estate planning arrangements. We can also coordinate with a client's attorney, accountant, and other staff to discuss solutions. Based upon the complexity of the clients' financial situation, the final comprehensive plan may be comprised of content including, but not limited to or necessarily including, the following areas of focus: cash flow planning, retirement planning, estate overviews or estate planning, insurance planning, education planning, et al.

Our firm may use the following methods of analysis in formulating investment advice and/or managing client assets:

- **Asset Allocation:** Where requested by the client, in addition to focusing on security selection we attempt to identify and invest the account in an appropriate mix of different asset classes (mutual funds, stocks, bonds, cash, etc.) or investment strategies based on client's objectives. The purpose of asset allocation is to seek to improve overall portfolio performance or reduce volatility by diversifying the client's investments consistent with the client's investment objectives and risk tolerance.

A risk of asset allocation is that the client may participate only to a limited extent in sharp increases in a particular security, industry or market sector, because portfolio diversification necessarily limits the portion of the client's account invested in a single security, industry or market sector. Another risk is that the ratio of securities allocated to specific asset classes or investment strategies may change over time due to market movements and, if not corrected, may no longer be appropriate for the client's goals. To seek to mitigate this risk, we monitor the allocation among asset types as valuations fluctuate in the market and periodically readjust the allocations to the intended levels. This monitoring and adjustment is typically called portfolio rebalancing.

- **Fundamental Analysis:** Typically involves analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- **Technical Analysis:** Involves analyzing past market movements and applying that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.
- **Cyclical Analysis:** Involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

SFA also utilizes financial newspapers and magazines, research materials provided by other financial institutions (i.e. Custodian), Morningstar®, Bloomberg, LP, and various financial publications for historic information, to assist in making security selection

decisions. We may also use other publicly available programs for additional information during our research.

Investing in securities involves risk of loss that clients should be prepared to bear.

Primarily SFA utilizes investment company products. Assets are invested primarily in no-load mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), and individual stocks, through our custodial arrangement. Our custodial relationships enable us to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges as well as access to many institutional funds. Although most trades are mutual funds, exchange-traded funds, exchange-traded notes, or individual stocks, where trade aggregation may not provide any client benefit, when funds do allow aggregation for purposes of qualifying to purchase institutional shares (e.g. PIMCO), our clients do benefit by having access to institutional shares that have significantly lower expense ratios than the retail versions of the same funds. Stock and bonds may be purchased or sold through a custodial account when appropriate.

At SFA, the client's investment objectives, investment proposal, and asset allocation plan are developed according to the following five-step process:

Step One: We help the client establish their investment objectives based upon their financial goals.

Step Two: We then assist the client in developing the appropriate asset allocation plan. The goal of the asset allocation plan is to help optimize their return within the following constraints:

- Tolerance for risk
- Investment time horizon
- Spending requirements

Step Three: If requested by the client, we can develop a written investment proposal. The investment proposal may provide direction for the overall plan as well as to the client's portfolio managers.

Step Four: We structure the portfolio using various investment styles. We strive to use investment styles that do not rise and fall at the same time or at the same rate to provide diversification for the client's portfolio and reduce the overall volatility in the performance of the client's portfolio. This technique is commonly used to help investors achieve more stable results.

Step Five: We then select appropriate mutual funds, ETFs, ETNs, and/or individual equities using the processes detailed below. We will continue to monitor the client's portfolio and recommend rebalancing when necessary.

The Mutual Fund Research Process:

The SFA Mutual Fund Research Process focuses on identifying, recommending, and monitoring investment opportunities that may translate into long-term, risk-adjusted returns. SFA adheres to a well-defined analytical process based on diligent fundamental research. This process involves three steps, including initial screening, quantitative analysis, and qualitative analysis that are utilized to distinguish the most attractive mutual funds within an asset class and investment style.

Initial Screening

Tenure-To ensure commitment to the fund's investment process and philosophy, SFA prefers managers with at least a three-year track record working with the fund under consideration or a similar fund. This does not exclude managers with shorter track records that may have history at another fund or management company.

Size-Minimum asset size guidelines are assigned to assess fund liquidity and financial stability. Typically, SFA looks for minimum asset bases of approximately \$100 million for all portfolios.

Expenses-SFA's recommended funds have expense ratios that we believe are reasonable and consistent with the industry averages.

Quantitative Measures

SFA conducts comprehensive statistical analysis of a manager's long-term performance relative to specific managed and unmanaged benchmarks. Some of the factors the SFA's Investment Committee screens for may include:

Long Term Performance – Funds are screened initially on three - , five - , and ten- year performance basis. Risk adjusted performance measures such as Sharpe ratios, Information ratios, and Alpha generation may be taken into consideration.

Consistency of Returns – SFA seeks managers with strong performance on a long-term basis to avoid impressive short-term gains only to be followed by periods of underperformance.

Portfolio Diversification – SFA works to identify mutual fund portfolios that show sufficient diversification among underlying holdings in order to limit overall volatility.

Asset Growth – SFA monitors mutual fund asset growth, as well as, total assets under management to avoid potential changes in the stated investment process, particularly for small cap funds.

Qualitative Measures

SFA greatly values personal skill, intuition, and experience, as we believe they are key to successful portfolio management.

Clearly Stated Investment Philosophy and Process – Investment Companies that clearly describe their investment methodology and remain dedicated to their stated process over time tend to score well in our qualitative analysis.

Investment Depth – SFA favors management structures with several individuals responsible for management of the portfolio. SFA feels this reduces the possibility of fundamental changes to the investment process.

Ownership and Compensation Incentives – Investment Company ownership incentive structures and performance-based compensation are viewed as important retention tools for key investment personnel.

On-Going Monitoring

SFA provides research, conducts due diligence and provides a listing of recommended money managers, funds, ETFs, ETNs and individual stocks. We generally conduct an analysis of the Form ADV, prospectus, or similar documents combined with industry specific fundamental analysis and such other analysis, if any, deemed appropriate. Our due diligence process may include (but is not limited to) interviews with company management, discussion with industry experts, and analysis generated from databases generated from internal and external sources.

SFA's monitoring process is rigorous and thorough, and we review recommended funds, ETFs, ETNs and individual stocks on a continuous basis. SFA focuses on several key factors that may indicate deviations from historical performance patterns. In doing so, although we cannot guarantee it, we hope to make proactive investment decisions before investment performance deteriorates substantially.

Some of the key indicators we focus on are:

Significant Changes in the Underlying Portfolio – While turnover in a fund's portfolio will vary from manager to manager, and will also depend on the particular asset class and style of investing, SFA monitors the fund's holdings for significant shifts in the portfolio. Changes in the portfolio may provide insight into the manager's forward looking views. Furthermore, the magnitude and nature of turnover in the portfolio relative to past turnover trends can provide intelligence into how quickly the business and economic climate is changing.

Management Comments and Visits – SFA receives periodic commentary or participates in conference calls with our managers as a means to obtain their views on the economy and their particular sectors. In addition, we may at times conduct due diligence visits to managers or arrange for other opportunities to speak with them directly.

Changes in Portfolio Risk Metrics – SFA monitors portfolio valuation and risk metrics to help ensure that the fund is in conformance with its asset allocation role.

Changes in Key Investment Personnel – A change in a fund's management team can be an early indicator of fundamental changes to the investment process.

Investment Strategies:

SFA's investment strategies include wealth management with both long-term solutions and short-term strategies, where appropriate, that coordinate with the client's risk profile and investment objectives. Our goal is to help allocate the client's portfolio with the appropriate asset mix to try and optimize portfolio return within the given level of risk tolerance. SFA generally reviews portfolios at least annually, although in some cases, more frequently based on changes in a client's stated condition or objectives, or changes in economic and market conditions. We may also rebalance client portfolios, as we believe appropriate and/or agreed upon, to try and help meet long-term financial objectives. SFA executes such rebalances and trades as we believe appropriate, and do so on a limited-trading discretionary basis, if granted by the client. We may also adjust or modify our implementation of the approach described above if we believe it to be in your best interest or in response to the client's request to do so based on a specific situation and concerns.

The asset allocation recommended to a client may be different than the actual asset allocation implemented. This is due to a number of factors including, but not limited to, when the client may decide to implement only a portion of the plan, or does not agree to implement the specific investments recommended due to market conditions, or may have current holdings that the client does not want to redistribute. The recommendations made by SFA will be consistent with the client's risk tolerance and investment objectives. Client portfolios with similar investment objectives and asset allocation goals may own different securities. Clients who buy or sell securities on the same day may receive different prices.

SFA offers two proprietary models, with various investment objectives (e.g., Equity Focus/Aggressive/Growth/Balanced/ Moderate /Conservative/Fixed Focus), for managing client accounts. The SFA proprietary models are: the *Sequoia Premier Allocation* (Taxable or Tax Sensitive) and the *Sequoia ETF Allocation*. Our third proprietary model, Sequoia Select Value is focused in common stocks and ETFs.

Based on the client's personal financial situation as described in the client's account information and investment objectives form, SFA generally recommends managing the client's assets following one of the two proprietary models. Depending on the model used, tax sensitivity may or may not be taken into consideration. SFA proprietary models provide periodic rebalancing to help ensure that the investments continue to conform to the allocation model. Tax effects may or may not be considered before rebalancing. We monitor the asset allocations in the client's account, and we may rebalance it if any asset class varies by more than a specified percentage from its target allocation within the model. In order to avoid the expense of inefficient rebalancing, we reserve the right, at our discretion, to change the threshold that must be exceeded before rebalancing occurs. We may also, at our discretion, change the asset allocation in a model or the funds available in the asset allocation strategy.

SFA may also rebalance the client's account if they change their investment objective, or when the proceeds of additional contributions are invested. To rebalance an account, we buy and sell shares of the individual securities in an account until its holdings match the

underlying securities' weight percentages specified for the model. These changes may create tax consequences or incur redemption fees in some funds.

The general Investment Committee and Investment Committee Voting Members determine overall investment strategies for the SFA proprietary models. The SFA Investment Committee Voting Members are made up of three seasoned staff professionals, all who hold Industry accepted designations.

Overall equity market valuations and economic fundamentals drive the Investment Committee's allocation decisions when determining the amount of each models' exposure to equity, fixed income, special situations and cash for each risk profile/investment objective. The specific investments used to implement portfolios are typically mutual funds, ETFs, ETNs, and individual stocks, and are selected largely based on 1) analysis of the investment process used by the fund, 2) the adherence of the fund to its stated investment process, 3) expenses incurred by the fund, and 4) investment performance of the fund relative to appropriate benchmarks and peers.

Individual stock positions may be recommended for purchase within a SFA advisory account. However, if individual stock positions are purchased, we believe fundamental analysis is considered an appropriate format to review the merits of purchasing a stock. The majority of stock positions purchased or sold within a SFA advisory account occur on a non-solicited basis, except when invested in SFA's proprietary Sequoia Select Value model.

Risk of Loss:

Common risks of investing in certain products:

Equities – The price of equities fluctuate due to many factors which may include changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You may receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment can cause a more significant loss. Diversification assists in reducing concentration risk. If you are transacting individual equity trades by investing through one of the programs where your Advisor is acting as Manager, it is important that you become familiar with the risks and benefits of placing market orders, limit orders, and stop orders.

Exchange Traded Funds ("ETFs") – While investing in ETFs have similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs may reduce the effects of concentration risk as compared to investing in a singular security, certain ETFs can be susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs could help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed.

Exchange Traded Notes ("ETNs") – ETNs are structured debt securities. ETNs' liabilities are typically unsecured general obligations of the issuer. Most ETNs are designed to track a particular market segment or index. ETNs have expenses associated with their operation,

with investors bearing a pro rata portion of the ETN's expenses. The risks of owning an ETN generally reflect the risks of owning the underlying securities the ETN is designed to track, although lack of liquidity in an ETN could result in it being more volatile than the underlying portfolio of securities. In addition, because of ETN expenses, compared to owning the underlying securities directly, it may be more costly to own an ETN. The value of an ETN security should also be expected to fluctuate with the credit rating of the issuer.

Fixed Income Investments – One risk associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing rates. For example, as interest rates increase (decrease) bond prices will decrease (increase). If an investor has to sell a bond before the maturity date, an increase in interest rates will mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk is that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

Default risk is commonly referred to as “credit risk” and is based on the probability that the issuer of the bond may default. Default risk is rated by quality ratings assigned by commercial rating companies.

Call risk is the risk related to call provisions on bond issues. Investors should be made aware of four risks associated with call provisions:

- 1) The cash flow patterns of callable bonds are not known with certainty.
- 2) Since the issuer may call the bonds when interest rates have dropped, the investor is therefore exposed to reinvestment risk. The investor will have to reinvest the proceeds after the bond is called at relatively lower interest rates.
- 3) The potential for capital appreciation of a callable bond is reduced relative to that of a non-callable bond, because its price may not rise much above the price at which the issuer can call the issue.
- 4) If the issue is purchased at a premium, the investor may lose the difference between the purchase price and call price.

Inflation risk arises because the value of the cash flows being received from a bond may actually lose purchasing power over the course of time due to the effects of inflation.

Liquidity risk depends on the ease with which a bond can be sold at or near its current value. An indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the bond indicates a greater liquidity risk. For investors who plan on holding the bond until its maturity date, liquidity risk is of little value.

Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese Yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

International Investing – Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk. If the value of the U.S. dollar increases with respect to the country's currency you are investing in, the value of your investment will be affected negatively.

Additional risk information may be available in a product's prospectus, offering circular or on the product sponsors web site. Additional product specific risk information is available through the investor section of www.finra.org. Please review these sources for more detailed information on the risks related to the specific investments in your portfolio.

Item 9 – Disciplinary Information

SFA is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SFA or the integrity of its management. Our firm and our management personnel have no reportable legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Sequoia Financial Advisors seeks to put the interests of its clients first consistent with its fiduciary duty as a Registered Investment Adviser. Our firm takes the following steps to address conflicts of interest:

- Disclose to clients the existence of all material conflicts of interest, including the potential for our firm, IARs, and affiliates to earn compensation from investment advisory clients in addition to our firm's investment advisory fees.
- Disclose to clients that they are not obligated to purchase recommended investment products from SFA or affiliated companies.
- Require that IARs and associated persons of our firm seek prior approval of any outside business activity so that we may ensure that any conflicts of interest in such activities are properly addressed.

Certified Public Accountants:

Sequoia Financial Advisors has arrangements with Cohen & Company, Ltd. and its affiliates ("Cohen"), firms engaged in the practice of public accounting. While Cohen & Company, Ltd. and/or its affiliates do not directly or indirectly control Sequoia Financial Advisors, certain

members of Cohen & Company, Ltd. maintain an indirect ownership in Sequoia Financial Advisors through an entity called Cohen Sequoia Enterprises, Ltd (CSE, Ltd).

Sequoia Financial Advisors may engage Cohen for certain accounting services and Sequoia Financial Advisors may provide Cohen certain investment advisory services for compensation. While clients of both companies may be referred to the other company, there is no direct fee paid for such referrals. However, Cohen does have an economic incentive to refer clients to Sequoia Financial Advisors because some of the partners of Cohen maintain an indirect ownership interest in Sequoia Financial Advisors through CSE, Ltd.

Pooled Investment Vehicle:

Sequoia Financial Advisors has a related party, Sequoia Alternative Investments, L.P. ("SAI") who offers Limited Partnership units to qualified clients. SAI is considered a private fund-of-a-fund that is exempt from registration under the Investment Company Act of 1940. Sequoia AI, GP serves as the general partner to SAI. SFA serves as the Registered Investment Advisor to SAI. Clients of SFA that meet certain "qualified investor" criteria may be solicited to invest in this entity. If a client is solicited to invest, all proper disclosures pertaining to the investment are provided to the client. The SAI Private Placement Memorandum or equivalent document, provides the necessary disclosure for the prospective client. SAI currently invests only in the KIP Presidium Fund LP, which states within its Private Placement Memorandum that it is to invest primarily in equity securities with the objective of achieving capital appreciation from a managed portfolio of investments in the education and information services sectors of the economy.

Certain Investment Advisor Representatives of SFA may personally own a limited partnership interest in SAI.

Item 11 – Code of Ethics

Sequoia Financial Advisors has adopted a Code of Ethics ("Code") for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SFA must acknowledge the terms of the Code annually, or as amended.

SFA anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SFA, its affiliates and/or clients, directly or indirectly, have a position of interest. IARs and persons associated with SFA are required to follow SFA's Code. Subject to satisfying this policy and applicable laws, officers, directors and IARs of SFA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SFA's clients. Code is designed to assure that the personal securities

transactions, activities and interests of the IARs and persons associated with SFA will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing IARs and persons associated with SFA to invest for their own accounts. Under the Code certain classes of securities are designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of SFA's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit IARs and persons associated with SFA to invest in the same securities as clients, there is a possibility that IARs and persons associated with SFA might benefit from market activity by a client in a security held by IARs and persons associated with SFA. Personal trading activity of IARs and persons associated with SFA is continually monitored under the Code, and to reasonably prevent conflicts of interest between SFA and its clients. Most IARs and associated persons' trades are small mutual fund trades or exchange-traded fund trades, and therefore, these trades do not materially affect the securities market.

SFA's clients or prospective clients may request a copy of the firm's Code by sending a request via our website (www.sequoia-financial.com) under "Contact Us" or accessing a copy via our website, www.sequoia-financial.com under the **Disclosures** link.

It is SFA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. We will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. SFA IARs are not dually registered.

Item 12 – Brokerage Practices

Qualified Custodian/Broker-Dealer:

Sequoia Financial Advisors does not maintain custody of client's assets on which we advise, although we may be deemed to have custody of client's assets if they give us authority to withdraw assets directly from their account (see *Item 15 – Custody*, below). Client assets must be maintained in an account at a "qualified Custodian," generally a broker-dealer or bank. For Sequoia Financial Advisors, LLC's retirement plan consulting services relationships, the independent qualified Custodian is chosen by the client. For Sequoia Financial Advisors, LLC's investment management relationships, we may recommend or require that our clients use Schwab and/or Fidelity, registered broker-dealers, Member SIPC, as the qualified custodians. We are independently owned and operated and are not affiliated with Custodian. Custodian will hold client assets in a brokerage account and buy

and sell securities when we or the client instruct them to. While we may recommend or require that the client use Custodian as custodian/broker, the client will decide whether to do so, and will open an account with Custodian by entering into an account agreement directly with them. SFA does not open the account for the client, although we may assist the client in doing so. [If a client does not wish to place their assets with Custodian, then SFA cannot manage their account.] Even though a client's account is maintained at Custodian, we can still use other brokers to execute trades for your account as described below (see *"Your Brokerage and Custody Costs"*).

How We Select Brokers/Custodians

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to help the client facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients

Client Brokerage and Custody Costs:

For our clients' accounts that Custodian maintains, they generally do not charge the client separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client's account. In addition to commissions and other transaction related fees, Custodian charges client's a flat dollar amount as a "prime broker" or "trade away" fee for each trade that SFA has executed by a different broker-dealer, but where the securities bought or the funds from the securities sold are deposited (settled) into a client's account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Total cost of a transaction is but one factor

used to determine if/when to trade away from Custodian, as SFA seeks to minimize trading costs. Because of this, in order to minimize a client's trading costs, SFA has Custodian execute most trades for our client accounts. We have determined that having Custodian execute most trades is consistent with our duty to seek "best execution" of trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like SFA. They provide us and our clients with access to its institutional brokerage— trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200.

Following is a more detailed description of Schwab's support services:

- **Services That Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.
- **Services That May Not Directly Benefit You.** Schwab also makes available to SFA other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
 - Provide access to client account data (such as duplicate trade confirmations and account statements)
 - Facilitate trade execution and allocate aggregated trade orders for multiple client accounts

- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting
- **Services That Generally Benefit Only Sequoia Financial Advisors.**
Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
 - Educational conferences and events
 - Consulting on technology, compliance, legal, and business needs
 - Publications and conferences on practice management and business succession
 - Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to SFA. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

SFA does utilize many of the services provided by Schwab as outlined above.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits SFA because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. If SFA did use other custodians, the \$10 million minimum may give us an incentive to require that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us.

These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment Sequoia's own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at Sequoia's discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom

brokerage is directed or by third-parties which are compensated by the broker. Sequoia does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research Sequoia receives will help Sequoia to fulfill its overall duty to its clients. Sequoia may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers selected by Sequoia may be paid commissions for effecting transactions for Sequoia's clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Sequoia determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or Sequoia's overall duty to its client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Sequoia makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services is paid by Sequoia to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Sequoia uses client brokerage commissions to obtain research or brokerage services, it receives a benefit to the extent that Sequoia does not have to produce such products internally or compensate third-parties with its own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, whereby Sequoia has an incentive to direct client brokerage to those brokers who provide research and services utilized by Sequoia, even if these brokers do not offer the best price or commission rates for Sequoia clients.

Products and Services Available to Us from Fidelity

SFA has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides SFA with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like SFA in conducting business and in serving the best interests of their clients but that may benefit SFA.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables SFA to obtain many no-load mutual funds without

transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to SFA, at no additional charge to SFA, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by SFA (within specified parameters). These research and brokerage services may presently include services such as economic analysis and market commentary, and are used by SFA to manage accounts for which SFA has investment discretion. Without this arrangement, SFA might be compelled to purchase the same or similar services at its own expense.

As a result of receiving such services for no additional cost, SFA may have an incentive to continue to use or expand the use of Fidelity's services. SFA examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of SFA's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the SFA determines in good faith that the commission is 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although SFA will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by SFA will generally be used to service all of SFA's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. SFA and Fidelity are not affiliates, and no broker-dealer affiliated with SFA is involved in the relationship between SFA and Fidelity.

Handling of Trade Errors:

From time-to-time SFA may make an error in submitting a trade order on your behalf. When this occurs, SFA may place a correcting trade with Custodian which has custody of your account. At Schwab, if an investment gain results from the correcting trade, the gain may remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account, Schwab will donate the amount of any gain \$100 and over to

charity. If a loss occurs greater than \$100, SFA will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted. Fidelity accumulates all trade errors and on a monthly basis, will donate any gains in excess of \$100 to charity. If a loss occurs greater than \$100, SFA will pay for the loss.

Item 13 – Review of Accounts

Managing Planners and Servicing Planners of SFA are required to perform regular reviews of the appropriateness of the advice provided, and to review for compliance with regulations relating to all financial plans and investment advisory services developed for their respective clients.

While the underlying securities within our clients' accounts are continually monitored, investment advisory reviews will be conducted no less than one time per year and according to SFA's agreement with you. Significant changes in areas such as general market conditions, your investment objectives or your financial situation may prompt more frequent review of your account(s). Reviews of investment accounts typically look at portfolio consistency with regard to your risk tolerance, tax situation, investment time horizon, performance objectives, and asset allocation instructions. Reviews can cover your account holdings, transactions, charges and performance as provided on Custodian statements and other account reports. If you receive financial planning services on an ongoing basis, the financial plan may also be reviewed generally at least annually for adherence to goals. Reviews of your financial plan may cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as your other goals.

In addition, investment management accounts may be reviewed upon notice of changes in a client's circumstances as described above. SFA rebalances client portfolios, as we believe appropriate, to maintain consistency with the overall approach we agree to, and we do this on a discretionary basis (limited trading), when so authorized. Meetings to discuss investment accounts and other matters can be scheduled on a mutually agreed upon basis.

SFA's Investment Committee monitors the underlying securities within the *Sequoia Premier Allocation*, *Sequoia ETF Allocation* and *Sequoia Select Value* proprietary models. The Investment Committee meets weekly to discuss current economic happenings, current holdings, potential changes and rebalancing of the models and any specific account issues or concerns.

Clients will receive, at a minimum, quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. The custodial statements are the accurate record in regards to your portfolio and any discrepancies should be brought to the attention of SFA in writing. We may also provide quarterly performance reports to the client detailing the performance of the client's assets in the

account(s) and provide such other information about the account(s) as the client may reasonably request from time to time. SFA recommends that the client compare the information provided in the quarterly performance reports received from us, with those account statements received from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets

Ongoing monitoring of outside third-party money management programs are conducted by the SFA IARs who have recommended investment in these third-party money management programs.

Item 14 – Client Referrals and Other Compensation

Sequoia Financial Advisors has been fortunate to receive many referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. For these types of referrals, SFA does not compensate the referring parties.

SFA may from time to time enter into written agreements with other professional persons or companies who refer potential clients to us in exchange for a referral or solicitor fee which typically is a percentage of the fee we receive from the referred client for our services. This means that the professional persons or companies who refer potential clients to us as described will have a financial interest in the client selecting us to provide investment advisory services. If a potential client is referred to us through an arrangement like this, the potential client will receive a written document which will disclose that we have an arrangement with the solicitor, any affiliation between us and the solicitor, and a description of the compensation the solicitor will receive from us if the potential client establishes an account with us. If a potential client is referred to SFA by a solicitor, the total advisory fees will be based, in part, on the amount of the solicitation fee paid by SFA to the solicitor. Thus, the potential client may be paying more or less than the SFA's other clients for the same investment advisory services depending upon the amount of the advisory fees that will be paid to the solicitor.

Presently, SFA has an agreement with Ferlita, Walsh & Gonzalez, P.A., a professional association engaged in the practice of public accounting in Tampa, Florida, whereby Ferlita, Walsh & Gonzalez, P.A., may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA.

In addition, SFA has an agreement with Kelley & Associates, LLC, a Certified Public Accounting firm located in Lake Mary, Florida, whereby Kelley & Associates, LLC may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA.

Additionally, SFA has an agreement with Lanese & Associates, Inc., a Certified Public Accounting firm located in Sun City and Sarasota, Florida, whereby Lanese & Associates, Inc. may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA.

Also, SFA has an agreement with Salmon, Barton & Associates, LLP, a Certified Public Accounting firm located in Atlanta, Georgia, whereby Salmon, Barton & Associates, LLP, may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA.

Additionally, SFA has an agreement with Felsing, LLC, a Certified Public Accounting firm located in Maitland, Florida, whereby Felsing, LLC, may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA.

Also, SFA has an agreement with B&S Accounts & Tax Service, LLC, a Certified Public Accounting firm located in Lake Mary, Florida, whereby B&S Accounts & Tax Service, LLC may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA.

Furthermore, SFA also has an agreement with Algonquin Advisors, LLC, an SEC Registered Investment Advisor located in Greenwich, Connecticut, whereby Algonquin Advisors, LLC may refer investment advisory clients to SFA in exchange for a portion of the investment advisory fee paid by the referred client to SFA. Algonquin Advisors, LLC is a third-party service provider that SFA has contracted with to provide additional asset allocation resources (Reference Item 8).

SFA may, from time to time, be engaged by another, unaffiliated registered investment advisor, including Bruton Financial Advisors, LLC, to solely assist the other investment advisor in meeting the other investment advisor's responsibilities to its client and SFA will have no direct relationship or responsibilities to that client. SFA's client will instead be the other investment advisor. As such, SFA may provide investment advice to the other investment advisor, but will not provide the other investment advisor's client investment advice. SFA will not act as a fiduciary of the client and will not be a co-fiduciary of the other investment advisor. The services to be performed, and the compensation to be received, will be described in an agreement between SFA and the other investment advisor, and disclosed to its client. SFA will provide this ADV Part 2A to the other investment advisor, as requested.

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

SFA also receives client referrals from Schwab through our participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of, and unaffiliated with SFA. Schwab does not supervise SFA and has no responsibility for the management of clients' portfolios or SFA's other advice or services. SFA pays Schwab fees to receive client referrals

through the Service. SFA's participation in the Service may raise potential conflicts of interest described below.

SFA pays Schwab a Participation Fee on all referred clients' accounts through the Service that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by SFA is a percentage of the fees the client owes to SFA or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. SFA pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to SFA quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by SFA and not by the client. SFA has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs SFA charges clients with similar portfolios who are not referred through the Service.

SFA generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client is solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees we generally would pay in a single year. Thus, SFA will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of SFA's clients who are referred by Schwab, and those referred clients' family members living in the same household. Thus, SFA will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit SFA's fees directly from the accounts.

For accounts of SFA's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from SFA's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Thus, SFA may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. SFA nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for SFA's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Sequoia Financial Advisors-Schwab Advisory Network ("SAN") Asset Management Fee Schedule:

Balanced Portfolio-Above \$500,000 (Tiered Pricing)

<u>Asset Level</u>	<u>Total Fees</u>	<u>Sequoia Fees</u>	<u>SAN Fees</u>
\$0 to \$2,000,000	1.00%	0.75%	0.25%
\$2,000,001 to \$5,000,000	0.75%	0.55%	0.20%
\$5,000,001 to \$15,000,000	0.50%	0.35%	0.15%
\$15,000,001 +	0.40%	0.30%	0.10%

Fixed Income-Above \$500,000 (Tiered Pricing)

<u>Asset Level</u>	<u>Total Fees</u>	<u>Sequoia Fees</u>	<u>SAN Fees</u>
\$0 to \$2,000,000	0.500%	0.250%	0.250%
\$2,000,001 to \$5,000,000	0.375%	0.175%	0.200%
\$5,000,001 to \$15,000,000	0.250%	0.100%	0.150%
\$15,000,001 +	0.200%	0.100%	0.100%

Under \$500,000 (Straight Fee)

<u>Asset Level</u>	<u>Total Fees</u>
\$0 to \$100,000	1.50%
\$100,001 to \$250,000	1.25%
\$250,001 to \$500,000	1.00%

Wealth Planning Fee Schedule New SAN Asset Management Clients

<u>Asset Level</u>	<u>Planning Fee</u>
Assets ≤ \$2,000,000	Free initial basic financial plan; standard price updates upon request.
Assets > \$2,000,000	Full price initial plan; standard price updates.
100% Fixed Income	Full price initial plan; standard price updates.

Retirement Plan Fee Schedule New SAN Retirement Plan Clients

<u>Asset Level</u>	<u>Planning Fee</u>
Assets ≤ \$10,000,000	0.15% annually for a period up to three years.
\$10,000,000 +	\$15,000 annually for a period up to three years

In addition, affiliates of SFA, such as Sequoia Financial Insurance Agency, LLC ("SFIA"), and/or certain Investment Advisor Representatives of SFA, on occasion, may be compensated for providing client referrals to other financial service entities. All such compensation will be fully disclosed to each client consistent with applicable law. Compensation is based on the referral actually engaging with the other financial service entity(s), for the products and services they provide. The client as a result of any such compensation arrangements will incur no additional costs or expenses. Any such referred activities will be conducted in accordance with SEC Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, and/or state securities laws, as applicable.

Item 15 – Custody

Under government regulations, SFA is deemed to have custody of your assets if, for example, you authorize us to instruct Custodian to deduct our advisory fees directly from your account. Custodian maintains actual custody of your assets. You will receive account statements directly from Custodian, at a minimum, quarterly. They will be sent to the postal mailing address you provided to Custodian, or can be accessed via on-line access if so requested by you. SFA urges you to carefully review such statements and compare such official custodial records to the performance reports that we may provide to you. Custodian statements are the accurate record in regards to your account(s) and any discrepancies should be brought to the attention of SFA in writing. Performance Reports provided by SFA, may vary from Custodian statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Under these same government regulations, SFA is also deemed to have custody as it relates to its relationship with Sequoia AI, GP and Sequoia Alternative Investments, LP. Given the definitions of “related person” and “control,” Sequoia AI GP, LLC and Sequoia Alternative Investments, LP are considered “related persons” of SFA. Specifically, Sequoia AI, GP and SFA are seen as having common control given that both are commonly managed. Sequoia AI, GP is also exclusively owned by Sequoia Financial Group, LLC, which also owns SFA. In that regard, given the authority granted to Sequoia AI, GP in the Sequoia Alternative Investments, LP operating agreement, it is concluded that Sequoia AI, GP has custody. Therefore, SFA too will be regarded as having custody of the those assets to the extent they are managed by SFA and therefore SFA would be subject to all of the restrictions under the regulation with respect to those assets, including audit requirements.

As a result, Sequoia Alternative Investments, LP is audited on an annual basis and distributes its audited financial statements to all limited partners within 120 days of the end of its fiscal year. The audit is performed by an independent public accountant that is registered with the Public Company Accounting Oversight Board.

Item 16 – Investment Discretion

Sequoia Financial Advisors usually receives limited discretionary authority from the client at the outset of an investment management relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients give us limited discretionary authority when they sign an Advisory Services Agreement (*Sequoia Client Agreement*), and execute the appropriate Custodian form(s).

When selecting securities and determining amounts, SFA observes the investment objectives, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to SFA in writing.

Clients are advised that they are under no obligation to implement all or any part of the recommendations made by SFA or its Investment Advisor Representatives.

In non-discretionary accounts, we make periodic recommendations to clients regarding the securities to be purchased or sold, and the size of those transactions. The client is required to authorize us on whether to implement the recommendations or not.

For those clients who have engaged with a third-party money manager as outlined above, you may be entering into an investment discretion relationship. These clients should consult the third-party advisory agreement for more details.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, SFA does not accept any authority to and does not vote proxies on behalf of investment advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their accounts. SFA may provide advice to clients regarding the clients' voting of proxies, if so requested.

Item 18 – Financial Information

Sequoia Financial Advisors is required in this Item to provide certain financial information or disclosures about SFA's financial condition. SFA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.