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June 16, 2016

This Brochure provides information about the qualifications and business practices of Regal Advisory Services, Inc. If you have any questions about the contents of this Brochure, please contact us at (877) 488-6534. 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.

Regal Advisory Services, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Regal Advisory Services, Inc. (“Regal”) is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

No material changes have occurred since our last update of March 2016. However, we have updated the chart in item 12 showing clarifications in ticket charges.

Our Brochure may be requested by contacting your advisor directly or the company's Compliance Department at the number above or via email at [compliance@regalsecurities.com](mailto:compliance@regalsecurities.com). Additional information about Regal is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site provides information about any persons affiliated with Regal who are registered, or are required to be registered, as Investment Adviser Representatives of Regal.

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#### **Item 4 – Advisory Business**

Regal Advisory Services, Inc. (“Regal”) was established in 2001 and approved as a Registered Investment Adviser in 2001. George Bokios is a shareholder with 90% ownership. Please refer to Item 10 for more information on Regal Securities, Inc. which is an affiliated broker-dealer under common control.

Regal Advisory offers investment advisory products and services as detailed in this Form ADV Part 2A. Under the various Programs, the client and the IAR compile pertinent financial and demographic information to develop an investment program that will meet the client’s goals and objectives. IARs will analyze the client information and recommend an appropriate strategy based on the client’s needs and objectives, investment time horizon, risk tolerance, and any other pertinent factors.

Currently, Regal offers the following Programs:

1. Regal Discretionary Investment Management (“RDIM”)
2. Regal Non-Discretionary Investment Management (“RNIM”)
3. Financial Planning
4. Retirement Plan Advisory Services

##### **1. Regal Discretionary Investment Management (“RDIM”)**

IARs of Regal Advisory provide investment advisory services to clients that participate in the RDIM Program on a discretionary basis. The IARs develop portfolios based on certain established guidelines and the client’s investment objectives and individual needs. IARs use both fundamental and quantitative research as well as other independent research. IARs may develop a specific investment philosophy using the mix of these analysis methods. Quality and concentration requirements are established to provide an overall discipline and quality element of the Program. Such strategies ordinarily include long and short-term purchases of securities and depending on the client’s objectives and the IAR’s investment philosophy, supplemental covered option writing. In special circumstances, the strategies may also include margin transactions, other option strategies, and trading or short sale transactions.

##### **2. Regal Non-Discretionary Investment Management (“RNIM”)**

IARs of Regal Advisory provide investment advisory services to clients that participate in the RNIM Program on a non-discretionary basis. Clients have the option of accepting the IAR’s recommendations or selecting alternative investments for the account. All investments shall be at the exclusive risk of the client. Regal Advisory does not guarantee any return on the investments recommended or advised upon and may not be responsible for any losses resulting from such trading or for any transactions that it has not recommended to the client. Regal Advisory offers periodic rebalancing of the mutual funds in the client’s account, at the client’s request. Rebalancing is available at predetermined intervals (*e.g.*, annually) or upon the client’s direction. The IARs may recommend stocks, bonds, or other assets of any kind, consistent with the client’s investment objectives and restrictions established by the client. IARs provide non-discretionary recommendations on the basis of research the IAR reasonably deems to be reliable.

##### **3a. Financial Planning- One Time**

Regal Advisory provides advice in the form of a financial plan. Clients purchasing this service will receive a written financial plan, providing the client with a detailed plan designed to achieve their stated financial goals and objectives. An agreement with Regal Advisory is signed prior to the development of the plan which determines the fees and states the terms of the arrangement. In general, the financial plan will address any or all of the following areas of concern:

- **PERSONAL:** Family records, budgeting, personal liability, estate information and financial goals.
- **INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.
- **TAX & CASH FLOW:** Income tax and spending analysis and planning for past, current and future years. Regal Advisory will illustrate the impact of various investments on a client's current income tax and future tax liability.
- **RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning, and disability income analysis. Regal Advisory gathers required information through in-depth personal interviews.

Information gathered includes a client's current financial status, future goals, and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. There is a questionnaire available through RBC to assist with information gathering but there is no Regal specific questionnaire available. Should a client choose to implement the recommendations contained in the plan, Regal Advisory suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. We have a potential conflict of interest to recommend a financial plan that would result in advisory fees paid to us should you use us to implement the financial plan. However, you are under no obligation to act upon our recommendations and if you elect to act upon any of the recommendations, you are under no obligation to effect the transactions through Regal Advisory

### **3b. Financial Planning- Ongoing**

Regal Advisory provides advice in the form of a financial plan. Ongoing financial planning provides comprehensive financial planning over a certain amount of time. Clients purchasing this service will receive a written financial plan, providing the client with a detailed plan designed to achieve their stated financial goals and objectives. Ongoing planning includes periodic updates of the plan based on changes or needs of the client. An agreement with Regal Advisory is signed prior to the development of the plan which determines the fees and states the terms of the arrangement. In general, the financial plan will address any or all of the following areas of concern:

- **PERSONAL:** Family records, budgeting, personal liability, estate information and financial goals.
- **INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.
- **TAX & CASH FLOW:** Income tax and spending analysis and planning for past, current and future years. Regal Advisory will illustrate the impact of various investments on a client's current income tax and future tax liability.
- **RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning, and disability income analysis. Regal Advisory gathers required information through in-depth personal interviews.

Information gathered includes a client's current financial status, future goals, and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. There is a questionnaire available through RBC to assist with

information gathering but there is no Regal specific questionnaire available. Should a client choose to implement the recommendations contained in the plan, Regal Advisory suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. We have a potential conflict of interest to recommend a financial plan that would result in advisory fees paid to us should you use us to implement the financial plan. However, you are under no obligation to act upon our recommendations and if you elect to act upon any of the recommendations, you are under no obligation to effect the transactions through Regal Advisory

#### **4. Retirement Plan Advisory Services**

Regal may provide advisory services to pension, 401(k), profit sharing and similar plans commonly known as ERISA (Employment Retirement Income Security Act) plans. These services may include:

- **Investment Policy Statement (IPS) Preparation:** Regal will meet with the client (plan sponsor or trustee - in person or over the telephone) to determine the client's investment needs and goals. A written IPS can be created, stating those needs and goals, encompassing a policy under which these goals are to be achieved. The IPS will also list the criteria for selection of investment vehicles and the procedures and timing interval for monitoring of investment performance.
- **Employee Communications:** For pension, profit sharing and 401(k) plan clients where participants exercise control over assets in their own account (self-directed plans), Regal provides support for plan participant through telephone conversations and education. The educational support and investment assistance will not provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

#### Advisory Services

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client's instructions are unreasonable Regal, or, if applicable, an IAR believes that the instructions are inappropriate for the client, Regal will notify the client that, unless the instructions are modified, it may cancel the instructions in the client's account. A client will not be able to provide instructions that prohibit or restrict the investment adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the mutual fund.

#### Wrap Fee Programs

In addition to the Programs listed above, Regal Advisory offers several Wrap Fee Program options including:

- RBC Advisor
- Resource II
- Total Strategy

RBC Advisor, Resource II and Total Strategy are sponsored by RBC (CRD #311940). RDIM Wrap and RNIM Wrap are sponsored by Regal Advisory. RBC provides custody, transaction and banking services through the Regal affiliated broker-dealer, Regal Securities. If a Wrap Fee Program is selected, a Form ADV, Part

2A Appendix 1, Wrap Fee Program Brochure containing detailed information about the Program is provided at account opening.

In a wrap fee program, clients are charged an all-inclusive wrap fee on Program Assets that covers advisory, execution, custodial and reporting services on Eligible Assets. A portion of these fees will be paid to Regal for advisory services. In a non-wrap fee program, Regal's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client.

Clients may incur certain charges imposed by custodians, brokers, third party investment 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Regal's fee, and Regal Advisory shall not receive any portion of these commissions, fees, and costs.

Regal manages assets on a discretionary and non-discretionary basis. As of December 31, 2015 Regal held \$129,505,119.00 in discretionary assets and \$40,480,358.00 in non-discretionary assets.

#### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by the firm is established in a client's written agreement. Fees are based on a percentage of assets under management and calculated at an annual rate and billed in advance on a quarterly basis. Fees are based on the assets in the account per the fee schedules below and in some instances, may be negotiated. Margin debit balances do not reduce the value of assets under management.

The initial Program fee will be calculated on the value of the initial assets deposited into the account (valued as of the Effective Date of the Program Agreement) and shall cover the initial quarter pro-rated based on the number of remaining days in such quarter. If the Program Agreement is terminated prior to the last day of a billing quarter, a pro-rated portion, based upon the days remaining in such quarter, of the fee paid in advance will be refunded to client.

Program fees will be automatically deducted from the account unless the client elects, in accordance with the instructions in the Client Agreement, to be billed directly for the Program fees or to have the fees deducted from another account held by RBC. Fee deductions will be funded from available cash or the proceeds of the sale of securities in the account. Unless directed by the client, fee deductions will be funded first from the redemption of amounts in the Cash Sweep Option, then from the sale or redemption of sufficient securities. If the client has elected to be billed for Program fees and such fees and/or other Program charges are not paid within sixty (60) days of the date on the invoice for such fees and/or charges, RBC will debit the applicable account for the invoiced amounts due from the client.

Regal's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such

charges, fees and commissions are exclusive of and in addition to Regal's fee, and Regal shall not receive any portion of these commissions, fees, and costs.

Regal does not receive compensation from the Clearing Firms based on the value of credit balances in the Accounts. If cash is swept into a money market fund, however, our affiliated broker dealer, Regal Securities, will receive compensation based on the value of money market fund, margin and credit balances. Such compensation is exclusive of and in addition to Regal's fee, and Regal shall not receive any portion of this compensation.

Transaction fees charged may be higher than those otherwise available if the services were provided separately or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. Costs and transaction fees arising out of transactions effected by entities other than Regal or RBC or attributable to dealer mark-ups, mark-downs or "spreads" (in transactions where another entity acts as principal for its own account) will be separately borne by clients. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

Regal clients, in some situations, may pledge their advisory account custodied at RBC as collateral for a line of credit through an RBC affiliate. The line of credit is secured by the value of the eligible securities in the account and the account is pledged as collateral. This is offered through an affiliated partner of RBC, RBC Global Private Banking (GPB). Regal Securities, our affiliated broker dealer, may receive a rebate on non-negotiated lines of credit per our clearing agreement. Interest rates for the client are based on the LIBOR. Neither Regal Advisory nor any of its Investment Advisors will receive any of these rebates if they occur.

Item 12 further describes the factors that Regal considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions). Advisory fees may be based on a percentage of assets or as a fixed annual fee. Fees are to be clearly stated in all advisory contracts. Fees that are automatically deducted from the client's account will be reflected in a monthly or quarterly statement. Regal recommends Clients verify the accuracy of the fee computation; the custodian, Regal or Regal Securities, Inc. will not do an independent verification of the accuracy of the computation of fees.

Some mutual funds within these programs pay 12b-1 service fees (normally 0.25% per year) to RBC. Because the accounts in this program are thru Regal Securities, those "indirect" service fees are passed on to Regal Securities. Regal Securities is affiliated with Regal Advisory Services through common ownership. Neither Regal Advisory nor any of its Investment Advisors will receive 12b-1 service fees. Clients should be aware that there may be investment products with similar market exposure that are available at a lower cost.

The manner in which we are compensated and the fees you will pay depends on the type of program or service you select. We have disclosed below the fees and compensation associated with our services:



1. Regal Discretionary Investment Management (“RDIM”)
2. Regal Non-Discretionary Investment Management (“RNIM”)
3. Financial Planning
4. Retirement Plan Advisory Services

### **1. Regal Discretionary Investment Management (“RDIM”)**

The standard fees, which are negotiable, are charged for the RDIM Program. The maximum annual fee is 2.5% of managed assets charged in advance. Mutual funds will include only mutual funds whose shares can be purchased at net asset value within the Program. As shareholders in mutual funds, clients will bear a proportionate share of the funds’ expenses. The maximum fee of 2.5% is in excess of the industry norm and similar advisory services can be obtained for less.

The fees and expenses related to money market funds, mutual funds, or exchange traded funds (“ETFs”) are disclosed in their respective prospectuses. The client acknowledges that they may purchase money market funds, mutual funds, or ETFs directly without paying the Program Fee, but in that event the client would not receive the benefit of Regal’s advice regarding investments which would be suitable for the client.

### **2. Regal Non-Discretionary Investment Management (“RNIM”)**

Standard fees, which are negotiable, are charged for the RNIM Program. The maximum annual fee is 2.5% of managed assets charged in advance. Mutual funds will include only mutual funds whose shares can be purchased at net asset value within the Program. As shareholders in mutual funds, clients will bear a proportionate share of the funds’ expenses. The maximum fee of 2.5% is in excess of the industry norm and similar advisory services can be obtained for less.

Clients should consider all fees and expenses to fully evaluate the advisory services being provided. The fees and expense related to money market funds, mutual funds or ETFs are disclosed in their respective prospectuses. The client acknowledges that they may purchase money market funds, mutual funds or ETFs directly without paying the Program fee, but in that event the client would not receive the benefit of Regal’s advice regarding investments which would be suitable for the client.

### **3a. Financial Planning- One Time**

Financial planning fees will be charged on an agreed upon fixed fee or on an hourly basis. The fixed fee for a financial plan generally ranges from \$1,000 to \$10,000 and the hourly fee generally ranges from \$100 to \$275 per hour, depending on the nature and complexity of your circumstances and financial plan. An estimate for the total hours will be determined at the start of the advisory relationship. Up to 50% of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to you. Regal does not require prepayment of more than \$500 in fees per client and six or more months in advance. Typically, the financial plan will be presented to you within 90 days of the contract date, provided that all of the relevant information needed to prepare the financial plan has been promptly provided by you. You may terminate the arrangement at any time, in writing, and you will be refunded a portion of the fee based upon a pro-rated calculation of the time and expense expended by us.

### **3b. Financial Planning- Ongoing**

Financial planning fees will be charged on an agreed upon fixed fee or on an hourly basis. The fixed fee for a financial plan generally ranges from \$1,000 to \$10,000 and the hourly fee generally ranges from \$100 to \$275 per hour, depending on the nature and complexity of your circumstances and financial plan. An estimate for the total hours will be determined at the start of the advisory relationship. Up to 50% of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon presentation of the plan to you. Regal does not require prepayment of more than \$500 in fees per client and six or more months in advance. Typically, the financial plan will be presented to you within 90 days of the contract date, provided that all of the relevant information needed to prepare the financial plan has been promptly provided by you. You may terminate the arrangement at any time, in writing, and you will be refunded a portion of the fee based upon a pro-rated calculation of the time and expense expended by us.

### **4. Retirement Plan Advisory Services**

Fees for Retirement Plan Advisory Services will be based on plan assets under management with a maximum fee of .50%. Fees are charged in advance of service. Fees are based on the value of account and are calculated as the total market value of the account as shown on the client custodial statement.

#### Account Termination

If the Form ADV Part 2A was not delivered to the client at least 48 hours prior to the client entering into any written advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract.

Upon written receipt of notice to terminate its client agreement giving instructions to liquidate, Regal and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. Management fees will be turned off effective the date a written request to terminate the account from the Client is received. Transaction fees may be passed through by us for such redemption; further, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Regal and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

Regal 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**

Regal provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts.

IARs may impose minimum account sizes for individually managed accounts. In each case, the minimum is negotiable. In addition, the sponsors of other programs offered by Regal Advisory impose minimums, which are often subject to negotiation. The minimum account size is generally \$50,000 per account, unless otherwise specified (limited exceptions may apply). See item 5 for more information regarding minimum quarterly fees.

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

Our investment strategy begins with an understanding of a client's financial goals. IAR's use demographic and financial information provided by the client on the Client Profile Form. Information includes detailed information regarding the client's financial condition, investment objectives and risk tolerance and is used in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include the following:

**Fundamental analysis:** Concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis:** Attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Charting analysis:** Involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Cyclical analysis:** Assumes that the markets react in cyclical patterns, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Covered Options Risk:** Covered call writing is either the simultaneous purchase of stock and the sale of a call option, or the sale of a call option covered by underlying shares currently held by an investor. The downside loss potential is substantial and comes entirely from owning the underlying shares and is limited only by the stock declining to zero. As with any short option position an increase in volatility has a negative financial effect on the covered call while decreasing volatility has a positive effect.

## **Item 9 – Disciplinary Information**

It is Regal Advisory's policy to disclose to its clients and prospective clients all facts that might be material to an evaluation of Regal Advisory's integrity. Although Regal Advisory has not been the subject of any material legal or disciplinary events, Regal Advisory voluntarily discloses the following regulatory actions against its affiliated broker/dealer, Regal Securities:

- On December 23, 2009, Regal Securities signed a Letter of Acceptance, Waiver and Consent with FINRA for the purpose of proposing a settlement of alleged rule violations regarding deficiencies in Regal Securities' anti-money laundering (AML) program. Regal Securities received a censure

and paid a fine to FINRA in the amount of \$50,000. As a result, Regal Securities has implemented tighter internal controls and increased supervision to monitor its AML policies and procedures.

The aforementioned event resulted in no harm or losses to clients of Regal Advisory.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Regal Advisory is affiliated with Regal Securities, which is effectively registered as a general securities broker-dealer with the SEC, FINRA, and various state regulatory agencies. Certain IARs are registered with Regal Securities as Registered Representatives. As a broker-dealer, Regal Securities may have trade errors that result in a profit or loss to Regal Securities. Regal Securities has controls in place to limit such trade errors.

Certain IARs are separately licensed as insurance agents/brokers for various independent insurance companies. These individuals may spend a substantial amount of their time with these aforementioned non-advisory activities. In their capacities as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services.

Regal Securities is also a licensed insurance agency. For those advisory clients who wish to use insurance products to attain their goals, Regal Securities can process insurance transactions if the advisor is appropriately licensed and has the appropriate Errors and Omissions (E&O) insurance. Regal advisory clients are under no obligation to purchase any recommended insurance products.

Certain IARs are separately licensed as CPAs that provide accounting services. These services are not affiliated with Regal and Regal clients are under no obligation to purchase any accounting service.

Other than clients utilizing our Retirement Plan Advisory Services, Regal requires that clients establish brokerage accounts with Regal Securities, Inc., a FINRA registered broker-dealer, member SIPC. RBC will maintain custody of clients' assets and clear trades for their accounts. Regal is independently owned and operated and not affiliated with RBC.

Regal does assist clients in selecting other investment advisors through the RBC sponsored wrap fee programs. RBC ensures other investment advisors participating in their wrap fee programs are appropriately licensed. Prior to referring clients to any other investment advisor outside of the wrap programs we will ensure the other advisor is licensed. There is no financial incentive to choose one advisor over another.

Item 12 includes additional details regarding brokerage practices and related disclosures.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Regal has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, 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 Regal must acknowledge the terms of the Code of Ethics annually, or as amended.

IAR's of Regal may buy, sell or invest in securities that are recommended to clients. Regal's employees and persons associated with Regal are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Regal and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Regal's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Regal 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 employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Regal's clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Regal and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Regal's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Regal will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Regal's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Compliance Department at our main number or via email at [compliance@regalsecurities.com](mailto:compliance@regalsecurities.com).

### **Item 12 – Brokerage Practices**

For Regal client accounts maintained in its custody, RBC generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through RBC or that settle into RBC accounts. RBC may make products and services available to Regal that benefit Regal but may not directly benefit its clients' accounts, these benefits are commonly called soft-dollar arrangements. Many of these products and services are used to service all or a substantial number of Regal accounts. Some of these products and services provided by RBC includes software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides pricing, charts and other market data; (iv) facilitates payment of Regal fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting. Although the ability to aggregate trades is available this is only done if it is determined that a certain asset should be purchased or sold in multiple accounts. By aggregating the trades we can give all of the accounts the average price for the trades. There is no financial incentive to Regal in aggregating trades for our clients. Regal does not have any commitments or understandings to trade with RBC to generate a specified level of brokerage commission in order to receive the products and/or services referenced above. The products and services may benefit Regal over the client; however, it is our intent to proportionately provide the benefits provided to all clients as part of our services. Regal receives a benefit because we do not have to pay for these services. This creates a conflict of interest by giving us an incentive to recommend RBC.

Clients are required to utilize Regal Securities for broker-dealer services. Not all advisers require their clients to direct brokerage. Trades executed through Regal Securities, Regal Advisory's affiliated broker-dealer, will be charged transaction fees. Regal Securities, Regal Advisory's affiliated broker-dealer may receive a portion of the transaction fees listed below based on the volume of trading. For broker-dealer services, the Adviser or its associated persons will not receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. Commissions paid for broker-dealer services may be higher or lower than those paid by other brokers.

Fees vary by product. Transaction fees will be charged per the schedule below:

Equity	Option	Mutual Fund	UIT	Fixed Income
\$10	\$10	\$10	\$10	\$14

Regal is generally not involved in the day-to-day decisions or placements of individual securities transactions that are managed by third party money managers. The money managers are required by law to use their best efforts to place orders for purchase and sale of securities and select broker-dealers to effect these transactions under the terms most favorable to the clients under the circumstances. Among the criteria which Regal reviews in the selection and retention of third party money managers' policies and stated practices regarding the selection of broker-dealers and place of the client's transactions, including its Best Execution policy, but Regal does not directly monitor such activity.

When consistent with our duty to obtain best execution, we may aggregate multiple client transactions into a single order in order to obtain the best price for our clients. Aggregation of orders may give rise to actual or potential conflicts of interest among the accounts for whom the transaction may be appropriate, and among the accounts actually selected to participate in the transaction if the order is only partially filled. In the event that less than the full order is executed (partial fills) the executed amount will be allocated across all the accounts in the bunched order on a pro-rata basis according to the target amount on the initial (full) trade allocation. Exceptions to this are allowed when adherence to this policy could unfairly benefit or harm certain accounts. Exceptions might include, but not be limited to: 1) instances when adhering to the policy would not allow an account to reach a trading lot minimum, 2) when the account is underweighted in a security, it may receive a higher allocation in order to bring it in line with other accounts of similar strategy (and vice versa on sell orders), 3) when an account is low on cash and does not have sufficient liquidity to fund a particular allocation, or 4) when restrictions arise at the firm maintaining custody of the account if the trade was executed at a different firm. Exceptions are only permitted after their review and approval by Regal's Chief Compliance Officer.

### **Item 13 – Review of Accounts**

IARs are responsible for performing an internal quarterly review of the account and for consulting with their clients at least annually. Triggering factors that may prompt an account review include, but are not limited to, the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. Accounts may also be subject to a secondary review by a designated supervisor. Such supervisory reviews will be done on a periodic basis; however, not less than annually. The supervisor will oversee the selected accounts for the same triggering factors as mentioned above.

Quarterly summarized performance reports are available upon request and are separate for the quarterly statement Clients automatically receive from RBC.

The client agrees to inform the IAR in writing of any material changes in their profile or the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the IAR during normal business hours to consult with the IAR concerning the management of the client's account(s).

#### **Item 14 – Client Referrals and Other Compensation**

Regal does not receive an economic benefit by anyone other than the client for providing investment advice and other advisory services. Regal does not compensate for client referrals.

#### **Item 15 – Custody**

Clients should receive statements at least quarterly from RBC, the qualified custodian that holds and maintains your investment assets. Regal urges you to carefully review such statements.

#### **Item 16 – Investment Discretion**

Regal usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, Regal observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Regal in writing.

#### **Item 17 – Voting Client Securities**

Regal does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients should contact their IAR if they have any questions and/or to obtain this information.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required to provide you with certain financial information or disclosures about Regal's financial condition. Regal does not require the prepayment of fees of more than \$500 per *client*, for six months or more in advance. Regal may be granted discretionary authority by their clients. Such discretionary authority will only be authorized in the advisory agreement. Regal has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.