

Item 1 – Cover Page

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August 1, 2017

This Brochure provides information about the qualifications and business practices of Resnick Advisors (“Resnick”). If you have any questions about the contents of this Brochure, please contact us at 203.226.8262 and/or info@resnickadvisors.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Resnick is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Resnick is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as the SEC File number. The SEC File number for Resnick is 801-48564.

Item 2 – Material Changes

Item 2 discusses specific material changes that are made to this Brochure, if any exist, and provides clients with a summary of those changes. **The following material change has been made to this Brochure dated August 1, 2017 from its immediate predecessor dated March 17, 2017.**

- In July 2017, investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) and Kohlberg Kravis Roberts & Co. L.P. (“KKR”) each made an investment in Focus Financial Partners, LLC (“Focus”). This transaction resulted in certain funds managed by Stone Point collectively becoming a principal owner of Focus and the KKR investment vehicles collectively becoming a minority owner of Focus. Because Resnick Advisors is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Resnick Advisors. Items 4 and 10 have been revised to reflect this new ownership structure.

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Item 4 – Advisory Business

Resnick is part of the Focus Financial Partners, LLC (“Focus”) partnership. As such, Resnick is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting, and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Forms ADV.

In July 2017, investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) and Kohlberg Kravis Roberts & Co. L.P. (“KKR”) each made an investment in Focus Financial Partners, LLC (“Focus”). This transaction resulted in certain funds managed by Stone Point collectively becoming a principal owner of Focus and the KKR investment vehicles collectively becoming a minority owner in Focus. Because Resnick is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Resnick.

As of December 31, 2016, Resnick managed \$806,362,699 on a discretionary basis and \$2,602,694 on a non-discretionary basis.

Investment Supervisory Services

Clients employ Resnick as an investment adviser for specific portfolios or investment accounts. Based on the individual needs of the client, Resnick provides continual advice and management regarding investment of client funds. Resnick manages advisory accounts, primarily through the use of mutual funds, and ETF's, on a discretionary or non-discretionary basis.

A client financial profile is developed to determine appropriate investments, investment time-frames, and levels of risk. The profile generally is developed as follows:

1. Gather client information.
2. Consult with client to determine goals and objectives.
3. Review basic financial data which may include overviews of assets and liabilities, cash flow, tax situation, short-term events, long-term goals, risk management, and estate structures.
4. Identify the need for additional professional advice re: legal, tax, etc.

Clients may reasonably restrict Resnick's discretionary authority, including specific securities or the types of securities in which Resnick may invest.

Separately Managed Account Services

Certain clients employ Resnick as an investment adviser to manage the investments within a specific portfolio or investment account through third-party investment managers. Based on a client's investment objectives, restrictions, circumstances and needs, Resnick will present one or more investment managers it believes can meet the client's needs.

After third-party managers have been selected, clients then enter into an advisory agreement directly with the manager. Depending on the service provided, Resnick may or may not be a party to the

agreement. Resnick will monitor the manager's performance and, if necessary, recommend replacement of the manager.

Each client grants the manager limited discretionary trading authority to place orders for a client's account. Each client has the opportunity to instruct the manager with respect to reasonable investment restrictions imposed on the management of the account.

For Resnick and third-party managers to make appropriate investment decisions, it is important the clients provide accurate and complete financial information and notify Resnick of any changes to their investment objectives, personal circumstances and other factors that may impact management decisions for the account.

Clients receive disclosure brochures for each third-party manager recommended which contain a description of the services offered and fees charged by the manager.

Financial Advisory Consultation Services

In response to client requests, Resnick occasionally provides financial consultation services in the areas of insurance, taxation, and general or overall financial management. In these instances, the specific services to be provided are set forth in the engagement letter with the client.

Financial Planning Services

Resnick also occasionally provides formal financial planning services in response to client requests. In these instances, the specific services to be provided are specified in the engagement letter with the client. Resnick outsources some of its financial planning services to Hrefna Martin Financial Consulting, LLC.

General Information on Services

A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice.

Item 5 – Fees and Compensation

Investment Supervisory Services Fees

Managed portfolio services are fee-based, and clients are engaged under a specific contract for services. Clients may terminate the Agreement within five (5) business days of its signing and receive a full refund of all fees. Thereafter, clients may terminate the Agreement at any time without penalty upon receipt of written notice, though shall remain responsible for fees and any other obligations incurred or arising from transactions initiated under this Agreement prior to such termination.

The annual fee for Investment Supervisory Services will be charged as a percentage of assets under management according to the following CUMULATIVE schedule:

ASSETS UNDER MANAGEMENT	ANNUAL FEE*
On amounts up to \$500,000	1.35%
On amounts from \$500,000 to \$1 Million	1.10%
On amounts from \$1 Million to \$2 Million	0.80%
On amounts from \$2 Million to \$5 Million	0.60%
On amounts over \$5 Million	0.50%
The minimum fee charged <u>per quarter</u> will be \$500.	

*The fees are billed quarterly, in arrears, at the end of each quarterly cycle, based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the quarter. Certain retirement and annuity accounts may be billed similarly on a monthly rather than quarterly basis.

Resnick relies upon prices provided by the qualified custodian who holds the assets in pricing the portfolio. In the event that a custodian does not hold the assets, such as may be the case for private equity or other alternative investments, Resnick relies upon the price provided by the entity that is the source of the asset.

Separately Managed Account Services Fees

Fees for Separately Managed Account ("SMA") Services are billed quarterly, in arrears, at the end of each quarterly cycle, based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the quarter. Certain retirement and annuity accounts may be billed on a monthly rather than quarterly basis.

Resnick's annual fees for SMA Services will be negotiated on a case-by-case basis, after considering the size and complexity of the arrangements and effort required in selecting and monitoring the SMA managers.

Resnick relies upon prices provided by the qualified custodian who holds the assets in pricing the portfolio. In the event that a custodian does not hold the assets, such as may be the case for private equity or other alternative investments, Resnick relies upon the price provided by the entity that is the source of the asset.

When a third-party manager is used and the client has signed separate engagements with Resnick and the third-party manager, the client will be charged a fee directly by the third-party manager in addition to Resnick's advisory fee.

Financial Advisory Consultation Fees

Fees are billed at the rate of \$300 per hour. Clients may terminate consulting services within five days after receipt of the engagement letter without penalty. These consulting fees are non-refundable after the five-day grace period, and payable in full upon completion of services.

Financial Planning Fees

Fees for financial planning services are negotiable and vary based on the overall client relationship and the complexity and scope of services required. Clients may terminate financial planning

services within five days after receipt of the engagement letter without penalty. These financial planning fees are non-refundable after the five-day grace period, and payable in full upon completion of services.

General Information on Fees

In certain circumstances, all of Resnick's fees and methods of payment are negotiable. Employees and family members of the Firm are subject to waived or reduced fees. Resnick prefers that fees be directly debited from client accounts. From time to time, small portions of positions will be sold, or assets transferred, to bring the cash account balance to the level required for automatic deduction of fees from the client's chosen accounts.

Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of funds or the termination of any account, any fees, commissions or other expenses associated with rebalancing or liquidating the account holdings will be assessed to the client's account. Redemptions of fund shares and sales may have tax consequences; they may be taxable events which may accelerate the recognition of capital gains, and losses and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and/or losses.

Clients will incur brokerage, transaction, insurance, custodial, and fund costs and fees related to specific investments that are in addition to Resnick's fees. In addition to brokerage and transaction costs for the execution securities transactions, the custodian or clearing broker will impose additional costs. Please see Items 10 and 12 for further information.

In addition to the Fee paid to Adviser, each mutual fund and private investment company in which the Client invests also bears its own investment advisory fees and other expenses which are disclosed in each fund's prospectus or offering documents. Resnick neither receives nor shares in any portion of these additional costs and fees. Clients should review the fees charged by funds, by managers, and by Resnick, as well as brokerage and custodial fees, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Clients should understand that the mutual funds and private investment companies recommended or purchased through this Agreement may be available directly from the mutual funds or private investment companies pursuant to the terms of their prospectuses or offering documents and without paying a Fee to Adviser based upon the value thereof.

All fees paid to Resnick for separately managed account services are separate and distinct from the fee charged by third-party managers for separately managed account services. These fees are described in each third-party manager's management agreement and disclosure brochure.

Fees and expenses reduce the investment returns in client accounts.

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

Resnick does not maintain any performance-based fee accounts "side-by-side" with asset-based fee accounts.

Resnick does not charge fees on the basis of income, capital gains, or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 – Types of Clients

Resnick offers portfolio management services to individuals, pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trust programs, and other institutions.

For Investment Supervisory Services, Resnick generally requires a minimum account size of \$250,000. Exceptions to the minimum account size will be separately negotiated on a case-by-case basis.

For Separately Managed Account Services, Resnick will negotiate the minimum account size on a case-by-case basis.

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

Resnick's Investment Supervisory Services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Resnick's investment approach is firmly rooted in the belief that long-term returns are determined more by asset allocation decisions rather than by market timing or stock picking. Resnick recommends diversified portfolios, principally through the use of managed asset-class mutual funds, and ETFs. Resnick recommends portfolios of securities aimed at implementing this investment strategy.

All investments involve risk. Resnick's investment advice seeks to limit risk through broad diversification among asset classes. Resnick's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that Resnick's strategy seeks to minimize.

Clients may hold or retain other types of assets as well, and Resnick may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation or third-party manager, Resnick relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk.

There are several risks associated with this method, which may result in the client not being able to achieve his or her financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

Risk of Loss

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

All investments present the risk of loss of principal – the risk that the value of securities (e.g. stocks, mutual funds, ETFs, individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and investment managers utilized by Resnick may include investments in domestic and international equities, including real estate investment trusts (“REITs”), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization, and small capitalization stocks. Mutual fund shares invested in fixed income securities are subject to the same interest rate, inflation, and credit risks associated with the underlying bond holdings.

Resnick recommends mutual funds and investment managers who invest in emerging markets. Risks of investing in emerging markets include:

- **Political risk.** Emerging markets can have unstable, even volatile, governments. Political unrest can cause serious consequences to the economy and investors.
- **Economic risk.** These markets can often suffer from insufficient labor and raw materials, high inflation or deflation, unregulated markets and unsound monetary policies. All of these factors can present challenges to investors.
- **Currency risk.** The value of emerging market currencies compared to the dollar can be extremely volatile. Any investment gains can be potentially lessened if a currency is devalued or drops significantly.

Resnick also recommends mutual funds and investment managers who invest in small capitalization (“small cap”) companies. Risks of investing in small cap companies include limited operating history, fewer financial resources and restricted liquidity as compared to investments in large capitalization companies.

Conservative fixed income securities generally have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities or TIPS) present the risk of loss of purchasing power through lower expected returns. This risk is greatest for longer-term bonds.

Certain mutual funds and investment managers utilized by Resnick may invest in international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

In addition, alternative investments, which are typically structured as limited partnership investments, pose additional risks. Alternative investments (such as investments in a real estate private fund, hedge fund, or other type of alternative investment) may present additional risks due to their complex and private nature and to their relative lack of liquidity. By their nature, investments in privately held companies tend to be riskier than investments in publicly traded companies.

Specific information about the risks of any particular investment can be reviewed in that investment's disclosure documents.

Material Risks of Investment Instruments – we may effect transactions in the following types of securities:

- **Equity Securities** - Investing in individual companies involves risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk, and liquidity risk.
- **Mutual Fund Securities** - Investing in mutual funds carries inherent risk. The major risks of investing in mutual funds include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of the individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds may be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.
- **Exchange-Traded Funds** - Exchange-traded funds (ETFs) are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses. Investment in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral, and the liquidity of the supporting collateral.
- **Fixed Income Securities** - Fixed income securities carry additional risks other than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity, the less volatile the price swings. Foreign bonds have liquidity and currency risk.
- **Corporate Debt Securities, Commercial Paper and Certificate of Deposit** - Corporate debt securities, commercial paper, and certificates of deposit carry additional risks other than those of equity securities described above. The risks include the company's ability to retire its debt at maturity, the current interest rates environment, the coupon interest rate

promised to bondholders, legal constraints, jurisdictional risk (U.S. or foreign), and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity, the less volatile the price swings. Foreign bonds have liquidity and currency risk. Commercial paper and certificates of deposit are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the clients needs to convert the certificate of deposit to cash prior to maturity.

- **Municipal Securities** - Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.
- **Variable Annuities** – Variable Annuities are long-term financial products designed for retirement purposes. In essence, annuities are contractual agreements in which payment(s) are made to an insurance company that agrees to pay out an income or a lump sum amount at a later date. There are contract limitations, fees, and charges associated with annuities, administrative fees, and optional benefits. They also may carry early withdrawal penalties and surrender charges and carry additional risks such as the insurance carrier's ability to pay claims. Moreover, variable annuities carry investment risk similar to mutual funds. Investors should carefully review the terms of the variable annuity contract before investing.
- **Private Investment Funds** – Private Investment Funds generally involve risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents and will be provided to each client for review and consideration. Investing in private investment funds is intended for experienced and sophisticated investors only who are willing to bear the high economic risks of the investment. Investors should carefully review and consider potential risks before investing. Some of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; lack of liquidity because of redemption terms and conditions; and that there may not be a secondary market for the fund; volatility of returns, restrictions on transferring interest in the fund; a potential lack of diversification; higher fees than mutual funds; lack of information regarding valuations and pricing; and advisor risk. Each prospective client investor will be required to complete a subscription agreement with the private investment fund itself, pursuant to which the client investor shall establish that he/she/it is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment. Private investment funds have liquidity risk and investors may not be able to redeem their investment per Offering Document's disclosures. In addition, we may recommend a particular fund to many clients, and a subsequent recommendation to terminate that fund from client portfolios may result in liquidity constraints impacting the redemptions from the fund.

Item 9 – Disciplinary Information

As a registered investment adviser, Resnick is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Resnick or the integrity of Resnick's management. Resnick has no such legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

Focus Operating, LLC and Focus Financial Partners, LLC

Resnick is part of the Focus Financial Partners, LLC network. As described in Item 4 above, Resnick is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus Financial Partners, LLC. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the Focus Partners). The Focus Partners provide wealth management, benefits consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADV.

As noted above in response to Item 4, in July 2017, investment vehicles affiliated with Stone Point and KKR each made an investment in Focus. This transaction resulted in certain funds managed by Stone Point collectively becoming a principal owner of Focus and the KKR investment vehicles collectively becoming a minority owner in Focus. Because Resnick is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Resnick. None of KKR, Stone Point, or any of their affiliates participates in the management or investment recommendations of our business.

Resnick recommends to certain 401(k) clients or prospects the record keeping and third-party administrative services of Sentinel Benefits Group, LLC ("Sentinel"), which is an affiliate as it is also owned by Focus Operating, LLC. However, 401(k) advisory clients contract separately with Sentinel on an arm's-length basis for these services if they so choose. No financial incentives of any kind are exchanged between Resnick and Sentinel.

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

Resnick has adopted a Code of Ethics expressing the firm's commitment to compliance with applicable laws and ethical conduct. Resnick's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, prohibits the misuse of material, non-public information and sets forth Resnick's compliance practices governing the personal securities transactions of supervised persons with access to client information. Among other things, Resnick requires that anyone associated with this advisory practice with access to advisory recommendations provide duplicate brokerage statements to the firm's Chief Compliance Officer and receive approval from the Chief Compliance Officer prior to investing in any private placements (limited offerings).

Resnick will provide, free of charge, a complete copy of its Code of Ethics to any client or prospective client upon request.

Item 12 – Brokerage Practices

Resnick routinely recommends that its clients custody their assets at Charles Schwab & Co., Inc. (“Schwab”), which is a “Qualified Custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940. Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions. In deciding to recommend Schwab, Resnick considers a number of facts, including:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Technology that integrates within Resnick’s environment, including interfacing with Resnick’s portfolio management system;
- A dedicated service or back office team and its ability to process seamlessly and timely various requests from Resnick on behalf of its clients;
- Ability to provide Resnick with access to client account information through an institutional website; and
- Ability to provide clients with electronic access to account information and investment and research tools.

Resnick routinely recommends that clients establish brokerage accounts with the Schwab Institutional (“SI”) division of Charles Schwab & Co., Inc. SI provides Resnick with access to its institutional trading and operations services, which are typically not available to Schwab retail investors.

These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ account assets are maintained at Schwab. SI’s services include:

- research;
- brokerage;
- custody;
- access to certain mutual funds and other investments.

SI also makes available to Resnick other products and services that benefit Resnick but may not benefit its clients’ accounts directly. Some of these other products and services assist Resnick in managing and administering clients’ accounts. These include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution;
- provide research, pricing information, and other market data;
- facilitate payment of Resnick’s fees from its clients’ accounts;
- assist with back-office support, recordkeeping, and client reporting.

Many of these services generally may be used to service all or a substantial number of Resnick’s

accounts, including accounts not maintained at SI. SI may also provide Resnick with other services intended to help Resnick manage and further develop its business enterprise. These services may include consulting, publications, and presentations about:

- practice management;
- information technology;
- business succession;
- regulatory compliance;
- marketing.

In addition, SI may make available, arrange for, or pay for these types of services to Resnick by independent third parties. SI may discount or waive fees it would otherwise charge for some of these services, or pay all or a part of the fees of a third-party providing these services to Resnick.

While, as a fiduciary, Resnick endeavors to act in its clients' best interests, Resnick's recommendation that clients maintain their assets in accounts at SI may be based in part on the benefit to Resnick of the availability of some of the foregoing products and services.

Resnick routinely recommends that clients direct Resnick to execute transactions through SI, subject to best execution of securities transactions. Not all advisers require their clients to direct brokerage. In a directed brokerage arrangement, Resnick is not under any obligation to determine if lower rates are available or to execute transactions at the lowest rates available.

Resnick generally does not aggregate client transactions in mutual funds or other securities. Resnick primarily utilizes mutual funds which receive a daily closing Net Asset Value ("NAV"); therefore, aggregating trades does not benefit clients. Client accounts are individually reviewed and managed.

From time to time Resnick makes an error in submitting a trade order on your behalf. When this occurs, the Firm may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless:

- the same error involved other client account(s) that should have received the gain.
- regulation or policy does not permit you to retain the gain.
- we confer with you and you decide to forego the gain (e.g., due to tax reasons).

Item 13 – Review of Accounts

Underlying securities within Investment Supervisory Services Accounts are periodically monitored. Accounts are reviewed as to asset allocation, individual holdings, suitability, and performance. Reviews of holdings used for client model portfolios are performed by the Investment Policy Committee on at least a monthly basis. The Investment Policy Committee is comprised of Managing Directors Marty Resnick, Joe McBride, and John Fitzgerald. The Committee may invite contributions and enlist the services of the Chief Executive Officer, the Chief Compliance Officer, Investment Researchers, and Investment Advisors. For rebalances of many clients' accounts over several days, prompted for example by Advisor or IPC directive, the rebalances shall be done, for those clients for whom it is ultimately deemed appropriate, in alphabetical order.

Client information is downloaded each business day, reflecting holdings and prices as of the close of business the previous business day or other most recently priced day. Calculations of asset allocation, individual position weights, total internal rates of return since inception, and annualized internal rates of return are then made available, if not actually executed, each day. Client portfolio data is maintained in-house in a customized, computer database. Transaction records and market pricing is downloaded each business day or as often as is made available. Specific securities common to client portfolios are monitored on an on-going basis.

In addition to the quarterly statements and confirmations of transactions that Investment Supervisory Services clients receive from their broker-dealers, Resnick makes periodic reports available to all clients showing their portfolios' financial profile and performance data. Clients are urged to schedule meetings to review the performance of their accounts and the consideration of, and progress toward, their goals.

SMAs are managed similar to the Investment Supervisory Services above. Accounts are reviewed for investment manager suitability and performance. Client portfolio information is reviewed regularly including the performance data provided by third-party managers. Resnick does not verify performance data provided by third parties. Where appropriate, Resnick may change or recommend a change of the manager for a client's portfolio based on such performance data.

Item 14 – Client Referrals and Other Compensation

Resnick's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus and/or Resnick holds partnership meetings and other industry and best-practices conferences, which typically include Resnick, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Resnick. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Resnick. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Resnick to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Resnick. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

Fidelity Brokerage Services
J.P. Morgan Asset Management
Charles G. Schwab & Co.
Lord Abbett & Co.

Resnick has arrangements in place with investment advisers and Certified Public Accountants ("CPA's") whereby the firm provides compensation, sharing between 20% and 50% of the overall

fees charged to clients, for client referrals. Solicitation arrangements inherently give rise to potential conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of advisory services. Resnick addresses these conflicts through this disclosure. If a client is introduced to Resnick by a solicitor, Resnick has agreed to pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any referral fees incurred for successful solicitations are paid solely from Resnick's investment management fee, and do not result in any additional charge to the client. If the client is introduced to Resnick by a solicitor, the solicitor provides the client with a copy of Resnick's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation.

Item 15 – Custody

In accordance with the requirements of the custody rule under the Advisers Act, Clients will receive at least quarterly statements directly from the client's brokerage firm, or other qualified custodian that holds and maintains the client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we provide to you, including the market value and calculation of our advisory fees. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you have any questions regarding your statements, you may contact Resnick's Chief Compliance Officer.

Item 16 – Investment Discretion

For "discretionary" Investment Supervisory Services, Resnick, in its Investment Advisory agreement, requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be conveyed to Resnick in writing. Clients may, in writing, change or amend these limitations as required.

When receiving Separately Managed Account Services, clients grant Resnick discretion to hire and terminate third-party managers. In addition, clients grant limited discretionary trading authority to each third-party manager to purchase and sell securities at their discretion within the account being managed.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Resnick does not have any authority to, and does not in practice, 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 applicable proxies directly from the issuer of securities held in clients' investment portfolios.

Item 18 – Financial Information

Resnick does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this Brochure. Neither Resnick nor its management has any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients. Resnick has not been the subject of a bankruptcy petition.