

# RegentAtlantic

Investment Adviser Brochure (Form ADV: Part 2A)

SEC File Number 801- 17301

March 23, 2017

This brochure provides information about the qualifications and business practices of RegentAtlantic. If you have any questions about the contents of this brochure, please contact us at 973-425-8420. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about RegentAtlantic also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 - Material Changes

RegentAtlantic will update this brochure: 1) annually, 2) promptly when certain information becomes materially inaccurate, and 3) when RegentAtlantic deems it appropriate.

There have not been any material changes made to this brochure since our last annual update on February 8, 2016.

RegentAtlantic will provide its clients with a summary of any material changes, if any, to this and subsequent brochures by April 30th of each year. You can request our brochure at any time by contacting Jennifer E. Papadopolu, Chief Compliance Officer, at 973-425-8420 (ext. 206) or [jpapadopolu@regentatlantic.com](mailto:jpapadopolu@regentatlantic.com).

### 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
Item 5 - Fees and Compensation .....	2
Item 6 - Performance-Based Fees and Side-By-Side Management .....	3
Item 7 - Types of Clients .....	3
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	4
Item 9 - Disciplinary Information .....	7
Item 10 - Other Financial Industry Activities and Affiliations .....	7
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	8
Item 12 - Brokerage Practices .....	8
Item 13 - Review of Accounts .....	14
Item 14 - Client Referrals and Other Compensation .....	15
Item 15 - Custody .....	15
Item 16 - Investment Discretion .....	15
Item 17 - Voting Client Securities .....	16
Item 18 - Financial Information .....	17

#### Item 4 - Advisory Business

EB Advisory Corp (founded 1982) and Individual Asset Planning (founded 1983) joined together in 1997 to form Bugen Stuart Korn & Cordaro. The firm changed its name to RegentAtlantic, LLC ("RegentAtlantic") in 2001.

RegentAtlantic provides clients with a broad range of wealth management services, including financial planning and ongoing investment management. Financial planning includes advice on goal setting, determining risk tolerance, retirement planning, IRA/qualified plan distributions, college funding, business planning, estate and tax planning, insurance analysis, stock options, and charitable giving. Investment management includes: 1) asset allocation, 2) investment vehicle selection, 3) management of a portfolio of individual equity securities, and 4) tax management. On occasion, RegentAtlantic also provides advice on non-investment related matters.

RegentAtlantic invests client assets primarily in individual fixed income securities (bonds), equity securities (stocks), exchange-traded funds, and no-load and load-waived mutual funds. RegentAtlantic does not limit its investment advice to these types of investments. RegentAtlantic may also invest client assets in structured notes and certificates of deposit (CDs). If a client has an existing variable annuity contract that was recommended by another advisor, RegentAtlantic will review the contract and if appropriate, may recommend that the client exchange it. With respect to variable annuity products, RegentAtlantic recommends variable annuities offered by unaffiliated third parties.

RegentAtlantic tailors its wealth management services to a client's individual financial objectives, time horizon, and risk tolerance. RegentAtlantic relies on the information provided by the client or the client's other professionals and does not verify this information. Clients should notify RegentAtlantic if there is ever a change in their financial situation or investment objectives or if they wish to impose restrictions on investing in certain securities or types of securities.

RegentAtlantic also provides investment advice on a consulting basis. RegentAtlantic is not responsible for the management or ongoing review of the client's assets following the delivery of this analysis and advice. A client who receives consulting services can accept or reject RegentAtlantic's advice and can engage the services of RegentAtlantic or any other professionals to implement the recommendations. Other services include pension consulting services and education seminars and workshops.

RegentAtlantic's principal owners are Christopher J. Cordaro and Jennifer E. Papadopolu. Chris owns approximately 41% of RegentAtlantic and Jennifer owns approximately 19%.

As of December 31, 2016, RegentAtlantic managed approximately \$3,186,940,143 in assets on a discretionary basis and \$77,756,210 in assets on a non-discretionary basis.

#### Item 5 - Fees and Compensation

RegentAtlantic provides wealth management services, including ongoing financial planning and ongoing investment management, to the majority of its individual clients. Certain clients, such as foundations and retirement plans, do not require financial planning. Annual wealth management fees range from 0.25% to 1.00% of a client's assets under management and are subject to a financial planning fee. Assets under management includes the value of cash and of any assets held in money market funds.

Fees are negotiable and are subject to a \$10,000 financial planning fee or annual minimum fee. At its discretion, RegentAtlantic may elect to reduce or waive the annual minimum fee based on the circumstances surrounding the client relationship (e.g. a client's status as an existing financial planning client or employee, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets managed, related accounts, type of services required, account composition, and individual negotiations). If applicable, the financial planning fee is equal to the difference between the fee charged for assets under management and the \$10,000 annual minimum. The fee charged depends on the amount of assets under management and whether RegentAtlantic will be providing financial planning services.

Fees are pro-rated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. There are certain legacy clients and retirement plan accounts that are billed in arrears based on the market value of the assets on the last business day of the quarter. RegentAtlantic debits the wealth management fee directly from a client's account. Upon request, RegentAtlantic will send an invoice to the client rather than directly debit the client's quarterly fee.

For consulting services, RegentAtlantic charges a fixed and/or hourly fee. Fees depend on the level and scope of the services provided and the experience and expertise of the RegentAtlantic employee rendering the services. Fixed fees range from \$5,000 to \$25,000 and hourly fees range from \$150 to \$500 per hour. Fees are negotiable and are subject to a \$5,000 minimum. Clients pay 50 percent of the consulting fee at the start of the engagement and 50 percent within 30 days after the project is completed. If an individual becomes a wealth management client within 12 months after the end of the consulting engagement, RegentAtlantic applies 50 percent of the consulting fee towards the client's first year's wealth management fee.

Clients can terminate the agreement for wealth management or consulting services by providing written notice to RegentAtlantic. If a client terminates the wealth management agreement, RegentAtlantic prorates the quarterly fee through the termination date and

refunds any balance. If a client terminates the investment consulting agreement, RegentAtlantic is compensated for the portion of the engagement completed and refunds any balance. If a client terminates any of RegentAtlantic's services within five business days of entering in the agreement, RegentAtlantic refunds any fee paid.

In the past, RegentAtlantic offered as a courtesy a discounted fee to professionals, such as attorneys and accountants. This practice was discontinued in 2013.

In addition to RegentAtlantic's fee, clients pay brokerage and other transaction costs (as described in Item 12 below). Clients also pay charges to financial institutions and other third parties such as custodial fees, charges imposed directly by mutual funds (including money market funds) and exchange traded funds, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, fees charged by custodian banks that sponsor ADRs, foreign tax withholding, reorganization fees, redemption penalties of mutual funds, margin expenses, alternative investment fees, and other fees and taxes on brokerage accounts and securities transactions. A company sponsoring a variable annuity contract also assesses various account fees. RegentAtlantic does not receive any portion of these other fees.

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

RegentAtlantic does not charge performance-based fees.

#### Item 7 - Types of Clients

RegentAtlantic's clients are comprised of individuals, including high net worth individuals, charitable organizations such as foundations and endowments, pension and profit sharing plans, and business entities.

As described in Item 5 above, RegentAtlantic imposes an annual minimum fee for its services. RegentAtlantic reduces or waives this minimum based on certain criteria, such as a client's status as an existing financial planning client or employee, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets managed, related accounts, types of services required, account composition, and individual negotiations.

### Asset Allocation

RegentAtlantic's Investment Committee is composed of members of RegentAtlantic's investment team and other employees of the firm. This committee recommends asset class weightings for the firm's model portfolios. The "standard allocation model" shows how RegentAtlantic would allocate a portfolio if the Investment Committee viewed all asset classes as fairly valued. Based on current market conditions, current valuations, and research, the Investment Committee adjusts the allocations to the asset classes to be either neutrally weighted, overweighted or underweighted to form the "current allocation model." The Investment Committee could also recommend no allocation to an asset class in the current allocation model.

RegentAtlantic develops a target allocation for each client that is based on the current allocation model and on the client's individual objectives, risk tolerance and other restrictions. The investment team compares the actual asset allocations of client portfolios to their target allocations. If there is a large difference between the actual and target allocations, the investment team makes purchase and/or sale recommendations to rebalance the portfolio. These recommendations are reviewed, approved or modified by the Wealth Advisor assigned to the client. A difference that exceeds 20% of an asset class target portfolio weight typically warrants a recommendation to rebalance. This may vary based on transaction costs, tax implications, and market conditions.

### Investment Selection

The Investment Committee determines which investment vehicles RegentAtlantic will use with respect to a particular asset class. RegentAtlantic's selection process for investment vehicles is described below. RegentAtlantic implements investment recommendations using the following strategies: 1) long term purchases (securities held at least a year), 2) short-term purchases (securities sold within a year), 3) margin transactions, 4) options trading, and 5) short sales. In order to conduct asset class and investment vehicle research, the firm subscribes to a number of financial data and analytical services, including: Bloomberg, Factset, Axioma, and Morningstar.

### *Mutual Funds and Exchange-Traded Funds*

A member of RegentAtlantic's Investment Committee screens the available universe of investment vehicles in a given asset class and may use Morningstar's database of funds to identify the preferred investment vehicles. The member prepares a written recommendation to the Investment Committee in an annual review and other periodic reviews that may arise. The Investment Committee may accept the recommendation, reject the recommendation, or request further analysis. The Investment Committee

considers a range of selection criteria in determining the approved investment vehicles, including: historical performance; historical risk; sector and country exposure; expense ratios; management style; and other factors.

### *Global Large Cap Stocks*

When appropriate for a client, RegentAtlantic invests in individual equity securities for the global large cap asset class. RegentAtlantic ranks the universe of large company stocks from undervalued to overpriced using factors such as net income, revenue, book value and overall financial quality. RegentAtlantic then constructs a portfolio of what it believes are low priced stocks across various industries.

### *Fixed Income Securities*

RegentAtlantic may invest in fixed income securities to provide liquidity and to attempt to reduce volatility in client assets. When investing in fixed income securities, RegentAtlantic looks to invest primarily in high credit quality, short duration bonds. RegentAtlantic's Risk Management Committee maintains and updates the firm's bond purchasing criteria. This committee determines: (1) the acceptable duration, (2) the acceptable credit rating, and (3) an approved list of corporate bond issuers for bonds.

### *Municipal Bonds*

RegentAtlantic may include an investment in individual municipal bonds in its managed portfolios. Not all client portfolios will include these investments. In determining which client portfolios will purchase individual municipal bonds, RegentAtlantic will consider: 1) the client's marginal tax rate, including federal income tax bracket, state income tax bracket, and the Medicare surtax on net investment income; 2) the suitability of tax-exempt municipal bonds for the client; 3) the client's liquidity constraints; and 4) the size of the client's portfolio.

### *Other*

A variable annuity offers a range of investment options including mutual funds that invest in stocks, bonds and/or money market instruments. When a client owns a variable annuity, RegentAtlantic is limited to the sub-account options offered by the variable annuity provider when making investment decisions for clients.

### Risks

Each type of security has its own unique set of risks that are not always easily identifiable. These risks affect the performance and the volatility of any investment. For example, investments are affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws and



national and international political circumstances. Investments are also subject to currency, political and business risks.

Most mutual funds and exchange traded funds fall into one of three main categories – money market funds, bond funds, and stock funds. Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss. Clients should read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks prior to investing.

Trading on margin, short selling, and option trading are not part of RegentAtlantic's standard model or current allocation model. However, RegentAtlantic may recommend one or more of these strategies depending on a client's individual circumstances. The specific risks of margin transactions, option transactions, and short sales are described below.

Buying securities on margin increases risk, and may result in larger losses and certain specific risks, including those listed below:

- When buying securities on margin, it is possible to lose more money than what was originally in the investor's account.
- The margin loan must be repaid regardless of the performance of the securities bought.
- Interest charged on the margin loan may reduce the investor's returns.
- When buying securities on margin, the lending broker-dealer may issue a margin call as a result of changing market conditions and/or securities prices. An investor receiving a margin call may have to deposit additional cash or securities in his/her account. If the investor does not do so, it is possible that the broker will sell some of the securities at a loss without the investor's approval.

Selling securities short carries a number of specific risks, including those listed below:

- It is possible that the value of the security rises, causing losses for the short seller.
- It is possible to have losses that exceed the value of deposits to an investor's account.
- There is no limit to the potential losses on a short sale, since there is no cap on how high the value of the security may rise.
- A short seller is responsible for paying any dividends/interest paid by the security that was sold short. This may reduce returns.

- When selling securities short, the lending broker-dealer may issue a margin call as a result of changing market conditions and/or securities prices. An investor receiving a margin call may have to deposit additional cash or securities in his/her account. If the investor does not do so, it is possible that the broker will buy back some of the securities that were shorted at a loss without the investor's approval.

Options trading carries a number of specific risks, including those listed below:

- When buying an option, the investor pays a premium. It is possible for the option to expire worthless and that investor will recover none of the original premium paid.
- When selling an option, the investor receives a premium. It is possible for the option to expire at a value significantly higher than the original premium received, resulting in significant losses for the investor.
- When selling a call option, the investor faces unlimited potential losses. There is no limit to the potential losses on a call option sold by an investor, since there is no cap on how high the value of the security may rise.
- It is possible to sell options in a margin account. When selling options, the lending broker-dealer may issue a margin call as a result of changing market conditions and/or securities prices. An investor receiving a margin call may have to deposit additional cash or securities in his/her account. If the investor does not do so, it is possible that the broker will buy back some of the options at a loss without the investor's approval.

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

#### Item 9 - Disciplinary Information

RegentAtlantic and its employees do not have legal or disciplinary events to disclose.

#### Item 10 - Other Financial Industry Activities and Affiliations

RegentAtlantic and its employees do not engage in financial industry activities or have affiliations that are material to the advisory business.

Where appropriate, RegentAtlantic recommends that a separate firm, WWR Brokerage, LLC, review the insurance policies of a client or prospective client. Wayne Rosenberg is the owner of this firm and is the stepfather of Brian Kazanchy, a wealth advisor and partner at RegentAtlantic. Neither RegentAtlantic nor Mr. Kazanchy is compensated from WWR Brokerage, LLC or any other source for this referral. The client or prospect is not obligated to purchase any products or services from WWR Brokerage, LLC.

RegentAtlantic has many professionals, such as accountants and attorneys as clients. When appropriate, the services of these professionals may be recommended to other RegentAtlantic clients. These professionals may also recommend the services of RegentAtlantic to their clients. The recommendations are not dependent on the professionals' status as a RegentAtlantic client or the professional referring clients to RegentAtlantic.

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

RegentAtlantic has a written code of ethics (the "code") that is based on fundamental principles of openness, integrity, honesty and trust. The code includes policies to prevent RegentAtlantic and its employees from misusing material non-public information (i.e., insider trading). The code also prohibits employees from engaging in personal securities transactions that: 1) place, or appear to place, the employee's interests above those of clients, 2) create an actual or potential conflict of interest, or 3) abuse employee's position of trust and responsibility. All employees must conduct themselves in accordance with this code.

RegentAtlantic's employees may invest in the same securities (or related securities, e.g., warrants, options, or futures) for their own accounts that RegentAtlantic recommends and invests in for clients. Further, employees can transact in a security for their own accounts at or about the same time that RegentAtlantic recommends or invests in that same security for clients. A conflict of interest exists in such cases because employees could trade ahead of clients and potentially receive more favorable prices. To monitor this conflict, RegentAtlantic requires that employees obtain approval from RegentAtlantic before transacting in certain securities. Employees must also report their personal investment holdings and securities transactions to RegentAtlantic. RegentAtlantic reviews this information to ensure that employees are acting in accordance with the code. It should be noted that employee transactions may be combined with client orders. In such instances, employee transactions will receive the same average price and commission as client transactions.

Contact Jennifer E. Papadopolu at 973-425-8420 (ext. 206) or [jpapadopolu@regentatlantic.com](mailto:jpapadopolu@regentatlantic.com) to request a copy of the code of ethics.

#### Item 12 - Brokerage Practices

RegentAtlantic recommends the brokerage and custodial services of TD Ameritrade ("TD Ameritrade"), Charles Schwab & Co., Inc. ("Schwab") and/or Fidelity Investments ("Fidelity") (collectively, the "Custodians"). The Custodians charge brokerage commissions and/or transaction fees for effecting securities transactions. RegentAtlantic seeks to obtain the "best execution" for client securities transactions. In seeking best

execution, the determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution. RegentAtlantic recommends the services of the Custodians based on a number of factors including financial strength, reputation, execution, pricing, responsiveness, fees, research, and service.

If a client is unable to transfer his or her account to one of the Custodians, RegentAtlantic may accommodate this account with the aggregation service, ByAllAccounts. This service provides RegentAtlantic with transaction, pricing and position information on a view-only basis. RegentAtlantic will not seek better prices or execution services from the broker-dealers holding these clients' accounts and clients are responsible for placing the transactions recommended by RegentAtlantic through such broker-dealers.

Currently, RegentAtlantic has two Trust accounts at Northern Trust and two Trust accounts at the Bank of New York. RegentAtlantic does not have any plans to increase the number of accounts at these custodians.

#### Soft Dollar Benefits

In return for effecting securities transactions through the Custodians, RegentAtlantic receives products and services that help it make investment decisions and execute client transactions. These products and services are known as soft dollar benefits. If the Custodians did not provide soft dollar benefits, RegentAtlantic would have to pay for these products and services. RegentAtlantic may receive some or all of the soft dollar benefits listed below.

- analyses and research pertaining to specific securities, companies or sectors
- market, financial and economic studies, forecasts, surveys, data, and analyses
- financial publications
- statistical and pricing services
- software and databases
- computer services and software used to effect securities transactions and perform functions with respect to transaction execution

The amount of soft dollar benefits that RegentAtlantic receives depends on the volume of brokerage transactions that RegentAtlantic places with the Custodians. RegentAtlantic has a conflict of interest because the firm has an incentive to: 1) cause clients not to pay the lowest compensation the firm might otherwise be able to negotiate, 2) cause clients to engage in more securities transactions than would otherwise be optimal, and 3) only recommend broker-dealers that provide soft dollar benefits. RegentAtlantic uses soft

dollar benefits to service all of its clients. RegentAtlantic does not seek to allocate soft dollar benefits to client accounts proportionately to the amount of brokerage transactions effected in the account.

Certain products or services that RegentAtlantic receives as soft dollar benefits also have an administrative or other function. RegentAtlantic pays for the portion of the cost that is not attributed to making investment decisions and executing transactions. RegentAtlantic has a conflict of interest in determining this amount since it has an incentive to designate as little as possible of the cost as administrative to minimize the portion that the firm must pay directly.

RegentAtlantic has policies and procedures to address the conflicts of interest associated with its brokerage practices. RegentAtlantic periodically reviews the quality of the brokers used and evaluates the overall reasonableness of brokerage commissions paid on client transactions.

#### Other Benefits

If RegentAtlantic maintains a threshold dollar amount of client assets at the Custodians, it receives other benefits from them without cost or at a discount. These benefits are typically only available to institutional investors or would require a significantly higher minimum initial investment. Unlike soft dollar benefits, these benefits do not depend on the amount of brokerage transactions RegentAtlantic directs to the Custodians. RegentAtlantic may receive some or all of the other benefits listed below.

- receipt of duplicate client statements and confirmations
- research related products and tools
- consulting services
- access to a trading desk serving institutional advisers
- the ability to aggregate securities transactions for execution and then allocate the shares to client accounts
- the ability to have advisory fees deducted directly from client accounts
- access to an electronic communications network for client order entry and account information
- access to mutual funds with no transaction fees
- access to certain institutional mutual fund managers

- software and other technology that provide access to client account data (such as trade confirmations and account statements)
- researching, pricing information and other market data
- assistance with back-office functions, recordkeeping and client reporting
- consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing
- payment for business consulting, professional services and seminars that RegentAtlantic's related persons attend or receive
- discounts on compliance, marketing, research, technology, and practice management products or services provided to RegentAtlantic by third party vendors

These products and services assist RegentAtlantic in managing and administering client accounts. For example, the Custodians provide services to help RegentAtlantic manage and further develop its business enterprise. These products and services benefit RegentAtlantic and do not benefit clients' accounts. RegentAtlantic's receipt of these economic benefits creates a potential conflict of interest. RegentAtlantic manages this potential conflict by periodically comparing the fees charged and services offered by the Custodians with those offered by other custodians.

In addition, the Custodians have supported and may in the future support the Wall Street Woman's Forum, an annual seminar held by RegentAtlantic, for clients and potential clients. This sponsorship benefits RegentAtlantic and does not directly benefit client accounts. RegentAtlantic's receipt of these economic benefits creates a potential conflict of interest. RegentAtlantic manages this potential conflict by periodically comparing the fees charged and services offered by the Custodians with those offered by other custodians.

RegentAtlantic participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. RegentAtlantic receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, RegentAtlantic participates in TD Ameritrade's institutional advisor program and may recommend TD Ameritrade to clients for custody and brokerage

services. There is no direct link between RegentAtlantic's participation in the program and the investment advice it gives to its clients, although RegentAtlantic receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

### Block Trading

In general, RegentAtlantic effects client transactions independently (that is without regard to transactions in other client accounts). Where appropriate, RegentAtlantic may combine client transactions if it decides to purchase or sell the same securities for several clients at approximately the same time (the practice is commonly referred to as "block trading"). RegentAtlantic combines such orders to: 1) obtain "best execution", 2) negotiate more favorable commission rates, or 3) allocate differences in prices and commissions or other transaction costs equitably across client accounts. Employee transactions may be combined with client orders. If RegentAtlantic does not combine transactions when it has the opportunity to do so, clients could pay higher brokerage costs.

The decision on whether to combine client transactions is made at the discretion of the Investment Team, who judge whether block trading is appropriate in any given instance on the basis of: 1) the average daily trading volume of the securities traded 2) the number of trades and the total share quantity to be traded 3) overall liquidity conditions for the securities. The Investment Team strives to combine all client transactions if it is appropriate. Due to the timing of recommendations, it is possible that RegentAtlantic may combine transactions for some client's accounts and then execute individual transactions for other client accounts in the same security on or around the same day. In those instances where the Investment Team does not combine client transactions, it is possible that transactions in the same security on the same day could take place at different prices and the overall prices at which securities transactions could be less favorable to clients of RegentAtlantic.

For municipal bonds, when RegentAtlantic determines that portfolios should include investments to individual municipal bonds, RegentAtlantic will fill orders for municipal bonds on a first-in, first-out rotational basis. For example, if two clients need to buy \$200,000 of bonds each, are both residents of the same state, Client 1 entered an order first, Client 2 entered an order second, and the appropriate purchase quantity for them is \$100,000 per issuer we will:

- Purchase up to \$100,000 of a bond for Client 1 first
- Then, purchase up to \$100,000 of a bond for Client 2
- Then, purchase a 2<sup>nd</sup> bond for Client 1, completing that order

- And finally, purchase a 2<sup>nd</sup> bond for Client 2.

From time to time RegentAtlantic may make changes to its recommended asset allocation in bonds and those changes may require that many clients have similar orders at the same time. Due to liquidity constraints in the market for municipal bonds it is not always possible to fill a large number of orders in a single day. In those instances, we will determine which client portfolios require a municipal bond trade. Once this determination has been made, each client portfolio for which a bond order is appropriate will be assigned a random number, and orders will be handled in ascending order on a rotational basis. For example, if two clients need to buy \$200,000 of bonds each, are both residents of the same state, Client 1 is assigned #1 by lottery, Client 2 is assigned #2 by lottery, and the appropriate purchase quantity for them is \$100,000 per issuer we will:

- Purchase up to \$100,000 of a bond for Client 1 first
- Then, purchase up \$100,000 of a bond for Client 2
- Then, purchase a 2<sup>nd</sup> bond for Client 1, completing that order
- And finally, purchase a 2<sup>nd</sup> bond for Client 2.

### Directed Brokerage

Clients determine the broker-dealer and custodian to be used; however, for custodian and/or brokerage services, the options are typically limited to the Custodians. Not all investment advisers require their clients to use the brokerage and clearing services of a limited number of firms. The commissions and transaction fees charged by the Custodians may be higher (or lower) than what other broker-dealers charge and this practice could cost clients more money. Further, in using only the Custodians, RegentAtlantic could be unable to achieve the most favorable execution of client transactions.

Clients may direct RegentAtlantic use a specific broker for their account. If a client does not use one of the Custodians, RegentAtlantic will not seek better prices or execution services from the broker-dealers holding these clients' accounts. In addition, RegentAtlantic will not be able to aggregate these clients' transactions with the transactions of RegentAtlantic's other clients. As a result, these clients could pay higher commissions or other transaction costs and receive less favorable net prices on transactions.



## Fixed Income Trading

RegentAtlantic uses broker-dealers other than the Custodians to execute fixed income transactions. RegentAtlantic negotiates with many large fixed income broker-dealers to secure the best pricing in the fixed income market. Broker-dealers typically include a mark-up/down in the price of the securities purchased or sold. In addition to this mark-up/down, TD Ameritrade and Schwab charge \$25.00 and Fidelity charges \$20.00 to wire the funds to purchase the bond to the executing broker and then to settle the bond in the client's account.

## Initial Public Offerings ("IPOs")

RegentAtlantic does not recommend or purchase IPOs for its individual client accounts. If a client requests that RegentAtlantic purchase a specific IPO and the IPO is available to RegentAtlantic, RegentAtlantic purchases the IPO on a pro-rata basis with any other unsolicited requests from clients.

## **Item 13 - Review of Accounts**

Each Wealth Advisor is generally assigned no more than two hundred client relationships. Wealth Advisors establish an asset allocation policy for each client. This policy is determined after obtaining a clear understanding of a client's goals, objectives, risk tolerance and investment time horizon. The Wealth Advisor reviews the asset allocation periodically with the client to ensure that it is still appropriate and to make changes if needed. In general, the Investment Team reviews client portfolios at least once per week. The frequency of reviews varies depending on market conditions and pending asset allocation changes.

The Investment Committee continually monitors the performance of all recommended investments. The Investment Committee conducts a formal review of the investments in each asset class at scheduled times throughout the year. Each asset class is assigned to a member of the Investment Committee who is responsible for conducting the annual review of investment vehicles in the asset class as well as conducting reviews and making investment recommendations as needed.

RegentAtlantic furnishes written reports to clients at the inception of the relationship and at the time of major reviews. RegentAtlantic also issues interim reports based on the client's individual needs. RegentAtlantic sends wealth management clients a written update of their account on a quarterly basis. RegentAtlantic offers to meet with wealth management clients at the client's request in order to review the investment performance of the account and to monitor progress towards achieving his or her goals.

Wealth Advisors perform consulting services on an as needed basis at the client's request. At a minimum, a project engagement usually includes a financial independence report, together with an analysis of the client's existing investment portfolio and RegentAtlantic's recommendations for potentially improving the portfolio's expected risk-return characteristics.

#### Item 14 - Client Referrals and Other Compensation

As described in Item 12 above, RegentAtlantic receives soft dollar and other benefits from the Custodians. RegentAtlantic does not receive any other economic benefit from a non-client for providing investment advisory services.

RegentAtlantic also may pay certain of its employees a referral fee of 25% of any wealth management fee it collects with respect to clients referred to it by the employees for the first and following three quarters after collecting such a fee. In addition, RegentAtlantic may pay certain of its employees a percentage of new client revenues. The percentage is based upon the level of new client revenue generated by that employee. RegentAtlantic pays these referral fees out of its investment management fee; the referral fee payments do not result in any additional charge to the client.

In the past, Schwab and TD Ameritrade referred clients to RegentAtlantic and are still entitled to compensation, although the referral relationships are terminated.

Additionally, RegentAtlantic had a referral relationship with Mr. Vincent Teti, an unaffiliated solicitor. Mr. Teti is still entitled to compensation, although the referral relationship is terminated.

#### Item 15 - Custody

All client assets are held at qualified custodians with the majority held at the Custodians. In the case of variable annuity contracts, the investments are held at the insurance company that issued the variable annuity contract. The qualified custodians send monthly or quarterly account statements directly to clients. RegentAtlantic urges clients to carefully review these statements and to compare the account statements they receive from the qualified custodian with those they receive from RegentAtlantic.

#### Item 16 - Investment Discretion

It is RegentAtlantic's practice to enter into a written agreement with each client. This agreement describes the terms and conditions of the engagement, the scope of the services to be provided, discretionary authority, compensation, various representations

and warranties and other terms of the relationship. Clients also sign a custodial/clearing agreement with the Custodians or another custodian. RegentAtlantic is not a party to these agreements. If RegentAtlantic's written agreement with the client does not grant discretionary authority, the agreement with the custodian typically provides RegentAtlantic, among other things, with the authority to place trades in a client's account. Clients may limit RegentAtlantic's authority, such as by directing RegentAtlantic not to invest in securities of particular issuers.

#### Item 17 - Voting Client Securities

RegentAtlantic has policies and procedures to ensure that client securities are voted in the best interest of the client and to address conflicts of interest. If RegentAtlantic has proxy voting authority with respect to an account, it votes on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. RegentAtlantic also votes on proxies related to mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events. With respect to mutual funds, RegentAtlantic votes on matters such as the approval of advisory contracts, distribution plans, and mergers. Clients can direct RegentAtlantic to vote on a particular issue by contacting us in writing prior to the vote's submission date.

RegentAtlantic engages an independent third party shareholder service firm to provide research on corporate governance issues and corporate actions, make proxy voting recommendations and handle the administrative functions associated with the voting of proxies. RegentAtlantic votes in accordance with the recommendations of this firm. If RegentAtlantic has a reason to disagree with the recommendations provided, it instructs the third party service firm to cast the vote as RegentAtlantic directs.

RegentAtlantic seeks to ensure that its proxy voting decisions are in the best interest of its clients and are not the product of a conflict of interest. A conflict could occur due to business or personal relationships that RegentAtlantic maintains with persons having an interest in the outcome of the votes. RegentAtlantic's Chief Compliance Officer maintains a written record of how it addresses any such conflicts of interest.

If a client does not authorize RegentAtlantic to vote proxies, clients receive their proxies or other solicitations directly from the custodian or, in the case of mutual fund shares, the fund's transfer agent. Clients may contact RegentAtlantic directly with any questions about a particular solicitation.

To obtain information regarding RegentAtlantic's proxy voting policies and procedures and how RegentAtlantic voted a proxy, contact Jennifer E. Papadopolu at 973-425-8420 (ext. 206) or [jpapadopolu@regentatlantic.com](mailto:jpapadopolu@regentatlantic.com).

## Item 18 - Financial Information

RegentAtlantic is financially capable of meeting all contractual commitments to clients.