

**Part 2A of Form ADV: *Firm Brochure***



**LaSalle St. Investment Advisors, LLC**

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September 14, 2017

This brochure provides information about LaSalle St. Investment Advisors, LLC (sometimes referred to as "LSIA"), including certain information about its qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at 630-600-0425 or [staci@lasalle-st.com](mailto:staci@lasalle-st.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about LSIA is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109701.

LaSalle St. Investment Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training, or any particular expertise.

## **Item 2    Material Changes**

In the past we have offered to deliver information about our business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes within 120 days of the close of our business' fiscal year end (December 31<sup>st</sup> of each year).

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

Our last material change was in January, 2015 when James Baldwin became LSIA's Chief Investment Officer. The material changes in this September, 2017 update to our Brochure are as follows:

There are currently no material changes to disclose at this time.

You can receive a copy of our Brochure by requesting one from Staci Oliyar, our Chief Compliance Officer, by telephone at 630-600-0425 or via email at [staci@lasalle-st.com](mailto:staci@lasalle-st.com). Our Brochure is available free of charge.

Additional information about LaSalle St. Investment Advisors, LLC is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	9
Item 6	Performance-Based Fees and Side-By-Side Management	17
Item 7	Types of Clients	17
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	17
Item 9	Disciplinary Information	23
Item 10	Other Financial Industry Activities and Affiliations	23
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	26
Item 12	Brokerage Practices	28
Item 13	Review of Accounts	31
Item 14	Client Referrals and Other Compensation	32
Item 15	Custody	33
Item 16	Investment Discretion	33
Item 17	Voting Client Securities	33
Item 18	Financial Information	34

## **Item 4    Advisory Business**

LaSalle St. Investment Advisors, LLC is a SEC-registered investment adviser with its principal place of business located in Illinois. LSIA began conducting business in 1999. We provide personalized fee-based financial planning and investment management to individuals, trusts, estates, pensions, charitable organizations and small businesses amongst others. After a thorough consultation, your Investment Advisor Representative ("IAR") will provide you with advice which may include: determination of financial objectives, cash flow management, tax planning, investment management, asset allocation, education funding, retirement planning and estate planning.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- McDermott Holdings I, LP ("MH1"), Sole Owner

LSIA offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT**

Our firm provides advice about investing assets based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment strategy and create and manage a portfolio based on that strategy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. We invest and make recommendations based on the client's stated objectives (i.e., capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities

- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because every investment strategy involves varying degrees of risk, all investment strategies will be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

These are the programs that are listed within our ISS:

**LaSalle St. Asset Management Program:** The LAMP program provides non-discretionary investment management of client portfolios in accordance with the client investment objectives. All investments are discussed with the client before order execution. LSIA may also provide advice on non-investment matters on an unsolicited basis for which LSIA shall not receive additional compensation over the disclosed fee.

**Managed:** LSIA provides investment supervisory services as defined as giving continuous advice to clients or making investment decisions on behalf of clients, based upon the defined objectives, individual characteristics and needs of the client.

The firm will provide its advisory services through a managed fee arrangement. The managed fee charged by the firm will include the design and management of the client portfolio. Fees are negotiated from time to time based on size of account, related business, and length of relationship. Although the firm will not have custody of any client funds or securities, the charges incurred through the use of a custodian will not be included within the managed fee.

The primary investment vehicles used in the management of client accounts are no-load mutual funds, equities, fixed income, annuities, options and index funds. The IAR uses personal interviews to gain an in-depth understanding of the client's investment objectives and individual needs.

**Income Portfolio Strategies:** This program determines if a client should invest into bonds alone or a portfolio allocation of bonds and dividend paying stocks (or no-load mutual funds). An extensive discussion is conducted to gain insight into the client's investment experience and his/her current appetite for common stock or equity risk. As a result, a client's portfolio may be classified as "conservative", "income", "balanced", "growth" or "aggressive". Investments opportunities are assigned to each client consistent with the circumstances, preferences and objectives of each client.

This program believes the client should receive a "total investment return" consisting of interest, dividends and where possible, capital gains. A useful strategy is to buy a bond at a discount to maturity value, collect accruing interest and sell the bond should a reasonable capital gain develop. The gross proceeds are then deployed into another similar opportunity. The compounding effect of a strategy that seeks to collect both income and capital gains may

enhance the net total investment return over a period of time.

**Briscoe Financial, dba:** The program consists of using asset allocation models that includes a balance of equities, bonds, cash and real estate based on a particular clients risk tolerance, time horizon, income and liquidity needs, age, taxable income, as well as economic and market view in regards to expose of certain market segments.

**Salt Creek Investors:** The Salt Creek Investors Managed Fee Program is an asset allocation program. The program uses five models as the foundation of the investment process, making use of active managers and passive indexes. The five investment models are Conservative, Moderate Conservative, Moderate, Moderate Growth, and Aggressive Growth. Each model is designed to give the client varying degrees of exposure to nine different asset classes. Each model has some combination of domestic and foreign stocks, bonds, and cash equivalents utilizing institutional money managers, exchange-traded funds, and money market vehicles.

Our third party researcher conducts quantitative analysis of each asset class and determines the most appropriate component for each class, either an actively managed fund or a passive indexed fund. The investment committee then overlays a qualitative screen to finalize the components of each asset class. At times there may be no actively managed fund that meets the criteria established by Salt Creek Investors. In such cases, an ETF index fund will be used.

A client questionnaire is used to gain an understanding of the client's investment profile. This is achieved through a set of questions answered by the client. After evaluation of the client profile, the client's funds are invested in the model most closely aligned to his or her profile.

Client portfolios will be assessed quarterly to determine whether they still adhere to the model prescribed for the client. If necessary, the portfolio will be rebalanced.

Actively managed funds will be evaluated quarterly to determine whether they are meeting Salt Creek Investors Managed Fee Program's investment criteria. Client assets in funds that fail to meet the criteria will be moved to a fund that does.

### **QUALIFIED PLAN CONSULTING SERVICES**

This program is designed for plan sponsors, such as 401(k) plans, to invest in mutual funds held with specific custodians who have outside TPA and/or record keepers. The IAR will educate the plan participants and may offer a variety of services. IAR may choose to offer any or all of these services:

*Plan Consulting:* Consulting with the plan sponsor about the plan's investment-related goals and objectives. Conduct an assessment about the plan which may aide in a possible plan design that meets the needs of the employer and/or participants.

*Selection and Monitoring of Plan Investment Options:* Participation in the selection of the menu of investment choices, including analysis of proposed menu and development of

portfolio models.

*Participant Meetings:* Conduct meetings with eligible participants to provide information to such participants about the referred plan and its purpose, education in investing in general and investment choices made available, provided, the Investment Advisor Representative shall not be obligated to conduct such meetings outside the state in which its principal office is located. Such meetings will be at the times and places determined by the Plan Sponsor. The use and content of visual or electronic aids or printed materials will be as determined by LaSalle St. Investment Advisors, LLC.

*Participant Investment Consultant:* Consulting with individual participants as to appropriate investment choices, including assistance in developing custom portfolio models on a participant-by-participant basis.

*Assisting Participants in Completion of Forms:* Conferring with participants to assist them in completing enrollment forms, investment election forms and designation of beneficiary forms.

*Forwarding Forms to Plan Service Providers:* Assuring that each eligible participant completes the appropriate forms, and collecting such forms from participants and forwarding them to the appropriate providers that require them.

*Regular Contact with Plan Sponsor:* Making contact by phone or personal visit with each Plan Sponsor on a recurring and regular basis to provide ongoing assurance of the Investment Advisor Representative's continued interest in the Plan Sponsor's needs with respect to the Plan.

### **THIRD-PARTY MONEY MANAGERS**

We also offer advisory management services to our clients through our Selection and Monitoring of Third-Party Money Managers programs.

Under the supervision of LSIA principals, properly qualified IAR offer portfolio consulting services to clients. The primary activities conducted under these programs are portfolio design (asset allocation) and investment manager searches provided for clients on a fee basis. In most instances, the actual management of client funds will be handled by outside investment advisory organizations that shall have discretion over the individual investments made on behalf of client accounts.

### **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.

- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. Should the client choose to implement the recommendations contained in the plan, we suggest 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 also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **ADVISORY REFERRAL SERVICES**

LSIA, pursuant to the Investment Advisers Act (the "Act") may contract with one or more registered investment advisers ("Referred Advisers") whereby LSIA and one or more of its registered persons would provide services as a solicitor and receive a cash referral fee in accordance with the Act. The fee may be paid in a variety of ways, but usually will be in the form of a cash payment of part of the periodic adviser fee a client pays to a Referred Adviser.

In circumstances when LSIA may refer a client or prospective client to a Referred Adviser, it will do so based on a client's individual circumstances and needs. LSIA communicates and discusses with the client whether a Referred Adviser provides portfolio management services which are appropriate for the client. Factors LSIA considers and discusses with clients include, but are not limited to, account size, client risk tolerance, investment experience, and whether the client is an institution versus an individual.

In each instance, LSIA shall disclose all material details about the contract and relationship



between LSIA and the Referred Adviser to the referred client before making the referral. At all times, LSIA shall ensure that federal and/or state specific requirements governing solicitation activities are met.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2016, we were actively managing \$126,824,598.08 of clients' assets on a discretionary basis plus \$963,431,531.41 of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, according to the following schedules:

#### **LAMP and Managed**

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$250,000	2.50%
\$250,001 - \$500,000	2.25%
\$500,001 - \$1,000,000	2.00%
\$1,000,001 - \$2,000,000	1.80%
\$2,000,001 - \$5,000,000	1.60%
\$5,000,001 - \$10,000,000	1.40%
\$10,000,001 and over	Negotiated

The fee will be charged monthly, in advance, and calculated based on the average daily balance of the account over the billing period including additional amounts invested and accrued interest. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. The fee to be charged will be displayed on the statement. The fee will be directly debited from the account.

However, LSIA maintains certain accounts that are charged quarterly, in advance, based on their asset value on the third Friday of the ending quarter or charged quarterly, in advance, based upon the ending value of the quarter. The fee charged is displayed on the statement. The fee is debited from the account.

#### Ticket Charges for Securities Transactions:

General Securities & Mutual Funds:

\$13.00/trade

Options: \$13.00/trade +\$1.00/contract

This charge includes execution charges, exchange fees, postage and handling. This charge is over and above any other costs assessed as fees. The above referenced fees are compensation of all services provided but do not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing service fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

**IPS**  
**(Income Portfolio Strategies Program)**

<u><i>Assets Under Management</i></u>	<u><i>Annual Fee</i></u>
\$0 - \$100,000	2.00%
\$100,001 - \$250,000	1.50%
\$250,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.80%
\$2,000,001 - \$5,000,000	0.65%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 and over	Negotiated

The advisory fee is charged on a monthly basis, in advance. LSIA calculates the fee based on the asset value of the account on the last business day of the previous month. All assets in any form in the client's account are valued in computing the net portfolio value. This includes cash balances and money market assets. Assets held away from the account are not included in the fee. The fee is disclosed on the client's statement and directly debited by LSIA from the client's account.

The formula for the fee is as follows:

**$((\text{Total Account Value} \times \text{annual fee})/365) \times \text{number of days in that month}$**

\*The annual fee is divided by 366 on Leap years.

Clients also incur various costs and/or brokerage fees which are charged separate and apart and in addition to the advisory fee of LSIA. These may be paid directly to various third parties from the account. They may include, but are not limited to: transaction charges, brokerage commissions, custodial fees, charges imposed directly by a mutual fund or exchange-traded fund (including administration fees), fund management fees and expenses, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, as well as other fees and charges imposed by broker-dealers through which securities transactions occur. LSIA does not share or receive any portion of these charges. The client is advised to review all fees and expenses assessed by third parties like mutual funds, exchange-traded funds, and others by carefully examining all disclosure documents which accompany an investment, i.e. a prospectus or brochure. In some instances, a mutual or exchange-traded fund may charge costs and expenses for administration and distribution before reporting a "Net Asset Value" ("NAV") to us. Clients are strongly encouraged to review a fund prospectus our brochure, their advisor contract, and all periodic account statements received for all costs and expenses incurred and charged by LSIA or third parties.

## **Briscoe Financial**

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
The first \$2,000,000	2.50%
\$2,000,001 and thereafter	1.50%

The fee will be charged quarterly, in advance, and calculated based on the average daily balance of the account over the billing period including additional amounts invested and accrued interest. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. The fee charged will be displayed on the statement. The fee will be debited from the account.

### **Ticket Charges for Securities Transactions**

A ticket charge of \$9.95 for equities, \$14.95 for mutual funds & fixed income and \$9.95 + \$0.95/contract for options will be assessed per trade. This charge may be negotiable under certain circumstances.

The charge includes execution costs and exchange fees. This charge is over and above any charges assessed as fees for management. The above referenced fees are compensation for services provided but will not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing services fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

## **Salt Creek Investors**

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$0 - \$1,000,000	1.40%
\$1,000,001 - \$3,000,000	1.30%
\$3,000,001- \$10,000,000	1.25%
\$10,000,000- \$30,000,000	1.20%

The advisory fee is charged on a monthly basis, in advance. LSIA calculates the fee based on the asset value of the account on the last business day of the previous month. All assets in any form in the client's account are valued in computing the net portfolio value. This includes cash balances and money market assets. The fee is disclosed on the client's statement and directly debited by LSIA from the client's account.

The formula for the fee is as follows:

**$((\text{Total Account Value} \times \text{annual fee})/365) \times \text{number of days in that month}$**

\*The annual fee is divided by 366 on Leap years.

Clients will also incur various charges and/or brokerage fees which are separate and apart and in addition to the advisory fee charged by LSIA. These may be paid directly to various

third parties from the account. They may include, but are not limited to: transaction charges, brokerage commissions, custodial fees, charges imposed directly by a mutual fund or exchange-traded fund (including administration fees), fund management fees and expenses, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, as well as other fees and taxes imposed by broker-dealers through which securities transactions occur. LSIA does not share or receive any portion of these charges. The client is advised to review all fees and expenses charged by third parties like mutual funds and exchange-traded funds, and others by carefully examining all disclosure documents which accompany an investment, i.e. a prospectus or brochure. In some instances, a mutual or exchange-traded fund may charge costs and expenses before reporting a "Net Asset Value" ("NAV") to us. Clients are also strongly urged to review this brochure, their advisor contract, and all periodic account statements received for all costs and expenses incurred and charged by LSIA.

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LSIA is affiliated with a broker-dealer, LaSalle St. Securities, LLC ("LSS"). Both LSIA and LSS are owned by the same entity, MH1. Clients, at all times, have the right to use any broker-dealer of their choice which they can instruct LSIA to use. Unless a client directs LSIA to use a broker-dealer other than LSS, all transactions shall be executed through LSS by LSIA without further consideration of whether LSS charges more or less than other broker-dealers for execution services. LSS will charge and retain the ticket charge described above per trade "ticket charge" for all transactions executed through LSS. LSIA does not receive any part of the ticket charge. This charge pays for order execution, exchange fees, postage and handling. This charge is separate from LSIA's own fees. LSS may, in addition to its above-described per trade ticket charge, also charge for, among other things, transfer of securities, margin interest, IRA fees, check writing service fees, cash wiring fees and any expenses mandated by law with respect to execution of transactions, such as SEC fees.

Ticket charges for securities transactions listed above are charged by LaSalle St. Securities, LLC ("LSS"), affiliated broker-dealer with LSIA. LSS will charge and retain the per trade ticket charge for all transactions executed through LSS. LSIA does not receive any part of the ticket charge. Unless a client directs LSIA to use a broker-dealer other than LSS, all transactions shall be executed through LSS by LSIA without further consideration of whether LSS charges more or less than other broker-dealers for execution services.

**Minimum:** A minimum of \$50,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. LSIA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although LSIA has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the

contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

### **QUALIFIED PLAN CONSULTING FEES**

Our fees for Qualified Plan Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

We charge an annual fee for Qualified Plan Consulting Services which ranges from 0.20% to 1.00% of plan assets depending on the services requested and the size of the plan. The fee will be charged either in advance or in arrears on a monthly or a quarterly basis based on the *Qualified Plan Consulting Services Agreement*.

**Limited Negotiability of Advisory Fees:** Although LSIA has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

**Minimum:** A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. LSIA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

### **THIRD-PARTY MONEY MANAGERS FEES**

Each client shall enter into a fee agreement with the third-party advisor that details the services provided under the agreement as well as the actual fee charged for the described services. The fees charged, method of calculation, and method of payment shall be negotiated on an individual basis. These fees shall reflect the services provided on behalf of the individual client. Our fee is based on a percentage of the client's managed assets, ranging up to 2.40% of the fee charged by the third-party advisor, depending on the size of the account. In the Envestnet program, an additional service fee of \$4.95 is also assessed per transaction that covers postage and miscellaneous service charges. The client would be assessed the same fee regardless of the payment made to the IAR. Fees are typically charged quarterly, in advance, and are based upon the market value of the account on the last day of the appropriate period. However, fee arrangements may vary among third-party advisors and some fees may be charged either in advance or in arrears, on a monthly or quarterly basis based on the third-party money manager's advisory agreement.

### **ADVISORY REFERRAL SERVICES FEES**

We do not enter into an advisory agreement with any client nor do we charge a fee to any client for referrals to other Advisers. Fees for such referrals are paid by the other Advisers as

a percentage of the fees the other Advisers receive from the client. Client advisory fees are not increased in any way as a result of our referral of any clients to other Advisers. We typically receive approximately 0.50% of the advisory management fee paid by the client to the other Advisers.

Clients will receive a separate disclosure document describing the fee paid to us by the other Advisers. Clients should refer to the other Advisers' disclosure document for information regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

## **FINANCIAL PLANNING FEES**

LSIA's Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis of \$150 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship or our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$700 to \$5,000, depending on the specific arrangement reached with the client.

Fees for written financial plans may be paid in two installments (half due when the contract is signed and the balance due when the written plan is presented to the client) although in some circumstances, the fee is collected in its entirety upon the signing of the contract. The contract is completed when the written plan is presented to the client typically within six months after signing contracts.

***Financial Planning Fee Offset:*** LSIA reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Investment Supervisory Services.

## **GENERAL INFORMATION**

***LSIA Personnel:*** Registered persons of our firm ("IARs") including management personnel and other associated persons may be licensed in multiple capacities, some of which may be with entities which are not LSIA. For example, without limitation, an IAR of LSIA may also be a registered representative of LaSalle St. Securities, LLC ("LSS") which is a sister company of LSIA. The IAR may also have licenses in other businesses such as insurance, accounting, law and/or tax preparation to name a few. By virtue of these separate capacities, an IAR receives, in connection with implementing investment recommendations made in their capacity as an IAR of LSIA, compensation (i.e. brokerage commissions, 12b-1 fees on mutual fund sales, Non Transaction Fee (NTF) mutual fund revenue sharing, variable annuities, concessions and/or other sales-related forms of compensation) in addition to a share of the LSIA fee from activity as an LSIA IAR. Non-LSIA compensation may also be received in connection with executing trades recommended by the IAR for LSIA clients.

The possibility, expectation and/or actual receipt of non-LSIA compensation is a conflict of interest for the IAR when making recommendations regarding investments, investment strategies and/or recommendations to LSIA clients for asset management. For example, without limitation, the possibility of receipt of non-LSIA compensation in connection with the recommendation of an investment or investment strategy, or the subsequent receipt of 12b-1 "trailer" fees or concessions during the time an investment is owned by an LSIA client, means an IAR of LSIA is incentivized to make such recommendation because of the receipt of non-LSIA compensation. Currently, IARs and Registered Representatives of LSIA or LSS do not receive 12b-1 trailer fees. Instead, these are rebated back to the customers. If this were to change, it would be a conflict with what may be in the LSIA Client's best interests, and could affect the judgement and objectivity of IARs who make recommendations to LSIA customers

LSS has an agreement with National Financial Services (NFS), a Fidelity Investments Company, pursuant to which NFS pays LSS a percentage of revenue (ranging from 0-14 basis points) based on the total Firm client assets invested in eligible NTF funds (Fidelity funds are not eligible for this revenue sharing agreement). This arrangement is also a conflict of interest, since the Firm has an incentive to direct client assets into eligible NTF funds that generate such revenue rather than into Fidelity funds, which do not generate such revenue. The IAR and/or registered representative does not receive any of this compensation.

Notwithstanding this conflict, the Firm believes this arrangement does not interfere with advice to clients because of its practices and controls. The Firm has procedures to periodically review client accounts for adherence to client investment objectives.

LSS also has an agreement with NFS whereby LSS receives a monthly distribution fee on all Fidelity Money Market Sweep Fund balances. (This ranges from 25-50 basis points depending on amounts NFS receives from a fund company.) This arrangement is also a conflict of interest since the Firm has an incentive to direct client assets into eligible Fidelity money market funds that generate revenue for the Firm as described above.

Notwithstanding this conflict, the Firm believes this arrangement does not interfere with advice it renders to clients because of its practices and controls. The Firm has procedures to periodically review client accounts for adherence to client investment objectives. The IAR and/or registered representative does not receive any of this compensation.

LSIA clients are not under any obligation to engage any particular IAR of LSIA or to accept any advisory recommendation. LSIA, before implementing any recommendation or strategy, shall fully disclose the fact of any non-LSIA remuneration to be received by an IAR in connection with a transaction. The implementation of any and all recommendations is solely at the discretion of the client.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's



reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to LSIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. Mutual Fund/ETF fees and expenses are described in each fund's prospectus and should be reviewed by the client. These fees will generally include a fund management fee, other fund expenses, and a distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could avoid such charges by investing in a mutual fund directly, without our services. In such a case, the client would not receive the services provided by our firm which are designed, among other things, to assist in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of cost paid before determining whether to proceed with the advisory services we offer.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, transaction charges imposed by a broker dealer. If LSS executes transactions, it assesses a ticket charge to the customer. Other broker-dealers which the client may use at their election may charge commissions and other costs which may be more or less than this ticket charge. LSIA does not receive any part of the broker-dealer remuneration for ticket charges. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to LSIA's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** LSIA is deemed to be a fiduciary to advisory clients pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, LSIA may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees. When deciding to use LSIA services, clients are urged to review LSIA's fee and transaction structure and, if necessary, compare with other advisors before electing to employ LSIA.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

**Trade Errors:** Any trading errors, profit or loss, will be accessed to the IAR which could be an inherent conflict of interest. Generally, LSIA will always make the client whole if there is an IAR trade error that results in a client loss. The gain, however, in any trade error may be retained by the custodian, the error account of LSS, the affiliated broker-dealer, or LSIA in



order to offset future trade error losses. This is a benefit LSIA derives from its trade error policy.

**Fixed Income New Issues:** Effective 05/01/2015, it is our firm's policy to no longer allow the purchase of fixed income new issues for the accounts of advisory clients.

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

LSIA does not charge performance-based fees.

## **Item 7 Types of Clients**

LSIA provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts
- Estates
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets and we use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations within the following programs:

### **LASALLE ST. ASSET MANAGEMENT PROGRAM (LAMP)**

This program provides nondiscretionary investment management of client's portfolios in accordance with the client's investment objectives. Interviews are conducted prior to the client entering the program to determine the client's investment objectives and risk tolerance. Clients are made aware that investing in securities involves risk of loss. All investments are discussed with the client before order execution. Investment ideas may be initiated by the client or solicited by the IAR when they match up to the client's objectives and risk tolerance. LSIA may also provide advice on non-investment matters on an unsolicited basis and LSIA shall not receive additional compensation over the disclosed fees.

**Margin:** Please see this description under “General Information” below.

**Options:** Please see this description under “General Information” below.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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## **MANAGED PROGRAMS:**

### **Income Portfolio Strategies**

The primary focus of Income Portfolio Strategies (“IPS”) is to offer investment advisory services on both a discretionary and non-discretionary basis to clients seeking income from their investment portfolio.

An extensive client interview is conducted to gain insight into the client’s investment experience, their time horizon and their tolerance/appetite for risk. Each portfolio is individual in its construction though many portfolios may share similar holdings.

IPS believes their clients should receive a “total investment return” consisting of interest, dividends and where possible capital gains. The compounding effect of a strategy that seeks to collect both income and capital gains may enhance the net total investment return over time. A client’s portfolio may be classified as “conservative income balanced growth or aggressive.

A universe of Exchange Traded Bonds, Dividend paying stocks, ETFs and mutual funds are reviewed to select candidates for a portfolio’s construction. Fundamental analysis is used to construct this universe. Once candidates are reviewed an in-depth technical analysis is applied to find the ones that reflect the highest probability for price appreciation. Margin may be used by certain accounts but is typically not used to leverage accounts but rather to facilitate access to cash or exercise certain option strategies.

Some equity strategies may look to capture short term capital appreciation when equities advance in price to value boost the “total investment return”.

Income and capital preservation are the cornerstones of “income Portfolio Strategies” and remain its primary focus.

**Fundamental Analysis:** Please see this description under “General Information” below.

**Technical Analysis:** Please see this description under “General Information” below.

**Margin Transactions:** Please see this description under “General Information” below.

**Mutual Fund and/ or ETF Analysis:** Please see this description under “General Information” below.

**Options:** Please see this description under “General Information” below.

**Short-term purchases:** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time. We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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### **Briscoe Financial, dba**

This program consists of using asset allocation models that includes a balance of Equities, Bonds, Cash and Real Estate both foreign and domestic. The allocation models are constructed based on a particular clients risk tolerance, time horizon, income and liquidity needs, age, taxable income, as well as an economic and market view in regards to exposure into and out of certain market segments. The discretionary authority on any account is used very little (less than 2% of all trades). Discretionary authority primary purpose is for safety and liquidity in case of an extreme market move or world event. Most all allocation changes within a client's portfolio are based upon that client's particular situation and broad movements within the market as a whole.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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## Salt Creek Investors

The Salt Creek/Cottage Hill Fund is an asset allocation strategy designed to give clients exposure to various asset classes through active fund management. Quantitative and qualitative analysis using proprietary research is used to determine the funds used in each model. If there are no active managers that meet the Fund's criteria, passive index funds may be used. The Fund has five different models with varying degrees of equity and bond exposure. Clients are invested in one of the five models based upon an assessment of the client's investment profile. Quarterly reviews are used to assess each fund manager's performance and if client portfolios need to be rebalanced to their original allocation.

**Conservative:** Designed for the investor with limited tolerance to volatility and losses. Majority of the allocation is in fixed income funds. There is limited exposure to equity.

**Moderate Conservative:** This model is geared for the investor with an investment profile more willing to accept volatility than the conservative investor but still maintains the majority of its allocation in fixed income.

**Moderate:** This model is suited to an investor that wants exposure more balanced, resulting in a slightly higher equity allocation than fixed income. An investor in this model would be willing to accept more volatility than the previous two models.

**Moderate Growth:** Designed for the investor willing to take on significant volatility in their portfolio. The majority of the allocation is exposed to equity. This portfolio model also has much less exposure to fixed income funds.

**Aggressive Growth:** This model is for the investor willing to accept the highest exposure to equities compared to any of the other models. Equities exposure dominates the allocation with very little exposure to fixed income products. This model is designed for the investor willing to assume a high degree of risk and volatility in their portfolio.

## GENERAL INFORMATION

**Fundamental Analysis:** This program attempts to measure the intrinsic value of a security by looking at economic and financial factors, including the overall economy, industry conditions, financial conditions and the management of the company, to determine if the company is underpriced, indicating a good time to buy, or overpriced, indicating a good time to sell. Our use of fundamental analysis does not attempt to anticipate market movement. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in our evaluation of the stock.

**Margin Transactions:** Stocks for your portfolio may be purchased with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

We do recommend, where appropriate, that a client establish a margin account with the client's broker. One possible scenario is if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale. Margin may be required for certain option transactions also.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and /or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if the security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Options:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio

We use “covered calls”, in which we sell an option on security you own, in this strategy, you receive a fee for making the option available and the person purchasing the option has the right to be the security from you at an agreed-upon price.

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

**Quantitative Analysis:** Uses mathematical models in an attempt to obtain more accurate measurements of a securities quantifiable data, such as the value of a share price or earnings per share and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Risks for All Forms of Analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities,

are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Risk of Loss:** Security investments are not guaranteed and you may lose money on your investments in the strategies you employ. Clients are asked to help the Investment Advisor Representative understand their risk tolerance. Clients must also be aware that losses do take place and must be willing to bear such losses.

**Technical Analysis:** We analyze past market movements and apply that analysis to be present in an attempt to recognize recurring patterns of investor behavior. In general it examines patterns of movement that could indicate changes in or continuation of stock price trends. The focus is on price movements of a security. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

On October 29, 2012, pursuant to an Offer of Settlement, LaSalle St. Securities, LLC ("LSS"), a sister company of LSIA owned by MH I, consented to an Order of the SEC. In the Order, the SEC made certain findings and entered remedial sanctions against LSS, among others. LSIA was not involved in the matter, although it shares certain management personnel with LSS.

The Order found, among other things, that LSS caused sister company Tilden Loucks & Woodnorth, LLC ("TLW") to violate Section 206(2) of the Adviser's Act by allowing TLW to charge commissions to clients which exceeded the fees TLW paid LSS, a fact TLW did not disclose to clients, and which did not ensure best execution. TLW (and its executive) and LSS were required jointly to pay a civil monetary fine and agree to a cease and desist order. A copy of the SEC Order is available upon request.

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

Management personnel and other IARs of LSIA may be separately licensed as registered representatives of LSS, an affiliated broker-dealer, and sister company of LSIA. Both LSIA and LSS are owned by the same entity, MH1. There is a conflict of interest in LSIA recommending that its advisory clients establish accounts at LSS and otherwise direct compensation to this affiliate, or any other affiliated company for that matter. IARs, in their LSS capacity, effect securities transactions for which they receive separate compensation including commissions and trail concessions like 12b-1 fees for the sale of investment company products and variable annuity concessions. Receipt of this compensation also raises a conflict of interest affecting the advice rendered by the IAR in situations where

commissions and trail concessions are paid.

Although LSIA and its IARs endeavor at all times to put the interest of the clients first pursuant to our fiduciary duty, clients should be aware that the receipt of non-LSIA compensation creates a conflict of interest, and may affect the judgment of these advisors when making recommendations to LSIA customers about investments.

LSIA is under common ownership with another investment advisor, Tilden, Loucks & Woodnorth, LLC ("TLW"). TLW is an independent investment advisor with whom LSIA does not share accounts or account information. No LSIA IAR is an advisor with TLW. The advisory services delivered by TLW are distinct from those provided by LSIA and provide for separate form and independent of compensation to LSIA's IARs. There are no referral fee arrangements between LSIA and TLW. The advice offered by TLW advisors to its clients may be different or actually conflict with advice offered to LSIA clients by LSIA's IARs. Similarly, advice offered clients of LSIA may vary from client-to-client and may conflict as well. This creates a conflict of interest for LSIA advisors which LSIA clients should consider when investing with us.

For example, without limitation, LSIA IARs may recommend a specific investment strategy which is different or may be opposite the one recommended to a different client. This may occur, for instance, where investment objectives vary from client to client. Advice which is different for individual clients may create a conflict of interest for the investment adviser.

Certain members of our firm's management are also separately licensed as insurance agents of various insurance companies. In that capacity, these individuals provide insurance contracts through such company(ies). The services delivered by the insurance company are distinct from those provided by our firm and are provided for separate compensation to IARs acting in a capacity as insurance agents. There are no referral fee arrangements between our firm and any insurance companies.

John Berger, a Managing Member of our firm, is the Managing Member and an advisory representative of John G Berger Registered Investment Advisor, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and John G Berger Registered Investment Advisor. No LSIA client is obligated to use the advisory services of John G Berger Registered Investment Advisor, as no John G Berger Registered Investment Advisor advisory client is obligated to use our advisory services.

Wayne Best, a Managing Member of our firm, is the Managing Member and an advisory representative of Marin Wealth Advisors, LLC, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Marin Wealth Advisors, LLC. No LSIA client is obligated to use the advisory services of Marin Wealth Advisors, LLC, as no Marin Wealth Advisors, LLC advisory client is obligated to use our advisory services.

Gina Gallo and Dale Russell, Managing Members of our firm, are the Managing Members and are advisory representatives of Gallo & Russell, Inc., an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Gallo & Russell, Inc.. No LSIA client is obligated to use the advisory services of Gallo & Russell, Inc., as no Gallo & Russell, Inc. advisory client is obligated to use our advisory services.



Ron Olson and Karen Olson, Managing Members of our firm, are the Managing Members and are advisory representatives of Olson Asset Management Inc, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Olson Asset Management Inc. No LSIA client is obligated to use the advisory services of Olson Asset Management Inc, as no Olson Asset Management Inc advisory client is obligated to use our advisory services.

Juliette Romeo and Dan Stybr, Managing Members of our firm, are the Managing Members and are advisory representatives of Stybr & Associates, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Stybr & Associates. No LSIA client is obligated to use the advisory services of Stybr & Associates, as no Stybr & Associates advisory client is obligated to use our advisory services.

Larry Vandeventer, a Managing Member of our firm, is the Managing Member and an advisory representative of Vandeventer & Company, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Vandeventer & Company. No LSIA client is obligated to use the advisory services of Vandeventer & Company, as no Vandeventer & Company advisory client is obligated to use our advisory services.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure).

Clients may decide to elect that the same securities or investment products may be purchased at other unaffiliated broker-dealers.

As previously disclosed in Item 5, the affiliated broker-dealer, LSS may also receive a commission for the execution of a transaction and this commission does not reduce the fee generated by the account.

Clients should be aware that the receipt of additional compensation by LSIA and its IARs creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. This is discussed in fuller detail at "General Information," pages 14-15 above. As part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.
- we disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers; and

As previously disclosed, we recommend the services of various registered investment advisers to its clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

LSIA and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement and recordkeeping provisions.

LSIA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [staci@lasalle-st.com](mailto:staci@lasalle-st.com), or by calling us at 630-600-0425.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. No employee of LSIA is allowed to make a transaction in a "recommended security" for their personal or related accounts, until the recommendation is adequately disseminated to their clients.
5. All transactions and accounts of the employees of LSIA are reviewed by a principal of LSIA to ensure that they are not in conflict with the interests of clients.
6. Our firm does not allow for any IPO, private placement investments or limited offerings by related persons of the firm.
7. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
8. We have established procedures for the maintenance of all required books and records.

9. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
10. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
11. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
12. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
13. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
14. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

LSIA does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

LSIA will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. LSIA's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with LSIA, or our firm's order allocation policy.
- 2) The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable LSIA to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) LSIA's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on LSIA's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

National Financial Services, Inc. ("NFS"), a unit of Fidelity Institutional Investment Brokerage, Inc., one of the Fidelity companies, will maintain physical custody of funds and securities or, in the alternative, by third-party custodians such as trust or insurance companies.

Monthly brokerage statements and/or quarterly third-party account statements will be received depending upon which is acting as custodian. In addition, certain account charges may be accessed by the custodian, including, but not limited to postage and handling, margin interest, IRA fees, check writing service fees and those fees mandated by law with respect to execution of transactions, such as SEC fees.

When LSIA uses LSS to execute trades, it will not determine whether the cost of execution by LSS is greater or lesser than what is charged by other broker-dealers for similar service. LSIA advises its clients to decide which broker-dealer the client would like to execute the client's trades. If a client so designates a broker-dealer other than LSS, LSIA will execute all trades through the designated broker-dealer. As stated, if the client elects not to make a broker-dealer designation, all trades shall be executed through LSS and LSS will assess the \$13.00 ticket charge as its payment for execution of each trade. LSIA does not receive any part of the compensation paid LSS.

Any trading errors, profit or loss, will be accessed to the IAR which could be an inherent conflict of interest. Generally, LSIA will always make the client whole if there is an IAR trade error that results in a client loss. The gain, however, in any trade error may be retained by the custodian, the error account of LSS, the affiliated broker-dealer, or LSIA in order to offset future trade error losses. This is a benefit LSIA derives from its trade error policy.

In instances where the client has not specified a broker-dealer to execute transactions, LSIA shall affect all trades through its affiliate LSS. This may result in higher charges for execution

of trades when executing through LSS. A client may be able to reduce such costs by designating a different broker-dealer for LSIA to employ for its execution. At any time the client may elect to change execution to a different broker-dealer upon notice to LSIA. This may result in higher trade execution costs to customers of LSIA than if the client used a broker-dealer other than LSS. This is an inherent conflict of interest between the client's desire to effect all transactions at the lowest possible costs and LSIA's desire to maximize income.

All Clients have separately negotiated commission schedules. This means some clients pay more than others based on negotiations between the client and LSIA. These schedules will be used for all trades and may be lowered at the portfolio manager's discretion, which could be an inherent conflict of interest. Generally, LSIA will not aggregate client trades due to the nature of its business and the autonomy exercised by its IARs. However, if LSIA blocks trades, transaction costs will be assessed per capita (i.e. \$13.00 per account) and not pro-rata.

## **Brokerage Practices- Income Portfolio Strategies and Salt Creek Investors**

In general, LSIA recommends the use of Fidelity Investment Services, Inc. ("Fidelity") as custodian and broker-dealer for its clients' trades. Factors which LSIA considers in recommending Fidelity or any other broker-dealer to clients include but are not limited to: a broker-dealer's respective financial strength, reputation in the industry, execution, capability, pricing (including commission charges), research provided, service and responsiveness. Fidelity gives LSIA access to many mutual funds without transaction charges and other securities at nominal transaction charges. Although this has been LSIA's experience with Fidelity, there is no guarantee access will continue. Other broker-dealers may be able to provide access to mutual funds and other investment products to an even greater degree than Fidelity and at lower cost. The commissions and/or transaction fees charged by Fidelity may also be higher or lower than those charged by other broker-dealers. LSIA will periodically and systematically evaluate the execution performance of Fidelity and any other broker-dealer it may select for client transactions in deciding whether to continue to use Fidelity's services.

### **1. Research and Other Soft Dollar Benefits**

LSIA may receive from Fidelity, without cost to LSIA, computer software and related systems support, which allows LSIA to better monitor client accounts maintained at Fidelity. LSIA may receive the software and related support without cost because LSIA renders investment management services to clients that maintain assets at Fidelity. The software and related systems support may benefit LSIA, but not its clients. In fulfilling its duties to its clients, LSIA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that LSIA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence software, systems support or services. Therefore, LSIA has an incentive to select or recommend a broker-dealer, and in particular, Fidelity, based on its interest in receiving the software and related services, rather than the client's interest in receiving the most favorable execution.

The commission paid by LSIA's clients shall comply with LSIA's duty to clients to

obtain “best execution” for every transaction. However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where LSIA determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor may not be the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while LSIA will seek competitive rates, it may not obtain the lowest possible commission rate for client transactions. Clients are advised to be fully informed regarding the costs of such transactions and may choose a broker-dealer other than what LSIA has recommended to execute transactions and custody assets.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

The Investment Advisor Representative of the account  
James Baldwin – Chief Investment Officer  
Staci Oliyar – Chief Compliance Officer

### **QUALIFIED PLAN CONSULTING SERVICES**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

The Investment Advisor Representative of the account  
James Baldwin – Chief Investment Officer  
Staci Oliyar – Chief Compliance Officer

### **THIRD-PARTY MONEY MANAGERS**

**REVIEWS:** These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for

information regarding the nature and frequency of reviews provided by that independent registered investment adviser. LSIA will provide reviews on a quarterly basis.

These accounts are reviewed by:

The Investment Advisor Representative of the account

James Baldwin – Chief Investment Officer

Staci Oliyar – Chief Compliance Officer

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

### **GENERAL REVIEW**

The philosophy and orientation of the registrant is to develop and implement allocation strategies for its clients. All professional staff of the registrant are qualified to review an account and recommend an allocation plan. All accounts are monitored on an ongoing basis and interim reviews are triggered by changes in clients' financial situation, objectives, market movements, for example. Investment Committee, Compliance, or the IAR is responsible for reviewing accounts.

Monthly brokerage statements and/or quarterly account statements will be received depending upon which is acting as custodian.

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

### **CLIENT REFERRALS**

LSIA has entered into an agreement with a solicitor (referring parties) to refer clients to LSIA. If a referred client enters into an agreement with LSIA, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees generated.

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.



The referral arrangement between any referring party and LSIA will not result in any charges to the client in addition to the normal level of advisory fees charged.

Pursuant to Rule 206(4)-3, in addition to LSIA's Disclosure Document, a "Solicitor's Separate Written Disclosure", listing compensation to be paid to solicitors, is provided to the client prior to or at the signing of LSIA's Advisory Agreement.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. LSIA has no financial circumstances to report.

LSIA has not been the subject of a bankruptcy petition at any time during the past ten years.