

# Eagle Strategies LLC

## Firm Disclosure Brochure

### Form ADV Part 2A

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This brochure provides information about Eagle Strategies LLC. If you have any questions about the contents of this brochure, please call us at (888) 695-3245 or email us at [eagleoperations@newyorklife.com](mailto:eagleoperations@newyorklife.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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



## Item 2 Material Changes

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This section identifies and discusses material changes we made to our Form ADV Part 2A Firm Disclosure Brochure ("Brochure") from March 31, 2016 through March 31, 2017. For additional details, including information concerning the defined (capitalized) terms used below, please see the item or section in this Brochure that is referenced in the summary below.

- A. Understanding your relationship with Eagle.** We added a section to explain the differences between advisory programs and brokerage accounts, and the role that Eagle and its IARs play when providing you investment advisory services. Please see Item 4 (Advisory Business) for additional information.
- B. Tax, Accounting or Legal Advice.** We clarified that in all Eagle programs, including with the optional features described in our Brochures, Eagle and your Eagle IAR do not render tax, accounting, or legal advice, and you should seek independent advice from your attorney or tax advisor. Please see Item 4 (Advisory Business) for more information.
- C. Optional Programs and Features.** We added the following optional programs, features and services to our Brochures, which eligible Clients may elect within their LWP accounts. Please see Item 4 (Advisory Business) for more information.
- 1) **Securities Backed Line of Credit Program.** Qualified Clients seeking a flexible line-of-credit (cash loan) can now take advantage of the Securities Backed Line of Credit Program offered by US Bank, a non-affiliate. The line of credit would be secured by certain assets held within eligible Representative as Advisor and Representative as Portfolio Manager accounts. Interested Clients will need to complete a loan application and loan agreement through US Bank, and US Bank will determine the Client's eligible line of credit, subject to the underwriting of the Client and the assets held within the Client's accounts. For additional information, including eligibility criteria, please contact your IAR and review the US Bank paperwork. Please also see Item 5C (Other Fees and Expenses) for information regarding applicable fees.
  - 2) **Multiple Margin Program.** The Multiple Margin Program, which is offered by NFS (Eagle's clearing firm), accommodates Clients seeking to borrow cash against the value of certain assets held within eligible accounts. Eagle expanded the accounts that can participate in this program to include Representative as Advisor and Representative as Portfolio Manager accounts. This program is available through qualified IARs.
- D. Custody.** NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, certain account related services that we offer to clients provide us with authority that result in us being deemed to have custody under the Advisers Act. Please see Item 15 (Custody) for more information.

**E. Fees and Billing.** Although your fees have not changed, we clarified the following items within our Brochures with regard to fees and billing. Please see Item 5 (Fees and Compensation) for more information.

- 1) **Calculating your Total Client Fee for LWP Programs.** We clarified that your Total Client Fee (asset based fee) is calculated as a percentage of the Billable Assets in your account. As a result, the amount of your Total Client Fee that you pay may fluctuate monthly, depending on the value of Billable Assets in your account at the time of billing. Billable Assets are those assets in your account for which Eagle provides investment advisory services and bills on.

Your Total Client Fee is also impacted by applicable asset tiers, “household” discounts, and whether you utilize affiliated funds, Unsupervised Assets and Protected Cash. Please speak with your IAR and review this Brochure for more information regarding these features and how they affect your Total Client Fee.

- 2) **Asset Tiers.** We clarified that certain fees (within your Total Client Fee) are based on asset tiers. With asset tiers, you will be charged a lower or higher fee when your account’s Billable Assets exceed, or fall below, a specific target value at the time of billing. When you meet an asset tier, that fee and, thus, your overall Total Client Fee will be reduced or increased accordingly. There are two ways in which these fees are assessed: either, the new fee will be applied to all assets within the account once the target value is met, or only assets above the target value will be assessed the new fee. Please speak with your IAR for more information about your fee schedule.

**F. Compensation and Conflicts of Interest.** We clarified the following items with regard to compensation arrangements and associated conflicts of interest that we and our IARs have when providing you services described in our Brochures. Please see Item 5C (Other Fees and Expenses) for additional information regarding conflicts of interest.

- 1) **Payments from Mutual Fund Companies (12b-1 Fees).** We receive asset based service fees (e.g., SEC Rule 12b-1 fees) from certain mutual funds, as described in the fund’s prospectus. Eagle is now rebating to Clients all 12b-1 fees within LWP retirement accounts. Previously, Eagle rebated all 12b-1 fees received, but NFS retained 12b-1 fees from certain retirement accounts. Eagle continues to receive 12b-1 fees for mutual funds held within non-retirement accounts.
- 2) **NFS Discounts and Revenue.** NYLIFE Securities (Eagle’s affiliate) receives revenue streams from NFS on the sale of no transaction fee mutual funds and on assets held within money market funds. NYLIFE Securities also receives compensation based on the amount of assets it holds with NFS, and/or receives certain discounts on the fees that it pays to NFS, which are based on trading volumes. These revenue/discount arrangements are based on total assets and/or trading activity within non-retirement NYLIFE Securities brokerage accounts and non-retirement LWP accounts. Previously, the revenue and discounts were based on all NYLIFE Securities

brokerage accounts and non-retirement LWP accounts. Going forward, these arrangements will only apply to non-retirement accounts.

- 3) **Proprietary Products and Affiliated Funds.** Eagle's affiliates receive compensation if investment products that they manage (for example, Mainstay Funds and IndexIQ ETFs) are included in an Eagle account. We added a disclosure to our Brochures to explain that, Eagle IARs generally have a greater familiarity with MainStay and IndexIQ funds because our affiliates sponsor educational, marketing and other promotional events for our IARs. This may lead our IARs to focus on MainStay or IndexIQ funds when making investment recommendations rather than funds from other providers. However, Eagle and the IARs receive no portion of the compensation that our affiliates earn for managing these products.

**G. Account Termination.** We updated our Brochures to note that you or Eagle may terminate your account at any time with notice as provided in your Client Agreement. When you terminate your account, you must provide instructions on where to transfer the assets. If you terminate your account without providing instructions, or if Eagle terminates your account, your account will be moved to a NYLIFE Securities brokerage account, or the securities in your Eagle account will be liquidated, and we will send you the proceeds. Please see Item 5D (Prepayment of Advisory Fees) for more information regarding the termination process.

**H. Non-Advisory (Solicitor) Programs.** We updated the Brochure to clarify our role in the Solicitor programs and to clarify certain disclosures relating to conflicts of interest. Please see Item 4 (Advisory Business), Item 5C (Other Fees and Expenses) and Item 10D (Selection of Other Advisers) for additional information.

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## Item 4 Advisory Business

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### A. FIRM DESCRIPTION

Eagle Strategies LLC (“Eagle,” “we” or “us”) is an investment adviser registered with the Securities and Exchange Commission (“SEC”) and is qualified with appropriate state securities authorities to offer investment advisory and financial planning services in all 50 states and the District of Columbia. Eagle is an indirect wholly owned subsidiary of New York Life Insurance Company (“New York Life”). Eagle’s predecessor, Eagle Strategies Corp, was founded on July 7, 1988 and Eagle Strategies LLC was formed on September 1, 2007.

We offer a variety of services through our investment adviser representatives (“IARs” or “Eagle IARs”). Eagle IARs<sup>1</sup> are licensed or permitted by State securities law to offer investment advisory products and services. Registration of Eagle and its IARs does not imply a certain level of skill or training. Eagle IARs are also insurance agents of New York Life and other affiliated insurance companies, New York Life Insurance and Annuity Corporation (“NYLIAC”) and NYLIFE Insurance Company of Arizona and registered representatives of NYLIFE Securities LLC (“NYLIFE Securities”), an affiliated broker-dealer.

Our primary investment advisory business is providing financial planning and investment management services. All investment advisory activity is based upon each client’s (“Client(s),” “you,” “your” or “Plan Sponsor”) individual financial outlook and personal objectives. Eagle offers many different advisory programs which are described in this Firm Disclosure Brochure (“Brochure”).

**Understanding your Relationship with Eagle.** In providing investment advice, your IAR can choose from among different investment solutions. These include advisory programs described in this Brochure, other advisory programs described in Eagle’s Wrap Fee Brochure, a brokerage account at NYLIFE Securities, or a solicitor relationship with one of our non-affiliate partners. In each of these investment solutions your IAR provides different services and will be paid differently depending on the solution selected. There are important differences between brokerage and advisory accounts in terms of services provided, costs and our obligations. We encourage you to carefully consider the differences before opening an Eagle account.

Eagle is subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and has a fiduciary duty to you as an investment adviser. This generally means that Eagle will act in your best interest when providing investment advice and will disclose or avoid all material conflicts of interest. Within the advisory programs described in this Brochure, Eagle provides services as an investment adviser under the Advisers Act. In addition, to the extent that Eagle IARs provide advisory services that constitute “investment advice” to plans or individual retirement accounts subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), Eagle will be deemed a “fiduciary” as that term is defined under Section 3(21) of ERISA.

The advisory programs described in this Brochure are investment advisory programs where, for a fee, you receive investment advice from Eagle and, for certain programs, also from third party investment advisers. We also provide other non-advisory solicitor programs, described within the “Non-Advisory

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<sup>1</sup> Note that not every IAR is licensed or qualified to sell every product or program.

Services Offered” section below. Brokerage services are where your registered representative effects securities transactions based on your instruction for a commission. Registered representatives do not have discretion over your account (except in limited instances), and you will need to provide consent on a trade by trade basis. Registered representatives do not act as fiduciaries and do not need to disclose conflicts between your interests and theirs. Your IAR is licensed to act as a registered representative on a brokerage account and as an IAR on an Eagle account. If you have additional questions on these different types of accounts, please contact your IAR.

## **B. ADVISORY SERVICES OFFERED**

We provide the financial planning, investment management and retirement plan services described below. In addition to the programs and services listed in this Brochure, we also offer other advisory programs (such as Lifetime Wealth Portfolios Fund Advisory, Separately Managed Account and Unified Managed Account Programs) that are described in Eagle’s Wrap Fee Brochure (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)).

**Tax, Accounting or Legal Advice.** In all programs including with the optional features described below, Eagle and your Eagle IAR do not render tax, accounting, or legal advice, and you should seek independent advice from your attorney or tax advisor.

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### **1. FINANCIAL PLANNING SERVICES**

We offer four financial planning programs, which are detailed below.

#### **a. Financial Plans**

We offer financial planning services to individuals, closely held or private businesses and trusts. To prepare a financial plan, an Eagle IAR will meet with you to gather information about your financial situation and objectives. Based on the information provided by you, your IAR can use a variety of software programs to develop a financial plan.

The financial plan provides general advice to help you achieve your financial objectives. Depending on your needs and goals, the plan may cover a variety of topics, including a net worth analysis, cash flow planning, goal planning (*e.g.*, education), investment planning, asset allocation and retirement planning. In some cases, general recommendations regarding the purchase or sale of securities and insurance (see below) may be made. The precise nature and coverage of a financial plan will vary depending on the planning topics that you choose.

A financial plan is based on your situation at a certain point in time; Eagle does not conduct continuous or periodic reviews. You should consider whether to ask for such reviews on a periodic basis or when your financial condition or objectives change. An additional fee is typically charged for updating a financial plan.

#### **b. Limited Financial Planning Services**



We also offer a more limited financial planning service, without charging you a fee. In this program you will not sign a financial planning agreement; however, the advice terminates upon delivery of the plan. This service uses eMoney 360 Needs Analysis modules, and each module creates a written report that's targeted to a single financial planning topic. Topics can include goal planning (*e.g.*, education, life insurance, annuity income, etc.), asset protection, business insurance, estate planning, retirement planning or other planning areas. These modules are produced by eMoney Advisor, LLC, a vendor of Eagle. In this limited program, the output you receive will be limited to covering two topics per calendar quarter. Specific advice will generally not be offered with this service. As described above, our clients can also pay for a financial plan that provides additional analysis and covers additional topics.

#### **c. Financial Seminars**

We and our IARs may hold seminars that offer attendees general investment and retirement planning advice. IARs do not offer individualized advice during seminars. Examples of topics covered include the objectives of retirement planning and wealth management. IARs can charge fees to attendees, which consist of a one-time payment for attending the seminar.

#### **d. Fee Based Hourly Advice and Project Fee Programs**

Eagle IARs can provide advice to you when assisting you with advisory services outside of an established financial plan. In this program, IARs can charge either an hourly fee rate or a flat fee for the entire project. Examples of permitted services include:

- Advice on various topics including but not limited to:
  - Goal planning
  - Social Security decisions
  - Budgeting
  - Debt reduction
  - Mortgage payment decisions
  - Liability coverage
  - Major purchase decisions
  - Charitable strategies
- Supporting you when working with your other professionals (*e.g.*, attorneys, tax professionals, etc.) on business or financial topics, such as:
  - Business succession planning
  - Wills and trusts
  - Family Foundations
  - Transfer and legacy planning

The fee based hourly advice and project fee programs include a pre-meeting where IARs outline their role and services to be provided during the engagement. During this pre-meeting process, you sign the Hourly/Project Fee Form and agreement (which includes the hourly or flat fee rate). Your signed Hourly/Project Fee Form is then sent to our main office in New York, NY for approval.

**Insurance and Annuities for Financial Planning Services.** Financial planning as well as other advisory services described in this Brochure may give rise to your IAR providing general advice about the need for

insurance, annuities or similar financial products. Eagle IARs, acting in the capacity of an insurance agent and/or a registered representative, can assist you in implementing financial plan recommendations by offering to sell insurance products issued by New York Life, annuities issued by NYLIAC and/or securities products available through NYLIFE Securities. Some securities products may include mutual funds or variable life and annuity products that include investment options that are managed by New York Life Investment Management LLC ("NYLIM"), an Eagle affiliate. These products ("Proprietary Products") are distributed by NYLIFE Distributors LLC, another Eagle affiliate. If you purchase Proprietary Products, our affiliates receive additional compensation for the services that they provide.

If you choose to buy an insurance, annuity or securities product, your Eagle IAR, in his or her capacity as an insurance agent and/or registered representative, will receive a commission and will also receive other forms of direct and indirect compensation from New York Life or its affiliates as a result of the sale. Such commissions and other compensation is in addition to any fee that you pay to the Eagle IAR for financial planning services or any fees the IAR earns under the investment advisory programs described below. Also, certain Eagle IARs broker the products of outside insurance companies. You should be aware that Eagle IARs have an incentive to recommend products or services that result in additional compensation. We address this conflict by disclosing it to you. All commissions paid to New York Life insurance agents are within the limits set by Section 4228 of New York State Insurance Law. Please see Item 5 (Fees and Compensation) for additional information.

The Eagle IAR will be acting solely in his or her role as an agent of the company issuing the insurance or annuity product and/or as a NYLIFE Securities registered representative, when selling insurance, annuity or securities products. The IAR has different obligations to you, and will be subject to a different standard of care, when selling insurance, annuity or securities products than when acting as your IAR. You may implement, some, all, or none of the recommendations contained in a financial plan through your Eagle IAR, and you may also choose to implement recommendations through another financial institution.

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## 2. INVESTMENT ADVISORY PROGRAMS

We offer several different investment advisory programs ("Programs") to Clients. Your IAR assists you in completing Program documentation, and provides ongoing services as outlined below for each Program. The IAR also meets with you at least annually to review your account, investment objectives, financial situation, risk tolerance, time horizon and investment restrictions (if any). The investment advisory programs described in this Brochure are not appropriate for clients who want to maintain trading control over their accounts, who seek short-term investments, or who anticipate significant withdrawals from their accounts.

In recommending an investment solution to you, your IAR can choose from a universe of investment advisory programs and strategies selected by Eagle. For the Representative Directed Programs, Eagle selects the securities (mutual funds, exchange traded funds, exchange-traded notes ("ETNs"), equities and/or bonds) that are made available.

You are encouraged to review additional disclosure documents and/or the specific Program agreement for background on a particular Program, including more information on Program advisers, managers, services, fees, account termination policies and other important Program features.

## 1) Representative Directed Programs

We sponsor the following four Programs, which are collectively referred to as “Lifetime Wealth Portfolios Programs” (“LWP” or “LWP Programs”): Representative Directed; Fund Advisory; Separately Managed Account; and Unified Management Account. This Brochure discusses only the Representative Directed Program in which the Client elects to pay transaction fees. For all other LWP Programs, please see Eagle’s Wrap Fee Brochure (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)).

For the LWP Programs, we contracted with (i) Envestnet Asset Management Inc. (“Envestnet” or “Platform Manager”) to provide platform managerial services such as the trading platform infrastructure, technology, certain investment advisory and portfolio management services, and other account-related services, and (ii) National Financial Services (“NFS”) to provide custody, clearing and administrative services (such as collecting program fees) for the accounts. NYLIFE Securities provides brokerage services relating to LWP accounts (“Accounts”), and NFS serves as its clearing firm.

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, certain account related services that we offer to clients provide us with authority that result in us being deemed to have custody under the Advisers Act.

The Representative Directed Programs allow our IARs to work with you to recommend and select mutual funds, exchange-traded funds (“ETFs”), exchange traded notes (“ETNs”), equities and/or bonds (collectively, “Securities”) appropriate for your account based upon your investment objective and risk tolerance for the portfolio (“Portfolio Objective”). Our internal policies may limit your IAR from purchasing certain types of securities in Representative Directed Program accounts. Please see Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) below for more information about our selection and review process of Securities. Please see Item 17 (Voting Client Securities) below for information regarding proxy voting.

The Representative Directed Programs consists of three separate offerings: Guided Portfolios (GP), Representative as Adviser (RAA) and Representative as Portfolio Manager (RPM). The RAA and RPM programs are available only to qualifying Eagle IARs who meet specified requirements.

The three Representative Directed Programs are:

**a. Guided Portfolios.** The GP program is a non-discretionary program in which you must consent to every trade in advance, except for trades that result from Envestnet rebalancing your account, as indicated in your client agreement (“Client Agreement”). Please see the *Rebalancing Representative Directed Accounts* section below for additional information regarding the rebalancing process. For the GP program, you work with the IAR to create your portfolio by selecting Securities and their portfolio weight, based on a specific asset allocation model (altogether, your “Model”).

**b. Representative as Adviser.** The RAA program is a non-discretionary program in which you must consent to every trade and every Model change in advance, except for certain rebalancing trades. Please see the *Rebalancing Representative Directed Accounts* section below for

additional information regarding the rebalancing process. In this program, you work with your IAR to create a portfolio by selecting Securities that are consistent with your Portfolio Objective and by determining each Security's portfolio weight and drift parameters as defined below (altogether, your "Model").

**c. Representative as Portfolio Manager.** In the RPM program, by signing an addendum to your Client Agreement, you grant the Eagle IAR limited discretionary authority over your account. Pursuant to that authority, the IAR selects the Securities, portfolio weights and drift parameters for your initial portfolio (collectively, your "Model"). This initial Model is provided to you with the Proposal. The Statement of Investment Selection ("SIS"), which you must sign prior to opening a RPM account, will reflect the Model name as shown in the Proposal. By signing the SIS, you indicate your approval of the initial Model.

In the RPM program, once the account is open and funded, the Eagle IAR's discretionary authority is limited to:

- **Security Replacement** – The IAR can replace one security within the Model with another security, without notifying you or obtaining your approval. This action is taken when the IAR decides that an existing security within the initial Model or a subsequent Model should be sold. An existing security will be replaced with a new security of the same asset class and will be at the existing market weight or that of the Model. Security replacements will not increase the overall risk tolerance of the Portfolio Objective that you agreed to in the SIS.
- **Rebalancing** – The IAR can rebalance the account back to the Model weight parameters at any time, without notifying you or obtaining prior approval from you. Rebalancing an account will cause trades to occur within the account when the position weights exceed the drift parameters of the Model. A rebalance may occur in conjunction with a security replacement, or at any time, at the discretion of the IAR. Please reference the *Rebalancing* and *Drift* sections below for more information.

Except as outlined above, all other orders to buy or sell, or other Model adjustments (such as changing a security's market weight within the Model, or adjusting drift parameters) within your RPM account require your prior consent. You may only participate in this RPM program if your IAR meets Eagle's qualifications to provide discretionary services. Interested Clients should contact their IAR for additional information.

The following features apply to all Representative Directed Programs:

**Trade Orders.** In the GP program, trades are placed by Envestnet after you and your IAR complete a Goal Modification service request and submit the applicable paperwork to Envestnet. A Goal Modification is a method we use in Envestnet to update your account's risk, fees or Model. You should be aware that trades in GP accounts may not be routed by Envestnet to NFS for execution until the next business day after the Goal Modification and applicable paperwork is received by Envestnet. A delay in trade execution can cause you to pay a higher price when buying securities or receive a lower price when selling securities.

In the RAA and RPM programs, the Eagle IAR submits trade orders, which Envestnet then sends to NFS for execution. Eagle IARs who participate in the RAA and RPM programs are permitted to place

conditional orders, such as stop or limit orders, on behalf of Clients. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher. A limit order is not guaranteed to execute. A limit order can only be filled if the security's market price reaches the limit price. While there is no guarantee that limit orders will be executed, they can help ensure that an investor does not pay more, or receive less, than a pre-determined price for a security. A stop order is an order to buy (or sell) a security that becomes a market order to buy (or sell) when a transaction occurs at or above (below) the stop price. Similar to a limit order, a stop order is not guaranteed to execute, and the execution price may be different than the stop order price. You should consult with your Eagle IAR to determine if stop and limit orders are appropriate for your account.

**Rebalancing Representative Directed Accounts.** Rebalancing is a process where your account's portfolio is compared to the Model that you established with your IAR in order to determine if securities need to be bought or sold to bring your account back in line with your Model. If securities in your portfolio are overweighted or underweighted as compared to your Model parameters at the time of the rebalancing assessment, the Envestnet system will generate the necessary trades for your account, which will be placed either by Envestnet or your IAR (as described below), to bring the portfolio back in line with the Model's parameters. Please see below (Rebalancing Assessment Frequency) for more information regarding the timeframes for rebalancing accounts. If your portfolio is within the defined criteria when compared to your Model, the Envestnet system will not generate any trades and there will be no rebalancing trades in your account. The rebalancing process is further described within the Client Agreement.

Rebalancing Assessment Frequency – At a minimum, Eagle requires that Accounts in the Representative Directed Programs be reviewed for rebalancing annually. You select a rebalancing frequency of quarterly, semi-annually or annually, which is reflected on and agreed to when you sign the SIS. Accounts are assessed by Envestnet at the frequency you select, based on the anniversary of the account opening date (for new accounts) or based on the date of the last rebalancing action or rebalancing review. The "Assessment Date" is the date in which the Envestnet system conducts this rebalancing review of your account.

In addition to the designated rebalancing date based on the frequency you select (as described above), Envestnet assesses Representative Directed accounts on a daily basis to determine if a rebalance is necessary based on the following reasons:

- There are positions in the account that are not part of the Model;
- A Client increases or decreases their cash;
- There is insufficient cash to pay Program fees; or
- A Goal Modification or service request is made in the Envestnet system (such as a Model change).

Rebalancing Process – For the GP Program, if a rebalance is required on the Assessment Date, Envestnet will place trades in the account to bring all of the individual asset allocations back to within the defined Model parameters, based on the account's Portfolio Objective. Envestnet will process the rebalancing trades without obtaining your consent in advance, as indicated within the Client Agreement.

IARs are responsible for rebalancing accounts within the RAA and RPM programs, and Envestnet is responsible for generating the necessary rebalancing trades and for notifying the IAR when an account rebalancing is necessary so that the IAR can then place the rebalancing trades in the account.

- For the RAA Program, your IAR will rebalance your account back to within the defined Model parameters, quarterly, semi-annually or annually, based on the frequency you selected, which is reflected on your SIS. Portfolio rebalancing may result in additional trades in the account. Your IAR can rebalance your account on the Assessment Date based on the consent you grant within the Client Agreement. If your IAR rebalances your account on any day other than the account's Assessment Date, or modifies any of the rebalancing trades generated by Envestnet, your IAR will obtain your consent in advance of the rebalance.
- For the RPM Program, by signing the Client Agreement, you grant your Eagle IAR the limited discretionary authority to rebalance your account back to within the defined Model parameters, on or about the Assessment Date, on at least a quarterly, semi-annual or annual basis (based on the frequency you select, as reflected within your SIS), or at any time at the IAR's discretion, and without further Client consent. Portfolio rebalancing may result in additional trades in the account. Please see the RPM program description above for additional information regarding your IAR's discretionary authority.

**Drift.** Due to market appreciation and depreciation, the value of the securities in your account will fluctuate and increase or decrease in value over time. When creating your Model, you will establish a fixed weight percentage for each security within your account. When a security becomes overweighted or underweighted relative to the percentage you set within your Model, it is said to "drift." Drift is the movement of a security's percentage weight relative to the fixed percentage weight you set within your Model. When creating your Model, in addition to establishing a fixed percentage weight for each security, you and your IAR will also establish or agree to an allowable drift range for each security (or "drift parameters"). In this way, the value of your securities can appreciate or depreciate up to a certain percentage weight within your Model before they are required to be rebalanced back to within your Model parameters. For example, you may create a Model where a security has a fixed weight of 10% relative to the entire portfolio, with 4% drift parameters. This means that the value of the security can appreciate up to 14% of your portfolio or depreciate down to 6% of your portfolio before requiring the security to be rebalanced.

**Eagle's Role.** We act as an investment adviser in the Representative Directed programs and, through our IAR, are responsible for initial and ongoing contact with you. To identify your account's Portfolio Objective, you provide information to your IAR so that an Investor Profile Questionnaire ("IPQ") can be completed on the Envestnet system. We then provide you with a personalized investment proposal recommending particular Securities and their corresponding security weights and drift parameters (the Model). Your account will be assessed for rebalancing based on the rebalancing frequency and the criteria that you have selected. Please see the *Rebalancing Representative Directed Accounts* section above for additional details on how rebalancing works for each Representative Directed Program.

The Eagle IAR is also available to meet with or speak to you at least annually to review any changes to your account, investment objective, financial situation, and any account restrictions, where applicable. Please see Item 4C (*Tailoring Advisory Services to Client Needs*) for additional information on how Eagle tailors services for Clients. We, or a vendor we select, also perform ongoing research

and due diligence reviews on the available Securities within the Representative Directed Programs. Please see Item 8 (*Methods of Analysis, Investment Strategies and Risk of Loss*) for information regarding security selection and review within the Representative Directed Programs.

**Envestnet's Role.** Envestnet, an unaffiliated registered investment adviser, is the Platform Manager and provides the platform that we and our IARs use to provide advisory services to you in the Representative Directed Programs. Envestnet does not act as your sub-adviser in the Representative Directed Programs. The trading and execution process in the GP program is different than those of the RAA and RPM programs. In the GP program, at account inception, Envestnet liquidates all securities holdings (except for Unsupervised Assets, as described below) that are not included in the Model and invests all cash proceeds (except for Protected Cash, as described below) according to the Model. Subsequent changes to your Model are made after you and the IAR complete a Goal Modification service request. These changes are then placed by Envestnet. You should be aware that Envestnet may not place trades in GP accounts until the next business day after the goal modification is entered into the Envestnet system and the applicable paperwork is submitted. In addition, in the Representative Directed Programs, Envestnet will be responsible for conducting the rebalancing assessment, generating the necessary rebalancing trades and for either notifying your IAR through a system alert feature that account rebalancing may be necessary (for RAA and RPM accounts) or rebalancing the account (for GP accounts). Please see Envestnet's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

**NYLIFE Securities' Role.** NYLIFE Securities provides brokerage services relating to LWP accounts and clients must sign a NYLIFE Securities brokerage application ("Managed Account Application") prior to opening an LWP account.

**NFS' Role.** NFS acts as the carrying broker-dealer and provides custody, clearing and administrative services including account establishment, trade processing, trade confirmation reporting, and deduction of applicable fees for your account. These services are further described within the Managed Account Application and Client Agreement you sign.

Optional Features Available in LWP Accounts:

- a. **Insurance and Annuities – LWP Representative Directed Programs.** As part of the LWP Programs, you may receive an "insurance analysis", which is intended to identify the amount of insurance necessary to protect your "human capital." Human capital is a present value calculation of your future earning potential. Our IARs, acting as insurance agents, may provide a life insurance recommendation to protect all or a portion of your human capital, or for other generally recognized insurance needs, such as estate planning, cash needs at death, or business succession planning. Clients who are retired or near retirement may also receive a recommendation to purchase an immediate annuity for income.

**Assessing Risk Tolerance.** When assessing your risk tolerance for your Eagle advisory account, Eagle and Eagle IARs can consider the cash value of life insurance purchased and/or the value computed for an immediate annuity ("annuity value;" see discussion immediately below for additional details). If such assets are included in assessing your risk tolerance, they will be considered as a fixed income component of your overall portfolio, and your recommended Portfolio Objective and asset allocation in your LWP account may be more

aggressive than if we hadn't included these assets within your risk assessment. You have the option to include or not to include these assets within your risk assessment. For additional information about this process, please contact your IAR.

**Reporting on Insurance and Annuities.** Clients can choose to have the values of their New York Life insurance and annuity policies reported on Eagle Client materials (e.g., quarterly performance reports). Interested clients should discuss this feature with their IAR and complete the necessary paperwork. These insurance and annuity policies listed on Eagle Client materials are for informational purposes only. You should rely on the official policy statements (such as the Annual Policy Summary or the Quarterly Statement) you receive from the issuing insurance company to determine policy values and for evaluating these insurance and annuity products.

**Limits on Responsibility.** We do not provide investment management services for any insurance or annuity product even when such products are considered in calculating your risk tolerance or when such products are reported in Eagle Client materials, and we do not consider the value of any insurance and annuity policies in determining your Total Client Fee.

The IAR acts solely in his or her capacity as an insurance agent of New York Life Insurance Company, Eagle's parent, when discussing, recommending or selling insurance, or as an insurance agent of New York Life Insurance and Annuity Corporation ("NYLIAC"), another Eagle affiliate, when discussing, recommending or selling annuity products and will receive compensation from New York Life, or NYLIAC, as applicable, for the sale of such products. You are not required to purchase a New York Life insurance policy to protect your human capital or a NYLIAC annuity to provide for income. Receiving a recommendation for life insurance from your insurance agent does not guarantee you will be underwritten for, or issued, a policy.

Advisory fees are not assessed on the cash value of any associated life insurance or annuity policies; instead, you pay a separate premium (a non-advisory fee) to the issuing insurance company to cover the cost of any insurance or annuity product you may purchase. Commissions and other compensation paid to insurance agents of New York Life and NYLIAC are within the limits set by Section 4228 of New York State Insurance Law.

- b. Multiple Margin Program – Available for Certain RAA and RPM Accounts.** The Multiple Margin Program ("Multi-Margin Program") accommodates Clients seeking to borrow cash against the value of certain assets held within eligible RAA and RPM accounts. This program allows you to engage in margin borrowing against multiple accounts (up to 24 accounts) that are established under the same ownership/registration and to segregate the margin loan in its own account to avoid managed account billing or performance reporting issues. The Multi-Margin Program account that holds the margin loan will be classified as the "Primary" account, and managed account fees are calculated independently of the debit balance and will continue to be assessed on Billable Assets (described below). Please see Item 5 (*Fees and Compensation*) for more information regarding assets that are billed on. For additional details on what assets will be charged, please contact your IAR. This program is only available through IARs who meet Eagle's qualifications to offer these services.



**Program Eligibility and Requirements:**

- The program is only available to Clients with non-retirement accounts in the RAA and RPM program.
- Individual equity, bonds, and certain ETF and mutual fund positions held within RAA and RPM accounts are eligible to be used as collateral and included in the Multi-Margin Program account relationship.
- Clients must have an investment minimum of \$500,000, excluding Unsupervised Assets, in total LWP Program assets in the Client relationship to be eligible for this Program.

Clients participating in the Multi-Margin Program will be required to sign a Margin Agreement with NFS. Please see the NFS Margin Disclosure Statement and Margin Account Agreement, available from your IAR, for additional important information regarding the Multi-Margin Program. See Item 5C (*Other Fees and Expenses*) below for more information.

- c. Securities Backed Line of Credit Program – Available for Certain RAA and RPM Accounts.** The Securities Backed Line of Credit Program, offered by participating banks (such as US Bank and TriState Capital Bank), all non-affiliates, accommodates Clients seeking a flexible line-of-credit (cash loan) secured by their Eagle account. Eagle offers this service solely as an accommodation to interested Clients. Clients who participate understand that Eagle and its IARs are not recommending or providing any advice with reference to any particular bank or loan. This Program is not part of Envestnet's platform or services and Eagle receives no additional fee for the service. This program is available only through IARs who meet Eagle's qualifications to offer this service.

The line of credit would be secured by certain assets held within eligible RAA and RPM accounts. Multiple accounts with different registrations can usually be pledged for one loan. Interested Clients will need to complete a loan application and loan agreement through the participating bank, and the bank will determine the line of credit that a Client may be eligible for, subject to the underwriting of the Client and the assets held within the Client's accounts. Note, Clients utilizing this program will need to receive bank approval before making any distributions from their Eagle accounts (aside from dividend payments and applicable Program fees) and will be solely responsible for ensuring compliance with the terms of the bank loan agreement. For additional information, including the risks associated with this loan program and the role of Eagle and your IAR, please contact your IAR and review the bank's agreement. See Item 5C (*Other Fees and Expenses*) below for more information.

**d. Bank Checking Account, Check Writing & Automatic Bill Payment Services**

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, Eagle offers clients various account related services, some of which are described below, that provide Eagle with authority that cause it to be deemed to have custody under the Advisers Act.

***Bank Checking Account and Check Writing.*** In LWP accounts, clients can elect to link their money market positions that are cleared and custodied at NFS to a third party bank

checking account. This enables the client to write checks and authorize payments from these money market funds. This program is available through PNC Bank Services and is subject to NFS' and Eagle's approval. When writing checks, funds are transferred from the client's LWP account money market positions to the client's bank account for the sole purpose of facilitating payments. Clients must ensure they have enough money available in their LWP account money market positions to cover the amounts of their check obligations. Interested clients should discuss this feature with their IAR and review required paperwork agreeing to the terms of the check writing service. See Item 5C (*Other Fees and Expenses*) below for more information.

***Automatic Bill Payment Services and Payment of Insurance Premiums.*** Automatic bill payment within LWP accounts is a service that permits clients to authorize another company to transfer money from their bank checking account that is linked to their LWP account (described above) to pay for bills such as premium payments or utility bills.

Clients can also authorize our affiliates, such as New York Life or NYLIAC, to transfer money from the Client's third party bank checking account that is linked to their LWP account (described above) to pay for specified monthly premiums for which the client has assumed payment responsibility. Interested clients should discuss this feature and required paperwork with their Eagle IAR. See Item 5C (*Other Fees and Expenses*) below for more information.

- e. ***Investnet's Protected Cash Feature.*** Protected Cash is a feature available through Investnet that allows Clients to temporarily maintain a designated amount of cash within their LWP account. See Item 5C (*Other Fees and Expenses*) below for more information.
- f. ***Investnet's Unsupervised Assets Feature.*** Unsupervised Assets or securities held "below the line" are securities that are not part of your Model but that you wish to include on your account statements and quarterly performance reports for consolidated reporting purposes. Unsupervised Assets are not included in your account's performance calculations. "Below the line" securities are considered unsupervised brokerage assets and are ineligible for Eagle investment advisory services, so we will not charge you a fee for them. Unsupervised Assets are not included in the computation of the Total Client Fee (described in this Brochure). See Item 5C (*Other Fees and Expenses*) below for more information.

## 2) SEI Investments ("SEI") Programs

***The programs described below, which are sponsored by SEI, a registered investment adviser, are closed to new Eagle Clients.***

- ***Asset Management Program*** – is a mutual fund model program utilizing SEI proprietary funds. Based on information you provide, an investment objective is determined. Then you and the Eagle IAR select an appropriate mutual fund asset allocation model. SEI Investment Management Corporation, a subsidiary of SEI, creates the models and SEI (or a designated manager) manages the funds within the model. When managing your accounts, IARs use model portfolio recommendations provided by SEI. SEI provides non discretionary advice and does not serve as an investment adviser in this program. You must agree to all model

changes that are recommended by SEI before they are implemented in your account. The IAR provides you with information about the SEI Funds that are available within the account. The IAR explains the rebalancing guidelines SEI uses in the management of the portfolio. SEI is responsible for rebalancing the account pursuant to the standard variances established by SEI.

- **Managed Accounts Program** – Based upon your personal circumstances and investment objectives, you and the IAR will determine an appropriate asset allocation and investment strategy. This program uses separately managed accounts and/or mutual funds to implement the selected strategy. The separately managed accounts and/or mutual funds are advised by SEI or one of its affiliates. The program also offers a feature called Integrated Managed Accounts Program (IMAP) in which SEI selects a sub-adviser to manage the entire managed account portfolio. SEI serves as an investment adviser for this program and is responsible for due diligence and ongoing analysis of the sub-advisers available in this program. Please see SEI's Form ADV Part 2 for additional information (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**Eagle's Role.** We and our IARs are responsible for gathering your financial information and, in general, assisting you in completing SEI's IPQ. The IAR assists you with selecting an appropriate investment portfolio based on your circumstances, investment objectives and risk profile.

**SEI's Role.** Please see SEI's Form ADV Part 2 for additional information (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). Transactions in accounts maintained with SEI clear through, and custody of assets is maintained by, an SEI affiliate.

## ACCOUNT OPENING FOR INVESTMENT ADVISORY PROGRAMS

For all Programs described within this Brochure, you must complete an IPQ or work with your IAR to complete one.

### **Representative Directed Programs:**

To open an account, you must sign a Client Agreement with us. Under this agreement, we assist and advise you in establishing your Portfolio Objective, developing an asset allocation and/or rebalancing your account as necessary. Pursuant to this agreement, you must also enter into a relationship with NYLIFE Securities and NFS by signing the Managed Account Application and opening a brokerage account through which trades in your LWP account are processed. We also assist you in completing the Managed Account Application, which details the account's registration, holders, suitability information, and other account program characteristics. We work with you to complete the Statement of Investment Selection ("SIS"), which lists the Model for the particular Representative Directed Program you have selected.

### **SEI Programs:**

For the Asset Management Program, you enter into a client agreement only with Eagle when opening an account. For the Managed Accounts Program, you enter into a client agreement with Eagle and SEI. Under these agreements, we assist and advise you in selecting investment portfolios that align with your investment objectives and risk profile. We also assist you in completing the application paperwork,

which details your information, type of account and investment strategy. Please see SEI's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information.

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### 3. EAGLE RETIREMENT PLAN PROGRAM

We offer consulting and advisory services to sponsors of qualified employer-sponsored defined contribution retirement plans ("Plan Sponsor") that are designed to assist Plan Sponsors of employee benefit plans. We may also assist Plan Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. The Eagle Retirement Plan Program allows IARs to charge a fee. That fee is an asset-based fee or a hard dollar (fixed) fee, depending on the program, for providing fiduciary, non-fiduciary and non-advisory consulting services under ERISA.

The Eagle Retirement Plan Program has two program classifications that are accessible to Eagle IARs who meet the necessary qualifications: the Retirement Plan Consulting Program and the ERISA Investment Manager Program.

**a. Retirement Plan Consulting Program (CP).** We will perform the following services as a fiduciary under Section 3(21) of ERISA solely with respect to our rendering services to assist the Plan Sponsor with the investment selection and monitoring of the investment options available through the Plan:

1. We advise the Plan Sponsor in selecting and monitoring the investment options that they determine to make available to Plan participants based on criteria established by the Plan Sponsor in consultation with us. We require that investment options meet a 3-year fi360 Fiduciary Score of 0 to 50 to be selected by the Eagle IAR. The investment option recommendations should also include a minimum of three investment alternatives: a money market fund, a bond fund, and a domestic large cap equity fund. The criteria and methodology for this program are different from those we use in other investment advisory programs. As a result, the recommended investment options may be different than approved and available options in other Eagle advisory programs.
2. Based upon these criteria, and primarily utilizing the third party (fi360) database, we will generate at least annually a recommended list of non-proprietary mutual fund, ETF and/or ETN investment options for the Plan Sponsor to select from. The Plan Sponsor (and not Eagle) will be ultimately responsible for selecting the mutual funds or exchange traded products that will be made available to Plan participants.
3. Eagle IARs and the Plan Sponsor will meet quarterly to review and update (if necessary) the investment options.

As part of this Program, Eagle may provide the following non-fiduciary services:

- Participant Education and Enrollment Services
- Plan Sponsor Support Services

**b. ERISA Investment Manager Program (EIMP).** To establish a relationship with us, the IAR assists the Plan Sponsor to complete a Client Profile in order to obtain information about plan design, plan objectives and third-party service providers. The IAR will present the Plan Sponsor with a copy of the Retirement Plan Services Program Agreement for review. Once the Plan Sponsor, in the exercise of its

fiduciary duty to the Plan, selects the services to be provided by us and has determined the same to be necessary for the operation of the plan and the compensation paid to be reasonable, the Plan Sponsor must sign the Program Agreement and submit it to us before any services are rendered.

We may provide the following ERISA fiduciary services:

- Assisting the plan fiduciaries in selecting a discretionary investment manager (“Manager”) from among Managers that we have evaluated to serve as an “investment manager” as defined under Section 3(38) of ERISA. We currently have four Managers available in the program: Brinker Capital Inc., Frontier Asset Management, LLC, Loring Ward and Morningstar Investment Services LLC (“MIS”). Eagle IARs may make recommendations that are, among other things, based upon the Manager’s style and process and adherence to style and guidelines; manager specific impact; survey data; and fee analysis. The plan fiduciaries have the final approval on the hiring and/or retention of any Manager we recommend.
- Assisting the plan fiduciaries with collecting and evaluating information relating to the ongoing review of the Manager selected and retained by the plan fiduciaries, including reviewing tools and reports provided by the Plan’s Manager and/or service providers to assist the Sponsor in evaluating the reasonableness of the Manager’s fees and to compare the Manager’s overall performance against applicable, recognized industry indices. An Eagle IAR may recommend the replacement of an underperforming Manager, but will not make any recommendations to alter the investments or model portfolios.

As part of this Program, we may provide the following non-fiduciary services:

- Participant Education and Enrollment Services
- Plan Sponsor Support Services

#### **NON-ADVISORY SERVICES OFFERED (SOLICITOR PROGRAMS)**

In the following three programs, we act as a solicitor through which our IARs recommend unaffiliated investment advisers (“Advisers”) that you then select to provide you with investment advisory services. In these programs, IARS can choose from a universe of Advisers selected by Eagle. Once you select an Adviser, we and our IARs do not provide advisory services; instead, the unaffiliated Advisers provide advisory services and are responsible for managing your portfolio. We and our IARs receive compensation from the Advisers for introducing Clients to them and for providing certain ongoing non-advisory services. The fees we receive from each Adviser vary by program and range from 0%-1.25% for Brinker programs, 0%-2.0% for Frontier programs, and 0%-1.5% for IPC programs. These fees are negotiable and are in addition to the fees charged by the Adviser. For more information, please review the Adviser’s paperwork and the solicitor disclosure statement you receive when opening a Solicitor Program account. Please contact your IAR for details on the fees associated with each program to determine which is the right program for you.

We monitor and conduct due diligence on the Advisers that are recommended by our IARs in the Solicitor Programs. Within these programs, the IAR assists you in completing Program documentation, and provides ongoing non-advisory services as outlined below for each Program. The IAR is available to meet with or speak to you at least annually to review your account, investment objectives, financial situation, risk tolerance, time horizon and investment restrictions (if any), and will communicate applicable changes to your selected unaffiliated investment adviser. In addition, at your request, your

IAR is available to coordinate meetings together with you and the unaffiliated Adviser to review your account's investment allocation, performance and fees. Even if the IAR is available for providing these services, the Adviser, and not Eagle or the IAR, is responsible for providing you with investment advisory services.

**a. Independent Portfolio Consultants, Inc. ("IPC") - *This program is closed to all new Eagle Clients.***

We act as a solicitor and refer Clients to the Independent Managed Assets Program ("IMAP") sponsored by IPC, a registered investment adviser ("IPC's IMAP"), for a fee. IPC's IMAP is a separately managed accounts program. We are responsible for initial and ongoing Client contact, but we do not act as the investment adviser for the account. If you elect to invest in IPC's IMAP, IPC will act as the sole investment adviser. We receive referral fees from IPC. Assets at IPC are custodied through First Clearing, LLC or Pershing, LLC, unless you advise IPC to select another custodian. Additionally, Clients already participating in IPC's IMAP may also participate in IPC's Multiple Strategy Portfolios Program which is a mutual fund asset allocation program. More information regarding IPC can be found in IPC's IMAP Disclosure Brochure (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**b. Brinker Capital Inc. ("Brinker Capital")**

We act as a solicitor and refer Clients to programs sponsored by Brinker Capital, a registered investment adviser, for a fee. We are responsible for initial and ongoing Client contact, but do not act as the investment adviser. If you select one of these programs, Brinker Capital will act as the sole investment adviser. Assets within these programs are custodied with NFS or FISERV/TD Ameritrade. We receive referral fees from Brinker Capital. More information about these Brinker Capital programs can be found in Brinker Capital's Form ADV Part 2A (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**c. Frontier Asset Management, LLC. ("Frontier")**

We act as a solicitor, which means we refer Clients to programs sponsored by Frontier, a registered investment advisor, for a fee. We are responsible for initial and ongoing Client contact, but do not act as the investment adviser. If you select one of these programs, Frontier will act as the sole investment adviser. Assets within these programs are custodied with Fidelity. We receive referral fees from Frontier. More information about the Frontier program can be found in Frontier's Form ADV Part 2A (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

## **C. TAILORING ADVISORY SERVICES TO CLIENT NEEDS**

Our advisory services are based on your individual financial outlook and objectives. Our IARs gather this information, often using an IPQ. In order to tailor our advice to your individual needs, we may review your investment objectives, risk tolerance, intended investment amount, liquid net worth, human capital insurance analysis and retirement and insurance goals. The IAR's recommendations depend on the information you provide. For example, depending on the IPQ answers, you may be placed in a more or less aggressive portfolio.

Clients with accounts that are managed on a discretionary basis may place reasonable restrictions on the management of those assets. You may ask your Eagle IAR to manage your account pursuant to a particular investment strategy. In the RPM discretionary program, your Eagle IAR will manage your account in accordance with your Portfolio Objective, as applicable (as discussed above in Item 4). You may also place investment restrictions on your RPM account (as discussed above in Item 4). Restrictions cannot be systematically coded for the GP and RAA non-discretionary programs; however, you can reject any security recommendation made for your portfolio in these accounts. Please see Item 8 (*Methods of Analysis, Investment Strategies and Risk of Loss*) regarding the Eagle Retirement Plan Programs.

#### **D. PORTFOLIO MANAGEMENT SERVICES WITHIN WRAP FEE PROGRAMS**

We act as both the wrap fee program sponsor and the portfolio manager in the LWP RPM discretionary program and for the UMA Discretionary program (described in the Wrap Fee Brochure). The Representative Directed Programs described in this Brochure and the Representative Directed Programs described in Eagle's Wrap Fee Brochure are managed similarly. However, there are differences in the way fees are charged to Clients. For the RPM program described in this Brochure, trading costs are paid separately by the Client, as opposed to the programs described in the Wrap Fee Brochure where clients pay an asset based fee for investment advisory services, trade execution (if through NFS) and custody. For wrap fee accounts, we receive and retain a portion of the wrap fee (asset based fee) for our services. Since the Total Client Fee for the RPM program described in this Brochure is dependent on the volume of trades, it may be more expensive for the client to pay for services on a wrap fee basis if there are few trades in the account. Eagle offers only one UMA Discretionary program, which is described within Eagle's Wrap Fee Brochure. Please reference our Wrap Fee Brochure for more information regarding our wrap fee programs (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)).

#### **E. MANAGEMENT OF CLIENT ASSETS**

As of February 28, 2017, Eagle has Advisory Assets of approximately \$6,710,585,135 of which approximately \$6,620,585,135 are Regulatory Assets Under Management. In addition, Eagle acts as a solicitor for approximately \$1,224,763,970.

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

The fees and compensation listed below are for programs where we act as the investment adviser or provide financial planning services. For an explanation of fees and compensation for the solicitor programs where we refer you to an unaffiliated investment adviser, please see Item 14 (*Client Referrals and Other Compensation*) below as well as the program sponsor's Form ADV Part 2.

#### **A. COMPENSATION AND SCHEDULE OF FEES**

##### **1. FINANCIAL PLANNING SERVICES**

All the fees listed for the programs below (except for certain financial planning seminar services) are negotiable based on factors such as the type and size of the account and the range of services we provide.

#### **a. Financial Plans**

Fees for financial plans vary based upon a variety of factors including:

- the complexity of issues involved;
- the IAR's experience;
- the Client's net worth; and
- the Client's planning needs

Financial planning fees are negotiable and can range from \$0 to \$52,500. In some instances, more than one Eagle IAR may share the agreed upon fee.

#### **b. Financial Seminars**

In some instances, we charge a one-time fee to persons attending financial seminars. The fee may be charged to the individual attending the seminar, or may be paid by the sponsoring organization that engages the IAR. Fees are generally in the range of \$35 per attendee but may vary and can range up to \$200 per attendee. These fees are intended to compensate the IAR for his/her time and to cover the costs of any written materials provided at the seminar, advertisements, and other expenses related to the cost of providing the seminar.

#### **c. Fee-Based Hourly Advice and Project Fee Programs**

The hourly fee is negotiable and in general ranges from \$100 to \$400 per hour, and each engagement should not exceed 12 hours. If a flat fee is charged for the entire project, the fee can range from \$0 - \$25,000 and is negotiable.

## **2. INVESTMENT ADVISORY PROGRAMS**

Fees for the investment advisory programs are set forth below. The amount of compensation we and/or our IAR receives varies between programs and/or between options selected within a program. This leads to a conflict of interest, as we and/or our IAR have an incentive to recommend certain options over others. We address this conflict by disclosing it.

<b>Program</b>	<b>Total Client Fee</b>	<b>Other information</b>
Representative Directed	The Total Client Fee includes two (2) asset based fee components (Advisor Fee and Sponsor Fee) and transaction costs of \$7.50 - \$17.50 <sup>2</sup> per trade.	Please reference the <i>Representative Directed Programs</i> section immediately below for more information.

<sup>2</sup> The transaction fees for trades of listed equities, exchange-traded funds and exchange-traded notes are \$7.50, except for Fidelity ETFs which have no transaction fees. For most mutual fund trades, the transaction fees are also \$7.50, except for certain mutual funds, which have no transaction fees. However, for those fund families not



SEI AMP	Annual fee of 0% – 1.25% of account size.	This program is closed to new Clients.
SEI MAP	Annual fee of 0.6% to 2.2% of account size.	This program is closed to new Clients.
EIMP	Annual fee of 0.05% - 0.80% of plan assets	
CP	Depending on plan size, annual fee of \$0 - \$100,000	

#### a. Representative Directed Programs

**Calculating Your Total Client Fee.** There are three components to your Total Client Fee as described below. The asset based portion of your Total Client Fee includes the Advisor Fee and Sponsor Fee and is calculated as a percentage of the Billable Assets (described below) in your account. You also pay separate transaction costs for trades executed in your account. As a result, the amount of your Total Client Fee that you pay may fluctuate monthly, depending on the value of Billable Assets in your account at the time of billing and the number of trades executed in your account.

Billable assets ("Billable Assets") are those assets in your account for which Eagle provides investment advisory services and bills on. Generally, Billable Assets include the securities and cash positions in your Eagle account. As an accommodation to clients, we may permit you to have certain assets in your account that are excluded from the calculation of Billable Assets, such as assets identified as Unsupervised Assets, Protected Cash or affiliated funds within retirement accounts. Please see Item 5C (*Other Fees and Expenses*) below for information regarding Unsupervised Assets, Protected Cash and affiliated funds and how they are billed.

The Total Client Fee you pay is also impacted by applicable asset tiers and "household" discounts as explained further below. Please refer to your SIS and quarterly performance reports for additional detail on the actual fees you are charged. Please also speak with your IAR and see below for more information regarding these features and how they affect your Total Client Fee.

There are also other account fees and charges that are not included within your Total Client Fee. See Item 5C (*Other Fees and Expenses*) below for information regarding these additional fees and charges and see Item 5D (*Prepayment of Advisory Fees*) below for details on how you are billed.

**Fees.** The total fee you are charged ("Total Client Fee") is made up of the following components:

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participating in the Fidelity Partners Program, the charge is \$17.50. Please discuss fees with your IAR. Below is a list of Fund Families not participating in the Fidelity Partner Program. This list is subject to change without notice:

- Alliance Bernstein Offshore Funds
- CMG
- Dimensional Fund Advisors (DFA)
- Dodge and Cox
- Lingleaf Partners
- Meridian
- Sequoia
- Vanguard

- **Advisor Fee<sup>3</sup>** – The Advisor Fee is the fee charged by your IAR(s) and ranges from 0%-2.0% of the Billable Assets in your account. Advisor Fees are negotiable. Eagle, through its IARs, determines the Advisor Fee depending, in part, on: the particular Program selected, your expected account size, the anticipated number of trades and/or types of securities being traded, your individual circumstances and the scope of advisory and other client services to be rendered. The Advisor Fee that you pay is set forth in the Statement of Investment Selection (SIS), which you must sign prior to opening the Program account. If you have questions regarding your fees or want additional information regarding the asset tiers (see *Asset Tiers* discussion below) that may affect the fees that you pay for your account, please contact your IAR.
- **Sponsor Fee<sup>3</sup>** – The Sponsor Fee is 0.15% of the Billable Assets in your account and covers our administrative costs, which include platform costs, operational and custodial expenses and Eagle internal costs.
- **Transaction Costs** – You pay transaction costs for trades executed in your account. Please see the fee table above for additional information regarding transaction costs. In the Representative Directed Programs, you have the option to pay an asset based fee to cover transaction costs, or pay the individual transaction costs as they occur. This Brochure discusses the latter Representative Directed program where Clients pay the individual transaction costs. Please reference the Eagle Strategies Wrap Fee Brochure (available at [www.eaglestrategies.com/important-disclosures](http://www.eaglestrategies.com/important-disclosures)) for information regarding the Representative Directed Program where Clients pay an asset-based fee that covers transaction costs. The Advisor Fee and Sponsor Fee will remain constant and the Total Client Fee will fluctuate based on the account's size and the number and types of trades placed within the account. You pay transaction fees for each purchase and sale of all securities except for "no transaction fee funds." "No transaction fee funds" do not have transaction costs when purchased or sold but generally have higher operating expenses. These expenses are not paid to us but are deducted daily from the value of the fund. If a fund has higher expenses, your rate of return will be lower. You should consult with your Eagle IAR to determine which charge structure best suits your anticipated trading activity and which funds are suited for your needs. Please see Item 5 (*Fees and Compensation*) for additional information.

**Compensation Information.** The following section describes who receives compensation from the Total Client Fee that you pay:

- Eagle retains a portion of the Advisor Fee, and pays the remainder to the IAR.
- Eagle retains a portion of the Sponsor Fee, and the remainder is paid to Envestnet for platform and other administrative services and to NFS for custodial expenses.
- NFS retains the transaction costs you pay for trades in your account.

**Changing Fees.** For Representative Directed Programs – For Clients who signed account agreements after April 2013, you have agreed and acknowledged that we reserve the right to change the fee

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<sup>3</sup> The Advisor Fee and Sponsor Fee are also impacted by applicable asset tiers and "household" discounts. Please ask your IAR and see the sections below for additional information.

that you have agreed to with your IAR after providing written notice to you. You may revoke your consent to any fees or any fee increases at any time by terminating your account.

**Asset Tiers.** Certain fees (within your Total Client Fee) are based on asset tiers. With asset tiers, you will be charged a lower or higher fee when your account's Billable Assets exceed, or fall below, a specific target value at the time of billing. When you meet an asset tier, that fee and, thus, your overall Total Client Fee will be reduced or increased accordingly. There are two ways in which these fees are assessed: either, the new fee will be applied to all assets within the account once the target value is met, or only assets above the target value will be assessed the new fee. Please speak with your IAR for more information about your fee schedule.

**Household Discount.** For Clients who own multiple LWP accounts within the same program, the Advisor Fee and the Sponsor Fee may be discounted based on total eligible assets that your "household" invests with Eagle. A "household" consists of those eligible Client accounts that you ask your IAR to combine for purposes of fee calculation. Please contact your IAR for additional details and to determine if you are eligible for this discount.

**Payment of Advisory Fees.** The fee for Representative Directed accounts is payable monthly, in advance. The first month's Total Client Fee is calculated based on the period-ending balance for that month, and is prorated based on the number of days in the month in which the account was open and funded. Please see Item 5D (*Prepayment of Advisory Fees*) for information regarding prepayment of fees and our account termination process. Under certain limited circumstances, Eagle allows direct billing from other accounts where one Eagle LWP account or one NYLIFE Securities account can be designated to pay the fees for multiple Eagle LWP accounts. For additional information, please reference your Client Agreement and Managed Account Application.

NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, Eagle offers clients various account related services, some of which are described above, that provide Eagle with authority that cause it to be deemed to have custody under the Advisers Act.

**b. SEI Programs:**

The fee your IAR charges is negotiable. Please see the fee table above, and reference SEI's Form ADV for information regarding SEI's fees (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

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### 3. EAGLE RETIREMENT PLAN PROGRAM

**a. Retirement Plan Consulting Program (CP)**

Advisory fees are negotiable and cover both fiduciary and non-fiduciary services, as applicable. These fees may be tiered based on the total assets within the Plan.

The advisory fee is disclosed in the CP Agreement and is paid to us either directly by the responsible plan fiduciary or from the Plan's assets (by the recordkeeper).

**b. ERISA Investment Manager Program (EIMP).**

Advisory fees are negotiable and cover both fiduciary and non-fiduciary services, as applicable. The fees may be tiered based on the total assets within the Plan. The Advisory fee is disclosed in the EIMP Agreement and we are paid either directly by the responsible plan fiduciary or from the Plan's assets (by the recordkeeper).

## **B. BILLING METHOD**

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### **1. FINANCIAL PLANNING SERVICES**

#### **a. Financial Planning**

You are billed for financial planning fees, which are payable to Eagle. You may be billed as follows (i) 100% upon signing the Financial Planning Agreement, (ii) 50% upon signing the Financial Planning Agreement with the remainder due upon delivery of the written financial plan, or (iii) where the fees are greater than \$5,000, the fees may be paid in equal installments beginning upon the execution of the Financial Planning Agreement, with the last payment due upon delivery of the written financial plan to you.

#### **b. Seminars**

In general, attendees make the payment at the seminar or prior to attending the seminar. In some cases, fees paid by third parties are collected after the seminar is completed.

#### **c. Fee Based Hourly Advice and Project Fee Programs**

Fees are paid in monthly installments based on the hours worked during the previous month. If a flat fee is charged for the entire project, you may pay the entire fee upon signing the Hourly/Project Fee Form and agreement or may pay in installments.

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### **2. INVESTMENT ADVISORY PROGRAMS**

In the Lifetime Wealth Portfolios – Representative Directed Programs, fees are deducted directly from your account, monthly and in advance. Under certain limited circumstances, we may allow direct billing from other accounts where one account can be designated to pay the fees for multiple Eagle LWP accounts. NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, Eagle offers clients various account-related services, some of which provide Eagle with authority that cause Eagle to be deemed to have custody under the Advisers Act

For the SEI Program, fees are deducted directly from the Client's account on a quarterly basis.

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### **3. EAGLE RETIREMENT PLAN PROGRAM**

In the CP and EIMP programs, you may either pay the program fees directly or authorize the plan's record keeper or custodian to pay Eagle from plan assets.

In the CP Program, fees will be paid annually in advance or if paid quarterly thirty days of each quarter-end. In the EIMP Program, fees will be billed quarterly in arrears. Please see Section D (*Prepayment of Advisory Fees*) below for additional information.

## C. OTHER FEES AND EXPENSES

### Additional Information Regarding Fees and Expenses:

- 1) ***Fees and Expenses of Mutual Funds and Exchange-Traded Funds and Notes.*** If a mutual fund, ETF or ETN is held in your Eagle account, these securities have their own internal fees and expenses, which are separate from the program fees described above. These mutual fund, ETF or ETN fees and expenses are described in each security's prospectus; please see the prospectus for more detail. These fees include, but are not limited to, a management fee, other fund expenses, and possible distribution fees. If the fund also imposes sales charges, you may pay an initial sales charge upon purchase, or a deferred sales charge upon redemption, of fund shares. Eagle makes no-load or load waived share classes available for Clients within the LWP Programs. This means that you do not pay an initial sales charge when purchasing a fund, or a deferred sales charge when redeeming a fund in LWP accounts. For SEI accounts, please see SEI's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). You can invest in a mutual fund, ETF or ETN directly, without Eagle's services. In that case, you would not receive the services provided by Eagle, which are designed to assist you in determining which mutual fund(s), ETF(s) or ETN(s) are appropriate for your financial condition and objectives. Accordingly, you should review both the internal fees charged by the securities and the fees charged by Eagle to fully understand the total amount of fees you pay and the costs of the advisory services provided.
- 2) ***Short Term Redemption Fees.*** Some mutual funds charge short term redemption fees. Short term redemption fees are typically assessed when a mutual fund is sold after being held for a short period of time, as defined in the fund's prospectus. These fees are imposed by the mutual fund company to discourage short-term trading. Short term redemption fees may be incurred in connection with a liquidation, rebalancing or reallocation. These redemption fees are retained by the fund company and are currently reflected on trade confirmations as commissions. Before you sell or liquidate your fund, you should consider whether your fund has a short term redemption fee. Rebalancing an account will cause Clients to incur short term redemption fees if the funds were held for a short period of time. Please talk to your IAR if you have any questions about these fees and see the prospectus of the underlying fund for more information.
- 3) ***Account Service Fees and Charges to Clients.*** Within the Representative Directed Programs, you are charged fees, expenses and other costs that are in addition to the Total Client Fee listed above. These fees are charged by NFS and include certain account services provided in connection with the account – including but not limited to wire transfers, check disbursements, custodial fees, transfer fees, stop payment charges, or other account maintenance features. In addition, NFS, which is the clearing brokerage firm and custodian for Representative Directed accounts may also impose certain charges related to retirement accounts (e.g., IRAs) such as account closing fees. Please call your IAR for details.

- 4) **Small Account Fees.** As described in detail below, Eagle may charge additional fees for accounts with assets below a specified level. The small account fees will increase your Total Client Fee and cause it to exceed the fee ranges noted within the table above. A small account fee adversely affects smaller accounts due to the larger percentage you pay in fees as compared to the amount of assets in your account. We may, from time to time, update these account minimums at our sole discretion.
- **Representative Directed Programs** – If your account’s value falls below \$43,750, we reserve the right to charge you an additional small account fee of \$35. This additional fee covers the cost of clearing and execution services provided by NFS, as well as Envestnet’s fees. For any month in which the account balance is below \$25,000, we also reserve the right to charge Representative Directed accounts a small account fee of \$6.75.
- 5) **Envestnet’s Protected Cash Feature for Representative Directed Accounts.** For the Representative Directed Programs, cash maintained within the Protected Cash feature is not assessed an Advisor Fee or Sponsor Fee. See the *Optional Features Available in LWP Accounts* section within Item 4B (*Advisory Services Offered*) above for more information.
- 6) **Accounts Utilizing Margin in Representative Directed Accounts.** Margin is available in certain LWP RAA and RPM accounts. If utilizing margin, the Total Client Fee will be based on gross Billable Assets in the account(s). Please see the Margin Disclosure Statement and Margin Account Agreement for additional details on eligibility and fees. See the *Optional Features Available in LWP Accounts* section within Item 4B (*Advisory Services Offered*) above for more information.
- 7) **Securities Backed Line of Credit Program.** This program is offered by participating unaffiliated banks (such as US Bank and Tristate Capital Bank) and is separate from the services provided by Eagle. Any fees or interest that you may be assessed in using this program are in addition to, and do not affect, the fees described in this Brochure. Instead, the bank will charge you interest on the amount of your outstanding loan. The bank may also assess you other administrative charges (such as wire fees) as described within the bank’s loan agreement. Please review the bank’s paperwork carefully and call your IAR for additional information.
- 8) **Envestnet’s Unsupervised Assets Feature.** Unsupervised Assets are considered unsupervised brokerage assets and are ineligible for Eagle investment advisory services. Unsupervised Assets are not included in the computation of the Total Client Fee (described in this Brochure). Please contact your IAR for more information and see the *Optional Features Available in LWP Accounts* section within Item 4B (*Advisory Services Offered*) above.
- 9) **Bank Checking Account and Check Writing.** There is no additional fee to the Client to establish this service. See the *Optional Features Available in LWP Accounts* section within Item 4B (*Advisory Services Offered*) above for more information.
- 10) **Automatic Bill Payment Services and Payment of Premiums.** There is no additional fee to the Client to establish these services. See the *Optional Features Available in LWP Accounts* section within Item 4B (*Advisory Services Offered*) above for more information.

**11) Important Disclosure for Clients Who Are Rolling Over Retirement Account Proceeds.** If you are rolling over the proceeds of an employer-sponsored retirement plan (e.g., a 401(k) plan) ("Plan") to an Individual Retirement Account ("IRA"), you should consider the following:

- When you roll over the proceeds of a Plan to an IRA, you will likely have more investment options available than you had in the Plan, and you will enjoy the benefit of the guidance that your Eagle IAR(s) can provide with regard to your IRA. Your IRA agreement, the product prospectuses and your Eagle IAR(s) can provide you with more information concerning the fees and expenses involved in establishing an IRA.
- Instead of establishing an IRA, you may have the option of leaving your money in the Plan. You should review the plan documents and/or contact the Human Resources Department of the company sponsoring the Plan to determine if this option is available to you. You should be aware that the Plan may offer different, but typically more limited, investment options, which may have lower fees and expenses, than the investment options that are available for an IRA, and that the Plan may also involve other administrative costs (e.g., recordkeeping and compliance fees) and fees for services such as access to a customer service representative. If you have the option of leaving your money in an existing Plan, you may also wish to consider how satisfied you are with the available investment options and their performance, as well as your ability to obtain guidance concerning your Plan investments.
- Instead of establishing an IRA, you may also have the option of transferring investments from a prior employer's Plan to a new employer's Plan. If your current employer offers a Plan, you should contact your employer's Human Resources Department to determine if this option is available to you. In considering whether to transfer your assets to a new Plan, you should also consider the available investment options, any fees or expenses applicable to those options or the Plan itself and your ability to obtain guidance concerning your Plan investments.
- Instead of establishing an IRA, you may also have the option of taking a taxable distribution from the Plan. If you are considering this option, you should consult with your tax adviser concerning the potential tax consequences.
- If you hold shares of stock of your employer in your Plan, you should consult with your tax adviser concerning the potentially negative tax consequences of removing those shares from the Plan.
- If you leave your job between age 55 and 59½, you may be able to take penalty-free withdrawals from a Plan. For IRAs, penalty-free withdrawals generally may not be made until age 59½. It may also be easier for you to borrow from a Plan.
- Depending on the state in which you reside, assets held in a Plan may enjoy greater protection from creditors than similar assets held in an IRA.
- Although Eagle IARs can provide advice concerning IRA investments, they do not provide legal or tax advice.

**12) Disclosure Pursuant to Section 408(b)2 under ERISA.**

*Services.* We offer consulting and advisory services to qualified defined contribution retirement plans through two programs, Eagle Retirement Plan Consulting Program (CP) and the Eagle ERISA Investment Manager Program (EIMP) (together known as the "Eagle Retirement Plan Program"). Services offered in these programs are described in Item 4B (*Advisory Services*

*Offered*) of this Brochure and in more detail in the Eagle Strategies LLC Retirement Plan Consulting Program Agreement (EC) and the Eagle Strategies LLC Retirement Plan Program Agreement (EIMP) (the “Eagle Retirement Plan Program Service Agreements”). Neither we nor the IAR provides recordkeeping services to plans.

*Status.* To the extent we provide investment advice, we act as a fiduciary under Section 3(21) of ERISA in the Eagle Retirement Plan Program. In the EIMP program, the IAR acts as a fiduciary in assisting the plan in selecting an investment manager. Eagle and the IAR also provide services in a non-fiduciary capacity, such as in providing participant education and enrollment services and plan sponsor support.

*Direct and Indirect Compensation.* In the EIMP program, we receive an asset-based advisory fee either directly from the plan or from the Plan Sponsor. In the CP program, we receive a hard (fixed) dollar fee either directly from the plan or from the Plan Sponsor. These fees are also described in Item 5A (*Compensation and Schedule of Fees*) of this Brochure and in more detail in the Eagle Retirement Plan Program Service Agreements. We pay IARs a portion of the advisory fee for the IAR’s services related to the Retirement Plan Program. The portion of the advisory fee payable to the IAR ranges from 35% to 90% of the fee we received. If you would like further information on the current level of compensation your IAR is being paid relating to your account, please call 1-888-695-3245. Neither we nor any of our affiliates receive any indirect compensation as a result of services provided to plans in CP and EIMP. In the EIMP program, fees are also paid by the plan to the third party managers they have selected. In addition, our IARs may receive indirect, non cash compensation in the form of “council credits” for the EIMP Program.

*Termination.* Services provided under the Eagle Retirement Plan Program are terminable by the plan at any time without penalty upon written notice to us. Please see the Retirement Plan Program Agreement for additional information regarding the termination process.

**13) Comparing Costs.** Investment advisory services, if purchased separately as described in this Brochure, could cost more or less than if paid for on a wrap-fee basis. In addition, the fee for your account could also be (i) higher or lower than the costs incurred if you purchased the underlying securities in a brokerage account; and (ii) higher or lower than the cost of similar services offered through other investment advisory programs at Eagle or elsewhere. You should consider these factors and other differences among the programs when deciding whether to invest in an investment advisory or a brokerage account and, if applicable, which investment advisory programs or payment option best suit your individual needs. Eagle addresses this conflict by disclosing it to you.

You should be aware that the underlying expenses of mutual fund and ETF and ETN shares purchased in an Eagle program account may be higher than if such products were purchased outside of an advisory account. If such products were purchased outside of an advisory account, however, you would not receive the benefit of our investment advisory services.

In addition, the relative cost of the program – as compared to purchasing the services separately – will depend on several factors, including (but not limited to):

- The costs associated with receiving the services if provided separately;



- The combination of such fees if provided separately may be higher or lower than a single wrap-fee;
- The frequency or volume of trading activity, or lack thereof, in a your account; and
- The associated costs of trading.

For additional information about brokerage practices, see Item 12 below.

**14) Compensation for Eagle Programs.** We and the IAR are likely to earn more compensation if you invest in a program described in this Brochure than if you open a brokerage account to buy securities. This creates a conflict of interest for Eagle and Eagle IARs, as there is a financial incentive to recommend one of the programs described in this Brochure. We address this conflict of interest by disclosing it to you.

Additional Information Regarding Compensation and Conflicts of Interest:

- 1) Payments from Mutual Fund Companies (12b-1 Fees).** For the Representative Directed Programs described in this Brochure, we receive asset based service fees (e.g., SEC Rule 12b-1 fees) from certain mutual funds as described in the fund's prospectus. The receipt of 12b-1 fees by us presents a conflict of interest because it gives us an incentive to recommend mutual funds based on the compensation received rather than on your needs.
- a. For all LWP retirement accounts, 12b-1 fees are rebated back to you.
  - b. For LWP non-retirement accounts, Eagle retains 12b-1 fees. However, Eagle does not share 12b-1 fees with IARs. Therefore, your IAR does not have a financial incentive to recommend one fund over another because of this compensation.

For SEI accounts, we do not receive 12b-1 fees. Please see SEI's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) for additional information regarding 12b-1 fees.

- 2) Compensation from Revenue Sharing.** For Representative Directed non-retirement accounts, we receive additional revenue streams from NFS on the sale of no transaction fee mutual funds and on assets held within money market funds. Specifically, we receive up to an annual fee of 0.32% based on the asset value of the no transaction fee mutual funds, and up to an annual fee of .50% on the asset value of money market funds. These revenue sharing arrangements create a potential conflict of interest; however, we do not share these payments with your Eagle IAR. Therefore, your IAR does not have a financial incentive to recommend one fund over another because of this compensation.
- 3) NFS Discounts and Revenue.** For Representative Directed accounts, our affiliate NYLIFE Securities also receives additional revenue streams from NFS, based on a tiered schedule, on the sale of no transaction fee mutual funds and on assets held within money market funds, for all non-retirement NYLIFE Securities brokerage accounts and all non-retirement LWP accounts. In addition, NYLIFE Securities receives compensation based on the amount of assets it holds with NFS, and/or receives certain discounts on the fees that it pays to NFS, which are based on trading volumes. NYLIFE Securities' compensation and/or discounts will be based on total assets and trading activity in all non-retirement NYLIFE Securities brokerage and all non-retirement LWP accounts. These revenue sharing arrangements create a potential conflict of interest; however, NYLIFE Securities does not share this money with your Eagle IAR. Therefore, the IAR

does not have a financial incentive to recommend one fund over another because of this compensation.

- 4) *Proprietary Products and Affiliated Funds.*** Our affiliates receive compensation if investment products that they manage (for example, Mainstay Funds and IndexIQ ETFs) are included in an Eagle account. The Mainstay family of mutual funds, managed by New York Life Investment Management (“NYLIM”), and the IndexIQ ETFs, managed by IndexIQ Advisors LLC, utilized in the Programs outlined herein are distributed through NYLIFE Distributors (all of which are affiliates of Eagle). As a result, IARs generally have a greater familiarity with MainStay and IndexIQ funds because our affiliates sponsor educational, marketing and other promotional events for our IARs. This may lead our IARs to focus on MainStay or IndexIQ funds when making investment recommendations rather than funds from other providers. However, Eagle and the IARs receive no portion of the compensation that our affiliates earn for managing these products.

An Eagle IAR may recommend a mutual fund or ETF advised by an affiliate of Eagle. In the Representative Directed Programs (except for the RPM Program), you may choose not to purchase that product. For retirement accounts within the Representative Directed Programs, Eagle does not charge Clients an Advisor Fee or Sponsor Fee (see grid above) on the market value of affiliated funds. Investment in affiliated funds generates additional compensation to Eagle’s affiliates, but Eagle and the IAR receive no portion of their compensation.

In the SEI program, SEI does not recommend mutual funds or ETFs advised by an affiliate of Eagle.

In the solicitor programs described in this Brochure, unaffiliated Advisors may recommend mutual fund products that our affiliates manufacture. Eagle’s affiliates receive compensation if investment products that they manage (for example, Mainstay Funds and IndexIQ ETFs) are included in an investment account. However, Eagle and the IARs receive no portion of the compensation that our affiliates earn for managing these products.

- 5) *Mutual Fund Share Classes.*** Mutual fund companies offer different mutual fund share classes. The share classes, their related expenses, purchaser eligibility requirements, 12b-1 payments and revenue sharing arrangements differ by mutual fund company. For the Representative Directed Programs described in this Brochure, we select the appropriate share class for the program depending on a number of factors such as reasonable investment minimums and expenses. We make no-load or load waived share classes available for Clients within the Representative Directed Programs. For SEI accounts, please see SEI’s Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

We have a conflict of interest with respect to selecting mutual funds and share classes within the Representative Directed Programs due to a financial incentive to place Clients in funds and share classes that provide more overall revenue to Eagle and its affiliates over funds and share classes that provide less revenue to Eagle and its affiliates. Eagle IARs do not receive any portion of this revenue and therefore do not have a financial incentive to recommend one fund over another because of this compensation.

- 6) Periodic Investment Programs (“PIPs”) and Systematic Withdrawal Plans (“SWPs”).** A PIP/SWP is a plan that you establish when you want to invest a specific amount of money into a particular mutual fund, or liquidate a specific amount of money from a particular mutual fund on a scheduled and automated basis, such as monthly. The plan has a set-up fee, which is paid by Eagle. When your IAR recommends a trade, rather than a PIP or SWP transaction, we would benefit by not having to pay the PIP/SWP set-up fee and therefore Eagle has a conflict. Because neither the IAR nor the client is charged the PIP/SWP fee, your IAR does not have a conflict when recommending a trade rather than the use of a PIP/SWP plan.

There is also a conflict for us to recommend no transaction fee funds in PIP/SWP transactions because then Eagle would not have to pay a fee to the clearing firm for the transactions. We address this conflict by not sharing or passing the cost to IARs who recommend the transactions within your accounts.

## **D. PREPAYMENT OF ADVISORY FEES**

### **a. Financial Planning Services**

You may terminate a Financial Planning Agreement by providing written notice to your IAR or to Eagle. If you terminate the agreement more than five (5) business days after its effective date, we will be entitled to compensation for advice already provided; you will be refunded the remainder of the fees. If we or the IAR terminates prior to the delivery of the financial plan, you will receive a full refund of any fees paid under the agreement. We will refund all fees if the plan is not completed within nine months from the effective date of the Financial Planning Agreement, unless you have agreed to a later delivery date.

### **b. Representative Directed Programs**

The fee for your accounts is payable monthly, in advance. The first month’s Total Client Fee is calculated based on the period-ending balance for that month, and is prorated based on the number of days in the month in which the account was open and funded. Contributions and withdrawals on a single day greater than \$10,000 will result in a prorated debit or credit, as applicable, to the ensuing month’s Total Client Fee based on the number of days from the date of the contribution or withdrawal to the end of that month. In the event that an account is terminated, based on the number of days during the month of termination, Eagle will prorate the Total Client Fee to the date of termination and will return the unearned portion of the fee to you. Under certain limited circumstances, Eagle allows direct billing from other accounts where one Eagle LWP account or one NYLIFE Securities account can be designated to pay the fees for multiple Eagle LWP accounts.

**Account Termination.** You or Eagle may terminate your account at any time with notice as provided by your Client Agreement. When you terminate your account, you must provide Eagle instructions on where to transfer the assets. If you terminate your account without providing instructions, or if Eagle terminates your account, your account will be moved to a NYLIFE Securities brokerage account, and the process explained below will apply.

When your account is terminated, in certain limited instances the securities in your Eagle account cannot be held in a brokerage account. In such instances, we will notify you to request instructions from

you concerning their disposition within a reasonable time. If we do not hear from you within a reasonable time, the securities in your Eagle account will be liquidated and transferred to a NYLIFE Securities brokerage account or in some circumstances we will send you the proceeds.

Please note when Eagle terminates your LWP account or when you terminate your account without instructions on where to transfer the assets, your Eagle advisory client agreement will be terminated and the assets in this account will be transferred to a NYLIFE Securities brokerage account. When the assets are moved to a brokerage account, you will be responsible for all investment decisions in your account. You will no longer be charged an asset based fee, but standard NYLIFE Securities' brokerage commissions and fees will apply. To the extent you have mutual funds in share classes that may be held only in advisory accounts, when your account is terminated and moved to a brokerage account, such shares may be converted to a different share class that may have a higher expense ratio and/or fees.

Any termination by Eagle or you will not affect Eagle's or your liabilities or obligations arising from transactions initiated before such termination even for transactions initiated before termination that occur after termination. Eagle will not be responsible to you for the purchase or sale of a security by the Platform Manager prior to Eagle's receipt of your written notice of termination. Eagle reserves the right to retain amounts in a terminated account sufficient to cover the costs of effecting any open and unsettled transactions and their associated brokerage commissions/fees.

**c. SEI Programs**

Fees for Client accounts at SEI are billed quarterly in arrears by SEI.

**d. Retirement Plan Consulting Program (CP).**

Fees will be paid annually in advance or if paid quarterly thirty days of each quarter-end. If a Plan Sponsor elects to direct the Recordkeeper, the firm responsible for managing and tracking data within the retirement plan and communicating that information to the Plan Sponsor, to pay the Fees to us, Plan Sponsor agrees to provide such authorization to the Recordkeeper within thirty (30) days of signing the CP agreement. Please see the Retirement Plan Program Agreement for additional information regarding the termination process.

**e. ERISA Investment Manager Program (EIMP).**

Fees will be billed quarterly in arrears. The initial Fee is prorated based upon the number of days remaining in the initial quarterly period from the date of execution of the Program Agreement, based upon the market value of the Plan assets at the close of business on the last business day of the initial quarterly period. Thereafter, the quarterly portion of the annual Program Fees will be based upon the market value of the plan assets at the close of business on the last business day of the previous calendar quarter (without adjustment for anticipated withdrawals by plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets). If the Program Agreement is terminated prior to the end of a quarter, we are entitled to a quarterly fee, prorated for the number of days in the quarter prior to the effective date of termination, based on the market value of the plan assets at the close of business on the effective date of termination.

## **E. OTHER COMPENSATION TO EAGLE AND INVESTMENT ADVISER REPRESENTATIVES FOR THE SALE OF SECURITIES AND OTHER INVESTMENT PRODUCTS**

**Compensation to IARs.** Eagle and Eagle IARs receive direct and indirect compensation as a result of your participation in the programs described in this Brochure. This compensation varies depending on the exact fee negotiated with you. The amount of compensation may be more or less than Eagle or the IAR would receive if a client participated in other programs or paid separately for the investment advice, brokerage and other services provided. Sales compensation varies between these programs and other programs and financial products. Eagle and the IAR have a financial incentive to recommend LWP Programs over other programs or services.

Additionally, in connection with a program sponsored by New York Life Insurance Company or its affiliates, Eagle IARs are eligible for additional compensation and other benefits by earning “council credits” (which are based on sales production) or by meeting certain sales goals, which include the sale of insurance and securities products. Council credits may entitle IARs to receive higher payouts for the sale of various financial products, such as receiving a greater share of the advisory fee, and also entitles them to participate in various Company sponsored conferences. Eagle IARs receive council credits for the programs described in this Brochure and also for sales of insurance and securities products. IARs receive twice the amount of council credits for selling the products and programs described in this Brochure than they do for selling other products. In some cases, a combined insurance and investment sale will result in increased eligibility for these programs. This creates a conflict for the IAR to recommend the products and programs described in this Brochure instead of other products or programs. Eagle addresses this conflict by disclosing it. Please see Item 14 (*Client Referrals and Other Compensation*) for additional information regarding fees and compensation.

Further, sales of products that are managed and/or issued by Eagle’s affiliates, along with mutual funds and variable insurance products that we do not manufacture, determine your IAR’s eligibility for retirement, medical and life insurance benefits, and conferences with educational, development and recognition components. Qualification to attend New York Life-sponsored educational, training, and development conferences is based on your IAR’s total sales of investment products, life insurance, long term care insurance, and annuities.

Certain non-profit institutions compensate IARs for conducting seminars concerning charitable giving. Please reference Item 14A (Economic Benefits Provided by Third Parties for Advice Rendered to Clients) for additional information.

When you purchase a life insurance policy or annuity policy that is issued by an Eagle affiliate, the Eagle IAR receives additional compensation (including commissions, service fees, allowances for expenses, and benefits) in her or his capacity as an insurance agent of the issuing insurance company. This compensation is governed and limited by Section 4228 of New York State Insurance Law. Eagle IARs also receive incentive awards for the sale of insurance products from time to time. You have the option of purchasing recommended products through other brokers or agents who are not affiliated with us.

While the prospect of receiving additional compensation from the sale of other products creates an incentive to recommend products based on the compensation expected to be received rather than your

needs, we address this conflict and other conflicts in this Brochure in a variety of ways, including the following:

- Our IARs are trained to put your interests first as part of their fiduciary duty. Eagle's Code of Ethics also addresses their conduct and seeks to reinforce ethical behavior.
- We disclose potential conflicts in this Brochure and other disclosure documents so that you can make informed decisions. While our IARs are trained to make recommendations that they believe are in your best interest, the ultimate decision belongs to you. You are therefore encouraged to ask questions, read all available disclosure materials, consider all of your options and take other steps to make educated decisions.
- For the LWP Programs, our IARs, in their capacity as insurance agents, select the type of insurance policy or annuity, and the initial recommendation as to the amount of insurance policy or annuity to purchase is generated through the use of objective measures developed by Morningstar Investment Management LLC ("MIM"), an investment advisor affiliated with the Morningstar family of companies. In addition, the value of any insurance or annuity product associated with an LWP program is not taken into account in determining the advisory fee that either we or the IAR receive.
- In the Representative Directed Programs, which are described above, Clients can choose to pay transaction fees for the purchase or sale of exchange traded funds and equity securities. Such Clients would also pay transaction fees for the purchase or sale of mutual funds for which the clearing firm assesses a transaction fee. For products for which the clearing firm assesses a transaction fee, Clients who elect to pay transaction fees will pay for each transaction in the account (the "Transaction Fee"). We do not retain transaction fee income.

Please see Item 14 (*Client Referrals and Other Compensation*) for additional information regarding IAR compensation.

**Compensation to Eagle, its IARs and its Affiliates.** The amount of compensation we and/or our IAR receives varies between programs. This leads to a conflict of interest, as we and/or our IAR have an incentive to recommend certain options over others. We address this conflict by disclosing it to you.

Our affiliates receive compensation if their proprietary products are included in an investment account. For example, New York Life Investment Management LLC ("NYLIM"), an affiliated investment adviser, receives management fees for amounts invested in Mainstay mutual funds, and IndexIQ Advisors LLC, an affiliated investment adviser, receives management fees for amounts invested in IndexIQ exchange traded funds.

Please see Item 5C (*Other Fees and Expenses*) above for additional information regarding conflicts of interest.

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

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Eagle and its IARs do not accept performance-based fees, which are fees based on a share of capital gains or on capital appreciation of the assets within your managed portfolio.

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## Item 7 Types of Clients

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We provide investment advisory services to many different types of Clients, including individual investors, pension and profit sharing plans, Traditional and Roth IRAs, SEP and SIMPLE IRAs, trusts, estates, charitable organizations, donor-advised funds, corporations and other business entities. Not all Clients participate in the programs outlined in this Brochure.

Each Eagle Program has minimum account size requirements, as described in the table below. Eagle and/or its Program partners have the option to waive account minimums. Account minimums for each Program are as follows:

Program	Minimum Account Size
Representative Directed Programs	\$25,000
SEI Asset Management Program	\$150,000
SEI Managed Account Program	\$500,000 to \$1,000,000 depending on portfolio
<b><i>Retirement Plan Consulting Program</i></b>	None
<b><i>ERISA Investment Manager Program</i></b>	None

For accounts that fall below the stated requirement minimum, we or the program sponsor reserve the right to charge an additional fee. Please see Item 5C (*Other Fees and Expenses*) for information regarding small account fees.

For the Representative Directed Programs, we have established minimum ongoing account values ("maintenance values") for accounts. Accounts that fall below the maintenance value of \$15,000 for a specified period of time may be terminated. This means that the advisory services for the account would cease and the assets would move to a brokerage account and you will be responsible for all investment decisions on your account. You will not be charged an asset based fee, but standard brokerage commissions and standard brokerage fees will apply. Please ask your IAR for additional information regarding maintenance values.

Certain Programs also require that you meet a minimum net worth or minimum income requirement to invest. Please ask your IAR for additional information regarding these requirements.

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

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### ***Methods of Analysis and Investment Strategies.***

#### **a. Financial Planning**

Among other options, Eagle IARs may use one of the following programs to perform financial planning analyses: eMoney Advisor (Wealth Management Solutions), Planning Shepherd or Sungard Expert Solutions (Advisor Series). To perform financial planning analyses, IARs may also produce their own written output, such as a Close Out Letter. You should discuss with the Eagle IAR the method and program to be used in preparing a financial plan.

#### **b. LWP Representative Directed Programs**

For the Representative Directed Programs, the Eagle IAR provides you with a personalized investment proposal, which may include securities recommended by the IAR. Such recommendations will be consistent with your Portfolio Objective. The Portfolio Objective takes your investment objectives and risk tolerance, among other factors, into consideration. Your precise strategy differs based on your individual goals and preferences and the IAR's recommendations.

For RAA and GP programs, upon your instruction, the IAR will invest your account in securities that your IAR recommends. For the discretionary RPM program, the Eagle IAR creates the initial Model, which is approved by you.

**c. SEI Programs**

Please see the program disclosure documents (such as SEI's Form ADV) for a description of the investment strategies and methods of analysis employed by SEI.

**d. CP and EIMP**

For the CP Program, the Eagle IAR provides the Plan Sponsor with Fi360 reports, which are based on the investments in the retirement plan and the IAR's recommendations.

For the EIMP program, the Eagle IAR provides the Plan Sponsor with a proposal, which will include an investment manager recommendation by the IAR. Such recommendations will be based on the individual goals and preferences of the Plan Sponsor and will be consistent with the investment characteristics identified and preferred by the Plan Sponsor for the Plan.

**Risk of Loss.** With any investment product, including those available in our programs, there is a risk of loss. Clients investing in securities through any program should be able and prepared to bear the risk of loss in the event that the overall market and/or the specific products purchased decline in value.

The following section outlines the risks associated with specific strategies and securities.

**Tactical Asset Allocation.** Generally, accounts managed through a tactical approach to asset allocation will trade more frequently and may incur greater trading costs than a strategic approach. Performance for accounts using a tactical approach may be more volatile and may under-perform in some market cycles.

**Strategic Asset Allocation.** Accounts managed through a strategic approach generally trade less frequently and may have lower trading costs. Performance for accounts using a strategic approach may be more volatile and may under-perform in some market cycles.

**Active Management Style.** For accounts that utilize an active management style, returns may be reduced by the cost of hiring a professional manager and the cost of buying and selling investments in the account. Performance for accounts using an active management approach may be more volatile and may under-perform in some market cycles.



**Passive Management Style.** Accounts that utilize a passive management style have lower costs than accounts that are actively managed because these accounts may not need to retain active professional managers, and because their holdings are not as frequently traded. Performance for accounts using a passive management approach may be more volatile and may under-perform in some market cycles.

In any investment account, frequent trading can affect investment performance through increased brokerage costs, transaction costs and tax inefficiencies.

Clients purchasing mutual funds and ETFs and ETNs should refer to the relevant prospectus for more information about the risks of investing in a particular fund, as well as applicable fees and expenses. Clients purchasing ETFs should understand that the market price of ETFs and ETNs may be at, above or below its net asset value, and that the ETF's performance may not mirror the performance of its underlying index. Operating expenses and other costs are deducted daily from the value of the fund and will lower the rate of return for that fund. Please see Item 5 (*Fees and Compensation*) for more information regarding fund expenses.

Unlike mutual funds, exchange traded funds and ETNs, risks relating to investing in individual securities include non-diversification and volatility. For instance, the decline in value of one security may not be offset by the increase in value of other portfolio securities. There is no guarantee that diversification will provide gains or prevent losses. Clients purchasing individual securities should be aware of the greater volatility associated with those products.

For a description of the investment strategies and methods of analysis employed by Program sponsors, and for an explanation of risk associated with other programs, strategies and/or securities, please see the applicable Program sponsor's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or applicable fund prospectus.

**Selection and Review Process of Available Securities.** We select the securities (mutual funds, ETFs, ETNs, equities and bonds) available in the Representative Directed Program.

**Available List.** We maintain and monitor our Available List which reflects the securities that you may purchase in your accounts. We, at our discretion, may add any security to our Available List.

For mutual funds, we use an unaffiliated third party service provider, Wilshire Associates, which generally uses a proprietary quantitative and qualitative evaluation methodology for reviewing and monitoring the Available List. We determine the mutual funds that are on the Available List. Generally, we offer one share class for each fund available in the Representative Directed Programs. In our sole discretion, we make available the fund share class that we deem best suited for the program.

For ETFs and ETNs, Eagle's Investment Research and Due Diligence team ("IRDD") conducts the review and its screening process can include factors such as liquidity, tracking error, and the length of time that the fund has been in existence.

For individual equities, criteria may be different and can include an external analyst rating and market capitalization. We generally offer individual equity securities with Morningstar ratings of 3 or more stars and that meet certain market capitalization criteria.

In certain instances, securities that do not meet the initial screening criteria may be considered on an *ad hoc* basis and may be added to the Available List by the Head of Eagle Product Management. For example, a new fund that does not have an established record may be considered if the portfolio managers and/or fund family have a well-established track record. Mutual funds will be evaluated by the third party vendor, as described above, after its addition to the Available List.

**Removal from the Available List.** On a periodic basis, Wilshire Associates will identify mutual funds on the Available List that experienced a material quantitative (e.g., performance) or qualitative (e.g., organizational changes) deterioration. In such circumstances, we will determine whether or not the mutual funds should be removed from the Available List.

On a periodic basis, IRDD will identify ETFs or ETNs on the Available List that have experienced a material quantitative (e.g., performance) or qualitative (e.g., organizational changes) deterioration. Eagle will then determine if such ETFs/ETNs should be removed from the Available List.

If individual equities no longer meet the qualifications noted above, we will determine whether or not they should be removed from the Available List.

When securities are removed from the Available List, IARs will work with you to find suitable alternatives ("Alternate Securities"). In certain situations, you may continue to hold securities even if they are no longer on the Available List. These securities will continue to be included within your Total Client Fee calculations, unless such assets are moved "below the line" as Unsupervised Assets. We do not bill on Unsupervised Assets. Please see section 5C (*Other Fees and Expenses*) above for additional information.

Please see SEI's Form ADV Part 2 for information regarding the selection and review process of available securities for SEI Program accounts (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

**Calculating Performance of Client Representative Directed Accounts.** We contract with a third party to provide performance information for each Eagle account. We do not independently verify this performance information. Performance is calculated by Envestnet in the following manner:

- Performance history is calculated using a time-weighted rate of return and is shown net of management fees. For performance periods of greater than one year, the return is annualized to show the average annual return over the period.
- Performance history is calculated on an account level, as well as on a household level, for all Clients. For purposes of performance reporting, a "household" consists of your accounts that you (through the IAR) requested to be combined for reporting purposes.

Please see SEI's Form ADV Part 2 for information regarding the performance calculations for SEI Program accounts (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

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## Item 9 Disciplinary Information

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Eagle does not have any material disciplinary information to report.

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## Item 10 Other Financial Industry Activities and Affiliations

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### A. BROKER-DEALER REGISTRATION

Eagle is not registered as a broker-dealer. Certain management persons and back office personnel of Eagle are also registered representatives of NYLIFE Securities, a broker-dealer affiliate. All Eagle IARs who solicit Eagle business are registered representatives of NYLIFE Securities.

### B. OTHER REGISTRATIONS

Neither Eagle nor any of its management persons are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

### C. MATERIAL RELATIONSHIPS WITH RELATED PERSONS

Eagle is a wholly owned subsidiary of NYLIFE LLC, which in turn is a wholly owned subsidiary of New York Life Insurance Company, a New York mutual life insurance company. Eagle is also an affiliate of two other insurance companies, New York Life Insurance and Annuity Corporation (NYLIAC) and NYLIFE Insurance Company of Arizona (together with New York Life Insurance Company and NYLIAC, "New York Life"). New York Life's principal business is the sale of individual and group life insurance and annuity contracts. Eagle's IARs, acting in their capacity as agents of New York Life, receive compensation for the sale of insurance and annuity products offered by New York Life.

We are affiliated with the following broker-dealers, which are indirect wholly-owned subsidiaries of New York Life Insurance Company:

- **NYLIFE Securities LLC** ("NYLIFE Securities") is registered with the SEC as a broker-dealer. All Eagle IARs are also registered as representatives of NYLIFE Securities and, acting in their capacity as registered representatives of NYLIFE Securities, receive commissions or other compensation for the sale of securities products offered through NYLIFE Securities. Eagle's LWP accounts utilize the NYLIFE Securities brokerage platform through which trades in the account are processed. The actual trades take place at NFS, the clearing broker-dealer. A potential conflict exists because Eagle works through an affiliate to open the LWP accounts.
  - Transfers between Eagle and NYLIFE Securities brokerage accounts: Eagle reserves the right to journal securities from your Eagle account to a NYLIFE Securities brokerage account in your name with a matching registration. Eagle does not provide advice on any securities in NYLIFE Securities brokerage accounts.
- **NYLIFE Distributors LLC** ("Distributors") is registered with the SEC as a broker-dealer and is the principal underwriter of the MainStay mutual funds, which are managed by New York Life Investment Management LLC, an Eagle affiliate. Distributors is also the principal underwriter for variable insurance and variable annuity contracts issued by NYLIAC.

We are affiliated with a number of registered investment advisers. New York Life Investment Management LLC is the manager of the Mainstay mutual funds, and other Eagle affiliates are sub-advisers' to these funds. Eagle is also affiliated with Index IQ Advisors LLC, which is the manager of the IndexIQ exchange traded funds. Potential conflicts may arise because investments in affiliated funds

generate additional management fees and other compensation to Eagle's affiliates. This conflict is mitigated because Eagle and the IAR receive no portion of this compensation.

Currently, Eagle's investment adviser affiliates do not provide investment advisory services directly to Eagle Clients. A listing of the registered investment advisers that are affiliated with Eagle can be found in Eagle's Form ADV Part 1.

#### **D. SELECTION OF OTHER ADVISERS**

The amount of compensation we and/or our IAR receives varies between programs and/or between options selected within a program. This leads to a conflict of interest, as we and/or our IAR have an incentive to recommend certain options over others. We address this conflict by disclosing it.

In some cases, Eagle (or its affiliates) has other business relationships with certain outside advisers that act, or have affiliates that act as advisers in our Eagle Retirement Plan Programs and solicitor programs. Eagle contracts with Morningstar, Inc., Morningstar Investment Services Inc. ("MIS"), Morningstar Investment Management LLC ("MIM") (and/or their affiliates), Fund Evaluation Group, Portfolio Management Consultants, Inc. ("PMC" or "Envestnet|PMC") and Wilshire Associates for a variety of other services. These include due diligence services in connection with the LWP Programs, the provision of data and other performance information, and methodology for mapping Clients to a particular risk profile. MIM also assisted in developing the methodology for considering the value of a life insurance policy or annuity contract when determining your Portfolio Objective within the Representative Directed Programs. Due to these relationships, Eagle may have an incentive to recommend one adviser over another. However, as your IAR is not involved with these business relationships, your IAR does not have an incentive to recommend one adviser over another.

In addition, Eagle may use an Adviser from which it receives referral fees (see the "Non-Advisory Services Offered" section within Item 4B above) as a sub-manager in its LWP Fund Advisor, Separately Managed Account and Unified Managed Account Programs. As part of these LWP Programs, we may subsidize part of that Adviser's fee, which will reduce the Total Client Fee for Eagle's LWP Programs. To the extent that an Adviser that Eagle subsidizes in Eagle's LWP Programs is recommended through a solicitor relationship, Eagle may receive greater compensation than when recommending use of the same Adviser as a sub-manager in an Eagle LWP Programs. Eagle addresses this conflict by not sharing these subsidy expenses with your IAR, so the IAR does not have an incentive to recommend specific Advisers in a solicitor program instead of through Eagle's LWP Programs.

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

#### **A. CODE OF ETHICS PURSUANT TO SEC RULE 204A-1**

The Eagle Strategies Code of Ethics ("The Code") sets forth the standards of business conduct for Eagle personnel defined as "Access Persons" under SEC guidelines, and serves as an ethical blueprint for ensuring that all Eagle Clients are treated fairly. In general, Access Persons include certain IARs, staff members and employees of Eagle. The Code emphasizes the core values of the Eagle organization,

Eagle's commitment to compliance with securities laws, and protection of material nonpublic information. The Code also sets forth ethical standards to which all Eagle IARs are expected to adhere. The Code of Ethics is one of the tools Eagle uses to mitigate some of the conflicts of interest set forth herein.

Eagle will provide a Code of Ethics to all Clients and prospective Clients upon written request to:

Eagle Strategies LLC  
Attn: Eagle Securities Standards  
51 Madison Avenue, Room 251  
New York, NY 10010

## **B. RECOMMENDATIONS INVOLVING SECURITIES IN WHICH EAGLE HAS A MATERIAL FINANCIAL INTEREST**

An Eagle financial plan may not recommend specific products offered or issued by New York Life and its affiliates. Nevertheless, we anticipate that our IARs may, in their capacity as sales representatives for New York Life and its affiliates, offer their products after presentation of a financial plan or other advisory service. The financial planning Client is free to decide whether to carry out any of the plan recommendations and is free to implement some or all the recommendations through New York Life and its sales force or through any other duly licensed person or financial service institution they select.

For the programs described in this Brochure, an Eagle IAR or a third party investment adviser may recommend a mutual fund or ETF that is managed by an Eagle affiliate. In the GP and RAA programs, you may choose not to purchase that product. We and our IARs do not receive fees on affiliated funds that are held in retirement accounts. Within the RPM Program, you may instruct the IAR not to purchase funds advised by an Eagle affiliate.

## **C. CONFLICTS IN CONNECTION WITH PERSONAL TRADING**

From time to time an Eagle IAR or affiliate may:

- recommend to you, or buy or sell for your account, securities in which we, an IAR or affiliate has a material financial interest;
- invest in the same securities (or related securities, such as warrants, options or futures) that we, an IAR or affiliate recommends to you; or
- recommend securities to you, or buy or sell securities for your account, at or about the same time that we, an IAR or affiliate buys or sells the same securities for their own accounts.

A conflict could arise where an Eagle affiliate, or IAR takes an action with a security that disadvantages a Client purchasing or selling the same security. Also, Eagle's affiliates may periodically acquire confidential information about the funds available within the Representative Directed Programs. For IARs, Eagle's Code of Ethics specifies personal securities transaction procedures designed to prevent unethical trading practices, and includes prohibitions on trading on knowledge about Client transactions. We also monitor the personal trading activities of Access Persons to identify instances in which these policies may have been violated.

## **D. CONFLICTS IN CONNECTION WITH TIMING OF PERSONAL TRADING**

From time to time, Eagle's IARs may own the same securities that are being bought or sold in Client accounts. Eagle's Code of Ethics specifies personal securities transaction procedures designed to prevent unethical trading practices. In addition, Eagle monitors the accounts of IARs who are access persons to ensure that the IAR did not make a trade in a security within seven days before or after one of the IAR's Clients makes a trade in the same security, if certain criteria are met.

## **Item 12 Brokerage Practices**

### **A. SELECTION OF BROKER-DEALERS**

In selecting NFS to act as the clearing broker-dealer for the LWP accounts, we looked at several criteria including its level of service, the reasonableness of its trading costs and the quality of its overall reputation. We do not receive any research or other soft dollar benefits in connection with NFS' directing Client transactions to specific broker-dealers for execution. Our affiliates have other business relationships with NFS and its affiliates related to the sale of insurance and securities.

### **B. BROKERAGE FOR CLIENT REFERRALS**

We do not recommend broker-dealers based on Client referrals from third parties.

### **C. DIRECTED BROKERAGE**

In our LWP Programs, mutual fund, ETF, ETN and equity transactions are generally effected through the brokerage firms designated by the Client in the Investment Management Agreement. Currently, the Agreements specify NYLIFE Securities as the introducing broker-dealer and NFS as the clearing, or executing, broker-dealer. NFS is also the custodian of your assets. In directing the use of a particular broker for LWP, it should be understood that NYLIFE Securities may receive additional compensation based on volume discounts and that we will receive a revenue share on any no transaction fee funds held in non-retirement accounts. You should refer to the Brokerage Account Agreement for additional information regarding custodian services, fees, and other important disclosures.

In the SEI investment advisory program, you must use the broker-dealer designated by SEI (which may also be the Program Sponsor or an affiliate of such) for all Program transactions. In directing the use of a particular broker in order to participate in a specific Program sponsored by SEI, it should be understood that we do not have authority to negotiate commissions on a trade-by-trade basis or obtain volume discounts, and best execution may not be achieved.

You should refer to disclosure documents provided by Program Sponsors for additional information on these relationships. Clients who hold securities in their account that are not managed by us or the Program Sponsor should refer to the applicable Program documentation for complete information on commissions charged to their account when they direct trades in such securities.

In the Representative Directed Programs, you have an option to pay for brokerage transactions and can negotiate a lower Advisor Fee or you may pay a higher advisory fee with no brokerage transaction fees. You should take into consideration the amount of transactions that you anticipate placing when deciding whether to pay for transaction fees or have your IAR pay for the transaction fees while you pay a higher Advisor Fee. In the second half of 2014, we discontinued the option for new accounts to have IARs pay transaction fees on behalf of Clients. All transaction fees will be passed on directly from the Client to the Clearing Brokerage Firm for those Clients wishing to pay for each trade made in their account. In this way, we and our IARs will not have a conflict of interest when making Client account recommendations.

Not all Program Sponsors require their Clients to direct brokerage. Please review the appropriate Program Sponsor's ADV Part 2 for non-LWP programs.

#### **D. AGGREGATION OF TRADES ACROSS MULTIPLE CLIENT ACCOUNTS**

The Sub-Managers and other investment advisers participating in the various programs may aggregate (or bundle) trades that are placed for different clients' accounts; you should refer to the respective disclosure brochures to learn more.

For Representative Directed accounts, the following policies apply:

**Block Trading** *(For the Representative as Portfolio Manager Program only):* IARs may place discretionary trades for multiple RPM program accounts simultaneously. When a block trade occurs, Envestnet creates the allocation files based on the trade executions and then sends the allocation files to NFS after market close. If there is a partial fill on a block, Envestnet will allocate the trades into client accounts on a pro rata basis.

**Global Trading** *(For the Guided Portfolios and Representative as Adviser programs):* IARs may place non-discretionary trades for multiple accounts simultaneously within the GP and RAA programs. Global trading is permitted for orders of all open ended mutual funds.

#### **E. BEST EXECUTION FOR THE LWP – REPRESENTATIVE DIRECTED PROGRAM**

As an investment adviser, we have an obligation to ensure "best execution" of your trade orders. "Best execution" means that we place your trade orders with broker-dealers we believe are capable of providing the best qualitative execution of your trade orders under the circumstances, taking into account the full range and quality of the services offered by the broker-dealer, including the value of the research provided (if any), the broker-dealer's execution capabilities, the cost of the trade, the broker-dealer's financial responsibility, and its responsiveness to the trade order. Best execution does not necessarily mean best price. It is important to note that our best execution obligation does not require us to solicit competitive bids for each transaction or to seek the lowest available cost of trade orders, so long as we reasonably believe that the broker-dealer selected can be reasonably expected to provide you with the best qualitative execution under the circumstances.

We have selected NFS, the custodian for all LWP accounts, to execute all trades within the Representative Directed Program. Envestnet submits all trade orders directly to NFS for execution. When NFS executes a trade within your account, you do not pay a separate commission or sales charge

for the trade's execution services. Instead, you pay transaction fees for each trade, in addition to the overall Advisor Fee, as discussed within this Brochure.

NFS contracts with a third-party provider to review their overall trading and execution activity to ensure compliance with their best execution obligations. NFS provides NYLIFE Securities, our affiliate, with a copy of their analysis report on a quarterly basis.

**Eagle's Review.** To monitor trading activity in your Representative Directed accounts, we hired a third-party vendor to analyze the trading activity and to provide us with periodic execution reports so that we can assess whether the trades comply with best execution obligations.

For best execution practices within SEI accounts, please reference SEI's respective Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

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## Item 13 Review of Accounts

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### A. PERIODIC REVIEWS

Your Eagle IAR will be available to meet with or speak to you at least annually to review your current financial situation, risk tolerance and time horizon, as well as to verify that your profile information is current and accurate and update any account restrictions. Financial planning Clients will generally not receive a periodic review of their financial plan; Clients wishing to update their financial plans will likely be required to pay an additional fee.

We determine the policies and reports for monitoring accounts participating in the Representative Directed Program. Such reports differ between programs. Examples of reports include a concentrated positions report and a risk return report. These reports are monitored by a team reporting to the Corporate Vice President of Eagle Securities Standards.

For Clients participating in other investment advisory programs (including the Eagle Retirement Plan Program and SEI), the periodic reviews will differ based on the practices of the outside adviser. Please refer to that adviser's Form ADV Part 2A for more information.

For the solicitor programs described in this Brochure, we monitor and conduct due diligence on the unaffiliated third party Advisers that are recommended to you by our IARs. Your selected Adviser is responsible for managing your portfolio. While our IARs do not provide advisory services in the solicitor programs, your IAR is available to meet with or speak to you at least annually to review your account, investment objectives, financial situation, risk tolerance, time horizon and investment restrictions (if any), and will communicate applicable changes to your selected unaffiliated Adviser. In addition, at your request, your IAR is available to coordinate meetings together with you and the Adviser to review your account's investment allocation, performance and fees.

On an annual basis, the Managing Partner or another designated person within the office to which your IAR is assigned reviews a sample of Eagle Client files for each IAR assigned to that office.

### B. NON-PERIODIC REVIEWS



In the event of a Client complaint or other concern, we will review relevant accounts.

## **C. REGULAR REPORTS PROVIDED TO CLIENTS**

For the LWP Programs, you will receive quarterly performance reports from Envestnet. These reports include performance information, current portfolio composition, and reinvested and paid earnings with respect to your holdings. These reports are mailed or emailed directly to you and, where applicable, posted by Envestnet to the Internet (available at [https://advisor.envestnet.com/secure/app.jsp?\\_channel=nf](https://advisor.envestnet.com/secure/app.jsp?_channel=nf)) on a quarterly basis. In addition, based on trading activity within the account, you will receive prospectuses (where applicable), confirms, monthly statements and transaction history reports from NFS, the account's custodian, which are also mailed or emailed to you and, where applicable, posted by NFS to the internet (available at [www.eaglestrategies.com](http://www.eaglestrategies.com)).

For those Clients participating in the SEI Programs, each Client will receive monthly statements from the SEI Private Trust Company indicating holdings. A quarterly report, indicating market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, you will receive a tax report for the account.

Financial Planning Clients will receive no regular reports from us. If you wish, you can contract with us for our IAR to update the financial plan for an additional fee.

CP Clients will receive a fi360 monitoring report from their IAR on a quarterly basis. EIMP Clients receive statement information from their record keeper.

All reports described above are written.

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

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### **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS**

We are a party to cash solicitation agreements with Brinker Capital, Independent Portfolio Consultants, and Frontier Asset Management, which are unaffiliated investment advisers. We and our IARs receive compensation pursuant to these agreements for referring Clients to these unaffiliated investment advisers and for providing certain ongoing services. This compensation is typically equal to a percentage of the investment advisory fee charged by that investment adviser (which, in turn, is based on the total assets being managed by the investment adviser on a Client's behalf); such compensation will differ depending on the individual agreement with each investment adviser. This compensation is generally paid to us by the investment adviser on a monthly or quarterly basis, depending on the Program, from which we pay a portion to the IAR. To the extent that one investment adviser pays the IAR a higher solicitor fee than another investment adviser to manage a given level of assets, the IAR has an incentive to recommend the higher paying investment adviser over the other. Additional disclosure, including applicable Forms ADV and solicitor disclosure documents, will be provided to you at the time of solicitation in accordance with Rule 206(4)-3 of the Advisers Act.

Certain non-profit institutions compensate IARs for conducting seminars concerning charitable giving. In the event that persons who have attended such seminars purchase products through the IARs to effectuate charitable gifts, the IARs will receive additional compensation on the sale of Eagle advisory products or the sale of insurance or annuity products. As the IARs are receiving compensation for conducting the seminars and for the sale of products to persons who elect to make charitable contributions, such arrangements create a conflict of interest. We address this conflict by disclosing it here and also in the IAR's Form ADV Part 2B. Please see Item 5 (*Fees and Compensation*) above for additional information regarding conflicts of interest relating to fees and compensation.

You should be aware that the receipt of additional compensation itself creates a conflict of interest. We address such conflicts through disclosure. Please see Item 5C (*Other Fees and Expenses*) for additional information.

## **B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

We do not currently have any referral arrangements involving non-advisory personnel.

### **Item 15 Custody**

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NFS serves as the qualified custodian for LWP accounts. While Eagle does not maintain physical custody over any client assets, Eagle offers clients various account related services, some of which provide Eagle with authority that cause Eagle to be deemed to have custody under the Advisers Act. You will receive account statements from NFS and should carefully review such statements. We recommend that you carefully compare the quarterly performance report that you receive from Envestnet with the brokerage account statements that you receive from NFS.

### **Item 16 Investment Discretion**

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For Clients who are participating in the RPM program, which is described in Item 4 (*Advisory Business*) of this Brochure, we and your IAR will have investment discretion over your account. To grant us discretion to trade your account, you must sign an addendum to your Client agreement.

In addition, certain program partners and appointed sub-advisers exercise discretion over Client accounts. In these cases, you make a direct grant of discretion to the relevant co-advisor or sub-advisor. In all circumstances in which we, an IAR, a program partner or a sub-adviser has discretion to trade your account, your funds are held with a qualified custodian, and you will receive appropriate reporting of all transactions in the account.

In certain limited instances, we may also permit an IAR to hold a power of attorney or act as a trustee over a family member's Eagle account or other account with a New York Life affiliate. This is another circumstance in which an Eagle IAR is permitted to exercise discretionary authority over your assets.

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## Item 17 Voting Client Securities

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### A. VOTING POLICIES AND PROCEDURES

As a matter of firm policy and practice, we do not have authority to vote, and do not vote, proxies on your behalf or participate in any legal proceedings involving investments in your accounts. We do not provide advice to Clients regarding the Clients' voting of proxies or their participation in legal proceedings involving investments within their accounts, and you should not contact Eagle or IARs with questions about a particular proxy solicitation. For the Representative Directed Programs, you will receive proxy materials and legal proceeding related documents directly from NFS, the custodian, so you may act upon the materials. Other investment advisers within the various Programs may vote proxies, where applicable, on your behalf. You are encouraged to review the applicable Program disclosure document and Client Services Agreement for further information.

### B. CLIENT VOTING OF SECURITIES

For all programs, except where you authorize another investment adviser or investment manager to vote proxies on your behalf, you will receive your proxies or other solicitations directly from the custodian or transfer agent. We and our IARs will not advise you on the voting of proxies, and you should not contact us or IARs with questions about a particular proxy solicitation. Furthermore, we will not advise or act on your behalf in legal proceedings involving companies whose securities are held or previously were held in your account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

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## Item 18 Financial Information

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### A. BALANCE SHEET

A copy of our most recent audited financial statement, including balance sheet, is attached.

### B. FINANCIAL CONDITIONS

We are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to you.

### C. BANKRUPTCY PETITIONS DURING THE PAST TEN YEARS

We have never filed a bankruptcy petition nor have we ever been subject to an involuntary bankruptcy petition.

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## Item 19 Requirements for State-Registered Advisers

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We are federally registered as an investment adviser with the Securities and Exchange Commission. We are not registered as an investment adviser in any state nor are we required to be.

# **Eagle Strategies LLC**

(An affiliate of New York Life Insurance Company)

## **Statement of Financial Condition**

**December 31, 2016**

**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Index**  
**December 31, 2016**

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## **Report of Independent Auditors**

To the Board of Directors of Eagle Strategies LLC

We have audited the accompanying statement of financial condition of Eagle Strategies LLC (the "Company") as of December 31, 2016.

### ***Management's Responsibility for the Statement of Financial Condition***

Management is responsible for the preparation and fair presentation of the statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of financial condition that is free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the statement of financial condition, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the statement of financial condition in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Eagle Strategies LLC as of December 31, 2016 in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 8 to the financial statement, a capital contribution for \$10,000,000 is approved by written consent by the Sole Member of NYLIFE LLC. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

March 29, 2017

**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Statement of Financial Condition**  
**December 31, 2016**

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**Assets**

Cash and cash equivalents	\$ 14,301,594
Investments	27,783
Financial planning fees receivable	349,597
Wrap fees receivable	792,091
Receivable from NYLIFE Securities LLC	353,142
Prepaid expenses and other assets	241,061
Prepaid commission expense	2,078,431
Deferred tax asset	2,466,856

<b>Total assets</b>	<b>\$ 20,610,555</b>
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**Liabilities and Member's Equity**

Commissions payable	\$ 971,251
Deferred fee income	2,597,368
Deferred investment fee plan	6,744,731
Other accrued liabilities	3,457
Accrued litigation expense	164,997
Federal income taxes payable to New York Life Insurance Company	130,577
Payable to New York Life Insurance Company	2,479,477

<b>Total liabilities</b>	<b>13,091,858</b>
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Total member's equity	7,518,697
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<b>Total liabilities and member's equity</b>	<b>\$ 20,610,555</b>
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The accompanying notes are an integral part of this financial statement.



**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Notes to Statement of Financial Condition**  
**December 31, 2016**

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**1. Organization and Business**

Eagle Strategies LLC (the “Company”) is a wholly-owned subsidiary of NYLIFE LLC (a wholly-owned subsidiary of New York Life Insurance Company, “NYLIC”). The Company is a Registered Investment Adviser. The Company provides financial planning and investment advisory services to clients through associated financial advisors who are registered with NYLIFE Securities LLC (“Securities”), an affiliated broker-dealer and wholly-owned subsidiary of NYLIFE LLC.

**2. Basis of Presentation**

The accompanying financial statement has been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**3. Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of this financial statement in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

**Cash and cash equivalents**

Cash equivalents include investments that have remaining maturities of three months or less at date of purchase and are carried at fair value.

**Investments**

Investments primarily consist of money market funds and mutual funds in a Lifetime Wealth Portfolio (“LWP”) managed account.

LWP is an investment advisory program, offered through the Company that provides professional money management by independent third party sub-advisors. The Company’s money market funds and mutual funds investments within the managed account are recorded at fair value. Investments carried at fair value are discussed in Note 5 Fair Value Measurement.

**Deferred Investment Fee Plan**

The Company maintains the Deferred Investment Fee Plan (“DIF Plan”) for Investment Adviser Representatives (“IARs”) of the Company, which is a non-qualified, unfunded plan that allows eligible financial advisors to defer a percentage of their wrap fee commissions. The Company records a liability for the deferrals and credited returns earned on the deferred investment fee plan liability on the Statement of Financial Condition.

**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Notes to Statement of Financial Condition**  
**December 31, 2016**

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**Financial Planning Fees Receivable**

Financial planning fees receivable are predicated on the type of service provided by the financial advisor based on a financial planning contract. Financial planning fees receivable are accrued when a contract is signed.

A liability for financial planning fee income not yet earned is recorded in the deferred fee income account, with the corresponding commission paid on the deferred fee income recorded in the prepaid commission expense account.

**Wrap Fees Receivable**

Wrap fees receivable are generally computed as a percentage of the fair value of a client's portfolio under management and are accrued as earned.

**Accrued Litigation Expense**

Litigation expenses are accrued when they become probable and estimable. Management believes the liability of \$164,997 is sufficient to cover remaining settlement and legal costs for pending matters.

**Business Succession Program**

The Company maintains a Business Succession Program for approved IAR's of the Company. The program allows a successor IAR ("Successor") to provide investment advisory services to clients of a senior IAR ("Senior") upon the Senior's retirement, disability or death with the Successor agreeing to pay the Senior a Succession Fee in five annual installments. The Company enters into a Loan and Security agreement with the Successor to finance the Succession Fee. The Successor repays the loan, with interest, using investment advisory fees from services that the Successor provides to the succeeded clients. Accordingly, the Company records an asset for the loan amount and accrued interest on the Statement of Financial Condition. As of December 31, 2016, there are no loans or accrued interest due to the Company.

**Income Taxes**

For U.S. federal income tax purposes, the Company is treated as a limited liability company whose federal taxable income or loss flows through to its ultimate parent, NYLIC, and is included in the group's U.S. federal consolidated income tax return. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company is allocated its share of the consolidated tax provision or benefit, determined generally on a separate company basis, which includes the tax benefits of operating or capital losses utilizable in NYLIC's consolidated return. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement within 30 days of the filing of the consolidated return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years.

State and local tax returns are generally filed separately. In those cases where the Company's results are included with NYLIC's state tax filings, the Company is charged or credited for state taxes paid by NYLIC only to the extent that the Company's income/loss increases or reduces NYLIC's state tax liability. However, in years where NYLIC's own income level requires it to pay a flat state tax and the Company's income/loss does not affect NYLIC's state tax liability, no state tax liability or benefit is allocated to the Company pursuant to the tax allocation agreement.

**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Notes to Statement of Financial Condition**  
**December 31, 2016**

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Deferred federal income tax assets and liabilities are recognized for expected future tax consequences of temporary differences between GAAP and taxable income. Temporary differences are identified and measured using a balance sheet approach whereby GAAP and tax balance sheets are compared. Deferred income taxes are generally recognized based on enacted tax rates and a valuation allowance is recorded if it is more likely than not any portion of the deferred tax asset will not be realized.

In accordance with the authoritative guidance related to income taxes, the Company determines whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. The amount of tax benefit recognized for an uncertain tax position is the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. Unrecognized tax benefits are included within other liabilities, and are charged to earnings in the period that such determination is made.

**Guarantees**

Under the business succession program, the Company acts as guarantor with respect to a Successor's obligation to pay succession fees up to the total maximum amount and the annual maximum amounts set forth in the Loan and Security agreement between Successor and Senior.

At December 31, 2016 the Company had no recorded liabilities with this guarantee. Under current Loan and Security Agreements, the Company could be liable for guaranteeing \$59,688 of succession fees in future years.

**Business Risks and Uncertainties**

Weak market performance may adversely affect the Company's investment offerings and cause potential purchasers of these offerings to refrain from new or additional investments, and may cause current investors to withdraw from the market or reduce their rates of ongoing investment. Poor market performance may affect the value of the assets under management in clients' managed accounts. Changes in the regulatory environment may also adversely affect the Company's investment offerings. These factors could impact the financial condition of the Company.

The Company relies on computer systems to conduct business, including customer service, customer relationship management and producing financial statements. While the Company has policies, procedures, automation and backup plans and facilities designed to prevent or limit the effect of failure; its computer systems may be vulnerable to disruptions or breaches as the result of natural disasters, man-made disasters, criminal activity, pandemics, transaction errors by registered representatives or personnel, or other events beyond its control. The failure of the Company's computer systems for any reason could disrupt its operations, result in the loss of customer business and adversely impact its profitability.

**4. Recent Accounting Pronouncements**

**Future Adoption of New Accounting Pronouncements**

In January 2016, the FASB issued updated guidance that changes the rules regarding recognition and measurement of financial assets and financial liabilities. Amongst other changes, the new guidance eliminates the current classification of the equity securities as trading or available-for-sale and requires that an entity reports all equity securities (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) at fair value with

**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Notes to Statement of Financial Condition**  
**December 31, 2016**

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changes in fair value recognized in income. The new standard is effective on January 1, 2018 and requires a cumulative effective adjustment to be recorded for the impact on adoption. The Company is currently assessing the impact on its financial condition.

In May 2014, the FASB issued updated guidance on accounting for revenue recognition, which supersedes most existing revenue recognition guidance. The guidance requires an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to, in exchange for those goods or services. The guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from cost incurred to obtain or fulfill a contract. The company plans to adopt the new standard on its effective date January 1, 2018 and is currently assessing the impact on its financial statement.

**5. Fair Value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance around fair value establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The three levels of the fair value hierarchy based on the inputs to the valuation are as follows:

- |         |  |
|---------|--|
| Level 1 | Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. Active markets are defined as a market which many transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.   |
| Level 2 | Fair value is based on observable inputs, other than Level 1 inputs, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuations are generally obtained from third-party pricing services for identical or comparable assets or through the use of valuation methodologies using observable market inputs. |
| Level 3 | Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions in pricing the asset or liability.  |

**Eagle Strategies LLC**  
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**Notes to Statement of Financial Condition**  
**December 31, 2016**

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The following table represents the balances of assets measured at fair value on a recurring basis as of December 31, 2016:

	<b>Quoted Prices in</b>			
	<b>Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Cash equivalents				
Money market funds	\$ 14,162,314	\$ -	\$ -	\$ 14,162,314
Total cash equivalents	\$ 14,162,314	\$ -	\$ -	\$ 14,162,314
Investments				
Money market funds	\$ 7,930	\$ -	\$ -	\$ 7,930
Mutual funds	18,771			18,771
Equity securities	1,082	-	-	1,082
Total investments	\$ 27,783	\$ -	\$ -	\$ 27,783

**Determination of Fair Values**

The following is a description of the valuation methodologies used to determine fair value, as well as the general classification of such instruments pursuant to the fair value hierarchy.

**Cash Equivalents**

Cash equivalents include money market funds. Money market funds fair value is based on unadjusted quoted prices in active markets and they are classified as Level 1.

**Investments**

Investments carried at fair value include money market funds, mutual funds, and equity securities held in a managed account. Money market funds fair value is based on unadjusted quoted prices in active markets and are classified as Level 1. Mutual funds fair value is based on quoted daily net asset values and are classified as Level 1. Equity securities fair value is based on unadjusted quoted prices in active markets and are classified as Level 1.

**Transfers Between Levels**

Transfers between levels may occur due to changes in valuation sources, or changes in the availability of market observable inputs, which generally are caused by changes in market conditions such as liquidity, trading volume or bid-ask spreads. The Company's policy is to assume the transfer occurs at the beginning of the period. During the year ended December 31, 2016, there were no transfers between levels.

**Eagle Strategies LLC**  
(An affiliate of New York Life Insurance Company)  
**Notes to Statement of Financial Condition**  
**December 31, 2016**

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**6. Related Party Transactions**

The Company is party to a service agreement with NYLIC whereby NYLIC provides services to the Company. The Company is charged for certain services based upon separately identifiable actual costs incurred. The services include personnel, office space, other services, administrative and professional fees. Also pursuant to the service agreement with NYLIC, the Company is charged administrative expenses from NYLIC which are specifically identifiable to the Company or allocated by NYLIC principally through analyses of time spent on matters relating to the Company or pursuant to agreed upon formulas.

**7. Income Taxes**

Pursuant to the tax allocation agreement (see Note 3 Significant Accounting Policies), as of December 31, 2016 the Company had a net income tax payable to New York Life of \$130,577.

Deferred income taxes are generally recognized, based on enacted tax rates, when assets and liabilities have different values for financial statement and tax purposes.

The components of the net deferred tax asset reported as of December 31, 2016 are attributable to the following temporary differences:

<b>Deferred tax assets</b>	
Depreciation	\$ 48,451
Nondeductible reserves	57,749
Deferred compensation	<u>2,360,656</u>
Deferred tax asset	<u>\$ 2,466,856</u>

As of December 31, 2016, the Company has no federal net operating or capital loss carryforwards as they were fully utilized in the consolidated federal income tax return with NYLIC.

A valuation allowance against the deferred tax asset established at the date of the Statement of Financial Condition is not considered necessary because it is more likely than not the deferred tax asset will be realized under the tax allocation agreement.

As a member of NYLIC's consolidated group, the Company's federal income tax returns are routinely audited by the Internal Revenue Service ("IRS") and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 2010 and tax years 2011 through 2013 are currently with the IRS. The Company believes that its recorded income tax liabilities are adequate for all open years.

The Company did not have any uncertain tax positions as of December 31, 2016.

# **Eagle Strategies LLC**

(An affiliate of New York Life Insurance Company)

## **Notes to Statement of Financial Condition**

**December 31, 2016**

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### **8. Capital Contribution**

The Company continues to be dependent on its funding from its parent, NYLIFE LLC, to finance its operations. Therefore, a capital contribution for \$10,000,000 is approved by written consent by the Sole Member of NYLIFE LLC.

### **9. Subsequent Events**

As of March 29, 2017, the date the financial statement was available to be issued, there have been no events occurring subsequent to December 31, 2016 for the accompanying financial statement that would have a material effect on the financial condition of the Company.