

# Form ADV

## Part 2A

---

### FreeGulliver, LLC

CRD/IARD#: 117040  
509 Octavia Street  
New Orleans, LA 70115  
Tel: (504) 899-0300  
Fax: (504) 899-0123  
info@freegulliver.com  
freegulliver.com

---

August 25, 2017

This brochure ("Brochure") provides information about the qualifications and business practices of FreeGulliver, LLC ("FGL"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at (504) 899-0300 or info@freegulliver.com. Additional information about FGL or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. FGL's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to FGL.

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.

## **II. Material Changes**

Filing date of last annual ADV update: March 27, 2017

Since the filing of our most recent annual ADV update Michael Kirschman has been added as an individual who maintains at least 25% direct ownership in FGL. This Brochure also reflects the addition of a material relationship with four private funds; FFF18 Investments LLC, Lemuel IX LLC, Lemuel VIII LLC and FreeGulliver Hedged Equity Income, LLC as well as the liquidation of private fund Lemuel Five LP.

### III. Table of Contents

II. Material Changes.....	2
III. Table of Contents.....	3
Key Definitions.....	6
IV. Advisory Business .....	7
Item IV.(A). FGL at a Glance .....	7
Firm Profile.....	7
Years in Business.....	7
Principal Owners.....	7
IV.(B). FGL’s Advisory Services .....	7
Product Type Limitations .....	7
Our Services.....	8
Ongoing Asset Management.....	8
Fund Management and Administration.....	10
Recommendation of Other Investment Advisers .....	11
Pension Consulting .....	14
Financial Planning .....	16
Non-Securities Related Advisory Services .....	17
IV.(C). Customization of Advisory Services .....	18
IV.(D). Wrap Fee Program Participation .....	19
IV. (E). Assets Under Management (“AUM”).....	19
V. Fees and Compensation .....	19
V.(A). FGL Advisory Fees .....	19
V.(B). Fee Collection Process.....	19
V.(C). Other Fee/Expenses. ....	19
V.(D). Fees Charged in Advance.....	19
V.(E). Additional Compensation .....	19
V.(E).(1). Conflicts of Interest.....	20
V.(E).(2). ....	20
V.(E).(3). Brokerage Compensation .....	20
V.(E).(4). Advisory Fee Offset .....	21
VI. Performance-Based Fees and Side-By-Side Management .....	21
VII. Types of Clients.....	21
VIII. Methods of Analysis, Investment Strategies and Risk of Loss .....	21
VIII.(A). Methods of Analysis.....	21

VIII.(A). (cont.) Investment Strategies .....	22
VIII.(B). Risk Disclosures .....	23
VIII.(C). Investment-Specific Risks .....	25
IX. Disciplinary Information.....	25
IX.(A). Criminal or Civil Action .....	25
IX.(B). Administrative Proceedings.....	26
IX.(C). SRO Proceedings.....	26
X. Other Financial Industry Activities and Affiliations.....	26
X.(A). Broker-Dealers .....	26
X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators .....	27
X.(C). Related Persons.....	27
Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).....	27
Insurance company or agency.....	28
Sponsor or syndicator of limited partnerships .....	29
X.D Use of Other Investment Advisers .....	29
XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	29
XI.A Code of Ethics.....	29
XI.(B) Participation in Client Trading .....	30
XI.(C) Trading Alongside Our Clients .....	30
XI.(D) Trading Around the Same Time as our Clients .....	31
XII. Brokerage Practices .....	31
XII.(A).(1). Research and Soft Dollar Benefits .....	31
XII.(A).(1).(a). .....	32
XII.(A).(1).(b). .....	32
XII.(A).(1).(c). .....	32
XII.(A).(1).(d). .....	32
XII.(A).(1).(e). .....	32
XII.(A).(1).(f).....	33
XII.(A).(2). Brokerage for Client Referrals .....	33
XII.(A).(3). Directed Brokerage .....	34
XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required.....	34
XII.(A).(3)(b). Directed Brokerage – Permitted .....	34
XII.(B). Order Batching .....	34

XIII. Review of Accounts .....	34
XIII.(A). Review of Accounts or Financial Plans.....	34
Review of client accounts. ....	34
Review of Financial Plans.....	35
XIII.(B). Non-Periodic Account Reviews.....	35
XIII.(C). Reports to Clients.....	35
XIV. Client Referrals and Other Compensation .....	35
XIV.(A). Compensation we Receive .....	35
XIV.(B). Compensation we Pay .....	35
XV. Custody .....	36
XVI. Investment Discretion .....	36
XVII. Voting Client Securities .....	36
XVII.(A). Proxy Voting .....	36
Proxy Voting Policies and Procedures and Client Instruction .....	36
XVII.(B). Proxy Voting .....	37
XVIII. Financial Information.....	37
XVIII.(A). Balance Sheet.....	37
XVIII.(B). Adverse Financial condition .....	37
XVIII.(C). Bankruptcy-Related Matters .....	37
XIX. Requirements for State-Registered Advisers .....	37

## Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to FGL. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

**Advisory Affiliate:** Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

**Control:** Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

**Management Persons:** Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

**Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

**Related Person:** Any advisory affiliate and any person that is under common control with your firm.

**Self-Regulatory Organization or SRO:** Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations.

**Supervised Person:** Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

## IV. Advisory Business

### Item IV.(A). FGL at a Glance

#### Firm Profile

FGL provides investment supervisory, management, and financial planning services. FGL's investment advisory services also involve the management of investment assets on behalf of certain pooled investment vehicles ("PIVs"), such as hedge funds, private equity funds, or venture capital funds. On more than an occasional basis, individuals associated with FGL may furnish advice to the client on matters not involving securities. Such matters may involve issues related to non-investment related lifestyle planning and/or coaching needs. FGL also advises corporate clients on team building activities, company mission focus, and executive compensation and benefits analysis.

#### Years in Business

Date of formation: 3/19/2001.

Date of initial investment adviser registration: 10/27/2006.

#### Principal Owners

The following party(s) maintains at least 25% direct/indirect ownership in FGL.

- Frank Friedler, III
- Michael Kirschman

### IV.(B). FGL's Advisory Services

In this section, we will describe the services we offer as well as the fees that correspond to those services. As far as investment products on which we may provide advice, those product types are identified in the grid below.

#### Product Type Limitations

We generally provide investment advice in relation to the following specific types of securities/investments.

<input checked="" type="checkbox"/>	Exchange listed equities	<input checked="" type="checkbox"/>	Mutual funds (closed-end and open-end funds)
<input checked="" type="checkbox"/>	Over the counter equities	<input checked="" type="checkbox"/>	Real Estate Investment Trusts ("REITs")
<input checked="" type="checkbox"/>	Equities of foreign issuers	<input checked="" type="checkbox"/>	Exchange traded funds
<input checked="" type="checkbox"/>	Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving any of the following: <ul style="list-style-type: none"><li>• Real estate</li><li>• Oil and gas</li><li>• Mortgages or other receivables/assets</li><li>• Other: PIVs</li></ul>	<input checked="" type="checkbox"/>	U.S. government securities
<input type="checkbox"/>	Warrants	<input checked="" type="checkbox"/>	Options on securities
<input checked="" type="checkbox"/>	Corporate debt securities (other than commercial paper)	<input type="checkbox"/>	Options on commodities
<input type="checkbox"/>	Commercial paper	<input type="checkbox"/>	Options on futures
<input checked="" type="checkbox"/>	Certificates of deposit	<input type="checkbox"/>	Futures contracts (tangibles)

<input checked="" type="checkbox"/>	Municipal securities	<input type="checkbox"/>	Futures contracts (intangibles)
<input checked="" type="checkbox"/>	Variable life insurance	<input type="checkbox"/>	Other:
<input checked="" type="checkbox"/>	Variable annuities	<input type="checkbox"/>	Other:

## Our Services

Service:	<b><i>Ongoing Asset Management</i></b>																				
Service description:	<p>Our ongoing asset management services can be described as follows:</p> <p><b><i>Discretionary Management:</i></b> On a discretionary basis, we may design, revise, and reallocate a custom portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.</p> <p><b><i>Non-Discretionary Management:</i></b> On a non-discretionary basis, we may provide periodic recommendations to you and if such recommendations are approved/authorized, we will ensure that the authorized recommendations are carried out for you.</p>																				
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Other:  <input type="checkbox"/> None         </p>																				
Service fees:	<p>Fees charged to pooled investment vehicles for their ongoing asset management are covered in the section below, Fund Management and Administration. For ongoing asset management services provided to other clients, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Asset-based fees.</p> <p><input checked="" type="checkbox"/> Flat/fixed fees, payable monthly or quarterly. Our flat/fixed fees will range from \$500 to \$75,000 per year.</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th></tr> <tr> <th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>First \$500,000</td><td>0.75%</td></tr> <tr> <td>Next \$4,500,000</td><td>0.50%</td></tr> <tr> <td>Next \$5,000,000</td><td>0.40%</td></tr> <tr> <td>Next \$10,000,000</td><td>0.25%</td></tr> <tr> <td>Next \$30,000,000</td><td>0.15%</td></tr> <tr> <td>Accounts over \$50,000,000</td><td>Negotiable</td></tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$         </td></tr> </tbody> </table>	Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	First \$500,000	0.75%	Next \$4,500,000	0.50%	Next \$5,000,000	0.40%	Next \$10,000,000	0.25%	Next \$30,000,000	0.15%	Accounts over \$50,000,000	Negotiable	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
Asset-Based Fee Schedule																					
Account(s)/Portfolio Value	Annual Percentage																				
First \$500,000	0.75%																				
Next \$4,500,000	0.50%																				
Next \$5,000,000	0.40%																				
Next \$10,000,000	0.25%																				
Next \$30,000,000	0.15%																				
Accounts over \$50,000,000	Negotiable																				
Other fee/account maintenance conditions...																					
Minimum account/portfolio balance (initial):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																				



	<table border="1"> <tr> <td data-bbox="495 191 982 254">Minimum account/portfolio balance (ongoing):</td><td data-bbox="982 191 1412 254"> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td></tr> <tr> <td data-bbox="495 254 982 317">Minimum annual fee:</td><td data-bbox="982 254 1412 317"> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td></tr> </table> <p>Portfolios with assets of less than \$1 million may be charged an additional flat fee up to \$10 monthly.</p> <p>All fee arrangements are negotiable at our sole discretion.</p>	Minimum account/portfolio balance (ongoing):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$	Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
Minimum account/portfolio balance (ongoing):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$				
Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$				
Other fees:	<p>In addition to our service fees, we may recommend pooled investment vehicles, for which the pooled vehicle pays us a management and/or administration fee. In addition, you may be assessed other fees by parties independent from us. You may incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) In addition, other investment advisers recommended by us generally charge their own fees for managing client assets. Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>				
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with opening a discretionary account, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Direct billing.</i></p> <p>You may be billed directly by us for our service fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p>				
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input checked="" type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input checked="" type="checkbox"/> in arrears.</p> <p>Typically, our direct billing service fees are billed quarterly in advance. Fees deducted by a custodian are typically monthly in arrears. Other fees charged by</p>				

	Pooled Investment Vehicles, other investment advisers that we recommend, mutual funds, broker-dealers, and custodians may be billed monthly or per transaction in advance or in arrears.
Advanced billing and refunds:	As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable.

Service:	<b><i>Fund Management and Administration</i></b>
Service description:	<p>This service involves the provision of ongoing asset management services to pooled investment vehicles or investment funds, hereinafter referred to as “Funds.” Specific to its investment advisory services in connection with the Funds, we will manage (on a discretionary basis) the assets of the Funds in accordance with the overall investment objectives of each such Fund. Different strategies may be carried out for each Fund and therefore, there should be no expectation that the performance of any individual Fund would or should be similar to that of any other Fund.</p> <p>As part of our Fund management services, we may handle a portion of the administrative functions related to the Funds we manage. Among other things, included in those administrative functions are the processing of investor subscriptions to the Funds; overall investor relations; accounting; preparation of investor statements, coordination of annual financial audits, when applicable, for the Funds; and investor reporting. Unless agreed to separately, our Fund management services do not involve the provision of specific investment advisory services to individuals (in general) or individual investors in the Funds.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Other:  <input type="checkbox"/> None </p>
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Asset-based fees. Our fees will typically range from 0.5% to 2.0% of current value, cost basis or committed capital depending on the Fund and disclosed in the disclosure documents of the Fund.</p> <p><input checked="" type="checkbox"/> Flat/fixed fees. Our flat/fixed fees will range from \$250 to \$10,000. This is usually for administration services provided to the Fund.</p> <p><i>Performance-Based Compensation</i></p> <p>FGL may charge performance-based fees to Funds as outlined in their offering documents. Our performance fee will range from 10% to 20% of profits.</p> <p>FGL, in its sole discretion, may charge a lesser (or no) management fee based upon certain criteria such as existing financial planning client relationship, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.</p> <p>All fees are negotiable at our sole discretion.</p>

Other fees:	<p>In addition to the fees charged by the Funds, you will be assessed other fees (asset-based and/or performance-based) charged by the underlying investment of the Fund. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to the Fund</p> <p>Contemporaneously with the investment in a Fund, you will be asked to sign subscription documents that will fully disclose and authorize the fee schedule.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input checked="" type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input checked="" type="checkbox"/> in arrears. Specific fee arrangements will be set forth in the subscription documents of the Fund.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance or in arrears. Fees paid in advance will be considered earned and non-refundable</p>

Service:	<b><i>Recommendation of Other Investment Advisers</i></b>
Service description:	<p>Under this service, we may select (on a discretionary basis) other investment advisers, including mutual funds and ETFs, to provide the specific management services related to your assets (not as part of a wrap program) and in turn, we will monitor such outside investment advisers' performance with respect to their management of your assets. We will allocate your assets amongst these other investment advisers and may re-balance the allocation quarterly. The selection of outside investment advisers depends on analysis of both qualitative factors (such as advisers strategy, experience, and capabilities) and quantitative metrics (such as past performance, volatility, correlation, and other related statistics). A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser's current disclosure document(s). We will retain the authority to hire and fire such other investment advisers. Any decision to hire or fire a particular investment adviser will be based upon continued suitability and performance of the other investment adviser in relation to its management of your assets.</p> <p>Alternatively, without specifically selecting (on a discretionary basis) other investment advisers to provide the specific management services related to your assets, we may simply recommend other investment advisers that would provide such services (not as part of a wrap program). We will monitor such outside investment advisers' performance with respect to their management of your assets. A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser's current disclosure document(s). We will NOT retain the authority to hire and fire such other investment advisers. At all times, you will retain the authority to hire and fire such other investment advisers that we may recommend.</p>

<p>Use of discretion:</p>	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input checked="" type="checkbox"/> The engagement of other investment advisers to provide the direct management of your assets  <input type="checkbox"/> Other:  <input type="checkbox"/> None </p>																				
<p>Service fees:</p>	<p>For the service described above, the fee may be included or combined with the fee for ongoing asset management and is charged in the following manner:</p> <p> <input checked="" type="checkbox"/> Asset-based fees.   <input checked="" type="checkbox"/> Flat/fixed fees, payable monthly or quarterly. Our flat/fixed fees will range from \$500 to \$75,000 </p> <table border="1" data-bbox="500 802 1414 1287"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th> <th>Annual Percentage</th> </tr> </thead> <tbody> <tr> <td>First \$5,000,000</td> <td>0.50%</td> </tr> <tr> <td>Next \$5,000,000</td> <td>0.40%</td> </tr> <tr> <td>Next \$10,000,000</td> <td>0.25%</td> </tr> <tr> <td>Next \$30,000,000</td> <td>0.15%</td> </tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td> </tr> <tr> <td>Minimum account/portfolio balance (initial):</td> <td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td> </tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td> <td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td> </tr> <tr> <td>Minimum annual fee:</td> <td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td> </tr> </tbody> </table> <p>Portfolios with assets of less than \$1 million are charged an asset-based fee of 0.75% plus \$10 monthly.</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your Agreement with us.</p> <p><i>Referral Fees</i></p> <p>Fees related to FGL's services described in Item IV.(B).(1).(b). may be considered "referral" fees since FGL will be referring its clients to certain outside investment advisers.</p>	Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	First \$5,000,000	0.50%	Next \$5,000,000	0.40%	Next \$10,000,000	0.25%	Next \$30,000,000	0.15%	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$	Minimum account/portfolio balance (ongoing):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$	Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
Asset-Based Fee Schedule																					
Account(s)/Portfolio Value	Annual Percentage																				
First \$5,000,000	0.50%																				
Next \$5,000,000	0.40%																				
Next \$10,000,000	0.25%																				
Next \$30,000,000	0.15%																				
Other fee/account maintenance conditions...																					
Minimum account/portfolio balance (initial):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																				
Minimum account/portfolio balance (ongoing):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																				
Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																				
<p>Other fees:</p>	<p>In addition to our service fees, other investment advisers recommended by us generally charge their own fees for managing client assets. You may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your</p>																				

	<p>account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee frequency/timing/ collection:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input checked="" type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input checked="" type="checkbox"/> in arrears. The frequency and timing of the fee collection by the other investment advisers will be set forth in the written agreement with them.</p> <p>We receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian;  <input checked="" type="checkbox"/> direct invoice to you; and/or  <input type="checkbox"/> via the other investment adviser(s) managing your assets.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with opening a discretionary account, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Direct billing.</i></p> <p>You may be billed directly by us for our service fees. You will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p> <p><i>Use of other Investment Advisers:</i></p> <p>Other investment advisers recommended or selected by us generally charge their own advisory fees for managing client assets. Such fees are generally based on a percentage of the assets under management. Our fees are subject to negotiation and may be separate from the overall fees charged by such other investment advisers. Additional details related to fees charged by outside investment advisers will be explained in any such adviser's disclosure document.</p> <p>The fees charged by other investment advisers are assessed by such parties. Such fees may be charged in advance or in arrears; monthly, quarterly, or annually. Further, fees may be collected via the custodian or by way of direct billing by such investment adviser.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable.</p> <p><i>Use of other Investment Advisers:</i></p>

	If another investment adviser(s) is used to manage your assets, any available refund process for fees that may be collected in advance will be dictated by such other investment adviser's disclosure document(s) and/or service agreement(s) with you.
--	---

Service:	<b><i>Pension Consulting</i></b>
Service description:	<p>This service involves assisting employers and plan sponsors manage their 401(k), 403(b) or other retirement programs. The plan sponsor may subscribe to different levels of this service. These services include: analyzing the cost/benefits of different providers, reviewing different plan designs (eligibility, matching formulas, cross-testing), assisting with an Investment Policy Statement, recommending and monitoring investment choices, ensuring the plan is administered properly, and educating plan participants.</p> <p>As part of educating plan participants, we may have individual consultations with employees that may result in asset management or financial planning. Unless agreed to separately and explicitly, recommendations are made on a non-discretionary basis.</p> <p>Unless agreed to separately and explicitly, our 401(k) and 403(b) Advisory Services do not involve the discretionary selection of investment choices.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input checked="" type="checkbox"/> None </p> <p>Our specific discretionary authority will be set forth in your service agreement ("Agreement") with us.</p>
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Asset-based fee. Our fees will range from 0.25% to 1.0% annually, depending upon the size of the plan and the scope of work.</p> <p><input checked="" type="checkbox"/> Flat/fixed fees, payable monthly or quarterly. Our flat/fixed fees will range from \$1,000 to \$10,000 per year.</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your pension consulting agreement ("Agreement").</p>
Other fees:	<p>In addition to our service fees, you may be charged fees to reimburse FGL for out-of-pocket expenses paid by FGL on your behalf. In addition, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation.</p>

	<p>You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian  <input checked="" type="checkbox"/> direct invoice to you</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees deducted on our behalf.</li> </ul> <p><i>Direct billing.</i></p> <p>If so desired, you may choose to be billed directly by us for our service fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input checked="" type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, <input checked="" type="checkbox"/> in arrears, or <input type="checkbox"/> a portion in advance and a portion in arrears. Fees are typically paid quarterly in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Service:	<b><i>Financial Planning</i></b>
Service description:	<p>We may prepare a written financial plan for our clients. Our financial planning services may involve consultation, analysis, and recommendations in the six areas of financial planning, which include (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; and (6) estate planning.</p> <p>In order to determine a suitable course of action for an individual client, we will perform a review of the variables that are presented. This review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances.</p> <p>We will review your present financial situation and issue a written analysis and report of recommendations in accordance with your goals and objectives. This service may include an initial consultation and subsequent follow-up visits. The services provided in this regard may include but would not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Prepare an annual net worth statement;</li> <li>• Create a cash flow statement;</li> <li>• Review current investments and make recommendations thereon;</li> <li>• Review client's tax status and provide tax planning advice;</li> <li>• Review client's life insurance and disability insurance and make recommendations thereon;</li> <li>• Review client's estate plan and make recommendations thereon;</li> <li>• Complete a retirement analysis; and</li> <li>• Provide education planning advice.</li> </ul> <p>Unless engaged separately to do so, we will not be responsible for the implementation of the plan. You assume full responsibility for the implementation of the plan.</p>
Use of discretion:	We will not possess or otherwise exercise investment discretion with respect to this service offering.
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Flat/fixed fee. Our flat/fixed fee for our financial planning services ranges from \$1,000 to \$15,000.</p> <p><input checked="" type="checkbox"/> Hourly fees. Our hourly fee rate for our financial planning services ranges from \$250 - \$1,000.</p> <p>All fees are negotiable at our sole discretion.</p>
Other fees:	<p>If you implement the plan, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. You may also incur, relative to certain insurance products (such as life insurance or long term care insurance), charges imposed directly by the insurance carrier. These charges may include commissions paid to a representative or affiliate of FGL. The commission schedule is determined by the insurance carrier and is typically charged as a percentage of the premium paid.</p>



	<p>The percentage is based on the type of insurance policy and could range from 3% to 110% of premium. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you.</p> <p><i>Direct billing.</i></p> <p>You may be billed directly by us for our service fees. Payments are due 30 days from receipt of the invoice.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, <input checked="" type="checkbox"/> in arrears, or <input checked="" type="checkbox"/> a portion in advance and a portion in arrears. Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable.</p>

Service:	<b><i>Non-Securities Related Advisory Services</i></b>
Service description:	<p>On more than an occasional basis, individuals associated with FGL may furnish advice to the client on matters not involving securities. Such matters may involve issues related to non-investment related lifestyle planning and/or coaching needs. FGL also advises corporate clients on team building activities, company mission focus, and executive compensation and benefits analysis.</p> <p><b><i>Concierge Service:</i></b></p> <p>For certain individual clients, FGL offers extended non-investment related services which may encompass a myriad of aspects. Examples of such services would include finding the client a new lawn care service, assisting with travel arrangements, locating a rare book, etc.</p> <p>As part of these services, the client may or may not engage FGL to provide to him/her with any written documentation that supports recommendations or conclusions reached in advising the client. If the client wishes to engage FGL for some type of service not specifically mentioned or referred to in the services noted above, he/she must then provide FGL with guidance as to the scope of the engagement.</p> <p><b><i>Corporate Consulting:</i></b></p> <p>FGL provides general management consulting services to corporate clients. This may include advice regarding executive compensation, business continuation, strategic planning, etc.</p>

	As part of these services, the client may or may not engage FGL to provide to him/her with any written documentation that supports recommendations or conclusions reached in advising the client. If the client wishes to engage FGL for some type of service not specifically mentioned or referred to in the services noted above, he/she must then provide FGL with guidance as to the scope of the engagement.
Use of discretion:	We will not possess or otherwise exercise investment discretion with respect to this service offering.
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <p><input checked="" type="checkbox"/> Flat/fixed fee. Our fee for concierge services, life planning, or corporate consulting ranges from \$1,000 to \$75,000</p> <p><input checked="" type="checkbox"/> Hourly fees. Our hourly fee rate for our financial planning services ranges from \$250 - \$1,000.</p> <p>All fees are negotiable at our sole discretion.</p>
Other fees:	<p>In addition to our service fees, you may be charged fees to reimburse FGL for out-of-pocket expenses paid by FGL on your behalf. Examples include, but are not limited to, postage, delivery service and printing costs. In addition, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Commissions charged to you for insurance policies may be billed to you by the insurance carrier, not us. The commission schedule is determined by the insurance carrier and is typically charged as a percentage of the premium paid. The percentage is based on the type of insurance policy and could range from 3% to 110% of premium. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we will invoice you directly for our fees. You will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due in thirty (30) days.</p>
Fee frequency/timing:	For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input checked="" type="checkbox"/> monthly, <input checked="" type="checkbox"/> advance, <input checked="" type="checkbox"/> in arrears, or <input checked="" type="checkbox"/> a portion in advance and a portion in arrears.
Advanced billing and refunds:	As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable

#### **IV.(C). Customization of Advisory Services**

To the fullest extent possible, we endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for an individual client, we perform a review of our clients' financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of a client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client's particular circumstances.

Our clients are free to impose any restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines imposed by a client may affect the composition and performance of your portfolios (as a result, performance of custom portfolios within the same investment objective may differ and a client should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to the client.

#### **IV.(D). Wrap Fee Program Participation**

---

FGL does not participate in wrap fee programs.

#### **IV. (E). Assets Under Management<sup>1</sup> ("AUM")**

---

AUM (discretionary):	\$ 114,900,000
AUM (non-discretionary):	\$ 193,400,000
Total AUM <sup>2</sup> :	\$ 308,300,000
Date of AUM calculation:	12/31/2016

### **V. Fees and Compensation**

---

#### **V.(A). FGL Advisory Fees**

---

Refer above to Item IV.(B).

#### **V.(B). Fee Collection Process**

---

Refer above to Item IV.(B).

#### **V.(C). Other Fee/Expenses.**

---

Refer above to Item IV.(B).

#### **V.(D). Fees Charged in Advance**

---

Refer above to Item IV.(B).

#### **V.(E). Additional Compensation**

---

In addition to maintaining an investment adviser registration, representatives of FGL are also actively engaged as insurance agents. As such, we are able to receive compensation (i.e. commissions) related to the sale of insurance products. Certain individuals who are associated with us, if properly licensed to do so, may also receive compensation (i.e. commissions) related to the sale of insurance products. Additional Compensation such as this is

---

<sup>1</sup> The term, "assets under management" shall carry the same meaning as that term is defined by Form ADV.

<sup>2</sup> Rounded to the nearest \$100,000

separate and distinct from the other fees we may receive in connection with our investment advisory services as described above in Item IV.(B).

### **V.(E).(1). Conflicts of Interest**

The instructions in the Form ADV require us to tell you that the receipt or potential for the receipt of Additional Compensation gives our supervised persons an incentive to recommend investment products based on the Additional Compensation received, rather than on your specific needs. Although we are obligated to tell you this, our objective as a firm, which is shared by our supervised persons, is to place nothing before your best interests.

How we address these conflicts. First and foremost, we address the conflicts described above in relation to Additional Compensation by disclosing them to you in this Brochure as well as your representative's Brochure Supplement. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures ("WSPs") that was designed to address, among other things, conflicts of interest such as Additional Compensation. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being carried out adequately and in a timely manner.

The potential conflict of interest resulting from the Additional Compensation described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they are proper in light of the added examination and licensing that also takes place in the insurance area of the investment industry. Our supervised persons have satisfied various licensing requirements that allow not only for the offering of the types of products and services described in the information related to the Additional Compensation described above but also the receipt of the normal and customary compensation that any similarly licensed, and qualified person could receive in the form of sales compensation for those same products/services.

Bear in mind that even if our supervised persons were not licensed to sell the types of products/services addressed in the preceding section, the majority of your investments or transactions involving such products would still result in you paying some sort of commission for those products. In the case of our supervised persons, their active licensing may allow them to be able to receive such Additional Compensation as opposed to the insurance carrier keeping that compensation exclusively for itself.

Any Additional Compensation received by our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

Procedures for disclosing these conflicts: In an effort to inform you of these conflicts of interest, we have prepared this Brochure and have provided it to you, in part, for the purpose of disclosing these conflicts. You are always welcome to request a current copy of our Brochure. We are obligated to provide you a copy of this Brochure no later than the time you sign our Agreement and on an annual basis, we are required to provide you either (1) a copy of our current Brochure or (2) a set of instructions as to how you can request a copy of our current Brochure.

### **V.(E).(2).**

You have the ability to purchase insurance products that we recommend through another insurance broker you choose.

### **V.(E).(3). Brokerage Compensation**

We are not registered as a broker-dealer and thus, we do not receive transaction-based compensation for securities-related activities.

## **V.(E).(4). Advisory Fee Offset**

In the event that we or our supervised persons receive compensation other than our advisory fees as described above in Item IV.(B), we will not adjust our advisory fees to offset those other fees.

## **VI. Performance-Based Fees and Side-By-Side Management**

Some of our pooled investment vehicles may charge performance based fees in accordance with their offering documents. The fee will typically be payable upon the attainment of a pre-designated goal and will be calculated as a percentage of the earnings in excess of the goal.

## **VII. Types of Clients**

We will generally provide our services to the following types of clients.

- Individuals
- High net worth individuals
- Pension plans / profit sharing plans
- Foundations / charitable organizations
- Private funds/pools or other collective investment vehicles
- Trusts
- Estates
- Business or corporate entities

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item IV.(B).

## **VIII. Methods of Analysis, Investment Strategies and Risk of Loss**

### **VIII.(A). Methods of Analysis**

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

#### **Asset Allocation**

The majority of our analysis focuses on asset allocation and the diversification of a client's portfolio across the different types of asset classes and investment securities available. The basic steps to designing the allocation are (1) choose the asset classes to be included, (2) choose the percentage weighting of each class within the portfolio, and (3) choose the underlying securities to be included. The asset classes, weightings, and specific securities selected will vary by client and will depend on a variety of factors, including the client's age, income, risk tolerance, target return, time horizon, etc.

A client's asset allocation may be executed through discretionary accounts managed by FGL or may be recommended to outside money managers based on a specific asset strategy. The selection of outside money

managers depends on analysis of both qualitative factors, such as the manager's strategy, experience, and capabilities, and quantitative metrics, such as past performance, volatility, correlation, and other related statistics.

Key risk(s): Capital Risk, Credit Risk, Currency Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Past Performance Risk, and Strategy Risk.

## **Fundamental**

Fundamental analysis is generally considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

## **VIII.(A). (cont.) Investment Strategies**

---

In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

### **Long-Term Purchases**

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Short-Term Purchases**

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Short Sales**

Selling short involves the sale of an investment instrument that you do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the

shore sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Margin Trading**

Margin trading, or “trading on margin,” as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds you have available for the purchase. Essentially, trading on margin means that you can borrow additional funds, generally from the firm that holds your brokerage account, to purchase investment instruments that exceed the amount with which you have funded your account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Options** (including covered/uncovered options or spreading strategies)

We will also employ the use of options trading in the event that such trading complements an investment strategy we may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when you own the underlying instrument on which the option is based. Uncovered options involve options trading when you do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

## **VIII.(B). Risk Disclosures**

---

### **Capital Risk**

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

### **Credit Risk**

Credit risk can be a factor in situations where an investment’s performance relies on a borrower’s repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### **Currency Risk**

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, German mark, Euro, Japanese yen, French franc, etc.).

### **Economic Risk**

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### **Financial Risk**

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### **Higher Trading Costs**

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

### **Inflation Risk**

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### **Interest Rate Risk**

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

### **Legal/Regulatory Risk**

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

### **Liquidity Risk**

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

### **Market Risk**

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.



### Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

### Past Performance

Analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume. Any investment analysis method runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof. Past performance is not an indicator of future returns.

### Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

## VIII.(C). Investment-Specific Risks

There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

## IX. Disciplinary Information

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the numbered items below, we shall provide details as to each applicable matter or we will answer “No” or “N/A.” This information is presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

### IX.(A). Criminal or Civil Action

In any domestic, foreign, or military court of competent jurisdiction, has FGL or any of its management persons...		
Been convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been found to have been involved in a violation of an investment-related statute or regulation; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

activity, or from violating any investment-related statute, rule, or order?		
---	--	--

## IX.(B). Administrative Proceedings

Has FGL or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which FGL or any of its management persons...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority...		
denying, suspending, or revoking the authorization of FGL or one of its management persons to act in an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
barring or suspending FGL or one of its management person's association with an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
otherwise significantly limiting FGL or one of its management person's investment-related activities; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
imposing a civil money penalty of more than \$2,500 on FGL or one of its management persons?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## IX.(C). SRO Proceedings

Has FGL or any of its management persons been involved in a SRO proceeding in which FGL or any of its management persons ...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## X. Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

### X.(A). Broker-Dealers

Neither FGL nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Further, none of our management persons are registered as or currently seeking registration as a registered representative of a broker-dealer.

## **X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators**

---

Neither FGL nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

## **X.(C). Related Persons**

---

The following information will address any relationship or arrangement that is material to our advisory business or our clients that we or any of our management persons have with any of our related persons. In any such case, the related person is identified below and we have also addressed the nature of any conflict(s) arising out of this relationship/arrangement and how we address such conflict(s).

***Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)***

**Related Person:** The following grid will identify the private investment companies that are considered related persons of FGL.

<b>Entity Name (Related Persons)</b>	<b>General Partner / Managing Member</b>
FFF15 Investments LLC	Four Co-Managers
FFF16 Investments LLC	419 Walnut, LLC
FFF17 Investments LLC	Three Co-Managers
FFF18 Investments LLC	419 Walnut, LLC
FFFIV Investments LLC	419 Walnut, LLC
Focus Automated Equities, LLC	Member Managed
FreeGulliver Hedged Equity Income, LLC	FreeGulliver, LLC
Gulliver Structured Credit, LP	FreeGulliver, LLC
GulliverOne, LP	FreeGulliver, LLC
Lemuel Two, L.L.C.	419 Walnut, LLC
Lemuel VI, LLC	419 Walnut, LLC
Lemuel IX, LLC	419 Walnut, LLC
Lemuel VIII, LLC	419 Walnut, LLC
Octavia Two, LLC	Member Managed
Panthera Investment Fund LP	Panthera Management Company LLC
Santa Rosa Investment Fund, LLC	Friedler Group, LLC
Willow One, LLC	Three Co-Managers

**Conflict:** FGL serves as the general partner, administrator, managing member and/or investment advisor of various private investment companies that may also receive investment advisory services from FGL, for which FGL may receive normal and customary investment advisory compensation and management and administration fees. Further, Mr. Friedler and other FGL related persons may also possess ownership interests in these same private investment companies. On occasion, Mr. Friedler or FGL may recommend that you invest in one or more of these private investment companies. Both Mr. Friedler’s and FGL’s roles with respect to these private investment companies create a conflict that you should be aware of before participating in any such private investment company(s).

**How we Address the Conflict(s):** First and foremost, we address the conflicts described above by disclosing them to you in this Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Compliance & Supervisory Manual (“CSM”) that was designed to address, among other things, conflicts of interest

such as this. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our CSM. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

The potential conflict of interest resulting from the relationship described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they bring added value and opportunities to our clients. Our supervised persons have completed various education requirements that allow not only for the offering of the types of products and services described in the information related to the relationship described above but also the receipt of the normal and customary compensation that any similarly qualified person could receive in the form of compensation for those same products/services.

Any Additional Compensation received by us or our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

### ***Insurance company or agency***

**Related Person:** Friedler Group, LLC

**Conflict:** FGL is affiliated with Friedler Group, LLC through common ownership. Friedler Group is a licensed insurance agency. Representatives of FGL may also be licensed insurance agents of Friedler Group and, as such, may receive insurance-related compensation from Friedler Group in connection with certain advisory services provided through FGL. Friedler Group also serves as the manager of a private fund.

**How we Address the Conflict(s):** First and foremost, we address the conflicts described above by disclosing them to you in this Brochure as well as your representative's Brochure Supplement. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Compliance & Supervisory Manual ("CSM") that was designed to address, among other things, conflicts of interest such as this. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our CSM. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

The potential conflict of interest resulting from the relationship described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they bring added value and opportunities to our clients. The arrangement is also appropriate in light of the added examination, licensing, registration, and other regulatory oversight that also takes place in the insurance area of the investment industry. Our supervised persons have satisfied various regulatory examination, registration, licensing, and continuing education requirements that allow not only for the offering of the types of products and services described in the information related to the relationship described above but also the receipt of the normal and customary compensation that any similarly registered, licensed, and qualified person could receive in the form of sales compensation for those same products/services.

Even if our supervised persons were not registered/licensed to sell the types of products/services addressed in the preceding section, the majority of your transactions involving such products would still result in you paying a commission for those products. In the case of our supervised persons, their active registration/licensing may allow them to be able to receive such Additional Compensation as opposed to the executing financial institution or other licensed agent receiving that compensation.

Any Additional Compensation received by our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

### ***Sponsor or syndicator of limited partnerships***

**Related Person:** Frank Friedler, III and Michael Kirschman

**Conflict:** Either individually or as partners of FGL, Mr. Friedler and Mr. Kirschman serve as the general partners and/or managing members of various private investment companies that may also receive investment advisory services from FGL, for which FGL, Mr. Friedler and Mr. Kirschman may receive normal and customary investment advisory compensation. Further, Mr. Friedler and Mr. Kirschman may also possess ownership interests in these same private investment companies. On occasion, Mr. Friedler, Mr. Kirschman or FGL may recommend that you invest in one or more of these private investment companies. Mr. Friedler's, Mr. Kirschman's and FGL's roles with respect to these private investment companies create a conflict that you should be aware of before participating in any such private investment company(s).

**How we Address the Conflict(s):** First and foremost, we address the conflicts described above by disclosing them to you in this Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Compliance & Supervisory Manual ("CSM") that was designed to address, among other things, conflicts of interest such as this. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our CSM. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

The potential conflict of interest resulting from the relationship described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they bring added value and opportunities to our clients. Our supervised persons have satisfied various education requirements that allow not only for the offering of the types of products and services described in the information related to the relationship described above but also the receipt of the normal and customary compensation that any similarly qualified person could receive.

Any Additional Compensation received by us or our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

## **X.D Use of Other Investment Advisers**

---

As described previously in Item IV.(B), from time to time, we may recommend or select other investment advisers for you. The selection of outside money managers depends on analysis of both qualitative factors (such as manager's strategy, experience, and capabilities) and quantitative metrics (such as past performance, volatility, correlation, and other related statistics). We do not receive compensation (i.e. solicitor/referral fees) from those other investment advisers.

## **XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

---

### **XI.A Code of Ethics**

---

We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics (“Code”) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm’s IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

## **XI.(B) Participation in Client Trading**

---

The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you. As selected below, we will address the following, applicable situations. If a check box is unchecked, that means that neither we nor any of our related persons participate in the activity being described.

☐ Principal trading activity for or on behalf of our clients

**Description of Activity:**

**Related Person:**

**Conflict:**

**How we Address the Conflict(s):**

☒ Acting as the general partner in a partnership in which we solicit clients to invest

Refer above to Item X.(C).

☒ Acting as an investment adviser to an investment company that we recommend to our clients

Refer above to Item X.(C).

## **XI.(C) Trading Alongside Our Clients**

---

On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client’s accounts. Such transactions are permitted if reported in compliance with our Code of Ethics policy on personal securities transactions. All associated persons must report their personal securities holdings and transactions no less than quarterly to FGL’s Designated Supervisor. The purpose of these reports is to allow FGL the ability to monitor for any trading improprieties such as trading activity that may suggest an employee engaged in activity which subordinated a client’s best interests to that of the employee. Additionally, associated persons must obtain approval

from the Compliance official prior to directly or indirectly acquiring beneficial ownership in any security in an initial public offering.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that result in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

## **XI.(D) Trading Around the Same Time as our Clients**

---

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XII. Brokerage Practices**

---

The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

From time to time, FGL may refer the client to broker-dealers for the purposes of effecting securities transactions. For details as to what factors FreeGulliver may consider in selecting such broker-dealers, see below.

FGL is not a broker-dealer. Unless the client directs otherwise, FGL shall generally recommend that all the client's accounts be maintained at, by, or through certain other firms that are unaffiliated with FGL. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer activities. In no case shall FGL act or attempt to act in the capacity of "broker of record" or "custodian" of the client's account, funds, or other assets.

Although not all-inclusive, FGL may recommend the following brokers of record and their corresponding custodian:

<b>Broker of Record</b>	<b>Custodian</b>
TD AMERITRADE, Inc.	TD AMERITRADE Clearing, Inc.
JEFFERIES, LLC	JEFFERIES, LLC

Factors that FGL considers in recommending certain broker-dealers or custodians to clients may include such entity's financial strength, reputation, execution, pricing, and service. Although FGL will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client's account transactions.

The client may direct FGL to use a particular broker-dealer (subject to FGL's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and FGL will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by FGL. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

## **XII.(A).(1). Research and Soft Dollar Benefits**

---

The SEC has defined soft dollar practices as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the adviser

directing client brokerage transactions to the broker-dealer. Although soft dollar arrangements are perfectly acceptable if structured properly and as long as clients receive proper disclosure of them, soft dollar practices create an inherent conflict of interest because it is possible for an investment adviser to receive soft dollar benefits that it may not use specifically for the benefit of all clients whose commission dollars contributed toward the payment of such soft dollar benefits. In other words, a client may share in the cost of a soft dollar benefit but may not share in the benefit itself.

Section 28(e) of the Exchange Act ("Section 28(e)") provides the framework under which an investment adviser who has and exercises investment discretion (as defined in Section 3(a)(35) of the Exchange Act) over client assets can use client commissions to obtain certain soft dollar benefits (such as research).

<http://www.sec.gov/news/studies/softdollar.htm#back>  
<http://www.sec.gov/about/laws/sea34.pdf>  
<http://www.sec.gov/news/studies/2011/913studyfinal.pdf>  
<http://www.sec.gov/rules/interp/2006/34-54165.pdf>  
<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2004.n1.4005>

We do participate in soft dollar arrangements. Consistent with obtaining best execution, transactions for your account(s) may be effected through a broker-dealer in return for products and/or services ("Soft Dollar Benefits"), which assist us in our investment decision-making process. The primary Soft Dollar Benefit received by FGL is research and analysis. Such Soft Dollar Benefits generally will be used to service all of our clients, but brokerage commissions paid by you may also be used to pay for Soft Dollar Benefits that are not used in managing your specific assets. As a result of our soft dollar arrangements and if we determine in good faith that the commissions paid by our clients under a soft dollar arrangement are reasonable in relation to the value of the Soft Dollar Benefits received, you may experience brokerage commissions/costs greater than another qualified broker-dealer might charge to effect the same transaction(s). All soft dollar arrangements will be structured in accordance with Section 28(e).

Refer to Item XII.(A).(1).(e) below for a description of the types of soft dollar benefits we may be eligible to receive.

***XII.(A).(1).(a).***

When we use client brokerage commissions/fees to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research or other products or services we may receive.

***XII.(A).(1).(b).***

We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' best interest in receiving most favorable execution.

***XII.(A).(1).(c).***

As a result of these soft dollar arrangements, the commission rates or other brokerage execution fees you pay may be higher than those charged by other broker-dealers.

***XII.(A).(1).(d).***

The soft dollar benefits that we may receive from time to time will not be used to service all of our clients' accounts. We do not seek to allocate soft dollar benefits to client accounts proportionately based on the soft dollar credits that each individual account generates.

***XII.(A).(1).(e).***

The following table will identify several types of soft dollar benefits that we might receive from a broker-dealer in relation to effecting client securities transactions through a particular broker-dealer(s). The selected check boxes



will identify the specific benefits that we or any of our related persons have received during our last fiscal year in connection with our soft dollar arrangements. If a box is not selected, neither we nor any of our related persons received that type of item.

Selection	Item	Examples
<input type="checkbox"/>	Accounting fees	Year-end financial audit of investment partnership
<input type="checkbox"/>	Association fees	AIMR dues, ICI annual dues, American Society of CLU & ChFC, etc.
<input type="checkbox"/>	Cable television	DirecTV, Local cable TV, Pay TV
<input type="checkbox"/>	Commission rebates	Cash returned to or expenses paid for a qualified plan
<input type="checkbox"/>	Computer hardware	Monitors, printers, etc.
<input type="checkbox"/>	Computer software	Proxy voter software, maintenance and support, portfolio management software (i.e. Advent, Check Free) etc.
<input type="checkbox"/>	Conferences/seminars	AIMR conference fees, internet conferences, etc.
<input type="checkbox"/>	Consulting services	Advisory services, regulatory consultants, computer consultants, etc.
<input type="checkbox"/>	Courier/postage/express mail	Messenger services, Fedex, Airborne Express, DHL, etc.
<input type="checkbox"/>	Custodial fees	Payment of custodial fees to lower expenses of a retail or institutional account
<input type="checkbox"/>	Electronic databases	Ibbotson Associates, Value Line, Interactive Data Corp, Moody's, etc.
<input type="checkbox"/>	Employee salary/benefits	Salary, insurance policy, health benefits, etc.
<input checked="" type="checkbox"/>	Execution assistance	On-line quote systems
<input type="checkbox"/>	Industry publications	WSJ, Economist magazine, etc.
<input type="checkbox"/>	Legal fees	Retainer, research bills
<input type="checkbox"/>	Management fees	Investment adviser fees, pension consultant fees, etc.
<input type="checkbox"/>	Office equipment/supplies	Fax/scanner/copier machine(s), office furniture, staples, paper, etc.
<input type="checkbox"/>	Online quotation/news	Bloomberg, Reuters, etc.
<input type="checkbox"/>	Rent	Office rent
<input checked="" type="checkbox"/>	Proprietary research/analysis reports	Research materials prepared by the executing broker-dealer(s)
<input type="checkbox"/>	Non-proprietary research/analysis reports	Barra, Zack's Investment Research, Value Line, Global Trend Alert
<input type="checkbox"/>	Telephone expenses	Office phone service, mobile phone service, connection fees for online services
<input type="checkbox"/>	Travel expenses	Hotel accommodations, air fare, auto rental, etc.
<input type="checkbox"/>	Tuition/training	CFA courses, study materials, etc.
<input type="checkbox"/>	Marketing	Payment for or assistance with production of sales materials, web development, radio/t.v. ads, etc.
<input type="checkbox"/>	Miscellaneous expenses	Dinner, parking fees, limo service, concert/sporting event tickets, etc.

### ***XII.(A).(1).(f).***

During our last fiscal year the only soft dollar benefits received by FGL from broker-dealers were online quotes and research. These benefits are routine and customary. FGL reviews and selects broker-dealers based on financial strength, reputation, execution, pricing and service.

No additional review regarding soft dollar benefits is required.

### **XII.(A).(2). Brokerage for Client Referrals**

In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

## **XII.(A).(3). Directed Brokerage**

---

This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

### ***XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e. using a particular broker-dealer for execution purposes).

### ***XII.(A).(3)(b). Directed Brokerage – Permitted***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer, however, you may direct us to use a particular broker-dealer (subject to our right to decline such a request) to execute some or all transactions for your account or otherwise on your behalf. In such an event, we will not negotiate terms and arrangements for the account with the other broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” the transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

## **XII.(B). Order Batching**

---

Transactions for the client’s account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or “batch” such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn’t guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large number of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XIII. Review of Accounts**

---

### **XIII.(A). Review of Accounts or Financial Plans**

---

#### **Review of client accounts.**

We will review your accounts no less than quarterly. A Designated Supervisor will review your accounts for best execution, suitability, and service. The Designated Supervisor will review the performance and cost basis for your transactions. Your investment objectives are used to review for suitability. .

Name and title of Designated Supervisor: Frank Friedler III, Managing Member/CCO and Michael Kirschman, Advisor. The Designated Supervisor will employ the procedures noted above for the clients’ accounts subject to FGL’s investment advisory services.

## **Review of Financial Plans.**

Unless specifically engaged to do so, we do not periodically review financial plans that we have prepared for clients.

### **XIII.(B). Non-Periodic Account Reviews**

---

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, the advent of an opportunity that a client may be interested in or suited for, a request from the client to review a particular investment or opportunity, a notable request from a client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints.

### **XIII.(C). Reports to Clients**

---

Account statements will be provided no less frequently than quarterly by the custodian, not by us.  
Account statements will identify account positions, balances, and transaction details.

FGL provides quarterly Performance Summary reports to the clients of our Ongoing Asset Management services. The report presents market values, performance, asset allocation, and other relevant information for your investments. In most cases, we meet with the client in person quarterly to review the report. In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

The general partner of GulliverOne, LP and Gulliver Structured Credit, LP will ensure that all investors are provided a copy of the annual audit report within 180 days of the fiscal year-end of the pooled investment vehicle.

## **XIV. Client Referrals and Other Compensation**

---

### **XIV.(A). Compensation we Receive**

---

Certain of our associated persons, through such associated person's association as a licensed insurance agent, may also receive selling compensation resulting from the sale of insurance products to you or other clients of ours.

Arrangements involving someone's receipt of both advisory and other compensation in connection with the advisory services we provide to you can be considered "double-dipping." That term carries negative connotations but in the financial services industry, it is not only acceptable but is completely appropriate and within the permissible activities of those individuals and entities who are properly registered and licensed to engage in such activities. You should be aware that some investment advisers do not receive other compensation for transactions they may effect on your behalf.

The general industry standard for a client's overall annual fee for investment advisory services is a cap of 3.0%. This means that most investment advisers will keep their service fees for investment advisory work below 3.0% (of the assets they have been engaged to manage) on an annual basis. That said, a client could easily pay in excess of 3.0% of the assets that their investment adviser has been engaged to manage in light of other fees such as brokerage fees/commissions, execution costs, custodial fees, etc. We routinely monitor our fees to ensure that they are consistent with those found in the industry for similar services.

### **XIV.(B). Compensation we Pay**

---

Under certain circumstances, firms like ours may compensate other parties for having referred clients or potential investment advisory clients them. These sorts of arrangements are generally referred to as “solicitor” arrangements. We do not participate in any solicitor arrangements.

## **XV. Custody**

We engage in certain activities that result in us being deemed to have custody of certain of our client’s funds and/or securities.

- ☒ Automatic fee deduction from your brokerage or other trading accounts
- ☒ Physical possession or control (even temporary) of client funds or securities
- ☒ The ability to gain access to any client funds and/or securities
- ☒ One of our related persons has custody of funds and/or securities subject to our investment advisory services
- ☒ We or one of our related persons serves as the general partner, managing member, or other similar type of control person to an investment fund to which we provide investment advisory services.

As stated previously in Item XIII.(C)., your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian. Investors in any private investment companies may not receive account statements directly from the custodian(s) that maintains physical possession of the assets owned by such private investment companies.

## **XVI. Investment Discretion**

As part of our investment advisory services, we will generally seek and obtain your authorization to carry out part of our services on a purely discretionary basis. Your authorization of our discretionary authority is documented in the account application of the custodian where the account is opened..

If you have authorized us to do so, we will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on the client’s behalf
- 2) The amount of securities to be bought or sold on the client’s behalf
- 3) Timing as to when such securities are to be bought or sold
- 4) The engagement of other investment advisers to provide the direct management of your assets

We will have authority to exercise complete discretion with regard to the above named factors without restriction. If done so on a non-discretionary basis, we will make certain recommendations that must be authorized by you prior to our facilitation of any such transactions. As may be separately agreed to in writing, we will observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

## **XVII. Voting Client Securities**

### **XVII.(A). Proxy Voting**

#### **Proxy Voting Policies and Procedures and Client Instruction**

We do not vote proxies on behalf of any securities you own.

## **XVII.(B). Proxy Voting**

---

Since you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at (504) 899-0300.

## **XVIII. Financial Information**

---

### **XVIII.(A). Balance Sheet**

---

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

### **XVIII.(B). Adverse Financial condition**

---

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

### **XVIII.(C). Bankruptcy-Related Matters**

---

During the past ten years, FGL has not been the subject of a bankruptcy petition.

## **XIX. Requirements for State-Registered Advisers**

---

As a federally-registered investment adviser, this section of our Brochure is not applicable to us.