

# Concorde Asset Management, LLC

## Form ADV – Part 2A Firm Brochure

September 29, 2017

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<http://concordeis.com/asset-management-home>

This Brochure provides information about the qualifications and business practices of Concorde Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (248) 824-6710. 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.

We are a registered investment adviser. However, registration of an investment adviser does not imply any level of skill or training. The oral or written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Concorde Asset Management, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Summary of Material Changes

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This Item requires us to summarize any material changes to our Form ADV Part 2A Brochure. Since our most recent annual update on March 31, 2016, our Brochure has been updated to reflect several editorial changes to our existing description of services, fees, and brokerage practices. We also added a description of our trade error policy in Item 12, Brokerage Practices and made the following enhancements to our advisory services available on our management platform as described in Item 4, Advisory Business.

- FolioDynamix Advisors (“FolioDx”) as an additional sub-advisor offering unified management accounts to clients of the firm;
- Guided Portfolio Solutions manager models on the FolioDx platform;
- Non-discretionary management services;
- Wrap-fee programs;
- Variable product management services;

In Item 8, under the subsection entitled, Types of Investments, we are making available the following alternative investments for certain investors, if and where suitable and in their best interest:

Interval Funds and Hedge Funds.

Fee updates related to the additional management platform services are described in Item 5, Fees and Expenses.

### **How to Obtain a Copy of Our Brochure**

You may request our full Brochure free of charge by contacting our Chief Compliance Officer, Kimberlee E. Levy, at 248-824-6710 or by email at [klevy@concordeis.com](mailto:klevy@concordeis.com). You may also download a copy via the Internet from the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4 - Advisory Business

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### Introduction

In this brochure, references to “we,” “us,” “our,” or “our firm” refer to Concorde Asset Management, LLC. Individuals who serve as our directors, officers, employees, and investment adviser representatives are referred to as our “representatives.” Our firm’s clients and prospective clients are referred to as “you,” “your,” or “our clients.”

Headquartered in Livonia, Michigan, we have been in business since September 2006. We are wholly owned by Concorde Holdings, LLC, whose principal owners include John Gakenheimer, Jason Kavanaugh, Mark Kosanke, Gregory Merritt, and Michael Wolf.

We offer discretionary and nondiscretionary investment management services, financial planning services, and third-party investment managers. Prior to engaging us to provide services, we will require you to enter a written agreement with us setting forth the terms and conditions under which we will provide our services. Our specific services, terms of our compensation, method of payment, and other important information are explained in more detail below.

### Financial Planning Services

We offered tailored financial planning and consulting services. These consist of a wide range of topics you choose based on the level of service that you desire. You may decide to engage us to perform comprehensive financial planning or a narrower approach to consult with you on a limited basis. Further, you may select from a wide menu of financial topics in our Investment Advisory Services Agreement, including, but not limited to, retirement planning, retirement income projection and analysis; periodic investment reviews; insurance planning, and estate planning (other than legal services). Our engagements for these services are tailored to your specific circumstances and requests, and will be specified in our Investment Advisory Services Agreement that we will enter with you.

In providing financial planning services, our representatives will meet with you to learn your investment objectives, your investment timeline, your risk tolerance and other information about your personal circumstances so that we can assist you in developing realistic goals and objectives. Depending on the level of expertise you need, we may involve more than one of our representatives to develop your plan. If needed, and with your permission, we may also request assistance from your legal and accounting professionals. However, when you engage outside professionals, you will be responsible for their fees to provide services.

If desired, your representative will prepare a written report on a specific project or a comprehensive plan within the scope you request. Our reports usually include the steps to take to implement the advice we provide and we can aid in purchasing and selling securities or insurance products, if needed. You are under no obligation, however, to implement your plan through us.

During the interview process with our representative, you should take care to ensure that the information you provide is accurate and complete as it will play a key role in our ability to properly assess your investment objectives and risk tolerance. We do not independently verify or update the information you provide.

You may, of course, engage us for specific projects that require annual or more frequent reviews if more complex long-term planning is needed. In those cases, we will review your plan with you within the scope and

frequency agreed upon in advance in our Investment Advisory Services Agreement with you. Promptly inform us of any material change in your personal information, financial circumstances (including cash flow needs), investment objectives or risk tolerance. We will assume you have not had any material change in your circumstances unless you tell us.

While we will use our best efforts to recommend investments and plans that are designed to address your investment objectives and risk tolerance, we cannot assure you that our recommendations will achieve your objectives. Past performance of investments is not necessarily indicative of their future performance.

### Investment Management Services

Our Investment Management Services are those in which we actively manage your investment portfolio based upon your individual financial and personal needs. We gather information through in-depth personal interviews with you. This may include one or more in-person meetings and/or telephone calls. We may gather information that includes, but is not limited to, your current financial position, future goals, attitudes toward risk, and your investment objectives. We ask you to fill out a client profile questionnaire or similar document that we will carefully review, along with all other documentation you supply. Because we only rely upon the information you provide us and do not independently verify it, you should provide us with accurate information that we ask you update whenever it changes. Based on the information you provide, we will develop a personalized portfolio designed to meet your investment goals and objectives through asset allocation, portfolio monitoring, consolidated reporting, and, most importantly, individualized portfolio management. Individualized portfolio management and a tailored investment strategy will help us choose among various kinds of investments available in the market. Investments may include equity securities (stocks), warrants, corporate debt securities (bonds and notes), certificates of deposit, municipal securities, investment company securities (mutual funds, including money market funds), exchange-traded funds, and United States government securities. If appropriate, we may allocate your investments in accordance with model portfolios we make available from many sources. A model portfolio is how we communicate to you what specific investments you should have in your portfolio at any given time.

#### Non-Discretionary Investment Management Services – Concorde Advisor

In the Concorde Advisor program, we will manage your assets on a non-discretionary basis, which means that we will first consult with you and obtain your specific approval for buy or sell transactions before we can implement any investment decision on your behalf and any limitations stated in the Investor Profile. However, a limited power of attorney may still be required by the broker-dealer or custodian for your account for us to place trades on your behalf, even though, under the Concorde Advisor program, we won't place trades or rebalance your account without your prior approval of each proposed transaction. You should also understand that our having to obtain your prior approval for each transaction will often delay implementation of our recommendations until we reach you, which could result in different market conditions and prices than may be available for accounts managed on a discretionary basis.

#### Discretionary Investment Management Services – Professional Management

In our Professional Management program, your representative will provide portfolio management for your account on a discretionary basis, which means that we will can buy or sell securities on your behalf without your prior permission for each specific transaction. However, the selection of securities or other investments will be in accordance with your investor profile, goals, and risk tolerance as described above in the section entitled, "Investment Management Services." Additionally, you will can impose restrictions on the

management of your account, including the ability to instruct us not to purchase certain securities. If you chose our professional management of your account on a discretionary basis, we will obtain your prior written authorization in our agreement with you.

#### Variable Annuity Separate Accounts – Professional Management

We also offer professional management of the separate accounts within variable annuity contracts using the financial information you provide to us. On a discretionary basis, we will periodically review and reallocate your investments as we deem appropriate based on your investor profile, goals, and risk tolerance as described above in the section entitled, “Investment Management Services.”

#### Unified Management Account Programs – Gateway UMA Program

We offer Sawtooth Solutions, LLC. (“Sawtooth”) managed account program which we private label under our Gateway UMA Program name. The Gateway Program allows us, with your agreement, to select third-party, non-affiliated investment managers, known as Model Managers to design and manage model portfolios for your assets on a discretionary basis. Your representative will assist you in completing a profile questionnaire and review the information you provide. Based on the information you provide; we will recommend or select managers or a Model Manager and corresponding model portfolios aligned with your risk tolerance and investment objectives as outlined in your profile. Sawtooth will oversee all transactions or trading in your account and act as the Overlay Manager for your investments to ensure that all allocations in your account are harmonized. As Overlay Manager, Sawtooth is responsible for communicating trading instructions to the custodian for your account.

We work with Sawtooth in identifying and selecting the strategists and money managers that participate in the Sawtooth platform. Sawtooth provides background information to your representative who in turn provides advice to you regarding the investment discipline and/or approach used by the Sawtooth platform strategists and managers. Generally, Sawtooth is responsible for model portfolio construction and additional research services. Your representative will be available to answer questions that you may have regarding your account and act as the communications conduit between you and the Model Manager. We will generally retain the ability to hire and fire the Model Manager as well as the ability to reallocate funds from or to the model portfolio managed by the Model Manager and funds in other accounts over which you have granted us discretionary authority.

Sawtooth and all related model portfolio managers are investment advisers registered with the U.S. Securities and Exchange Commission and you will be provided with any applicable disclosure documents, as required, prior to engaging their services.

Also, refer to Item 10 below for additional information on certain back-office operations support services that we receive from Sawtooth.

#### Unified Management Account Programs - Concorde UMA Program

We offer the Concorde UMA Program, which is our private labeled program using the platform of FolioDynamix Advisors (“FDx Advisors”). Like the Gateway Program described above, FDx Advisors offers investment models and advisory services through a select group of third-party investment advisers that act as Strategists and Managers for your account. Additionally, FDx Advisors provides related research to your representative regarding the investment discipline and/or approach used by the approved Strategists and Managers on the FDx Advisors’ platform to identify and select those who best fit your specific investment objectives and risk tolerance. In the Concorde UMA Program, we act as the Overlay Manager for your account

on a discretionary basis and assume the responsibility for asset allocation, Strategist and Manager selection and termination, portfolio management, as well as communicating trading instructions to your custodian.

FDx Advisors and all related model portfolio managers are investment advisers registered with the U.S. Securities and Exchange Commission and you will be provided with any applicable disclosure documents, as required, prior to engaging their services.

Please refer to Item 10 for additional information on certain back office operations support services that CAM receives from FDx Advisors.

#### Unified Managed Account Programs - Guided Portfolio Solutions (GPS)

Designed for smaller accounts starting at \$10,000, we offer our private labeled program, Guided Portfolio Solutions (“GPS”) that utilizes a single diversified strategy in each client’s portfolio. Like the Concorde UMA above, GPS uses the platform of FDx Advisors and makes available investment models and advisory services through a select group of third-party investment advisers that act as Strategists and Managers for your account. Additionally, FDx Advisors provides related research to your representative regarding the investment discipline and/or approach used by the approved Strategists and Managers on the FDx Advisors’ platform to identify and select a single diversified strategy that best fits your specific investment objectives and risk tolerance. In the GPS Program, we also act as the Overlay Manager for your account on a discretionary basis and assume the responsibility for asset allocation, Strategist and Manager selection and termination, portfolio management, as well as communicating trading instructions to your custodian

Please refer to Item 10 for additional information on certain back office operations support services that CAM receives from FDx Advisors.

#### Concorde Strategic Portfolios

We provide portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Wealth Investment Advisory, Inc. (the “Program” and “SWIA,” respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds (“ETFs”) and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at SWIA’s affiliate, Charles Schwab & Co., Inc. (“CS&Co”). We are independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, “Schwab”). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the “Program Disclosure Brochure”), which is delivered to clients by SWIA during the online enrollment process.

We, and not Schwab, are the client’s investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. SWIA’s role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

We have contracted with SWIA to provide us with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client’s investment objectives and risk

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tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SWIA in connection with the Program, but we charge clients a fee for our services as described below under *Item 5*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

We do not pay SWIA fees for its services in the Program so long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If we do not meet this condition, then we pay SWIA an annual fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

#### Our Wrap Fee Program

We offer many of the same discretionary and non-discretionary portfolio management services through a wrap fee program where you are charged a single all-inclusive fee for such services. In our wrap fee program, you are not charged separately for transaction costs imposed by the custodian of your account as we will absorb such costs on your behalf. Please refer to our wrap fee program brochure for further details on our portfolio management services.

#### Third Party Asset Management Program ("TAMP") Services

We make available advisory services and programs of several third-party investment advisors. Under these TAMP programs, your representative provides ongoing investment advice tailored to your individual needs.

As part of these TAMP services, your representative will typically obtain the necessary financial data from you to assist in determining appropriate investment objectives and selecting the TAMP whose style and talent best fit your individual needs and circumstances, including assistance in opening an account with the TAMP. Depending on the type of TAMP selected, your representative may also assist you in selecting a model portfolio of securities designed by the TAMP, or select a portfolio management firm to provide discretionary asset management services.

You should understand that it is the third-party investment advisor (and not us or your representative) that has authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to the investment objective you choose. This authorization will be set out in the TAMP client agreement. We currently offer a variety TAMPs, including but not limited to programs sponsored by Asset Mark, Matson Money, and SEI. The programs offered by these firms may not be available to all clients because of account minimums, client objectives, and manager restrictions. Unless directed otherwise, your agreement with the TAMP gives us the authority to hire or fire these managers on your behalf. Once you and your representative selects a TAMP, your representative will continue to monitor their performance. Additionally, we will meet with you, at least annually, to determine whether any changes in your financial status warrant adjustments to

your investment objectives with the third-party money manager. We will also be happy to meet with you more frequently, if requested.

If you are interested in learning more about any of these TAMP services, a complete description of their programs, services, fees, payment structure, and termination features are found in their respective service disclosure brochures (or wrap fee disclosure brochures), investment advisory agreements, and account opening documents, all of which your representative will provide you prior to engaging their services.

You should also understand that TAMPs are not affiliated with us and we are not responsible for their services, actions, omissions, or performance. Our responsibility is limited to initially evaluating and recommending investment advisers and portfolios based upon reasonably available information at the time and periodically reporting on the TAMP's investment performance for your account. If we receive any compensation from a TAMP for making a referral, you will receive a specific disclosure brochure describing the referral, the relationship, and the compensation arrangement.

From time to time, we review other TAMP managers and reserve the right to make additional programs available to our clients as, in our discretion, we deem appropriate and consistent with our investment strategies. For these and other services we will receive a portion or all the fees paid by you as described in the "Fees And Compensation" section below.

#### Services Provided to ERISA Retirement Plan Sponsors

We provide investment management services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). As part of our services to qualified plans, we will act as either an ERISA 3(21) fiduciary advisor or an ERISA 3(38) fiduciary manager. The key difference between these two types of fiduciaries is whether you engage us as a discretionary manager. As a 3(38) manager, you give us discretionary authority to manage your plan's assets. This means that you shift your fiduciary responsibility to us for the selection of your investments. If you hire us as a 3(21) advisor, we will make recommendations, but it is ultimately up to you, as the plan sponsor, to decide whether and how to act. As a 3(21) advisor, we will not have discretion to invest and reinvest your assets without your prior consent. Thus, as a 3(21) advisor, we will share responsibility for the selection of investments.

For all qualified plan clients, we start by assisting you with the creation and maintenance of your investment policy statement. Your investment policy statement may place restrictions on the types of investments in which the plan may invest. We identify specific asset categories to be represented in your plan's investment menu. We then use our investment process to select and advise on mutual funds and other securities that comprise your plan's investment menu. We ensure that the investment options are permitted under your investment policy statement. We continually monitor the performance of all investment options. We review each fund manager by utilizing a comprehensive qualitative process. We prepare a quarterly, comprehensive fiduciary review that documents performance results of each fund over various time periods and benchmark results of each fund against applicable peer group, target, and index benchmarks.

We provide a variety of risk-based asset allocation models that allow participants to invest according to their specific goals, objectives, time to retirement, as well as risk tolerance. We create our models by assigning a weighted allocation to the mutual funds in our investment menu depending upon the objective of the particular model. We rebalance investments in our models based upon market conditions.

Participants of plans are permitted to choose to invest in one or more of our models or individual funds. If we provide individual investment advice to participants as described below, we will only recommend investments

that meet the investment objectives, time horizon to retirement, anticipated retirement income needs, and risk tolerance of the participant.

### ***Participant Advice***

In addition to the investment supervisory services we provide to plan sponsors, the plan sponsor may engage us to provide one-on-one investment advice to the participants of the plan. We start this process by providing education to employees in group meetings. We then meet individually with the participant. The participant will provide information to us about their financial situation, risk tolerance, time horizon to retirement, anticipated retirement income needs and investment objectives. We also provide information to the participant on how various levels of wage deferral or contributions to their retirement plan will impact their take-home pay. Taking all this information into consideration, we will recommend investment in an appropriate model or other plan menu investments.

We meet with newly eligible participants on a quarterly basis and we offer to meet with all participants on a semi-annual basis or more or less frequently as requested by the plan sponsor. Please note that we require separate investment advisory agreements with each plan participant who utilizes our advice, which we may provide on discretionary or nondiscretionary basis.

We believe that our individualized participant advice services tend to increase participant retirement plan contributions and help to close the gap between what a participant needs for retirement and what he or she may have.

### **Assets Under Our Management**

As of December 31, 2016, the total assets we manage are \$ 245,934,436, which comprises our regulatory assets under continuous discretionary management of \$194,506,253 of client assets on a discretionary basis, \$50,688,075 of assets under advisement and \$740,108 assets on a non-discretionary basis.

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

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In this section, we explain how we are compensated for the various advisory services we provide. We also describe some expenses you may experience related to those services. We believe that our charges and fees are competitive with firms offering similar services. However, lower fees for comparable services may be available from other sources. You can invest in mutual funds and other securities directly, without our services. In that case, you would not receive our assistance in determining which investments are most appropriate to your financial situation and objectives. We also would not be able to help you maintain a disciplined approach to portfolio rebalancing, anticipate tax consequences, and minimize emotional reactions to market events. Some investments may not be available to you directly without the use of an investment adviser.

We want you to be aware of how we and our representatives are paid as well as any fees and compensation that we may receive about the advisory services we provide. This information can be found in some or all the various documents:

- This ADV brochure
- Your Investment Advisory Services Agreement
- Custodial or brokerage account agreements

- TAMP Wrap Fee Program Disclosure Brochure or similar document
- Mutual fund prospectuses and Statements of Additional Information

Your representative may also receive commissions or other compensation as registered representatives of our affiliated broker-dealer and/ or as insurance agents. This additional compensation is separate and distinct from our advisory compensation. We discuss this in more detail later in this section.

### Financial Planning Services Fees

Financial Planning fees are based on the nature of the services provided and the complexity of your needs. Fees are agreed upon and documented in the Investment Advisory Services Agreement we have with you. At the beginning of the service, your representative will estimate the total cost of the Plan (either hourly or fixed fee, as described below). Planning Fees are calculated and charged on either:

- A per-hour (or portion of an hour) basis. Hourly charges are negotiable, but can range from \$100 to \$300 per hour, depending on the qualifications of personnel performing services, or
- On a fixed fee basis (\$300 minimum fee) with the total cost estimated at the beginning of the relationship. Our experience indicates that fixed fee engagements can range from \$300 to \$25,000, depending on your personal situation and complexity.
- Hourly fees for administrative and support staff range from \$50 to \$80, depending on the number and qualification of staff and the content and number of written reports.

An account set-up fee may also be charged. All financial planning fees are negotiable and may be waived in lieu of quarterly portfolio management fees. For larger projects, we may request up to half the fee upon your signing of the agreement with us for services. Financial planning fees for periods lasting longer than six months may be billed quarterly or semi-annually, in advance or arrears. For fixed fees, we invoice you on agreed upon terms in the Investment Advisory Services Agreement we have with you. We do not charge financial planning fees of \$1200 or more six or more months in advance. Projects paid for in full are to be completed within six months or less unless periodic payment arrangements have been made.

Generally, we request the balance due upon delivery of the Plan to you. Fees are payable directly to us or directly from your account if authorized by you in writing.

You retain the right at any time to terminate services for financial planning for any reason by giving us written notice. We also retain the right at any time to terminate our agreement with you for any reason by giving you seven business days' advance written notice. Any unearned pre-paid fee will be returned to you upon termination and any fee earned but not paid will be due to us from you upon termination.

From time to time, special situations may arise that may require us to increase our fees for financial planning services. For example, this may occur when there is an expansion of a project, increase in the number of reviews, more specialized needs of the client, more complex planning, or more detailed reporting. However, we will provide you notice in writing at least 10 business days in advance.

Financial Planning fees do not include product transaction commissions, or the fees for third-party professional services such as investment managers, attorneys, or accountants.

### Our Investment Management Fees

Our advisory fees for discretionary and non-discretionary investment management services are negotiable. We will consider the nature and complexity of the services we are providing you, our relationship with you,

the value of assets being managed, the value of other assets held in other accounts we manage or advise for you, the potential for additional business or clients, the amount of work anticipated, and the attention needed to manage your assets. The actual billing rate will be specified in the Investment Advisory Services Agreement we sign with you. For fee calculation purposes, we rely upon the market value of investments in your account as determined by your custodian's valuation, including any balances held in money market funds. Our advisory fees cover our investment advisory services, but do not cover other charges as described below.

Our advisory fees will be paid quarterly, in advance or in arrears, as set forth in our agreement with you. The quarterly structure may be based on a calendar quarter or the month the account was opened. For accounts opened or closed during a quarter, we will prorate the fee for the number of days our services were provided.

### Other Fee Proration and Adjustments

We reserve the right to prorate our fees for large deposits to your account made during a billing cycle. No adjustments or refunds will be made for pre-paid fees based upon partial withdrawals from your account.

### Direct Billing to Your Custodian

Unless otherwise agreed, you will authorize us to deduct our periodic advisory fees from your designated account. Your authorization is limited to our withdrawing our advisory fees as and when due. We will provide your custodian with your written fee deduction authorization. Your account custodian will, on a quarterly basis, provide you with an account statement indicating the advisory fees paid to us from your account. You may terminate your authorization at any time, in writing, but you will remain responsible for promptly paying us any advisory fees that remain due and unpaid.

If our direct fee deduction has been authorized, then our fees will be deducted from the cash balance in your account. If insufficient cash is available, then we will typically liquidate enough securities in your account to cover the balance due the following order: money market shares, mutual fund shares, and then other types of securities. For taxable accounts, a liquidation of securities may result in taxable income to you.

### Other Account-Related Expenses

In addition to our advisory fees, you may incur brokerage commissions, ticket charges, transaction fees, and other related costs and expenses. You may also incur certain charges imposed by custodians, brokers, third-party investment managers, and other third-parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, transfer of account fees, other fees and taxes on brokerage accounts and securities transactions. All such fees and expenses are disclosed to you in account opening documents and disclosure brochures of third-party managers or TAMP sponsors.

### Fee Schedule Changes and Termination of Services

If we amend our fee schedule, we will send you notice in writing at least 30 days prior to the effective date. You may terminate our services if you do not accept the new fee schedule. Otherwise, the new fee schedule will be effective as of the next billing cycle.

You or we may terminate our services for any reason by providing seven business days' advance written notice from either party to the other. If you terminate an agreement with us, pre-paid and un-earned advisory fees will be promptly refunded, generally within 30 days. Fees paid in arrears will be charged through the date of

termination. Regardless of when you terminate our services, you will remain responsible for all brokerage and custodial fees incurred for the benefit of your account.

### Fee Changes in Programs using Third Party Managers

For certain accounts sub-advised by Third Party Managers, the fee will be subject to change within a maximum stated range, which will be described in the Investment Advisory Services Agreement that you will sign, not to exceed 2% per year. The reason for the maximum fee range is because third-party manager fees vary from manager to manager, which has an impact on your costs when a decision is made to change managers for your account. In the event of such a change in one or more of the model managers, we will provide you with written or electronic notice of the fee change no later than 10 business days after the engagement of the new model manager(s). What this means is that your quarterly billing rate may increase or decrease billing by billing. All fees will be reflected in your custodial statements.

### Fee Changes for Changes in Services

Your representative may affect a change in your fees in the event of a change in the level of services provided to you. Because a maximum fee may be set, a conflict of interest exists where the representative can increase fees to their maximum rate. However, we seek to mitigate that conflict of interest by requiring a new advisory agreement to be signed by you and then reviewed and approved by our supervisory personnel prior to the fee change.

**Investment Management Services Fee – Concorde Advisor and Professional Management Programs**  
Generally, our fees for our non-discretionary Concorde Advisor Program and our discretionary Professional Management Program are based on a percentage of assets under management. Advisory fees do not include platform fees and custodial expenses such as commissions, ticket charges, or asset-based custody charges. Fees are negotiable and fall generally within the tiered ranges as follows:

<b><u>Assets Under Management</u></b>	<b><u>Annualized Fee Range</u></b>
On the First \$500,000	0.5% - 2.00%
On the Next \$500,000	0.5% - 1.50%
On the Balance Above \$1,000,000	0.25 – 1.25%
Subject to a minimum fee of \$300 per quarter.	

Your specific advisory fees will be set forth in your Advisory Services Agreement. In negotiating fees with you, your representative takes several factors into consideration such as services you request and the strategy selected. For example, an account having a portion of assets in a fixed income strategy, a portion in a growth strategy, and a portion in an aggressive strategy will have three different rates applied to each strategy resulting in a blended rate for billing purposes. Total fees to your representative typically range from 1% to 2% and may change should your representative exercise discretion to change managers within your selected platform offering, subject to the maximum fee established in your agreement with us. A conflict of interest exists when your representative can charge the highest fee in the range. We seek to mitigate that conflict by performing due diligence on suggested portfolio allocations to help ensure that you are receiving services corresponding to the fees charged and requiring customer consent to change programs. We also review and approve each management recommendation prior to changes in fees.

## Platform Fees

Platform fee charges below are optional and in addition to the fee schedule above. If requested, they cover performance reporting, billing, and other account maintenance services such as rebalancing.

<b><u>Market Value of Assets in Account</u></b>	<b><u>Annualized Platform Fees</u></b>
On the first \$1,000,000	0.15%
On the next \$1,000,000	0.13%
On the next \$3,000,000	0.12%
On the next \$5,000,000	0.10%
Over \$10,000,000	0.10%

### Variable Annuity Separate Accounts Management Fee

In providing separate account portfolio management services, we charge a flat fee that generally falls within the following range: \$250 to \$5,000. Your specific fee will be payable quarterly and set forth in the agreement you sign with us.

### Gateway Unified Managed Account Fees

Fees for our services through the Gateway program are negotiable by each of our representatives based upon your needs and the complexity of your situation, including the composition of your account (e.g. equities vs. mutual funds), the potential for additional account deposits, and the other factors previously described in the section entitled, "Our Investment Management Fees."

Based on the above negotiability factors, your representative can set the fee for services provided through the Gateway program up to a maximum of 2.0% annually. The Gateway Program fee structure has two components: the representative's fee and the subadvisor model manager(s) fee, and does not include custodian fees. This means that a portion is paid to your representative who oversees your account (the range is 0.25% to 1.00% annually) and a portion is paid to the subadvisor or model manager(s) selected (the range is 0.15% to 1.0% annually). The model manager fees will vary depending on the type of strategy you employ. If you are utilizing more than one model manager in your account, your subadvisor fees will be assessed on the value of assets in each strategy. The annual fee will be specified in your Gateway program client agreement with us. Custodial fees vary by custodian and may be charged as an asset based fee (ranging from 0.1% to 0.12% annually) or on a commission per trade basis. The custodial fee is paid separately by you and is outlined in your separate brokerage account agreement with the custodian. Additionally, there is a \$75 minimum annual platform fee per account. The minimum account size is \$35,000 and we will adjust our management fees on a pro rata basis for deposits over \$20,000 that occurs anytime in your account other than on the last business day of each calendar quarter.

### Concorde Unified Managed Account Fees

Fees for services through the Concorde UMA program are negotiable by each of our representatives based upon your needs and the complexity of your situation, including the composition of your account (e.g. equities vs. mutual funds), the potential for additional account deposits, and the other factors previously described in the section entitled, "Our Investment Management Fees."

Based on the above negotiability factors, your representative can set the fee for services provided through the Concorde UMA Program up to a maximum of 2.0% annually. The Concorde UMA Program fee structure has four components: the representative's fee, the subadvisor or model manager(s) fee, the Overlay Platform Fee,

and the custodian fee. This means that a portion is paid to your representative who oversees your account (the range is 0.25% to 1.00% annually), a portion is paid to the subadvisor or model manager(s) selected (the range is 0.15% to 1.0% annually), and a portion is paid to us for the Overlay Platform fee (the range is 0.16% to 0.25%). The model manager fees will vary depending on the type of strategy you employ. If you are utilizing more than one model manager in your account, your subadvisor fees will be assessed on the value of assets in each strategy. The annual fee will be specified in your Concorde UMA Program client agreement with us. Custodial fees vary by custodian and may be charged as an asset-based fee (ranging from 0.1% to 0.12% annually) or on a commission per trade basis. The custodial fee is paid separately by you and is outlined in your separate brokerage account agreement with the custodian. Additionally, there is a \$100.00 minimum annual platform fee per account. The minimum account size is \$25,000 and we will adjust our management fees on a pro rata basis for deposits over \$20,000 that occurs anytime in your account other than on the last business day of each calendar quarter.

#### Concorde Guided Portfolio Solutions UMA Program

Fees for services through the Guided Portfolio Solutions Program are negotiable by each of our representatives based upon your needs and the complexity of your situation, including the composition of your account (e.g. equities vs. mutual funds), the potential for additional account deposits, and the other factors previously described in the section entitled, “Our Investment Management Fees.”

Based on the above negotiability factors, your representative can set the fee for services provided through the Guided Portfolio Solutions Program up to a maximum of 2.0% annually. The Guided Portfolio Solutions Program fee structure has four components: the representative’s fee, the subadvisor or model manager fee, the Overlay Platform Fee, and the custodian fee. This means that a portion is paid to your representative who oversees your account (the range is 0.25% to 1.00% annually), a portion is paid to the subadvisor or model manager selected (the range is 0.15% to 1.0% annually), and a portion is paid to us for the Overlay Platform fee (the range is 0.16% to 0.25%). The model manager fee will vary depending on the type of strategy you employ. The Guided Portfolio Solutions Program consists of a single sub-adviser strategy specially designated by us. Only one strategy per account is eligible in our Guided Portfolio Solutions Program. The annual fee will be specified in your Guided Portfolio Solutions Program client agreement with us. Custodial fees vary by custodian and may be charged as an asset based fee (ranging from 0.1% to 0.12% annually) or on a commission per trade basis. The custodial fee is paid separately by you and is outlined in your separate brokerage account agreement with the custodian. Additionally, there is a \$100\_\_ minimum annual platform fee per account. The minimum account size is \$10,000 and we will adjust our management fees on a pro rata basis for deposits over \$20,000 that occurs anytime in your account other than on the last business day of each calendar quarter.

#### **Overlay Platform Fee Schedule Concorde UMA and Guided Portfolio Solutions**

<u>Account Value</u>	<u>Annualized Fee</u>
First \$500,000	0.25%
Next \$1,500,000	0.23%
Next \$3,000,000	0.20%
Assets Above \$5,000,000	0.16%

#### Concorde Strategic Portfolios

As described in *Item 4 Advisory Business*, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as



described in the Program Disclosure Brochure. Brokerage arrangements are further described below in *Item 12 Brokerage Practices*.

Client fees payable to Concorde are based upon the following fee schedule:

<b><u>Account Value</u></b>	<b><u>Annualized Fee</u></b>
First \$500,000	0.60%
Next \$1,500,000	0.50%
Next \$3,000,000	0.35%
Assets Above \$5,000,000	0.25%

The above fee schedule is billed quarterly in advance based upon the account value as of the last trading day of each calendar quarter end.

#### Fees for Third Party Asset Management Program (“TAMP”) Services

We permit your representative to negotiate your fee for many of these programs. Our advisory fee compensates your representative for the ongoing monitoring and review of the TAMP’s performance. The fees may be higher than other advisers providing similar services, including our other representatives. The range of fees for programs that we utilize varies. However, they are generally between .50% and 2.5% annually.

We do not pay fees to these firms. Instead, we are paid a portion of the fee deducted from your account by the firm providing the services. Generally, their Investment Advisory Services Agreement will authorize the deduction of advisory fees. Our portion of the total fees typically ranges from .50% to 1.50%. Because our representatives are permitted to negotiate fees, fees will vary from client-to-client for similar or identical services.

You should also be aware that, absent transaction charges, total fees exceeding 2% per year are generally considered higher than those charged by other comparable programs available to a client.

The services, reports, and contract termination provisions provided by these programs vary as do the costs. You are encouraged to obtain and carefully review the contracts and disclosure documents of the TAMP manager and/or program sponsor whose services you are considering, including Part 2A of Form ADV, so that you may understand fully the services provided and the specific fees being charged. You are also encouraged to compare programs. Our representatives are available to answer any questions or concerns you may have about these programs.

#### ERISA Retirement Plan Advisory Fees

Fees for each of our retirement plan advisory services described above in Item 4 are negotiable and calculated as a percentage of the total value of investments under our advisement at the rates set forth in the Fee Schedule below, which will be specified in your Retirement Plan Fiduciary Investment Advisory and Management Services Agreement. In addition to the advisory fee, you may be charged transactional fees and commissions by the Plan’s custodian, depending upon the type of security. Administrative and servicing fees may also be charged by third party broker-dealers and custodians.

Retirement Plan advisory fees may be paid quarterly in arrears, or in advance, as specified in your Retirement Plan Fiduciary Investment Advisory and Management Services Agreement. Fees are calculated based on the market value of investments in the account as determined by the account custodian, including any balances

held in money market funds. The fee for the initial quarter is pro-rated for the period that services are provided. Subsequent fees are based upon the market value of the account as of the last business day of the previous quarter. Upon termination of the Retirement Plan Fiduciary Investment Advisory and Management Services Agreement, any pre-paid advisory fees will be prorated to the date of termination and refunded. If fees are being paid after services are provided, you are responsible for payment of the fees earned by us to the date of termination. The Retirement Plan Fiduciary Investment Advisory and Management Services Agreement may be terminated by ten (10) days advance written notice from either party.

We may amend our fee schedule upon thirty (30) calendar days' advance written notice.

<b><u>Assets Under Advisement From:</u></b>	<b><u>To:</u></b>	<b><u>Annual Fee%</u></b>	<b><u>Quarterly Fee%</u></b>
\$0	\$1,000,000	1.00	.2500
\$1,000,001	\$3,000,000	0.75	.1875
\$3,000,001	\$5,000,000	0.65	.1625
Over	\$5,000,000	0.55	.1375

### Other Fees and Expenses

Our advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that clients may incur. Your account will separately pay for those services and they will be reported on your custodian's account statements. You may incur certain charges imposed by custodians, brokers, third party investment advisers, variable annuity insurance companies and other third parties, such as: fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and ETFs typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, clients may pay an initial or deferred sales charge. These separate fees and expenses are disclosed in each fund's current prospectus, which is available from the fund or your representative can provide it upon request.

Consequently, for any type of mutual fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to us. Generally, most mutual funds may be purchased directly, without using our services and without incurring our advisory fees. Also, many mutual funds pay shareholder servicing fees (12b-1 fees) to brokerage firms and their registered representatives in consideration of their services to the fund's shareholders. Such charges, fees and commissions are exclusive of and in addition to our fee, and, except as otherwise disclosed in this Brochure, we will not receive any portion of these commissions, fees, and costs. Under some circumstances, described in the section below entitled "Other Compensation," we may reduce our advisory fees because of the brokerage or other compensation that you pay for transactions. As noted below, our principals and certain representatives are also registered representatives of our affiliated broker-dealer, Concorde Investment Services, LLC ("CIS"), and therefore in that capacity may additional compensation with respect to clients who invest in these funds and other securities.

Variable annuity insurance companies charge various expense fees based on mortality rates and the cost of selected benefit riders against the assets in the subaccounts of their policy holders. These fees are in addition

to any investment management fees imposed by third-party investment advisers. Like other types of investments, commissions are also paid for the purchase of variable annuities and there may be substantial surrender charges. Commission charges, surrender charges, and other expenses are disclosed in the variable annuity prospectus. As with fund fees noted above, it is important for you to understand that if you engage us to provide investment management services for the allocation of the variable annuity subaccounts, you are paying directly and indirectly two layers of advisory fees: one layer of fees at the subaccount level and one layer of advisory fees to us, both of which are in addition to the fees imposed by the variable annuity insurance company for mortality and rider expenses.

In addition, there are tax effects pertaining to fund share redemptions and other investment sales, made by us on your behalf. Redemptions and sales are taxable events which may accelerate the recognition of capital gains and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

### Other Compensation

We are affiliated with CIS, a securities broker-dealer, and Concorde Insurance Agency, Inc. Many of our representatives are also licensed to offer securities and insurance products through these firms. CIS and its representatives may receive customary commissions and 12b-1 fees, as applicable, for the sale of such products should you decide to make purchases through CIS and its representative. While you are free to purchase such products from other providers than CIS and your representative, this compensation creates a conflict of interest with respect to your representative's recommendations for investments for which they may receive transaction-related compensation. Your representative may recommend either no-load or load mutual funds for a client's account. However, we take steps to mitigate this conflict of interest. For example, if you purchase mutual funds, variable annuities, or other products that impose a sales charge or load as described above, we typically do not allow an asset based advisory fee to be paid for two years on investments that pay a sales charge to your representative. Additionally, the investments are supervised to ensure they are in your best interest and consistent with your investment objectives. Representatives may also consider commissions and 12b-1 fees earned as a factor when negotiating asset-based fees.

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

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We do not charge performance-based fees. Our advisory fees are not based on a share of the capital gains you earn or on the capital appreciation of assets in your account.

## Item 7 - Types of Clients

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Our clients include individuals, businesses, trusts and estates, retirement plan sponsors and plan participants, foundations, endowments, and other charitable organizations.

Minimum account size varies by the investment management program you select. Those minimums are described in the "Fees and Compensation" section above.

The minimum fee for Financial Planning is \$300, which may be waived at our discretion.

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

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### Methods of Analysis

Our analysis begins with a review of your goals, time horizon, and risk tolerance through an interview process to determine a plan/portfolio that will best suit your needs. Consultations and a written questionnaire or similar document are often used to gather information. This information is used to determine what investment recommendations are appropriate. We rely on the information provided by you and do not verify the accuracy of information or reports you provide.

Our investment advisory services are provided by and through our representatives. We do not have a centralized investment committee that determines the investment advice or recommendations to be given to our clients. Instead, each of our investment adviser representatives exercises his or her professional judgment to provide our investment advice, recommendations, and advisory services on behalf of our firm.

Our representatives rely upon several methods of investment analysis in formulating investment advice. For example, when analyzing individual stocks, bonds, or other investments, our representatives may rely upon fundamental analysis, which is a technique that attempts to determine a security's value by focusing on the economic well-being of a company, as opposed to movements of its market price. When conducting fundamental analysis, various factors are evaluated including, but not limited to a review of a company's financial statements, determining whether the company's revenue is growing, if the company is profitable, if the company and its management is in a strong enough position to beat its competitors in the future, and if the company can repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the securities market price rises to its true value.

Our representatives may also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the movement of stock prices in the market, both individually and within an industry or sector of the economy. Technical analysis studies the supply and demand in the market to determine historical and future trends. Stock price movements, compared to indices and benchmarks, may be analyzed using historical charts and market-related empirical data. Notwithstanding favorable market price movements, a company's financial condition and other unique factors can adversely affect its value.

Representatives may also employ cyclical analysis which consists in considering whether a company's stock or the industry in which it operates is cyclical or not. Cyclical stocks or industries are affected by broad changes in our economy's business cycle. The value of cyclical stocks tends to move in the same direction as the economy, while the value of counter-cyclical stocks tends to move in the opposite direction.

As with any method of analysis, past performance does not assure future performance.

When analyzing and recommending mutual funds, our representatives generally apply fundamental analysis and review a broad range of information about each fund, including investment style, strategies, diversification, portfolio size, turnover, performance, and management team. We will also review investment and redemption terms, sales loads, as well as internal management fees and expenses. Most of this information comes from each mutual fund's prospectus. Depending on your age, risk tolerance, and time

horizon, we take into consideration an appropriate allocation of investments among various types of mutual funds.

In addition to prospectuses, our representatives obtain information from several sources, both public and by purchase, including financial newspapers and magazines, inspection of corporate activities, research materials prepared by third-parties, corporate rating services, annual reports, reports filed with the SEC, and company press releases. While we do not guarantee the accuracy of these materials, these information resources are generally believed to be reliable and we reasonably rely upon them for making investment decisions.

### Investment Strategies

We may recommend one or more of the following investment strategies: long-term purchases (held at least a year), short term purchases (held less than a year), trading (sold within 30 days), margin transactions and option writing (selling an option).

Your representative may recommend implementing these strategies using stocks, bonds, mutual funds (held directly or held within sub accounts of variable annuities), municipal securities, option contracts, certificates of deposits and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic, international, or equities/bonds. Your representative may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in client needs, market conditions, or economic developments.

When we recommend one or more investment strategies, we seek to combine various risk categories that, when considered as a whole, have a blended risk/return characteristic that seeks to be consistent with your overall risk tolerance and investment return objectives (including anticipated time horizons for achieving those returns). From time to time, change in your investments will likely occur based on a variety of factors, including such things as your representative's assessment of the stock market, interest rates, the economy, recent developments affecting specific securities, and other considerations. We make changes to the composition of your portfolio or its investment weighting by purchasing or selling securities held in the account.

Your investment representative's investment decisions will be driven primarily by changes in his or her asset allocation recommendations for your account, rather than the timing of purchases or sales of any particular investment or how long you may have held an investment. Barring restrictions or instructions that you may impose to the contrary, your representative will purchase, sell, and hold investments in your portfolio without specific consideration of other investments outside of our management and without regard to the specific tax consequences resulting from the purchase or sale of an investment.

Our customized approach helps your representatives to manage your account while allowing flexibility. For example, you may own some investments that you wish to hold for personal or other reasons or, for tax reasons, you may not desire to sell previously owned securities that we or our representatives would not have recommended. In such cases, you should be aware that we cannot be responsible for the suitability of investments that you made before or apart from our recommendation, regardless of whether you continue to hold them after we begin managing your account.

## Types of Investments

We provide investment advice with respect to a wide range of investments, including mutual funds, indexed funds, exchange traded funds (generically referred to as “funds”), unit investment trusts, stocks, bonds, variable life insurance and annuities. We may also recommend alternative investment securities such as interval funds and hedge funds, as well as interests in real estate investment trusts (REITs).

We also offer advice about separately managed accounts by unaffiliated investment advisors, mutual funds, exchange-traded funds, and variable annuities. Our representatives will answer any questions you may have about these kinds of investments and investment programs.

### Mutual Funds

Our representatives often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic versus international, or equities versus bonds. They may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in your specific needs, general market conditions, or economic developments.

The different kinds of mutual funds used each have inherently different risk characteristics and should not necessarily be compared side by side. A bond fund with below-average risk, for example, should not be compared to a stock fund with below average risk. Even though both funds have low risk for their respective categories, stock funds overall have a higher risk/return potential than bond funds.

Of all the asset classes, cash investments (i.e. money markets) offer the greatest price stability, but have yielded the lowest long-term returns. Bonds generally experience more short-term price swings and, in turn, have generated higher long-term returns than cash equivalents. However, stocks historically have been subject to the greatest short-term price fluctuations—and have provided the highest long-term returns, though past performance is no guarantee of future performance.

The risk in any given mutual fund depends on the investments it holds. For example, a bond fund has interest rate risk and income risk. Bond prices are inversely related to interest rates. If interest rates go up, bond prices will go down and vice versa. Bond income is also affected by a change in interest rates. Bond income (yields) is directly related to interest rate changes. If interest rates rise, bond yields rise and vice versa. Income risk is greater for a short-term bond fund than for a long-term bond fund. However, in a long-term bond fund, your principal is subject to higher principal risk.

Similarly, a sector stock fund (which invests in a single industry, such as biotechnology) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this industry related risk. However, while diversification across industries can help reduce your risk of loss from investing in a single sector, it may limit your opportunity for a significant gain if a single industry or sector increases dramatically in value.

### Exchange-Traded Funds

Exchange-traded funds (“ETFs”) represent a fractional ownership interest in an underlying portfolio of securities or commodities. Many exchange-traded funds track a specific market index and some are actively managed. Some invest in specific economic sectors, domestically or globally.

Most ETFs combine characteristics of an open-end mutual fund and a stock. However, unlike open-end mutual funds, ETFs are not bought and sold by the fund’s sponsor at the daily net asset value, which means

that individual investors do not purchase or redeem shares from the fund itself. Instead, like stocks, individuals buy and sell shares of ETFs on an exchange, including the American Stock Exchange, the New York Stock Exchange, and the Chicago Board Options Exchange. The trading dynamic is also a mixture of the two types of securities. That is, prices of ETFs fluctuate according to changes in their underlying portfolios and according to changes in market supply and demand for ETF shares themselves. ETFs offer investors a cost-effective opportunity to obtain portfolio diversification by buying or selling an interest in a portfolio of stock or bonds in a single transaction.

Expenses and other factors may affect the performance of an ETF so that the ETF's performance will not exactly match the performance of its respective underlying index. This risk is sometimes referred to as a "tracking error."

#### Variable Products

Variable annuities and variable universal life products are highly complex financial products offered by insurance companies. An investment in a variable contract is subject to both general market risk and the insurance company's credit risk. These and other risks are described in the variable products' prospectuses. Variable products are regulated under both securities and insurance laws and related rules and regulations. Variable products offer various benefits and features which may or may not have value for you, depending on your circumstances. CIS and our representative may receive separate and customary compensation for selling you variable products. If your representative has received separate sales compensation for selling these products, he or she will not collect management fees on these products for two years following the sale. We would be pleased to discuss them with you if desired.

#### Alternative Investments

**Interval Funds.** These alternative investments are closed-end mutual funds with a hybrid structure in which they engage in a continuous public offering of their securities, price their shares daily, and pay broker-dealers initial and continuing compensation. CIS and your representative may receive separate and customary compensation for selling these products. If your representative has received separate sales compensation for selling these products, he or she will not collect management fees on these products for two years following the sale. Additionally, shares of interval funds are not listed on a securities market and consequently, they redeem shares by making periodic self-tenders on a routine basis, such as quarterly, monthly, semi-annually, or annually. Most interval funds invest in highly illiquid and speculative securities and are considered high risk. You should read the prospectus for the fund which contains a full description of risks, fees, and investment objectives before deciding to invest. You should only invest in an interval fund if you can sustain a complete loss of your investment.

**Hedge Funds.** Hedge funds are alternative investments using pooled funds that may use numerous kinds of investment strategies, including, but not limited to, private equity, venture capital, derivatives, futures and other forms of leverage. The goal of using a hedge fund is to generate high returns. Like interval funds, hedge funds are highly speculative and illiquid. As a high-risk investment, you should only invest in a hedge fund if you can sustain a complete loss of your investment. Unlike interval funds, hedge funds are not public offerings and investors must meet certain income and net worth requirements under Regulation D. Most hedge funds involve substantial fees and commissions. You should read the private placement memorandum or offering document for a full description of risks, fees, and investment objectives before deciding to invest. CIS and our representative may receive separate and customary compensation for selling you a hedge fund. If your representative has



received separate sales compensation for selling these products, he or she will not collect management fees on these products for two years following the sale. Our representatives can answer any questions you may have and will assist you in determining whether these investments are suitable and in your best interests to invest.

## Investment Risks and Rewards

Securities, mutual funds, fixed and variable annuities, and alternative investments all bear different types and levels of risk. These risks will be discussed with you in determining the investment objectives that will guide our investment advice for your account. Upon request, as part of our services, your representative can discuss the types of investments and investment strategies that have the potential to reduce these risks considering your specific circumstances and financial objectives.

Obtaining higher rates of return on investments typically entails accepting higher levels of risk. Based upon our discussion with you, your representative will attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if do not understand fully the risks associated with any investment or investment strategy.

We and our representatives strive to render our best judgment on behalf of our clients. Still, there can be no assurance that your investments will be profitable or that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor or guarantor of future performance. While our representatives will continuously strive to provide outstanding long-term investment performance for clients, many economic and market variables beyond our control can affect the performance of your investments.

There are many types of risks, which vary with the type of investment or strategy. Our representatives would be happy to discuss them. The following are some of the more common investment-related risks that may affect your investment portfolio:

Business risks are associated with a particular company or industry. For example, start-up companies carry greater business risks than established companies. Companies developing new technologies carry greater business risks than manufacturers of well-established or widely used products and services.

Financial risks are often associated with the ability of a company to raise capital or finance its operations, as well as its ability to repay indebtedness. Highly leveraged companies face greater financial risks than well-capitalized companies.

Market risks are related to the effects of economic, political, natural disasters, or other events on the price of a publicly-traded stock, bond, exchange-traded fund, or other securities. This type of risk is typically affected by extrinsic factors that often are not related a particular company's financial condition, performance, or circumstances. For example, investment speculation can materially affect market prices.

Liquidity risks are associated with an investor's ability to readily convert a security or other asset into cash. Generally, there is greater liquidity for securities that are publicly traded on stock exchanges or trading facilities that match buy and sell orders. Privately offered securities may be highly illiquid because there is little or no trading or market activity.

Concentration risks result from a lack of investment diversification, which may be expressed in terms of geography, industry, or economic sector. For example, mutual funds typically invest in many different



companies, typically lowering the risk that one or a small number of those companies experience a significant loss.

- Options are complex, derivative securities that involve special risks. Option contracts expire at a stated maturity date and have no further value. Unlike traditional securities, the value of an option and the return from holding an option varies with the value of the underlying security from which it derives and other factors.
- Interest-rate risks are associated with changes to investment prices due to increasing or decreasing interest rates. For example, when interest rates rise, yields on newly issued bonds become higher, making them more attractive than yields on already outstanding bonds, which may cause the market values of outstanding bonds to decline.
- Real estate investment trusts (“REITs”) own, directly or indirectly, various types of real property interests and, therefore, bear real estate-related risks, among others. Most REITs focus on particular types of commercial development, such as apartments or office buildings, exposing them to downturns in demand, occupancy, and prices for these kinds of real estate. Some REITs bear risks associated with excessive debt, geographic concentration, and poor property management practices.
- Inflationary and deflationary risks are associated with the purchasing power of the dollar, which is affected by broad economic, monetary, governmental policies, and the balance of supply and demand for products and services.
- Reinvestment risks are typically related to fluctuations in the potential interest rate at which future investment proceeds may have to be invested. For example, reinvestment risks may increase during periods of falling interest rates. This risk primarily relates to bonds and other fixed income securities.
- Currency risks are primarily associated with foreign securities. For example, a company’s earnings in a foreign country may be affected by fluctuations in the value of the dollar against that foreign currency. Similarly, the investment return of a foreign security may be affected by changes in currency exchange rates, accounting methods, as well as political and economic instability.

## Item 9 - Disciplinary Information

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As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

## Item 10 - Other Financial Industry Activities and Affiliations

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As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to our advisory business or clients. We are also required to disclose if we receive cash or other economic benefits from a third-party in connection with advising our clients.

### Our Affiliated Broker-Dealer

Through our parent firm, Concorde Holdings, Inc., we are under common control and ownership, and therefore affiliated with, Concorde Investment Services, LLC (“CIS”), a FINRA member registered broker-

dealer. Generally, our investment adviser representatives are registered representatives of CIS, and as such they can engage in most kinds of securities transactions on your behalf.

### Relationships or Arrangements Material to our Advisory Business

When persons associated with us effect securities transactions as registered representatives of CIS, CIS may receive separate and customary compensation for this activity. In some circumstances, CIS may receive customary compensation from mutual fund companies, variable annuity companies or other similar products, including 12b-1 fees, for performing certain administrative and/or shareholder servicing related tasks associated with your investments in such securities. We recommend CIS to our clients for noncustodial brokerage services. This creates a potential conflict of interest. However, if you invest in our Wrap Fee Program, we mitigate this conflict by offering our services on a wrap fee basis as you pay the one fee regardless of the number of transactions. We also seek to mitigate this conflict of interest by reviewing all transactions in commission-based products and services to help ensure each is made in the best interest of our clients.

### Our Affiliated Insurance Agency

Through our parent firm, Concorde Holdings, Inc., we are also under common control with Concorde Insurance Agency, a licensed insurance agency. Most of our representatives are also licensed insurance agents of various insurance companies and receive insurance commissions on insurance products that they may recommend. This additional compensation creates a conflict of interest, which you should consider before engaging our services or the services of our affiliated businesses. Our advisory fee offset policy, described in Item 5, Fees and Compensation above, is intended to mitigate those conflicts. You may always choose a different insurance agent to implement our advice.

### Our Affiliated Accounting and Tax Service

Through our parent firm, Concorde Holdings, Inc., we are also under common control with Concorde Accounting and Tax Services, which provides professional accounting and tax services to businesses and individuals. These services are provided under a separate agreement and are separate and distinct from our services. You are welcome, but never obligated to utilize the accounting and tax services offered by Concorde Accounting and Tax Services.

### Our Recommendation of Other Investment Advisers

If appropriate in your circumstances, we may recommend the use of other investment advisers such as Sawtooth Solutions, LLC and FDx Advisors, who are part of the third-party investment advisory and sub-advisory services described in the “Advisory Business” section above. We generally receive a share of the ongoing management fees in these programs as described in the “Fees and Compensation” section above. The fees for these programs are shared among us, the other program sponsors, and the specified third-party investment manager. This may create potential conflict of interest when our representatives choose among the third-party investment advisory services and our own investment management services because we may retain more of the fees in our own advisory programs. We seek to mitigate this conflict by carefully reviewing your participation in one or more of the programs available and, in our judgment, recommending the program(s) that better match your needs, goals and objectives. Since these programs allow us to determine the standard advisory fees to our clients, we consider the total advisory fees you would incur and set our fees at competitive levels. Similar advisory services may, however, be available from other investment advisers at a lower cost.

## Our Other Financial Industry Activities

**Back Office Operations Agreements.** In addition to being sub-advisers to some of our clients' accounts, we have entered into operations services agreements with Sawtooth Solutions, LLC and FDx Advisors to provide account performance evaluation reports, fee calculation, and other back office operational support services for some of our managed accounts. Thus, when one of our representatives makes a recommendation to use one of these sub-advisers, a conflict of interest exists because these sub-advisers also provide operations support services to us. To address this conflict, our supervisory personnel review the sub-advisory recommendation against the client's suitability information.

**Trust Services Joint Marketing and Advisory Agreements.** We have also entered a joint marketing arrangement with FiPar, LLC ("FiPar"), a trust marketing company that is mostly owned and controlled by John Gakenheimer, one of our owners and Vice President of Business Development. The purpose of the arrangement is to market third-party trust services to our clients and prospective clients and to provide investment portfolio management services to independent, unaffiliated trust companies for their trust accounts. Currently, FiPar has entered a marketing referral arrangement with BOKF, NA, a nationally chartered bank and trust company. In consideration for this arrangement, FiPar receives a share in the ongoing trust administration service fees for trust business it refers to BOKF. BOKF may, in its sole discretion, accept or reject any referral trust business referred by FiPar. In addition, we have entered an agreement with BOKF to provide investment management services as BOKF's agent for certain trust accounts. Under this arrangement, BOKF pays us an investment management fee on the market value of the assets held in trust accounts we advise.

Our joint marketing through FiPar of BOKF's trust services and the compensation we receive from BOKF for our investment management services creates a conflict of interest for us and Mr. Gakenheimer when clients choose to use the trust services of BOKF because we receive customary investment management fees and Mr. Gakenheimer, through FiPar, receives a share of the trust administrative fees.

To help mitigate these conflicts, we advise our clients that they are not required to use BOKF's trust services marketed by FiPar. We supervise dual employees of CAM and FiPar (currently, Mr. Gakenheimer is the only dual employee) to reasonably ensure compliance with client investment guidelines and applicable regulatory requirements. Additionally, the investment management fee that BOKF pays us is solely determined by BOKF and is disclosed to the trust account owner and/or beneficiary by BOKF. The trust referral fees paid by BOKF to FiPar do not result in any increase of fees above the published fee schedule associated with the trust account. The investment management fees paid by BOKF's trust clients to CAM are not higher than CAM's published fee schedule disclosed elsewhere in this brochure.

**Outside Business Activities of Our Representatives.** Some of our representatives' own companies that perform legal, insurance, real estate, investment advisory, and accounting services. These are not affiliated with, controlled by, or under common control with us. Their respective services are provided under a separate agreement and are unrelated, separate, and distinct from the services we provide. You are under no obligation to utilize these services in connection with any of the services that we provide.

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

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We have adopted a Code of Ethics (the “Code”) describing the standards of business conduct we expect all our officers, directors, employees, and representatives to follow. The Code also describes certain personal securities transaction reporting requirements with which individuals associated with or employed by us must comply.

Our principals and representatives will often own the same securities recommended to our clients. Generally, these securities will be shares of open ended mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for our clients. If we do recommend the purchase or sale of a thinly traded security to a client, we will ensure that representatives’ personal transactions do not adversely affect clients nor improperly benefit our principals and representatives, typically by completing their transactions after all client transactions have been made. Neither our firm nor our representatives are permitted to benefit, directly or indirectly, from transactions made in your account.

Orders for clients may sometimes be aggregated or “batched” into one large order and will be fairly allocated among all participating accounts. The firm will aggregate where there is a benefit to the client.

We review the Code annually and update it as necessary. You may request a copy free of charge by contacting us at 248-824-6710.

## Item 12 - Brokerage Practices

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### The Custodians and Brokers We Use

For our investment management services when our representatives act as portfolio managers for your account, we require you to use the custody and transactional services of one or more of the following FINRA registered broker-dealers as custodians for your account: Pershing, LLC, RBC Capital Markets, LLC, Charles Schwab & Co. (“Schwab”), or TD Ameritrade. We have selected these firms for client use because we believe that they offer excellent brokerage account services, as well as enhanced technology and flexibility for each client’s needs and objectives. The specific choice among these custodians is based upon the type of investment management services you choose in your agreement with us. If you engage in our portfolio management services under our wrap fee program, you will direct us to custody your assets and place all securities transactions for your account through our affiliated broker-dealer, CIS, and one of its clearing broker-dealers, Pershing LLC or RBC Capital Markets, LLC. Please refer to our wrap fee program brochure for additional details and disclosures regarding conflicts of interest and how we mitigate them. See also Item 10 above concerning, “Other Financial Industry Activities and Affiliations.”

For our investment management services, outside of our wrap fee program, we require you to use TD Ameritrade or Schwab. We are not affiliated with either of these firms and each of them will provide custody and execution services in accordance with the terms set forth in your agreements with them. We reasonably believe that the blend of these firms’ execution services, commission and transactions costs or asset-based charges, as well as professionalism allows us to seek best execution and competitive prices. Commissions or asset based custodial fees may be higher or lower than at other broker dealers.

While we require the use of these custodians, you make the decision to do so and open the account with the custodian by entering into an account agreement directly with them. We don't take discretion in opening accounts on your behalf, although we will be happy to assist you in completing forms as a client service.

#### How We Select Brokers/Custodians

There are other discount brokerage firms who offer brokerage services often at a lower rate than Schwab or TD Ameritrade because they only execute transactions and carry securities brokerage accounts. However, they may not provide as wide of an access to load-waived and institutional mutual fund share classes. We believe, therefore, that the quality and value added by Schwab's and TD Ameritrade's services are competitive with other full-service brokerage firms and outweigh the perceived cost advantages of a discount broker. Among the factors we look at in recommending the use of a broker/custodian, we seek one who will hold your assets and execute transactions on terms that are generally most advantageous when compared to other available providers. We consider a wide range of factors, including the following:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.);
- Breadth of available investment products (mutual funds - no-load, load-waived, and no transaction fee funds);
- Availability of investment research and tools to assist us in making investment decisions;
- Competitiveness of the price of the services (commission rates, margin interest rates, etc.) and the willingness to negotiate the prices;
- Reputation, financial strength and stability; and
- Prior service to us and our other clients.

#### Services Available to Us from Schwab and TD Ameritrade

Both Schwab and TD Ameritrade provide us and our clients with access to institutional brokerage services - trading, custody, reporting, and related services - many of which are not typically available to their retail customers. They also make available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage our business. These support services are generally available on an unsolicited basis (we don't request them) and at no charge to us.

**Services that Benefit You:** The institutional brokerage services through these custodians include access to a broad range of investment products, execution of security transactions, and custody of client assets. The investment products available through them include some that we might not otherwise have access to or that would require a significantly higher minimum initial investment by our clients. These services described in this paragraph generally benefit you and your account.

**Services That May Not Directly Benefit You:** Schwab and TD Ameritrade also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both theirs and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained with them. In addition to investment research, both custodians also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations; account statements and tax-related statements);
- Facilitate trade execution and allocated aggregated trade orders for multiple client accounts;
- Providing pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only Us:** Schwab and TD Ameritrade also offer other services intended to help us manage and further develop our business. These services include:

- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.
- Access to employee benefits providers, human capital consultants, and insurance providers. Schwab and TD Ameritrade may provide some of these services directly. In other cases, they will arrange for third-party vendors to provide the services to us. They may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. They may also pay or reimburse expenses for our personnel to attend conferences or meetings regarding their services. They may also provide us with other benefits, such as occasional business entertainment of our personnel.

### Our Interest in Schwab's and TD Ameritrade's Services

The availability of these services from Schwab and TD Ameritrade benefits us because we do not have to produce or purchase them so we have a conflict of interest as the receipt of these benefits may indirectly influence us to require either of these broker-dealers for custody and brokerage services. With respect to Schwab, we don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. The \$10 million minimum may give us an incentive to recommend that you maintain your account at Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based upon your interests in receiving the best value in custody services and the most favorable execution of your transactions. While this is a potential conflict of interest, we believe, that our selection of both Schwab and TD Ameritrade as custodians and brokers is in the best interest of our clients apart from these considerations. Our selection is primarily based upon the scope, quality, and price of services and not the services that benefit only us. With respect to Schwab, we have more than \$25 million in client assets under management with Schwab, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab to avoid paying a quarterly service fee to Schwab presents a material conflict of interest. TD Ameritrade has no minimum asset amount or commission requirements and we maintain more than \$130 million in client assets under management with TD Ameritrade. Additionally, we do not influence our representatives in the selection of either of these custodians but insist that they make a good faith determination along with you as to which custodian to use for your account based on your needs and objectives.

### Your Brokerage and Custody Costs

If you maintain your account at TD Ameritrade, you will have a choice of either an asset based fee or a per trade commission. Your custodian fees and costs will be contained in your brokerage account application and agreement. Custodial fees are separate from and in addition to the advisory fees that we charge.

If you maintain your account at Schwab, Schwab generally does not charge asset based fees for custody services, but is compensated by charging you a commission or other transaction fee on trades that it executes or that settle into your account.

Regardless of the custodian or the custodial fee structure you choose, both brokers may charge additional fees for certain non-eligible assets, certain transfer taxes, SEC fees, exchange fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials, and mutual fund short-term redemption fees. Additionally, you may be charged for prime brokerage or trade away fees for trades executed by different brokers other than your custodian. However, to minimize such fees, we have your custodian-broker execute most trades for your account. We have determined that having your custodian execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see, “How We Select Brokers/Custodians”).

Asset based custodial fees are not right for everyone. In determining whether to agree with this fee structure, you and your representative should consider, among other things, your and your representative’s investment strategies and trading patterns (including the frequency of trading and the number and size of the transactions that your representative orders for your account), the costs and potential benefits of this arrangement as compared to paying commissions on a per-trade basis, and your investment objectives and goals. Asset based custodial fees may be not be appropriate if you are a “Buy and Hold” investor or if you otherwise anticipate engaging in a lower level of trading activity, as substantially greater transaction cost savings might be realized in the context of a traditional pay-per-trade commission structure.

#### Concorde Strategic Portfolios

In addition to our portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client’s account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. CS&Co’s support services described below are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. The availability to us of CS&Co’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co’s support services:



CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co's services described in this paragraph generally benefit the client and the client's account.

CS&Co also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under *Item 4 Advisory Business*, we do not pay SWIA fees for its services in connection with the Program so long as we maintain \$100 Million in client assets in accounts at CS&Co that are *not* enrolled in the Program. Considering our arrangements with Schwab, we may have an incentive to [recommend/require] that our clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's services that benefit only us. We have adopted policies and procedures designed to ensure that our use of Schwab's services is appropriate for each of our clients.

### Trade Allocation and Aggregation Policy

We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client's account. From time to time and only where appropriate, we aggregate orders for securities transactions for more than one client and, in appropriate circumstances, include proprietary accounts. In doing so, we strive to treat each client fairly and will not favor one client or a proprietary account over another client. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative convenience



and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

We will not aggregate orders for a client having a directed brokerage relationship with a client who does not have a directed brokerage relationship with the same broker-dealer. A consequence of not aggregating a client's order with other orders for the same securities is that the client may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by our firm in that security on a given business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client's part of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on a pro rata basis.

### Trade Error Policy

We have the responsibility to effect orders correctly, promptly and in the best interests of our clients. We have established an error correction policy, to identify and correct any errors as promptly as possible without disadvantaging you or benefiting us in any way.

We have defined a "trade error" to mean when we have purchased or sold a financial instrument for a client account and that action is then determined to have been a mistake and the error results in a financial gain or loss for the client. Examples of errors may include:

- Purchases or sales of an incorrect or unintended security or quantity of securities for a client account;
- Purchases or sales of securities for the incorrect or unintended client account;
- Purchases or sales of securities that are not authorized by the client's investment guidelines or applicable law or regulations (e.g. prohibited transaction under ERISA);
- Purchase or sale transpositions (where an intended purchase is entered as a sale, or vice versa); and
- Trade misallocations.

If the error is our responsibility, your transaction will be corrected and we will reimburse you for any loss resulting from an inaccurate or erroneous order. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted. Our primary custodians are Schwab and TD Ameritrade and their policies differ on the treatment of trade error corrections.

**Trade Error Losses** - If a trade error occurs at Schwab or TD Ameritrade and it results in a loss in the client's account, the client's account is reimbursed for the entire amount of the loss as soon as practical after the discovery of the error.

**Trade Error Gains** - If a trade error occurs at Schwab resulting in a net gain, the client's account retains the net gain. For a client account custodied at TD Ameritrade, if a trade error results in a gain, TD Ameritrade will automatically sweep the gain from our trade error account to a designated TD Ameritrade error account and then donate the balance of the TD Ameritrade error account to charity at the end of the year.

## Item 13 - Review of Accounts and Reports

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If you select Financial Planning Services, you will receive a comprehensive written financial plan or report with a limited focus or subject area, as selected by you and specified in the Investment Advisory Services Agreement that we will enter with you. We will review financial plans with you as frequently as you request in the Advisory Services Agreement.

If you select Investment Management Services, you will receive reports at least quarterly from your account custodian. You may also receive written performance reports from your representative as often as agreed upon between you and your representative, but usually not more frequently than quarterly. Your portfolio is regularly reviewed by your representative as agreed upon by you and your representative. You or your representative may request more frequent reviews if warranted by events triggered by material changes in your circumstances or material events in the market, political, or economic circumstances.

We conduct reviews to help ensure that the investments in your account are still consistent with your stated investment objectives and risk tolerance guidelines. We encourage you to compare the information on any account statement you receive from us with your custodial statements to determine whether there is any inconsistent information. Please note that our written performance reports may vary from official custodial statements based on differences in accounting procedures, reporting dates, or valuation methodologies of certain securities. Please call our main office or your custodian if there are any apparent inconsistencies or if you have any questions.

## Item 14 - Client Referrals and Other Compensation

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We receive certain economic benefits from Schwab and TD Ameritrade in the form of support products and services they make available to us and other independent investment advisors whose clients maintain accounts with them. These products and services, how they benefit us, and the related conflicts of interest are described above (See Item 12, "Brokerage Practices") The availability to us of these products and services is not based on us giving investment advice, such as buying securities for our clients.

From time to time, we engage solicitors to market our services. When we do so, you will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor, and the terms of that relationship. You will also receive a copy of this Form ADV, Part 2A, as our disclosure brochure. If a solicitor refers you to us, your total advisory fees will be based, in part, on the amount of the solicitation fee we pay to the solicitor. You may be paying more than our other clients for the same advisory services depending upon the amount of the advisory fees paid to the solicitor.

## Item 15 - Custody

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Under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct a qualified custodian to deduct our advisory fees directly from the client's account. This is the case for accounts in our investment management programs. Your custodians maintain actual custody of clients' assets. Clients receive account statements directly from their custodians at least quarterly. They will be sent to the email or postal mailing address the client provides to their custodian(s). Clients should carefully review those statements promptly when received. We also urge clients to compare their custodial account statements to the periodic portfolio reports clients receive from us.

## Item 16 - Investment Discretion

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We are primarily discretionary money managers and generally receive discretionary authority in writing from you at the outset of an advisory relationship in the Investment Advisory Services Agreement. Discretionary authority grants us the ability to determine, without obtaining your specific consent, the securities to be bought or sold for your portfolio, the amount of securities to be bought or sold, and in most cases, the broker-dealer to be used and the commission rate to be paid. We exercise discretion in a manner consistent with your stated investment objectives, risk tolerance, and account size. We observe any investment policies, limitations, and restrictions you provide us in writing. You should also understand that, unless directed otherwise, we will also have authority to hire and fire third party money managers on your behalf if you engage us for third party money management services. For pension and retirement plans governed by ERISA, our investment advice is also limited by ERISA's requirements and prohibitions.

You will also sign an agreement with your custodian that generally includes a limited power of attorney granting us authority to direct and implement the investment and reinvestment of your assets within the account, but restricts our ability to direct assets outside of your account.

If you select nondiscretionary investment management services, we will not place any transactions in your account without your prior consent, which means we will need to contact you via phone or in person prior to making each buy or sell transaction. You should understand that this can cause delays in cases of volatile markets and you may not obtain as advantageous of a price for your securities because of the delay and time needed to contact you in advance.

## Item 17 - Voting Client Securities

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### Concorde Strategic Portfolios

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third-party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

### Other Investment Management Programs

We will not vote the proxies for securities held in your accounts. Proxy materials will be forwarded to you for voting. If you have questions about a proxy solicitation, we would be happy to discuss it with you.

## Item 18 - Financial Information

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We have no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients, and we have not been the subject of a bankruptcy proceeding.

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