

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

**Item 1 – Cover Page**

**Equitrust Financial Group, Ltd.**

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This brochure provides information about the qualifications and business practices of Equitrust Financial Group, Ltd. ("Equitrust"). If you have any questions about the contents of this brochure, please contact Steve Hyman at 847-317-0200 or at [slhyman@equitrustfinancial.com](mailto:slhyman@equitrustfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Equitrust is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for our firm name Equitrust Financial Group, Ltd. or our firm CRD number **113941**.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last annual brochure was filed, dated February 2017, we have updated Item 5 to change the annual fee range Equitrust typically charges for Financial Advisors Program (FAP) accounts. The previous fee range was .75% to .98% of assets under management. The revised fee range is .75% to 1.00% of assets under management. The annual fee received by Equitrust may vary depending upon the value of the assets in the client's FAP account. SAA retains up to 20 basis points (0.20%) of the annual management fee for FAP accounts. The remainder of the fee charged to you is paid to us.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

Equitrust is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of the State of Illinois.

- Steven Hyman is the President and Charles Noparstak is the Vice President and Chief Compliance Officer of Equitrust Financial Group, Ltd.
- Equitrust has been registered as an investment advisor since March 2004.

### **General Description of Primary Advisory Services**

Following are brief descriptions of Equitrust's primary advisory services. More detailed descriptions of our advisory services are provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the description of services and description of fees in a side-by-side manner.

**Financial Planning Services**—Equitrust provides advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

**Investment Management Services**—Equitrust provides advisory services in the form of investment management services. Investment management services involve providing clients with continuous and on-going supervision over client accounts. This means that Equitrust will continuously monitor a client's accounts and make trades in the client's accounts when necessary.

**Retirement Plan Services** - Equitrust offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

### **Fiduciary Consulting Services**

Equitrust provides the following Fiduciary Retirement Plan Consulting Services:

- **Investment Policy Statement Preparation.** Equitrust will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- **Non-Discretionary Investment Advice.** Equitrust will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- **Investment Selection Services.** Equitrust will provide you with recommendations of investment options consistent with ERISA section 404(c).

- Investment Due Diligence Review. Equitrust will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.
- Investment Monitoring. Equitrust will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and Equitrust will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. Equitrust will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Individualized Participant Advice. Upon request, Equitrust will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and Equitrust does not serve as administrator or trustee of the plan. Equitrust does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

Equitrust acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. Equitrust will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Equitrust to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, Equitrust (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

#### Fiduciary Management Services

Equitrust provides clients with the following Fiduciary Retirement Plan Management Services:

- Discretionary Management Services. Equitrust will provide you with continuous and ongoing supervision over the designated retirement plan assets. Equitrust will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. We also have the

power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

- Investment Management via Model Portfolios. Equitrust will provide discretionary management via model portfolios. Equitrust manages Model Portfolios which are investment options available to Plan participants. If a Plan has elected to include Equitrust's Model Portfolios as available options for the qualified retirement plan, then each Plan participant will have the option to elect or not elect the Model Portfolios managed by Equitrust and will be allowed to impose reasonable restrictions upon the management of each account by written instructions to Equitrust.

If you elect to utilize any of Equitrust's Fiduciary Management Services, then Equitrust will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Equitrust hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

Equitrust provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. Equitrust will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Equitrust's assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Equitrust will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. Equitrust will assist you with the establishment of a qualified plan by working with you and a selected Third Party Administrator. If you have not already selected a Third Party Administrator, we shall assist you with the review and selection of a Third Party Administrator for the Plan.
- Due Diligence Review. Equitrust will provide you with periodic due diligence reviews of your Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. Equitrust will help you establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.

- **Benchmarking.** Equitrust will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, Equitrust cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

Equitrust will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

### **Limits Advice to Certain Types of Investments**

Equitrust provides investment advice on the following types of investments:

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign Issues
- Warrants

- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Interests in partnerships investing in real estate and oil and gas interests

Equitrust does not provide advice on options contracts on securities or commodities, futures contracts on tangibles or intangibles, or hedge funds and other types of private (i.e. non-registered) securities.

When providing investment management services, Equitrust typically constructs each client's account holdings using mutual funds to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Participation in Wrap Fee Programs**

Asset management services can be offered through both traditional and wrap-fee management programs. In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services (including portfolio management or advice regarding selecting other investment advisors) and transaction services are offered for a bundled fee. Equitrust offers asset management services through the Financial Advisors Program (described in *Item 5, Fees and Compensation*), which is a wrap-fee program. Whenever a fee is charged to a client for services described in this Disclosure Brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

From a management perspective, there is not a fundamental difference in the way we manage traditional management accounts versus wrap-fee management accounts. The only significant difference is the way in which transaction services are paid.

### **Tailor Advisory Services to Individual Needs of Clients**

Equitrust's services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

### **Client Assets Managed by Equitrust**

The amount of client's assets managed by Equitrust totaled \$274,381,412 as of December 06, 2017. \$272,091,866 of these assets are managed on a discretionary basis and \$2,289,546 are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's advisory services along with descriptions of each service's fees and compensation arrangements.

As referenced above, Equitrust offers investment advisory services to clients in the form of financial planning services and asset management services. These services are described in more detail below. Fees for advisory services are disclosed to you prior to any services being provided. Equitrust does not require payment of more than \$500 in fees more than six months in advance.

### **FINANCIAL PLANNING SERVICES**

#### **Written Plans**

Equitrust, its officers and associated persons offer financial planning services in the form of written comprehensive or segmented plans. Equitrust may use prepackaged software programs purchased through various vendors to assist in preparing a plan. A comprehensive plan can include, but may not be limited to the areas of beneficiary planning, risk management, budget and cash flow analysis, investment analysis, retirement planning, college funding, tax planning and estate planning. A segmented plan may cover any one or more of the areas as agreed upon by you and Equitrust.

Fees are established on an individual client basis based upon the complexity of your situation and the services to be provided. The exact services and fees are fully disclosed to you before the plan is prepared. The fees for a written financial plan are negotiable and usually range from \$250 to \$1,500. The agreed upon fee is usually payable in full after the plan has been completed and presented to you. However, depending upon the complexity of your financial situation and the services being provided, Equitrust's officers or associated persons may require that one-half of the fees be paid at the time the financial planning agreement is signed. In this case, the remaining one-half of the fee is due and payable upon completion and presentation of the plan. Equitrust's officers or associated persons agree to rewrite the financial plan to your satisfaction if you are unhappy with the plan as presented.

#### **Financial Consultations**

Equitrust, its officers and associated persons also offer financial planning consultations that are based upon your specific needs and future financial objectives. Financial consultations can include, but may not be limited to the areas of beneficiary planning, risk management, budget and cash flow analysis, investment analysis, retirement planning, college funding, tax planning and estate planning. There is a charge of up to \$100 per hour for these consultations, which charge is based upon the complexity of your situation and the services to be provided. The charge is fully disclosed prior to the consultation(s) and payable upon completion of the consultation(s).

#### **Seminars**

On occasion, Equitrust's officers and associated persons may hold seminars on investment and financial planning topics. Equitrust's officers and associated persons receive no fees for these seminars, but they may receive reimbursement from products sponsors for the cost of the supplies provided to participants. Seminar participants are entitled to receive a free written financial plan from Equitrust's officers and associated persons.

### Commission and Fee Offset

If you choose to implement the advice of Equitrust's officers and associated persons, you may do so through the officers and associated persons in their separate capacities as registered representatives and/or independent insurance agents. When the officers and associated persons act in these separate capacities, commissions may be earned. If commissions are earned as a result of implementing financial planning advice, Equitrust's officers and associated persons may waive or reduce the amount of the financial planning fee by the amount of the commissions received. In addition, if you elect to implement the officers' and associated persons' advice through one or more of Equitrust's other investment advisory services (as described in this document), the officers and associated persons may waive or reduce the amount of the financial planning fee as a result of additional advisory fees earned for the other investment advisory services. Any adjustment to the financial planning fee is wholly at the discretion of Equitrust's officers and associated persons and will be fully disclosed to you prior to implementation of any transactions.

### Termination of Services

Services terminate upon presentation of the financial plan and/or completion of the consultation(s). Either party may terminate the client agreement at any time by submitting notice to the other party and termination will be effective upon the receipt of such notice. If services are terminated within five business days after you sign the client agreement, then services will be terminated without penalty. After the initial five business days, Equitrust's officers and associated persons may bill for time and costs expended to the date of cancellation. Any prepaid fees will be refunded on a prorated basis based upon the time and costs expended to the date of cancellation.

## **ASSET MANAGEMENT SERVICES**

### Financial Advisors Program

We provide investment management services through the Financial Advisors Program ("FAP") offered and sponsored by Securities America Advisors, Inc. ("SAA"), an investment advisor registered with the Securities and Exchange Commission. FAP is a wrap-fee program providing investment advisory services and execution of client transactions and the specified fees are not based directly on transactions in your account. Under FAP, our representatives assist you in establishing one or more FAP accounts with SAA. All brokerage transactions are processed by Securities America, Inc. ("SAI"), the affiliated broker/dealer of SAA, and cleared through National Financial Services, LLC ("NFS") pursuant to a clearing arrangement established by SAI with NFS. Neither we nor our representatives act as custodian of your account or have direct access to your funds and/or securities.

SAA has also entered into agreements with various insurance companies that allow for the management and valuation of client variable annuity accounts within SAA's FAP. NFS, insurance companies or other custodians maintain physical custody of all funds and securities. Please see *Item 15, Custody*, for additional information. Our representatives implement securities transactions for FAP accounts in their separate capacity as registered representatives of SAI. See, *Additional Compensation*, below.

The annual management fee for FAP accounts is negotiable, with 3.00% being the maximum charged. If the account has only mutual funds, then the maximum fee is 2.25%. Equitrust typically receives an annual fee ranging from .75% to 1.00% for FAP accounts. The annual fee received by Equitrust may vary depending upon the value of the assets in the client's FAP account. SAA retains up to 20 basis points (0.20%) of the annual management fee for FAP accounts. The remainder of the fee charged to you is paid to us. SAA is responsible for collecting all fees paid by you through FAP and journals our portion of the advisory fee to us. Please note that our fees may be higher than fees charged by other financial professionals providing similar services.

We may invest a portion of your assets in mutual funds, exchange traded funds (ETFs) or variable annuities and charge an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for management of your assets: one directly to us and one indirectly to the managers of the mutual funds, ETFs or variable annuities held in your portfolios.

A complete description of FAP related fees, charges, and termination procedures is provided in the FAP Disclosure Brochure Appendix (Wrap Fee Program Brochures) prepared by SAA and which is given to you prior to or at the time an FAP account is established.

### **RETIREMENT PLAN SERVICES**

For retirement plan sponsor clients, Equitrust will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the size of the plan assets, the actual services requested and the representative providing the services.

If Equitrust charges an annual fee based upon the value of the plan assets, we typically charge an annual fee in the range of .25% to .75%.

For retirement plan sponsors fees are billed in arrears (at the end of the billing period) on a monthly or quarterly calendar basis and calculated based on the average daily balance of your account during the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Equitrust. We will provide the custodian with a fee notification statement.

The services will terminate upon thirty (30) days following either party providing the other party with written notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Equitrust does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **GENERAL FEE DISCLOSURE INFORMATION**

The advisory fees charged to you for our investment advisory services may be higher or lower than the cost of similar services offered through other registered investment advisors. At no time will fees of more than \$500 be charged more than six months in advance. Fees for investment management services may be more than the cost of purchasing the same services separately. You may be able to obtain similar investment management services for a lesser fee from other advisors. The fees charged vary among investment management services. The amount of compensation Equitrust may receive in a particular program may be more than would be received if you participated in other SAA programs or paid separately for investment advice, brokerage and other services. These circumstances may result in Equitrust having a financial incentive to recommend one investment management services program over another. The factors to be considered by you in determining the reasonableness of the fees charged

include, but may not be limited to: 1) the fee charged for development of an asset allocation study and/or development of an investment strategy; 2) transaction and custody costs or other miscellaneous fees and taxes and/or charges, as well as commissions or mark ups and mark downs, on the purchase and/or sale of securities; 3) the cost of producing a performance report covering the managed assets; 4) the value of the consulting service provided by Equitrust in designing and monitoring your managed assets; 5) the cost of investment advice provided by SAA and Equitrust; and 6) the cost of the additional administrative, marketing, asset management and other support services that may be provided by SAA and, when applicable, by any sub-advisors used in the management of a program account.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because Equitrust does not charge or accept performance-based fees. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Item 7 – Types of Clients**

Equitrust generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans

### **Minimum Investment Amounts Required**

Equitrust requires a minimum of \$25,000 to establish and maintain an FAP account. Exceptions may be granted to this minimum upon request.

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

#### **Methods of Analysis**

Equitrust uses the following methods of analysis in formulating investment advice:

**Fundamental.** This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

#### **Investment Strategies**

Equitrust uses the following investment strategies when managing client assets and/or providing investment advice:

**Long term purchases**--Investments held at least a year.

**Short term purchases**--Investments sold within a year.

### **Use of Primary Method of Analysis or Strategy**

Equitrust's primarily uses fundamental analysis. Some of the risks involved with using fundamental analysis include buying mutual funds when they are out of favor, and selling mutual funds when they are still rising.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk**. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- **ETF and Mutual Fund Risk** – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Item 9 – Disciplinary Information**

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

Equitrust is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) lawyer or law firm, (7) insurance company or agency, (8) pension consultant, (9) real estate broker or dealer, or (10) sponsor or syndicator of limited partnerships.

### **Other Business Activities**

#### **Registered Representative of a Broker-Dealer**

Our investment advisor representatives are also registered representatives of Securities America, Inc., a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of Securities America, Inc. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use Securities America, Inc. and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Securities America, Inc. Prior to effecting any such transactions, you are required to enter into a new account agreement with Securities America, Inc. The

commissions charged by Securities America, Inc. may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

#### Insurance Agent

Some of our advisory personnel are also insurance agents and you work with them in their separate capacity as insurance agents. When acting as insurance agents, our investment adviser representatives may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, our investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of Equitrust by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which our investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through one of our investment adviser representatives.

#### Additional Outside Activities

Equitrust's President, Steven L. Hyman, is a Certified Public Accountant and has his own accounting firm, Steven L. Hyman & Associates. Mr. Hyman does not currently spend any time on this activity.

Felix Aisen is a practicing income tax preparer and may have investment advisory clients that also use him for preparation of their income tax returns.

You are under no obligation to utilize either Mr. Hyman or Mr. Aisen for accounting and/or income tax services. However, if you choose to do so, separate fees will be charged for the accounting and income tax services provided.

#### Third-Party Money Managers

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Equitrust has relationships with non-affiliated investment advisors. Equitrust uses the services of SAA, a registered investment advisor, through FAP when managing assets and, when doing so, SAA receives a portion of the fees. We do not receive a referral fee or solicitor fee from SAA for recommending their program. As detailed in *Item 5* we receive advisory fees for services provided through SAA. Therefore, the only compensation we receive is the management fee we charge directly to our clients.

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

#### Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary and has a fiduciary duty to all clients. Equitrust has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Equitrust's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment advisor representatives are classified as supervised persons. Equitrust requires its supervised persons to consistently act in your best interest in all advisory activities. Equitrust imposes certain requirements on its affiliates and supervised persons to

ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of Equitrust's Code of Ethics. If you wish to review the Code of Ethics in its entirety, you should send a written request and upon receipt of your request, a copy of the Code of Ethics will promptly be provided to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Equitrust complies with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. To prevent conflicts of interest, Equitrust has developed policies and procedures that include personal investment and trading policies for its associated persons, employees and their immediate family members, including:

- Associated persons will not prefer their own interests to those of the client
- Associated persons will not purchase or sell any security for their personal accounts prior to implementing transactions for client accounts
- Associated persons will not buy or sell securities for their personal accounts when those decision are based on information obtained as a result of their employment or association with Equitrust, unless that information is also available to the investment public upon reasonable inquiry
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider"
- Associated persons are discouraged from frequent personal trading
- Associated persons are generally prohibited from serving as board members of publicly-traded companies unless an exception has been granted by an Equitrust principal officer and/or Equitrust's Chief Compliance Officer

To the extent an associated person or Equitrust maintains an outside account, the associated person must make arrangements to send quarterly statements to Equitrust, complete an annual certification concerning their personal securities activities and provide additional information about personal trading activities as may be required under the Insider Trading Policy and Code of Ethics. Any associated persons not observing Equitrust's policies may be subject to sanctions up to and including termination.

### **Agency Cross Transactions**

Equitrust associated persons are prohibited from engaging in agency cross transactions, which means they cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Equitrust and its associated persons may buy or sell securities for their own accounts that are recommended to clients. They may also recommend the purchase or sale of different securities for different clients at different times. This could result in contrary advice being given or action taken on behalf of clients and in the personal accounts of Equitrust and its associated persons.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of Equitrust. If Equitrust assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible.

Clients wishing to implement Equitrust's advice are free to select any broker they wish and are so informed. If you wish to have associated persons of Equitrust implement advice in their capacity as registered representatives, the broker/dealer, SAI, will be used. Equitrust does not allow directed brokerage, which means that you cannot direct the associated persons to use a specific broker/dealer to implement transactions. Because of these limitations, you may pay higher or lower commission rates and transaction costs than if the associated persons implemented transactions through another broker/dealer. SAI has a wide range of approved securities products for which SAI performs due diligence. SAI's registered representatives are required to adhere to these products when implementing securities transactions through SAI. Where possible, when recommending mutual funds for your advisory account, Equitrust will recommend no-load mutual funds or load mutual funds available at net asset value. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another broker/dealer.

### Best Execution

Although Equitrust does not allow directed brokerage, Equitrust must still use reasonable diligence to make certain that best execution is obtained for you when implementing any transactions. Best execution does not necessarily mean you receive the lowest possible commission costs but that the qualitative execution is best. In other words, Equitrust must ensure that the conditions surrounding the transaction execution are in your best interests. Associated persons will look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of Equitrust, ease of monitoring investments)
- Products and services offered (e.g. investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

Equitrust will exercise reasonable due diligence to make certain that best execution is obtained for you when implementing any transaction by considering the back office services, technology and pricing of services offered.

Equitrust will perform periodic reviews to determine that the relationships with SAI, FCM and NFS remain in your best interests.

### Soft Dollar

Investment advisors may direct portfolio brokerage commissions to a particular broker/dealer in return for services and research used in making investment decisions in your accounts. The commissions used to acquire these services and research is known as "soft dollars." Section 28(e) of the *Securities Exchange Act of 1934* provides a "safe harbor" that allows an investment advisor to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.

Although Equitrust does not allow directed brokerage, it may still receive products and services from SAI, SAA (an affiliated investment advisor of SAI) or other program sponsors and product issuers. These products and services may be used for both research and non-research purposes and allows Equitrust to

supplement, at no cost, its own research and analysis activities. These products and services can include, but are not limited to:

- Reports, publications and data on matters such as the economy, industries, sectors and individual companies or issuers, statistical information, account and law interpretations, political analyses, legal developments affecting portfolio securities, technical market actions, credit analyses, risk management and analyses of corporate responsibility issues
- On-line news services and financial and market database services
- Information management systems integrating quotation and trading, performance management, accounting, recordkeeping and document retrieval and other administrative matters
- Meetings, seminars, workshops and conferences with representatives of issuers, program sponsors and/or other analysts and specialists

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. Equitrust does not attempt to allocate the relative costs or benefits of research among clients because it believes that, in the aggregate, the research it receives benefits all clients and assists Equitrust in fulfilling its overall duty to you.

These arrangements may be deemed to create a conflict of interest to the extent that Equitrust would have to pay for some or all of the research and/or services with “hard dollars” if it were unable to obtain the research and services in exchange for commissions in connection with client transactions. Your trades will always be implemented based on your goals and objectives and not based on any research, products or other incentives available.

Equitrust’s IARs are registered representative of SAI, a full-service broker/dealer, member FINRA/SIPC. When placing securities transactions through SAI in the capacity as registered representative, the IAR may earn sales commissions.

Equitrust’s officers and associated persons sell securities products in their separate capacities as registered representatives. They also sell insurance products in their separate capacities as independently licensed insurance agents. They earn sales commissions when selling securities and insurance products. Some of the advice offered by the officers and/or associated persons may involve investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12(b)-1 fees. Officers and/or associated persons may receive a portion of the 12(b)-1 fees from some investment companies in their separate capacities as registered representatives. You should be aware that these 12(b)-1 fees come from fund assets, and thus, indirectly from your assets. Receipt of these fees could represent an incentive for registered representatives to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

Equitrust from time to time may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Equitrust or SAA may invest a portion of your assets in mutual funds, variable annuities or Exchange Traded Funds (ETFs) and charges an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for the management of their assets, one directly to Equitrust or SAA and one indirectly to the managers of the mutual funds, variable annuities or ETFs held in their portfolios.

#### **Forgivable Loans and Stock Options**

In connection with the individual investment adviser representatives of Equitrust engaging the services of SAI, the individual investment adviser representatives received retention loans from SAI in September 2011. Combined, the loans totaled \$253,864 and were forgivable over four (4) years as long as the investment adviser representatives continued their SAI relationships and the extent of their production (i.e. the amount of commissions and investment advisory fees charged by Equitrust while affiliated with SAI) with SAI continued at a specified rate. The loans were intended as an incentive from SAI for our investment adviser representatives to engage SAI for trade executions on behalf of Equitrust's advisory clients after the purchase of SAI by Ladenburg Thalman (LTS).

The loans made to our investment adviser representatives matured and were fully forgiven in December 2015.

Our investment adviser representatives also received stock options as part of the SAI Advisor Retention Bonus Program. Under the terms of the agreement, our investment adviser representatives have the option to purchase common stock in LTS, a public-corporation which is the parent company of SAI. The option became fully exercisable in September 2011 and extends until November 2021, subject to the terms and conditions of the stock option agreement.

The loan and options to purchase stock in the parent company (LTS) to our investment adviser representatives creates a conflict of interest in that our recommendation that clients utilize the services of SAI is partially based on our financial incentive rather than based exclusively on the client's interests of best execution. However, we have developed procedures to control for this conflict of interest. The investment advisory fees charged to clients were not affected by the SAI/LTS transaction. Equitrust considers numerous factors when making the decision to utilize the services of SAI versus other broker/dealers.

Although Equitrust receives certain economic and non-economic benefits from SAI, we consider the totality of SAI services and benefits provided to client accounts when deciding to execute trades on the SAI platform. Equitrust has systems in place to review our investment advisory accounts for suitability and best execution practices over the course of the advisory relationship. Overall, our decision to use SAI is made because we believe that it is in the client's best interest to do so based on the quality and pricing of execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by SAI and its affiliates.

#### **Handling Trade Errors**

If you choose to implement transactions through Equitrust's associated persons, steps are taken to supervise trades and to prevent trade errors. The associated persons will implement trades in their separate capacities as registered representatives of SAI. SAI has execution and clearing arrangements with Fidelity Capital Markets (FCM), a division of NFS.

FCM will be contacted immediately about any trade error except those in mutual fund trades. SAI's Trade Support Department will be contacted to report and correct any error in a mutual fund trade. Trading errors are usually corrected after the trade settles and may take five to seven business days to finalize.

If SAI, FCM, Equitrust or other associated persons are responsible for making a trade error in your account the error will be corrected and your account will be restored to where it would have been had the trade error not occurred. Any profit from the trade correction will be retained by SAI or FCM. Neither you nor Equitrust or its associated persons will retain the profit from a trade correction.

### **Block Trading Policy**

Transactions implemented by Equitrust for client accounts are generally effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Equitrust believes such action may prove advantageous to clients. When Equitrust aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Equitrust determines to aggregate client orders for the purchase or sale of securities, including securities in which Equitrust may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, Equitrust does not receive any additional compensation or remuneration as a result of aggregation.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Financial planning services terminate upon completion of the consultation and/or presentation of the plan. Equitrust recommends that you have your financial situation reviewed at least annually. Additional fees may be charged and you may be required to execute a new agreement for these services.

Managed accounts will be reviewed at least quarterly, with the calendar being the triggering factor unless changes in your financial situation or market conditions trigger a more frequent review. Accounts may also be reviewed upon your request or if Equitrust's officers or associated persons deem that other situations warrant a review.

Equitrust's officers and associated persons are each responsible for review of their own client accounts.

### **Statements and Reports**

Clients will receive statements at least quarterly from the investment company, broker/dealer, or clearing firm where their account is maintained.

Clients participating in FAP receive quarterly performance reports.

## Item 14 – Client Referrals and Other Compensation

Equitrust enters into agreements with Solicitors (Referring Parties) to refer clients to Equitrust. If a referred client enters into an investment advisory agreement with Equitrust, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and Equitrust will not result in any charges to clients in addition to the normal level of advisory fees charged. The referral agreements between Equitrust and referring parties are in compliance with regulations as set forth in 17 CFR Section 275.206(4)-3.

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Equitrust is deemed to have custody of client funds and securities whenever Equitrust is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Equitrust will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Equitrust is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Equitrust. When clients have questions about their account statements, they should contact Equitrust or the qualified custodian preparing the statement.

## Item 16 – Investment Discretion

Through its asset management services and upon receiving written authorization from a client, Equitrust will maintain trading authorization over client accounts. Upon receiving written authorization from the client, Equitrust may implement trades on a **discretionary** basis. When discretionary authority is granted, Equitrust will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, Equitrust will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your

accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

### **Item 17 – Voting Client Securities**

Equitrust, its officers and associated persons will not perform proxy-voting services on a client's behalf. Clients are instructed to read through the information provided with the proxy-voting document and to make a determination based on the information provided. In some instances, upon request from the client, Equitrust's officers and/or associated persons may give limited clarifications based on their understanding of issues presented in the proxy-voting materials. In all cases, clients will be solely responsible for making proxy-voting decisions.

### **Item 18 – Financial Information**

Item 18 is not applicable to this Disclosure Brochure. Equitrust does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Equitrust has not been the subject of a bankruptcy petition at any time.

### **Customer Privacy Policy Notice**

The information contained in this section will also be disclosed in Equitrust Financial Group, Ltd.'s Privacy Policy Statement. This statement will be provided to all clients in accordance with the rules and regulations of the *Gramm-Leach-Bliley Act of 1999*.

As a registered investment advisor, Equitrust Financial Group, Ltd. and its investment advisor representatives will gather and develop personal information regarding our clients. This information will be gathered and developed by us for the following purposes:

1. To determine the client's financial goals and objectives
2. To determine the level of advisory services needed and desired by the client
3. To provide the client with specific recommendations regarding advisory services
4. To provide the client with specific recommendations regarding financial products
5. To provide on-going support and recommendations regarding financial products held in the client's account

Client information that Equitrust Financial Group, Ltd. will collect may include, but not be limited to the following:

- Information received from clients on financial inventories through consultations with its representatives. This information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the clients' financial conditions and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about clients' financial products and services transactions with Equitrust Financial Group, Ltd.

The investment advisor representatives of Equitrust Financial Group, Ltd. are also registered representatives of SAI. Equitrust Financial Group, Ltd. may also have relationships with other non-affiliated registered investment advisors, such as SAA, insurance companies, trust companies, custodians and other financial institution entities. Except as otherwise agreed in writing or as required or permitted by law, Equitrust Financial Group, Ltd. and its investment advisor representatives will keep confidential all information concerning the client's identity, financial affairs or investments and will not share confidential information with non-affiliated third parties. In the unlikely event that Equitrust Financial Group, Ltd. were to make a change to this fundamental policy to permit additional disclosures of the client's confidential information, Equitrust Financial Group, Ltd. would provide all clients written notice. This written notice would include the ability for the client to permit or deny disclosure.

Access to client information will be restricted to representatives and employees of Equitrust Financial Group, Ltd. who need information to perform their job responsibilities within Equitrust Financial Group, Ltd. Equitrust Financial Group, Ltd. maintains agreements, as well as physical, electronic and procedural securities measures that comply with federal regulations to safeguard customer information.

In order for Equitrust Financial Group, Ltd. to administer, manage and service client accounts, process transactions and provide related services to client accounts, it is necessary for Equitrust Financial Group, Ltd. to provide access to client information within our firm and to non-affiliated companies such as SAI, SAA and other registered investment advisors, other broker/dealers, trust companies, custodians and insurance companies. Equitrust Financial Group, Ltd. may also provide client information outside of our firm as permitted by law, such as government entities, consumer reporting agencies or other third parties in response to subpoenas. We do not disclose client information to non-affiliated third parties, except as permitted or required by law.

When a client account is closed, Equitrust Financial Group, Ltd. will continue to keep all client information confidential in accordance with the principles stated in its privacy policy.

A copy of the Privacy Policy Notice will be delivered to all clients in writing by at least one of the following methods:

- By hand delivering a copy to the client
- Mailing a copy to the client's address on record with Equitrust Financial Group, Ltd.
- If business is conducted electronically, a notice may be posted on an electronic site as long as the client acknowledges receipt of the Privacy Policy Notice prior to the client obtaining any services or products from Equitrust Financial Group, Ltd.

A copy of the Privacy Policy Notice will be provided to the client no later than the time a client establishes a relationship with Equitrust Financial Group, Ltd., unless this situation would cause a delay in the client obtaining services and the client agrees to accept the notice at a later date. When this situation applies, a copy of the Privacy Policy Statement will be delivered to the client within a reasonable time period following the transaction.

Any time a change is made to the Privacy Policy, the statement to clients will be revised. The revised statement will be given to all affected clients prior to any disclosure of information. In addition, Equitrust Financial Group, Ltd. will provide a copy of its Privacy Policy Statement to all current and existing clients at least annually.

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