

## ***Wrap Fee Program Brochure***

### **Hayden Royal, LLC**

CRD# 170037

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This wrap fee program brochure provides information about the qualifications and business practices of Hayden Royal, LLC ("**Hayden Royal**"). If you have any questions about the contents of this brochure, please contact us at 704-919-0439 and/or email [info@haydenroyal.com](mailto:info@haydenroyal.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. Hayden Royal, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Additional information about Hayden Royal, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Item 2 – Material Changes**

This is a newly-created brochure. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge. Currently, our brochure may be requested by contacting us at 704-919-0439 and/or email [info@haydenroyal.com](mailto:info@haydenroyal.com). Our brochure is also available on our web site [www.haydenroyal.com](http://www.haydenroyal.com) also free of charge. Additional information about Hayden Royal, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Hayden Royal who are registered, or are required to be registered, as investment adviser representatives of Hayden Royal.

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#### **Item 4 – Services, Fees and Compensation**

##### **Asset Management Services – Wrap Fee Programs – Non-Discretionary.**

Hayden Royal sponsors a Wrap Fee Program, which, in the ordinary course of business, commences with an investment adviser representative (“IAR”) assisting each new client in determining the client's investment and financial objectives. The IAR and client will develop strategies based on all or some of the following items, but will not be limited to: current resources, level of income, net worth statement, risk tolerance, time horizon, investment objectives, present and deferred employee benefits, self-employed income and benefits, tax situation, insurance programs and estate planning considerations. Information is provided to Hayden Royal and the IAR by the client and is believed to be reliable. The scope of the asset management service will be as broad or detailed as the client wishes which will influence the depth of investigation into the client's financial situation by Hayden Royal and the IAR. The IAR will be available to consult with, and respond to questions of the client as well as any advisors the client may designate concerning the recommendations and/or general suggestions regarding client's financial situation. Hayden Royal and the IAR do not guarantee the results of any recommendation.

Asset Management Services include management of most forms of investments including, but are not limited to, common and preferred stocks, bonds, exchange-traded funds, municipal securities, load and no-load mutual funds and annuities. Although Hayden Royal and IAR may recommend various short-term investment strategies, they will generally recommend strategies for the long-term. A client's securities portfolio will typically be custodied at one of Hayden Royal's transaction custodial firms, Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), TD Ameritrade Institutional or Raymond James Institutional. Monthly, quarterly or annual reports will be generated directly by the custodial firm holding the client's portfolio, and Hayden Royal and the IAR in general, may generate quarterly or annual investment reports in addition to the statements provided by the custodial firm. Hayden Royal and the IAR will not normally generate a written report when requested to review specific or generic products or to discuss planning or investment strategies. In general, Hayden Royal and IAR report generation beyond that provided by custodial firm will be agreed upon between client and IAR. Hayden Royal and IAR do not take custody of any clients' funds or securities. The investment advisory contract between Hayden Royal and client can be terminated by either party upon receipt of written notification.

Hayden Royal and the IAR offer its clients a range of payment options in order to compensate Hayden Royal and its IARs. In most cases, where the client wishes an ongoing investment advisory relationship, compensation is calculated as a percentage of assets under management. These service fees typically range from 0.50% to 2.75% of assets under management. Since the IAR receives fees as a result of the client's participation in the program, the IAR may have a financial incentive to recommend the wrap fee program over other programs or services. The IAR may negotiate the percentage of assets under management fee with the client outside the stated typical range, and is subject to Hayden Royal

approval. In most cases, the assets under management are valued at the time the account is established or at the end of the first month or quarter after the account is established. Hayden Royal and IAR can be compensated by client for advisory services on a monthly, quarterly or any other Hayden Royal, IAR and client agreed-upon schedule. Fees are calculated on the basis of the market value of the assets under management multiplied by the stated assets under management fee agreed upon in the advisory agreement between Hayden Royal and client. The fee is inclusive of all costs associated with brokerage and custody services, including, without limitation, brokerage commissions and account maintenance fees. The fee is separate and distinct from: (a) internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials); and (b) margin interest, check fees, trade-away fees, odd lot differentials and other similar types of fees.

#### **Standard Tiered Fee Schedule**

<b>Model Portfolio Value</b>	<b>Maximum Annual Fee</b>
Up to \$249,999.99 (first \$249,999.99)	2.75%
\$250,000.00 - \$499,999.99 (next 249,999.99)	2.25%
\$500,000.00 - \$999,999.99 (next \$499,999.99)	1.90%
\$1,000,000.00-\$1,999,999.99 (next \$999,999.99)	1.75%
\$2,000,000.00-\$4,999,999.99 (next \$2,999,999.99)	1.50%
\$5,000,000.00	+1.40%

All Management Fee arrangements are negotiable and we reserve the right to waive or reduce these fees or any other applicable fees or costs, either on an ongoing or a one-time basis. Your accounts may also be eligible for additional discounting based on combined household assets. If our relationship with a client terminates and the funds are withdrawn from the program, a refund will be generated on a pro-rata basis.

### **Asset Management Services – Wrap Fee Programs – Full Discretionary**

Hayden Royal sponsors a Wrap Fee Program in which an IAR may suggest a full discretionary account. In having a full discretionary account, a client gives the IAR and Hayden Royal authority to execute which securities are bought and sold as well as the total amount to be bought and sold without obtaining the clients consent prior to each transaction. Clients grant this authorization by executing a discretionary trading power of attorney. **All other aspects of a full discretionary account follow the non-discretionary account noted directly above, including the Standard Tiered Fee Schedule.**

### **Third Party Manager – Wrap Fee Programs**

Hayden Royal sponsors a Wrap Fee Program in which the IAR may determine that it is in the interest of the client to have a third party investment manager(s) not affiliated with Hayden Royal, provide portfolio management services for the client. Hayden Royal, through its affiliate Regatta Asset Management, LLC, has therefore sought out and entered into various forms of agreements with third party manager platforms. To facilitate account reporting when utilizing third party managers, account assets are usually custodied at a custodian designated by the third party manager. They will also generally require a client to have all securities transactions for the client's account processed by the custodian. Once a client has selected a manager program from those presented, Hayden Royal and IAR supplies the program with information regarding the financial background and investment objectives of the client to the extent such information is provided by the client. The client then enters into an advisory agreement with the managers program whereby the manager(s) agrees to accept and manage the client's account on a discretionary basis in accordance with objectives of the client. Clients may also utilize a third party manager platform such as Schwab, TD Ameritrade Institutional or Raymond James Institutional. These platforms have access to numerous third party managers in one platform.

To the extent Hayden Royal and IAR become aware of changes in a client's financial circumstances or objectives, this information is relayed to the client's manager. Updated financial information about a client is not collected by Hayden Royal and IAR on a regular basis or given to a manager unless Hayden Royal and IAR are made aware of changes by the client. Clients may communicate such changes to the client's manager at any time.

Manager fees usually range between 0.25% to 2.50% per annum which may be higher than those charged by other management services. Hayden Royal and the IAR will provide periodic assistance in evaluating manager(s) performance and, if necessary, recommend replacing a manager selected. A conflict of interest exists when Hayden Royal recommends managers, or a manager's platform from which it will receive compensation. In all cases, the total management fees must be disclosed to the client. The third party manager's platforms provide reports to clients at the frequency specified in the investment management agreements entered into with the clients. A client's IAR is available to discuss reports and to assist the client with other matters associated with the third party account. Third party managers platform fees vary based upon the value of assets under management. Fees are generally payable quarterly in advance. Upon termination, all unearned prepaid fees are returned to the client.

Clients usually authorize both the manager and Hayden Royal to debit the client's account for the amount of fees due.

### **Considerations**

Hayden Royal recognizes that since the IARs may also be registered representatives with a broker/dealer; there is an inherent conflict of interest. Prior to transacting any securities or advisory business, the IAR must disclose the fee structure and the commission structure to the client so that he or she may better evaluate the compensation arrangement, as the program may cost the client more or less than purchasing such services separately or paying on a commission structure basis. If there are "12b-1 trail commissions" generated by a recommended product, this must be disclosed to the client prior to implementation. In a situation where the IAR is using commissioned products to implement the investment strategy, fees can be waived or offset in lieu of commission which must be properly disclosed in writing. An IAR who is managing an investment account positioned in mutual funds or variable contracts must disclose all management fees and expenses as described in the applicable prospectus. Hayden Royal and its IARs cannot assign, sell or otherwise transfer a client's investment advisory contract unless they have written permission to do so from the client or the client's designated legal representative.

Hayden Royal and the IAR's fees are inclusive of all costs associated with brokerage and custody services, including, without limitation, brokerage commissions and account maintenance fees. The fee is separate and distinct from: (a) internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials); and (b) margin interest, check fees, fees for trades executed away from the custodian, odd lot differentials and other similar types of fees. Such charges, fees and commissions are exclusive of and in addition to Hayden Royal' fee, and Hayden Royal shall not receive any portion of these associated fees and costs.

\* Note as Hayden Royal absorbs certain transaction costs in wrap fee accounts, Hayden Royal may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

The financial institutions that Hayden Royal work with may provide products and services that benefit Hayden Royal but may not directly benefit its clients' accounts. These benefits may include specific educational events organized and sponsored by the financial institution and occasional business entertainment of personnel of Hayden Royal including meals, lodging and invitations to sporting events. Other product and services assist in managing and administering clients' accounts. These include software and technology that provide access to client account data, facilitate trade execution, provide research, and facilitate payment of advisory fees from its client's accounts. The financial institution may make available, arrange and/or pay vendors for these types of services rendered to Hayden Royal by independent third parties. While, as a fiduciary, Hayden Royal endeavors to act in its clients' best interests, Hayden Royal may recommend that clients maintain their assets in accounts at a specific financial institution may be based in part on the benefit to Hayden Royal of the availability of some of the forgoing products and services and other arrangements and not solely on the nature, cost or

quality of custody and brokerage services provided by a particular financial institution, which may create a potential conflict of interest.

As a matter of firm policy and practice, Hayden Royal does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Hayden Royal may provide advice to clients regarding the clients' voting of proxies. For a complete description of wrap fee services please refer to Item 4 above.

#### **Item 5 – Account Requirements and Types of Clients**

Hayden Royal provides portfolio management services to individuals and high net worth individuals. Any applicable account minimums per household are determined on a case-by-case basis as well as any applicable account minimums established by Hayden Royal' custodial partners. By way of example, certain custodial partners have account minimums of \$25,000 per account or \$50,000 per household. An IAR may require account minimums in excess of these numbers. Third party manager programs will have different account minimums depending on the manager.

#### **Item 6 – Portfolio Manager Selection and Evaluation**

In order for Hayden Royal and the IARs to provide clients with a broad range of investment strategies from familiar major asset management firms, as well as some smaller boutique firms, Hayden Royal has conducted extensive diligence on the financial services firms that provide custodial services to the Hayden Royal and the IARs clients. Given the size and sophistication of these firms, Hayden Royal is confident that each of these firms have access to numerous third party managers on one platform covering all major asset classes.

With respect to boutique managers, through its Regatta Asset Management affiliate, Hayden Royal regularly conducts diligence on a large universe of smaller managers and has developed a set of managers classified by each of (i) capitalization (e.g., small-, mid-, large-cap); (ii) investment style (e.g., fixed income, balanced, growth, value, core); and (iii) performance in relation to their peers over multi-year periods. Managers who meet and continue to meet the screening criteria described above will generally be permitted to be included in Regatta/Hayden Royal Outside Manager program. In some cases, a manager's performance might rank in the lower third relative to peers, but nevertheless they will be allowed into, or to remain in, the program. This may occur if Regatta/Hayden Royal makes a qualitative determination that the manager, strategy and processes are sound notwithstanding the fact that their performance lagged their peers.

#### **Item 7 – Client Information Provided to Portfolio Managers**

To the extent Hayden Royal and IAR become aware of changes in a client's financial circumstances or objectives, this information is relayed to the client's manager. Updated financial information about a client is not collected by Hayden Royal and IAR on a regular basis or given to a manager unless Hayden

Royal and IAR are made aware of changes by the client. Clients may communicate such changes to the client's portfolio manager or IAR at any time.

#### **Item 8 – Client Contact with Portfolio Managers**

Generally, there are no restrictions on a client's ability to contact and consult with their IAR or manager.

#### **Item 9 – Additional Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hayden Royal or the integrity of Hayden Royal' management and the IARs.

Hayden Royal and the IARs have a duty to exercise authority and responsibility for the benefit of the client, to place the interests of the client first, and to refrain from having outside interests that conflict with the interests of the client. Hayden Royal and the IAR must avoid circumstances that might adversely affect or appear to affect its duty of complete loyalty to its clients. It is unlawful for any adviser in connection with the purchase or sale, directly or indirectly, of a security held or to be acquired by the adviser:

- To employ any device, scheme or ploy to defraud.
- To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements, not misleading.
- To engage in any act, practice, or course of business that operates or would operate as a fraud or deceit.
- To engage in any manipulative practice.

Personal IAR transactions must be properly disclosed to client when the IAR and client hold common securities.

- If entering personal and client orders for the same security, the client's order must always be entered before the IAR's order.
- If the same security is held by the IAR and client, it must be disclosed to the client.
- If selling a personal position in a common security, it must be disclosed to all clients that hold the security, or have open orders to buy that security. The selling price also must be disclosed if setting limit orders.
- If buying a personal position in a common security, it must be disclosed to all clients that hold the security, or have open order to buy that security. The buying price also must be disclosed if setting limit orders.



- Personal activity in a common security ahead of a client must be documented and provide a written explanation for the sequence.

Advisers have a duty to disclose potential and actual conflicts of interest to their clients. IARs and solicitors have a duty to report potential and actual conflicts of interest to their advisory firms. Advisers should not attempt to limit their liability for willful misconduct or gross negligence through the use of disclaimers. \* A copy of the Code of Ethics is available upon request.\*

Accounts receiving asset management services within a wrap fee program are monitored by a client's IAR on a continuous basis and the frequency of client reviews are determined by the investment mix of the account and the desire of the client. Such reviews may also be triggered by economic news, news about a particular security, client requests, and change in client's personal or financial situation, securities research, deposits to or withdrawals from an account or other events.

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Hayden Royal' financial condition. Hayden Royal has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.