

**TSFG, LLC**  
**(Formerly Alchemy Advisors, LLC)**  
**Form ADV Part 2A**  
**Investment Adviser Brochure**

1052 N Western Ave  
Lake Forest, IL 60045  
(847) 735-7100  
[www.tsfinancialgrouppllc.com](http://www.tsfinancialgrouppllc.com)  
[www.gibbonsfinancialgroup.com](http://www.gibbonsfinancialgroup.com)

October 8, 2018

This brochure provides information about the qualifications and business practices of TSFG, LLC. If you have any questions about the contents of this brochure, please contact Michael Schremser, Chief Compliance Officer. 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. Registration as an investment advisor does not imply any level of skill or training.

Additional information about TSFG, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number, TSFG, LLC's CRD Number is 172555.

## **Item 2: Summary of Material Changes**

---

### **Annual Update**

In this Item of TSFG, LLC's (the "Firm," "we," "us," "our," etc.) Form ADV Part 2A Brochure, the Firm is required to discuss any material changes that have been made since the Firm's last annual amendment, dated March 28, 2018.

### **Material Changes since the Last Update**

Since the last filing, TSFG, LLC has the following material changes to report:

- TSFG, LLC, a company owned by Daniel Nagel, Daniel Bouska, Jeffrey Feinendegen, and Michael Gibbons purchased Alchemy Advisors, and assumed managerial control over the entity effective March 28, 2018.
- Alchemy Advisors, LLC has changed its name to TSFG, LLC
- The Firm's main address of business has changed to 1052 N Western Ave, Lake Forest IL 60045. Phone: 1-847-735-7100. Main Website: tsfinancialgroupllc.com
- The Firm's Wrap Program has changed its name from the Alchemy Advisors Wrap Program to TSFG, LLC Wrap Program.
- Michael Schremser has been appointed Chief Compliance Officer of TSFG, LLC

### **Full Brochure Available**

The Firm's Form ADV may be requested at any time, without charge by contacting us at (847) 735-7100.

### **Item 3: Table of Contents**

---

|   |           |
|---|-----------|
| <b>Item 1: Cover Page .....</b>   | <b>1</b>  |
| <b>Item 2: Summary of Material Changes .....</b>  | <b>2</b>  |
| <b>Item 3: Table of Contents .....</b>  | <b>3</b>  |
| <b>Item 4: Advisory Business .....</b>  | <b>4</b>  |
| <b>Item 5: Fees and Compensation .....</b>  | <b>7</b>  |
| <b>Item 6: Performance-Based Fees and Side-by-Side Management .....</b>   | <b>10</b> |
| <b>Item 7: Types of Clients .....</b>   | <b>11</b> |
| <b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....</b>                                | <b>12</b> |
| <b>Item 9: Disciplinary Information .....</b>   | <b>15</b> |
| <b>Item 10: Other Financial Industry Activities and Affiliations .....</b>                                      | <b>16</b> |
| <b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and<br/>Personal Trading .....</b> | <b>17</b> |
| <b>Item 12: Brokerage Practices .....</b>   | <b>19</b> |
| <b>Item 13: Review of Accounts .....</b>  | <b>22</b> |
| <b>Item 14: Client Referrals and Other Compensation .....</b>   | <b>23</b> |
| <b>Item 15: Custody .....</b>   | <b>24</b> |
| <b>Item 16: Investment Discretion .....</b>   | <b>25</b> |
| <b>Item 17: Voting Client Securities .....</b>  | <b>26</b> |
| <b>Item 18: Financial Information .....</b>   | <b>27</b> |

## Item 4: Advisory Business

---

### **Firm Description**

TSFG, LLC is a registered investment adviser. We provide discretionary investment advisory and financial planning services to our clients. The Firm was founded in 2014 as Alchemy Holdings, LLC and was purchased by TSFG, LLC in March 2018. TSFG, LLC is the direct owner of the Firm. Daniel Nagel, Daniel Bouska, Jeffrey Feinendegen and Mike Gibbons are equal owners of TSFG, LLC.

### **Investment Advisory Services**

We provide investment advisory services on a discretionary basis based on the individual needs of our clients. This discretionary authority includes both asset allocation and security selection. In large majority, client assets will be invested in readily marketable stocks, bonds, exchange-traded funds and notes, options, and mutual funds. Client assets will be held by an independent custodian, which will employ controls to protect client assets.

We provide continuous advice to clients regarding investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we then create and manage a portfolio based on those goals and objectives.

We may also provide advice on retirement plans, educational funding, taxes, insurance, reviews of "outside assets" (i.e. assets over which we do not have discretion, such as 401(k) accounts or Executive Savings Plans) and/or estate matters, but, we recommend our clients to also consult with their accountants/tax professionals, insurance professionals, estate attorneys, or other relevant experts.

We will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, no-load or load-waived mutual funds, and ETFs. We will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances.

### **Use of Independent Managers**

We may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) (Independent Manager(s)), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Manager(s) shall be set forth in separate written agreements between the client and the designated Independent Manager(s). We shall continue to render services to the client

relative to the discretionary selection of Independent Manager(s) as well as the monitoring and review of account performance and client investment objectives.

When selecting an Independent Manager for a client, we shall review information about the Independent Manager(s) such as its disclosure statement and/or material supplied by the Independent Manager(s) or independent third parties for a description of the Independent Manager's investment strategies, past performance and risk results to the extent available.

Factors that we shall consider in selecting Independent Manager(s) include the client's stated investment objective(s), the Independent Manager's management style, performance, reputation, financial strength, reporting, pricing, and research.

We do not receive compensation for the recommendation of other Independent Managers.

### **Tailored Relationships**

We tailor investment advisory services to the individual needs of the client. Our clients are allowed to impose restrictions on the investments in their account. All limitations and restrictions placed on accounts must be presented to us in writing. Clients will retain individual ownership of all securities.

### **Sponsor and Manager of Wrap Program**

We sponsor and manage the TSFG, LLC. Wrap Program (the Program), a wrap fee program. In the event the client participates in the Program, we will provide investment management services and arrange for brokerage transactions under a single annual advisory fee for both advisory services and execution of transactions. Clients in the Program do not pay brokerage commissions, or markups for execution of transactions in addition to the advisory fee. The advisory fee is negotiable and is a percentage based on the value of all assets in the account, including cash holdings. The advisory fee may be higher than the fee charged by other investment advisors in the Firm as each DBA office has its own fee schedule for similar services. Our advisory fee is shared with Investment Advisor Representatives.

Clients should be aware that when we recommend the Program to a client, we will receive compensation as a result of the client's participation in the Program. The amount of this compensation may be more or less than what we would receive if the client participated in other broker-dealer programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, we may have a financial incentive to recommend a Program account over other programs and services.

The investment products available to be purchased in the Program can be purchased by clients outside of a Program account, through broker-dealers or unaffiliated investment advisory firms.

A complete description of the Program's terms and conditions (including fees) are contained in the Program's wrap fee brochure (See Form ADV Part 2A Appendix 1). There are no material differences between the way we manage wrap accounts and other accounts. The wrap relationship exists primarily because of the preference of some clients to not be subject to separate transaction charges.

**Fiduciary Statement**

TSFG, LLC and our employees are fiduciaries who must take into consideration the best interests of our clients. We will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. The Firm will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

As a fiduciary, we have the obligation to deal fairly with our clients. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

**Assets Under Management**

As of December 31, 2017, TSFG manages approximately \$320.8 million in assets under management; all assets are managed on a discretionary basis.

## Item 5: Fees and Compensation

---

### **Investment Advisory Services – Fees**

As more specifically set out in the Investment Advisory Agreement, our investment advisory fees, including wrap fee program accounts, range from 0.50% to 2.50%.

Clients will be billed quarterly in advance based upon the market value of the account (including cash) on the last business day of the previous quarter as valued by the custodian. For the initial fee, it will be deducted at the beginning of the quarter following the establishment of the account and will include a prorated fee for the initial quarter in addition to the quarterly fee for the upcoming quarter. Subsequent fee deductions will be made at the beginning of each quarter based on the value of the Account assets as of the close of business on the last business day of the preceding quarter. Additional deposits and withdrawals will be added or subtracted from the assets, which may lead to an adjustment of TSFG's fee. If the custodian is notified by Client or TSFG of the termination or deactivation of the Account's advisory account status at the custodian, the custodian will process a prorated refund of Advisor's fees that were pre-paid based upon the number of days remaining in the quarter after the notice of termination to the custodian and TSFG. Certain accounts may establish procedures to pay the Advisor's fee directly rather than through a debit to the Account. Any different method of billing fees may result in the imposition of additional charges to cover the administrative costs of billing.

We will provide the client with a statement detailing the calculation of our advisory fees regardless of the method of payment.

### **Investment Advisory Services – Custody Fees**

As disclosed below in Item 12: Brokerage Practices, we recommend that our client's use the brokerage services of LPL Financial LLC ("LPL"). Therefore, in addition to our advisory fees charged, the client will be required to potentially pay other underlying fees and ticket charges assessed by LPL that could include brokerage and other transaction costs. Any custodian fee is negotiated directly between the client and the custodian. LPL may also receive an administrative fee from certain money-market mutual funds; if this is the case, it should be disclosed in LPL's agreement with the client. The client bears responsibility for verifying the accuracy of LPL fees and charges. Please refer to Item 12: Brokerage Practices.

### **Investment Advisory Services – Individual-Security Fees, Expense Fees/Ratios**

We do not include fees charged by any security or fund selected for the client. For example, exchange-traded funds and mutual funds generally charge a fee for their services as a manager. This management fee is part of the total compensation received by the fund company and is included in its expense ratio. The Firm is not paid any sales, service, or administrative fees for the sale of any securities or other products.

These individual-security fees or expense ratios are disclosed in each security's disclosure document or in each fund's prospectus.

### **Investment Advisory Services – Compensation for the Purchase or Sale of Securities**

We are compensated solely through investment advisory fees paid by the client. We are not compensated on any sales, service, or administrative fees for the sale of any securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds. However, our Investment Advisor Representatives are registered representatives of LPL and, as such, are compensated for securities transactions that are affected for our client accounts through LPL. See Item 10, Other Financial Industry Activities and Affiliations.

### **Retirement Plan Service Fees**

The Firm provides advisory and consulting services to Retirement Plans and Plan Participants and charges an annualized fee of up to 1.00% of the plan's assets.

| ACCOUNT SIZE          | ADVISORY FEE |
|-----------------------|--------------|
| \$0 to \$2,000,000    | 1.00 %       |
| \$2,000,000 and above | Negotiable   |

If a Retirement Plan Services Agreement is terminated before the end of the billing period, the client is entitled to a prorated refund of any pre-paid fee based upon the total fee less the time and services spent on the engagement prior to the termination. In addition, the Retirement Plan Services Agreement may be terminated by the client within five (5) business days of signing the agreement without incurring any advisory fees if the client has not received the firm's disclosure brochure at least 48 hours prior to signing the Agreement.

### **General Information on Compensation and Other Fees**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

The fees we receive are separate and distinct from the fees and expenses charged by mutual funds and variable annuity sub-accounts to their shareholders. These fees and expenses are described in each fund's or sub account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.



A client could invest in a mutual fund or sub-account directly, without our services. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual funds or sub-accounts are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds/sub-accounts and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

### **Commission or Sales Charges for Recommendations of Securities**

Our clients may engage certain of our associate persons to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with us. Under this arrangement, the client may implement securities transactions through certain of our Investment Advisor Representatives, in their respective individual capacities as registered representatives of LPL. Brokerage commissions may be charged by LPL to affect these securities transactions and a portion of these commissions may be paid by LPL to such registered representatives. Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker-dealers. In addition, certain of our Investment Advisor Representatives, may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While TSFG does not sell securities products to our investment advisory clients for commissions, some of our Investment Advisory Representatives, in their individual capacities as registered representatives of LPL, are permitted to sell securities products to our investment advisory clients and earn commissions. A conflict of interest exists to the extent that the Investment Advisor Representatives recommend the purchase of securities where they receive commissions or other additional compensation as a result of such recommendations. We have procedures in place to ensure that any recommendations made by such Investment Advisor Representatives are in the best interest of clients regardless of any additional compensation earned.

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

---

Neither the Firm nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7: Types of Clients

---

We offer our investment advisory and financial planning services to various types of clients, including individuals, high-net-worth individuals, related family members, trusts, partnerships, pension and profit-sharing plans, charitable organizations and other legal entities.

We require a minimum asset level of \$100,000 to establish an investment advisory services relationship. However, in our sole discretion, we may reduce the required minimum asset level or group certain related accounts for purposes of achieving the minimum account size. After establishing a relationship with us, clients are not required to maintain a particular balance in their accounts.

Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than us. In such instances, we may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap program sponsor.

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

---

### Methods of Analysis and Investment Strategies

We utilize fundamental analysis which attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the securities.

### Risk of Loss

All investing involves a risk of loss that clients should be prepared to bear, including the risk that the entire amount invested may be lost. The investment strategies offered by us could lose money over short or long periods of time. There are no assurances that our investment strategies will succeed and we cannot give any guarantee that it will achieve the investment objectives established by a client or that any client will receive a return on its investment.

Risks include:

*Credit Risk* – If debt obligations held by an account are downgraded by ratings agencies, go into default, or if management, legislation or other government action reduces the issuer's ability to pay principal and interest when due, the obligation's value may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades, and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

*Derivatives Risk* – An account's investments in derivatives involve risks associated with the securities or other assets underlying the derivatives, as well as risks different or greater than the risks affecting the underlying assets. Risk unassociated with the underlying assets include the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability or delay in selling or closing positions in derivatives, and difficulties in valuing derivatives.

*Foreign Investment Risk* – Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

*Interest Rate Risk* – When interest rates increase, the value of the account's investments may decline, and the account's share value may decrease. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgage and other asset-backed securities, since value may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

*Liquidity Risk* – Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly or may only be able to sell investments at less than desired prices.

*Management Risk* – Our client accounts are actively managed portfolios. The accounts' value may decrease if we pursue unsuccessful investments or fail to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

*Market and Economic Risk* – An account's investment value may decline due to changes in general economic and market conditions. A security's value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

*Prepayment Risk* – Decreases in market interest rates may result in prepayments of obligations in the account, requiring the account to reinvest at lower interest rates.

*Risks Affecting Specific Issuers* – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

*Smaller Company Risk* – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

*ETF Risk* – An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent

NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of an ETF, a shareholder may have no way to dispose of such shares.

*Master Limited Partnerships (MLPs) Risks* – MLPs are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.

*Real Estate and Real Estate Investment Trusts (REITs) Risks* – We may recommend an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

*Mutual Funds* – Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond (fixed income) nature or stock (equity) nature, or a mix of multiple underlying security types.

Additionally, our investment decisions always give consideration to both the prospects for return on investment and the risk of loss on investment. In considering the risk of loss, we contemplate both the probability of loss and the potential magnitude of such loss. Some of the risks of loss include volatility risk, market risk, competitive risk, technological risk, inflation risk, exchange-rate risk, interest-rate risk, reinvestment risk, political risk, tax-law risk, regulatory risk, monetary-policy risk, and valuation risk.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

---

Registered investment advisers are required to disclose all pertinent facts regarding any legal or disciplinary events that would-be material to your evaluation of the Firm or the integrity of our management. There is no material, legal or disciplinary events to disclose under this item.

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

---

### **Activities and Affiliations**

We are not registered as a broker-dealer. However, many of our Investment Advisor Representatives are registered representatives of LPL, an unaffiliated registered broker-dealer. As registered representatives, our Investment Advisor Representatives sell securities for client accounts through LPL and receive normal and customary commissions and other types of compensation, for example, mutual fund 12b-1 fees or variable annuity trails. The potential for receipt of commissions and other compensation when our Investment Advisor Representatives act as registered representatives gives them an incentive to recommend investment products based on the compensation received, rather than on the client's needs and may create a conflict of interest. We address this conflict by ensuring that the client's interest is always considered ahead of our own personal gain.

### **Insurance Company or Agency**

Investment Advisor Representatives of the Firm may be licensed insurance agents or brokers and may be appointed with several insurance companies. They may earn separate compensation for transactions implemented through various insurance companies. Clients are not obligated to use any company for insurance product purchases and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by us.

### **Independent Managers**

As discussed above, we recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s). In certain circumstances, our compensation is included in the advisory fee charged by such Independent Manager(s). We may recommend these Independent Manager(s) if it is in the best interest of their clients.

Mr. Bouska is the Owner of the building, "Third Base Inn 3458 N Lincoln (Finley Dunnes)". From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Alchemy Advisors LLC always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Alchemy Advisors LLC in such individual's outside capacities.

Mr. Nagel is the Owner of a building that has a bar and an apartment unit to be rented out [3458 N Lincoln LLC (Third Base Inn / Finley Dunnes)]. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Alchemy Advisors LLC always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Alchemy Advisors LLC in such individual's outside capacities.



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

---

### **Code of Ethics**

Our employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

All employee trading activity is reviewed each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of the Firm receive preferential treatment.

Our employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of our Code of Ethics by contacting TSFG, LLC directly at 847-735-7100.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

Our employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics and designed to reasonably prevent conflicts of interest between us and our clients.

Our employees may buy or sell securities identical to those recommended to customers for their personal portfolios.

**Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

Neither us nor our employees recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

**Participation or Interest in Client Transactions – Aggregation**

Our employees may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is the Firm's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. The Firm will also not cross trades between client accounts.

## Item 12: Brokerage Practices

---

### Research and Other Soft Dollar Benefits

TSFG receives support services and/or products from LPL Financial, many of which assist the TSFG to better monitor and service program accounts maintained at LPL Financial; however, some of the services and products benefit TSFG and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by [Advisor] in furtherance of its investment advisory business operations

LPL Financial may provide these services and products directly or may arrange for third party vendors to provide the services or products to Advisor. In the case of third party vendors, LPL Financial may pay for some or all of the third party's fees.

These support services are provided to TSFG based on the overall relationship between TSFG and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. TSFG will continue to receive the services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the TSFG to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, because TSFG receives these benefits from LPL Financial, there is a potential conflict of interest. The receipt of these products and services presents a financial incentive for Advisor to recommend that its clients use LPL Financial's custodial platform rather than another custodian's platform.

### Brokerage for Client Referrals

We do not receive client referrals from broker/dealers.

### Directed Brokerage

While not routine, the client may direct us to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for

the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by us. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If the client requests that we arrange for the execution of securities brokerage transactions for their account, we shall direct such transactions through LPL, who we reasonably believe will provide best execution.

### **Wrap Fee Programs**

As disclosed in Item 4, clients may participate in wrap fee programs. In evaluating a wrap-fee program, a client should recognize that brokerage commissions for the execution of transactions in their account are not negotiated. Transactions are effected net, i.e., without commission and a portion of the wrap fee is generally considered to be in lieu of commissions. Trades are generally expected to be executed only with the broker dealer with which the client has entered into the wrap fee arrangement.

We may not, therefore, be free to seek best price and execution by placing transactions with other broker dealers. Our experience indicates that certain broker dealers under clients’ wrap fee agreements generally offer best price for transactions in listed equity securities, but no assurance can be given that such will continue to be the case with those or other broker dealers which may offer wrap fee arrangements, nor with respect to transactions in other types of securities. The client may wish to ensure that the broker dealer offering the wrap-fee arrangement can provide adequate price and execution of most or all transactions. The client should also consider that depending on the wrap-fee charged by the broker dealer, the amount of portfolio activity in the client’s account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may or may not exceed the aggregate cost of such services were they to be provided separately and if the firm were free to negotiate commissions and seek best price and execution of transactions for the client’s account.

### **Trade Aggregation**

We may aggregate trades for multiple accounts. Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. If a partial execution is attained at the end of the trading day, we will generally

allocate shares on a pro rata basis but may fill small orders entirely before applying the pro rata allocation. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Our allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for us or our employee accounts may be included in a block trade with client accounts.

We generally recommend that clients utilize for their managed accounts the brokerage and clearing services of LPL.

Our overriding objective in selecting broker-dealers for effecting portfolio transactions for client accounts is to obtain the best combination of price and execution. The best net price is an important factor, but we also consider the full range and quality of a broker-dealer's services, including the value of research provided; execution, clearance, and settlement capabilities; commission rates; financial responsibility; length and quality of the business relationship with us; our trust and confidence in the broker-dealer; and responsiveness to us. Certain broker-dealers who provide best execution may also furnish us investment research, such as analyses, reports concerning issuers, industries, and the economy for use in managing portfolios. We may use these broker-dealers to effect securities transactions in return, in part, for investment research. Investment research furnished by broker-dealers is used in servicing all accounts and may not necessarily be used in connection with the accounts that paid commissions to the broker-dealers providing such research. Please also see Item 10 regarding our Investment Advisor Representatives' affiliation with LPL.

### **Commissions or Sales Charges for Recommendations of Securities**

Certain of our Investment Advisor Representatives are also registered representatives of LPL. As such, they are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless LPL provides written consent. Therefore, clients are advised that Investment Advisor Representatives may be restricted to conducting securities transactions through LPL unless they first secure written consent from LPL to execute securities transactions through a different broker-dealer. Absent such written consent or separation from LPL, Investment Advisor Representatives are prohibited from executing securities transactions through any broker-dealer other than LPL under LPL's internal supervisory policies. Due to this relationship, we have put in place policies and procedures reasonably designed to ensure our clients receive best execution.

## Item 13: Review of Accounts

---

### **Periodic Reviews**

We review our client accounts regularly and specific guidelines and restrictions are reviewed periodically by our Investment Advisor Representatives. A more thorough review is performed at least quarterly and formal reviews, including client contact; typically occur at least twice a year. More frequent reviews may occur if there are changes in financial-market, political or economic conditions, tax laws, or when we have new information or perspective on a particular security or asset class.

### **Non-Periodic Reviews**

We may perform non-periodic reviews on an as-needed basis if there have been material changes in the client's guidelines or restrictions, or a material change relating to client deposits, withdrawals, or other financial changes.

### **Reporting**

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

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

---

### **Other Compensation**

We do not receive any economic benefits (other than normal compensation and benefits described in Item 12) from any firm or individual for providing investment advice.

### **Compensation – Client Referrals**

We do not make or accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Item 15: Custody

---

### **Custody – Fee Debiting**

Clients may authorize us (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and us. The custodian is advised in writing of the limitation of our access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to us.

Custody is also disclosed in Form ADV because we have authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, we will follow the safeguards specified by the SEC rather than undergo an annual audit.

### **Custody – First Party Money Transfers**

Clients may provide us with written ongoing authorization to wire money between the client's accounts held with the qualified custodian directly to an outside financial institution (i.e. a client's bank account). A copy of this authorization is provided to the qualified custodian. The authorization includes the client's account number(s) at the outside financial institution(s) as required.

### **Custody – Account Statements**

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that we provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



## Item 16: Investment Discretion

---

We may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows us to execute trades on behalf of clients.

When such limited powers exist between us and the client, we have the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, we may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to us in writing.

If we have not been given discretionary authority, we consult with the client prior to each trade.

## **Item 17: Voting Client Securities**

---

We do not have any authority to and do not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for securities maintained in their portfolios; clients receive these proxies directly from either custodians or transfer agents.

## Item 18: Financial Information

---

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

We do not require prepayment of fees of both more than \$1,200 per client, **and** more than six months in advance; and therefore, we are not required to provide a balance sheet to clients.