

# Arkadios Wealth Advisors LLC

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This Brochure provides information about the qualifications and business practices of Arkadios Wealth Advisors LLC (“Arkadios Wealth”). If you have any questions about the contents of this Brochure, please contact us at (404) 445-0035. 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.

Arkadios Wealth is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Arkadios Wealth is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since our last annual amendment dated February 22, 2018, we have made the following changes to this Brochure:

- Item 1 – Our phone number has been updated. You can reach us at (404) 445-0035.
- Item 4 - Additional services were added, including access to third-party asset managers.
- Item 5 - Information related to Fees and Compensation has been updated.
- Item 12 - Access to additional custodians, including TD Ameritrade, Inc. and Fidelity Institutional Wealth Services. See Item 12 for more information regarding our Brokerage Practices.

Additional information about Arkadios Wealth is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website provides information about any persons affiliated with Arkadios Wealth who are registered, or are required to be registered, as investment adviser representatives of Arkadios Wealth.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	2
Item 6 – Performance-Based Fees and Side-By-Side Management .....	8
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9 – Disciplinary Information .....	9
Item 10 – Other Financial Industry Activities and Affiliations .....	9
Item 11 – Code of Ethics .....	10
Item 12 – Brokerage Practices .....	11
Item 13 – Review of Accounts .....	13
Item 14 – Client Referrals and Other Compensation .....	13
Item 15 – Custody .....	13
Item 16 – Investment Discretion .....	13
Item 17 – Voting Client Securities.....	14
Item 18 – Financial Information.....	14
Privacy Policy .....	15

#### **Item 4 – Advisory Business**

Arkadios Wealth Advisors LLC (“Arkadios Wealth”) was established in 2017. Arkadios Holdings owns 100% of Arkadios Wealth. David Millican owns 100% of Arkadios Holdings and is the Managing Member and CEO of Arkadios Wealth.

Arkadios Wealth provides advisory services, giving continuous advice based on the client’s individual needs. Through personal discussions in which goals and objectives based upon the client’s personal objectives are established, the firm will develop a personal investment policy based upon an investment objective questionnaire and manage the portfolio according to the criteria.

#### **ADVISORY MANAGED ACCOUNT SOLUTIONS – Crest Accounts**

Most accounts are managed on a discretionary basis, meaning that the Arkadios Wealth investment adviser representative (“Advisor”) has discretion over what securities to buy and sell. However, clients may elect to have their account managed on a non-discretionary basis, meaning that the client must consent to each trade in the account. This trading discretion and any limitations on it will be set forth in the client agreement. The services provided are the same regardless of the account structure selected. Depending on the client’s investment objectives, the Advisor may manage and provide advice on mutual funds, stocks, bonds, exchange traded funds (ETFs), LPs, options, and/or alternative investments. All of the account structures give the Advisor the ability to customize asset allocation, investment selection, and investment strategies to meet their financial situation and investment goals.

Advisory Managed Account Solutions accounts are offered through *Peak*, a wrap fee program and *Crest*, a non-wrap fee program. In a Crest account, clients pay an advisory fee plus additional transaction based charges (see Item 5 for more information on fees). In a Peak account, the client pays a single fee that covers the advisory services and the execution of transactions. Clients that anticipate trading primarily in equities and ETFs are typically recommended to open a wrap fee account; clients that anticipate trading in mutual funds with little or no anticipated trading in equities and ETFs will be recommended to open a non-wrap fee account. More information regarding the services and fees of the Peak accounts are separately disclosed in the Peak Wrap Fee Brochure, which is available upon request.

Several other factors influence the selection of the account structure, including but not limited to:

- the client’s preference for how charges will be paid, i.e., a wrap account vs. transaction charges per trade on certain or all securities
- account size
- anticipated trading frequency
- anticipated types of securities to be traded
- long term investment goals

Advisory services are tailored to the individual needs of each client. The Advisor will assist clients in connection with establishing and monitoring of investment objectives, risk tolerance, asset allocation goals and time horizon. Clients have the opportunity to place reasonable restrictions or constraints on the way their accounts are managed; however, such restrictions may cause the Advisor to deviate from a strategy or recommendations that the Advisor would have made if such restrictions or constraints were not in place. Thus, the account’s performance could be lower than it otherwise would have been.

The services that Arkadios Wealth provides under some or all of these investment options may be available from other providers for lesser fees. In addition, clients can buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of Arkadios Wealth's investment programs without incurring fees through our program.

### ***Third-Party Asset Management Consulting Services***

Arkadios Wealth offers access to third-party asset managers who offer a wide range of asset classes and strategies through which our clients can invest. Our investment adviser representatives will typically recommend and assist the client in selecting these third-party managers, and will consult with the client regarding those services.

The third-party managers recommended by Arkadios Wealth will typically manage accounts using investment discretion, meaning that the client is not required to approve every proposed transaction. The client grants discretion to the third-party manager in a separate agreement between the client and the third-party manager. Arkadios Wealth may assist clients by recommending that assets be allocated among multiple managers, but Arkadios Wealth does not have discretion to select the manager or to allocate or re-allocate the client's assets.

Whenever a client selects the services of a third-party manager, the client will receive a disclosure brochure similar to this one describing the manager and the services it provides. The client may also receive a disclosure brochure or a brochure supplement describing each individual portfolio manager selected. Clients should read these disclosure brochures carefully before deciding whether to select a particular portfolio manager. The list of third-party managers recommended by Arkadios Wealth changes from time to time, at Arkadios Wealth's discretion.

### ***Financial Planning***

Arkadios Wealth offers advice in the form of a Financial Plan. Clients will receive a written plan, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives.

Arkadios Wealth will typically work with other professionals such as attorneys, Certified Public Accountants, trust officers, Mortgage Analysts etc., to offer financial and estate planning advice. Arkadios Wealth specializes in the areas of investment, financial, estate, risk management, retirement, and business continuation planning. The financial management process begins with an in-depth evaluation of the client's current financial goals and objectives. Once we have established the overall objectives, Advisor will focus on the client's specific goals. Services may include the following, as agreed upon with the client: retirement income planning; estate analysis; investment planning; fee based asset management; estate conservation; long term care planning; life insurance/survivorship needs analysis; charitable giving; wealth succession planning.

As of December 31, 2018, Arkadios Wealth managed \$33,400,000 on a discretionary basis.

### ***Item 5 – Fees and Compensation***

The specific manner in which fees are charged by Arkadios Wealth is established in a client's written agreement. Fees are based on the assets in the account per the fee schedule and are negotiable. The Management Fee compensates the Adviser and its representatives for the asset management services, investment advice and recommendations provided. The value of the assets will be based on information

provided by the Custodian of the assets, the client or other third party, as applicable. Clients generally instruct Arkadios Wealth to debit the fee from one of the client's accounts.

**ADVISORY MANAGED ACCOUNT SOLUTIONS – Crest Account**

The Crest account is potentially suitable for accounts in which the Investment Adviser Representative anticipates primarily investing in mutual funds, and/or for clients that do not wish to pay transaction charges for mutual fund trades. Crest accounts are custodied with National Financial Services, LLC ("NFS"), TD Ameritrade, Inc. ("TD Ameritrade"), or Fidelity Institutional Wealth Services ("Fidelity," collectively, the "Custodians").

The maximum annual fee for Crest Accounts is as follows:

<u>Account Balances</u>	<u>Annual Fee</u>
\$0 - \$250,000	2.75%
\$250,001 - \$500,000	2.25%
\$500,001 - \$1,000,000	1.75%
\$1,000,001+	1.50%

Clients will be charged the greater of the fee as indicated on their client agreement or the minimum fee of \$10.42. Arkadios Capital, with instructions from the RIA and through the Custodian, will deduct from the Account a minimum fee of \$10.42 monthly. This can be verified on the Client Statement. In addition to the advisory fee, Crest accounts will be assessed transaction fees for trades other than mutual fund trades, such as equities, ETF's or bonds. Mutual fund transaction fees will not be charged to the client. Transaction fees charged may be higher or lower than transaction charges or commissions charged by other broker-dealers. When appropriate, the Advisor will recommend the purchase or sale of non-mutual fund securities and the client will pay a transaction fee for those trades.

The Advisory Managed Account Solutions account is also offered in a wrap fee program ("Peak"). *The Peak account is more fully described in the Peak Wrap Fee Program Brochure, which may be obtained by calling our main office number listed on the front of this Brochure.* The Peak account is potentially suitable for accounts in which the Investment Adviser Representative anticipates primarily investing in stocks/ETFs, and/or for clients that do not wish to pay transaction charges for trades. Peak accounts are custodied with NFS.

Fees are billed monthly in advance and automatically deducted from the account pursuant to the advisory agreement and not billed separately to clients, unless specifically agreed to on the customer agreement. The initial fee will be billed in the calendar month after the account is opened. The first month's fee will be prorated according to the number of days remaining in the calendar month that the account is opened and will be billed in arrears; therefore, the initial fee will include the prorated amount due for the first month of service and fees in advance of the second month of service. Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar month and rebated to the client.

Fees will not be adjusted or pro-rated for additions to or withdrawals from the account during the calendar quarter. Clients must maintain or deposit sufficient funds in the account to cover payment of all fees authorized by the contract, and the firm, clearing firm, and/or Custodian will debit the account balances or redeem money market fund shares in the amount equal to the fee that is due. If there are not funds to cover the fees, then Arkadios Wealth can liquidate assets to cover fees.

### ***Third-Party Asset Management Consulting Services***

The specific manner in which fees are charged by the Firm is established in a client's written agreement and the third party investment manager's billing practices. Fees are negotiable and are based on a percentage of assets under management and calculated at an annual rate, or as otherwise specified in the client agreement. A portion of the fee listed below covers Arkadios Wealth's advisory fee, and a portion is paid to the third-party asset manager for their portfolio management services.

The maximum annual fee for third-party asset management accounts is as follows:

<u>Account Balances</u>	<u>Annual Fee</u>
\$0 - \$250,000	2.75%
\$250,001 - \$500,000	2.25%
\$500,001 - \$1,000,000	1.75%
\$1,000,001+	1.50%

Clients will be charged the greater of the fee as indicated on their client agreement or the minimum fee of \$10.42. Arkadios Capital, with instructions from the RIA and through the Custodian, will deduct from the Account a minimum fee of \$10.42 monthly. This can be verified on the Client Statement.

Fees are billed monthly in advance and automatically deducted from the account pursuant to the advisory agreement and not billed separately to clients, unless specifically agreed to on the customer agreement. The initial fee will be billed in the calendar month after the account is opened. The first month's fee will be prorated according to the number of days remaining in the calendar month that the account is opened and will be billed in arrears; therefore, the initial fee will include the prorated amount due for the first month of service and fees in advance of the second month of service. Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar month and rebated to the client.

Fees will not be adjusted or pro-rated for additions to or withdrawals from the account during the calendar month. Clients must maintain or deposit sufficient funds in the account to cover payment of all fees authorized by the contract, and the firm, clearing firm, and/or Custodian will debit the account balances or redeem money market fund shares in the amount equal to the fee that is due. If there are not funds to cover the fees, then Arkadios Wealth can liquidate assets to cover fees.

Clients with a third party managed account will pay additional fees which are outlined in each respective manager's Part 2A Brochure and advisory contract. The firm will be paid an on-going fee based upon a percentage of each client's assets under management with respect to each manager. Each client will receive a copy of such an advisory agreement which will disclose the fee. Arkadios Wealth has a potential conflict of interest in that its Advisors could be motivated to recommend management styles and managers that would result in higher fees to the Advisor and/or the firm. We will make all recommendations independent of such fee consideration. The Advisor's recommendations will be based solely on its obligation to consider first and foremost a client's objectives and needs.

A client may terminate his relationship in accordance with the respective managers' disclosure documents. Pre-paid fees will be refunded in accordance with the respective manager's agreement and Disclosure Brochure.

***Financial Planning***

Arkadios Wealth charges a fixed agreed upon rate or an hourly rate for any agreed upon financial planning work. This rate will vary depending on the requested task; however, the client will be provided an estimate in advance.

Financial planning fees will be charged on an agreed upon fixed fee, ranging from \$1,000 to \$5,000, or an hourly basis, ranging from \$100 to \$275 per hour, depending on the nature and complexity of each client's circumstances. An estimate for the total hours will be determined at the start of the advisory relationship. Up to 50% of the estimated fee may be due upon signing the Financial Planning agreement, with the balance (based on actual hours) due upon presentation of the plan to the client. Typically, the financial plan will be presented to the client within 90 days of the contract date if all of the relevant information needed to prepare the financial plan has been promptly provided by the client. The client may terminate its arrangement at any time, in writing, and will be refunded a portion of the fee based upon a pro-rated calculation related to the time and expense expended by the firm.

**GENERAL FEE INFORMATION**

The transaction charges have been established to compensate our firm for its services and reimburse us for expenses in executing transactions in the accounts. The transaction charges are negotiated with our Custodian and may be higher than transaction charges or commissions that a client might pay if the transactions were executed at another broker-dealer. Arkadios Capital and the Custodian each receive a portion of the transaction fees paid by clients. Although transaction charges may be identified as commissions on trade confirmations, the Investment Adviser Representative does not receive any portion of these charges. More details about these fees and charges are discussed in Item 12 of this Brochure and in the client advisory agreement.

Broker-Dealers (including Arkadios Capital) executing principal trades typically include a “mark-up”, “mark-down”, and/or spread in the net price at which transactions are executed. Arkadios Capital also receives a portion of the ticket fees paid on each transaction in your account including ticket fees. This presents a conflict of interest and provides an incentive to recommend transactions based on the compensation received. Arkadios Wealth does periodic reviews to ensure that trading activity is in line with the clients stated financial information and objectives. Clients have the option to purchase investment products recommended through other brokers or agents not affiliated with Arkadios Wealth. Arkadios Wealth and its Advisors do not receive any portion of the ticket fees and advisory fees are not reduced to offset commissions, markups or markdowns.

Our Investment Adviser Representatives may trade on margin for client's accounts, which could result in a high portfolio turnover ratio and higher transaction charges in accounts with such charges. Additionally, the use of margin results in interest charges as well as all other fees and expenses associated with the security or account involved.

In addition to the advisory fees paid to Arkadios Wealth, clients can also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses, 12b-1 fees), deferred sales charges, odd-lot differentials,



transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions.

Some mutual funds pay 12b-1 service fees (normally 0.25% per year). The mutual funds the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12b-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus.

When accounts are held through NFS, Arkadios Capital, Arkadios Wealth's affiliated broker-dealer, receives these 12b-1 fees. The receipt of such fees represents a conflict of interest in that there is an incentive for Advisors to recommend funds with 12b-1 fees over funds that have no fees or lower fees. To mitigate this conflict of interest, Arkadios Capital will review the receipt of 12b-1 fees it receives quarterly and rebate such fees to the client's account.

When accounts are held at TD Ameritrade, Fidelity, or are managed through a third-party asset manager, neither Arkadios Capital nor Arkadios Wealth receives any portion of the 12b-1 fees charged. There are instances in which the Arkadios Wealth would recommend a mutual fund that carries a 12b-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower-cost class share may not be available to Arkadios Wealth. Sometimes mutual funds charging 12b-1 fees are transferred into Arkadios Wealth, in which case the Firm may recommend the client holds the existing share class, instead of selling the fund and buying a lower-cost share, which could result in a tax liability. In addition, some mutual funds charge 12b-1 fees, but no transaction fees, while other share classes in the same fund family do not charge 12b-1 fees, but do charge transaction fees. Mutual funds charging 12b-1 fees will be recommended when the overall cost is seen as a benefit to the client if the anticipated transaction fees exceed the anticipated 12b-1 fees. When recommending a particular mutual fund share classes, the different available share classes are compared and reviewed along with the anticipated investment timeframe, potential tax consequences, future anticipated transactions and other costs to determine the best selection for the client at that time. Arkadios Wealth and Arkadios Capital does not rebate or offset advisory fees for 12b-1 fees that are not received by our firm.

Arkadios Capital receives compensation in connection with cash held in the account. Additionally, Arkadios Capital receives compensation from the Custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, Arkadios Capital receives compensation based on the value of assets in these funds as broker-dealer. Thus, because Arkadios Wealth has an incentive to recommend that client select a money market fund as a sweep vehicle that pays more compensation to the affiliated broker-dealer than other funds, there is an inherent conflict of interest.

Clients can purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. If Arkadios Wealth acts as a member of the selling syndicate for such offerings, the firm will receive compensation equal to a portion of the gross spread (the difference between the price the client pays for the security and the price at which it purchased the securities). The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

Most Arkadios Wealth Investment Adviser Representatives are also registered broker-dealer representatives of Arkadios Capital. Arkadios Capital may share a portion of payments received in

connection with an initial public offering, a secondary offering, and/or a private placement with these Advisors. Advisors also receive a portion of the compensation that Arkadios Wealth receives as a member of a selling syndicate. Thus, Advisors have an incentive to recommend purchases of sales in certain offerings because the Advisor will receive more compensation in connection with these securities than in connection with other types of securities. This creates a conflict of interest. Such fees are described in mutual fund prospectuses.

Although Arkadios Wealth believes its fees are reasonable in light of the services provided, clients should be aware that such fees may be more or less than the fees and commissions associated with investment advisory and brokerage services purchased separately. The comparison is dependent upon a number of factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an advisory account with Arkadios Wealth. Transaction fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. Fees in excess of 2% are higher than industry norms. Other investment advisors may offer programs that charge similar fees may not charge separately for brokerage and transaction costs. All fees described herein are subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

#### **ACCOUNT TERMINATION**

The client and/or the firm can initiate termination of the contract at any time by sending written notice to the contra party and will be deemed to be accepted the day that it is received by the contra party. A termination fee will apply if the account is terminated by the client after the first year of the advisory contract. The Client agrees to pay an early termination fee to cover the administrative costs of establishing the account. The fee termination fee will be a maximum of \$125. A termination fee will not be charged if this is an ERISA account or no services were rendered or no trades were placed. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract.

If the client instructs Arkadios Wealth to terminate their advisory contract and liquidate their account, Arkadios Wealth will proceed with liquidation of the account in an orderly and efficient manner. There will not be a charge by Arkadios Wealth for such redemption; however, certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that can affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Arkadios Wealth and its agent are not responsible for market fluctuations of the client's account from

time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

Arkadios Wealth does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Some third party investment managers may charge performance based fees; their practices will be disclosed in the manager's Disclosure Brochure.

#### **Item 7 – Types of Clients**

Arkadios Wealth provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts. The minimum account size is \$50,000. Arkadios Wealth has the discretion to waive the account minimum. For any third-party manager programs, minimums vary by manager and such information is disclosed in each respective brochure.

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

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objective(s) in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods typically include the following:

- Fundamental analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. 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 stock.
- Technical analysis and charting: We attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at any time and past performance is not a guarantee of future performance.
- Cyclical analysis: We attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that clients must be prepared to bear. Though the goal of the firm is to find quality investments and proper allocation strategies, there is no guarantee that the goal will be met, and/or that the value of investor portfolios will not decline in value during any given time period. For any risks associated with Investment Company products, please refer to

the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations could result in bankruptcy and/or a declining market value.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Arkadios Wealth or the integrity of Arkadios Wealth's management. Arkadios Wealth has no information applicable to this Item.

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

Arkadios Capital is affiliated with Arkadios Wealth through common control and is a registered broker-dealer. Most individuals associated with Arkadios Wealth as an Investment Adviser Representative are also registered as a Registered Representative. When applicable, these individuals recommend broker-dealer transactions for advisory clients. All related compensation is separate from advisory services. This arrangement poses a conflict of interest to the extent that there is a financial incentive to recommend securities and other insurance products that result in commissions, brokerage fees or other payments. Arkadios Wealth is dedicated to acting in our clients' best interests based on fiduciary principles. Clients are under no obligation to purchase any recommended brokerage products or insurance products.

On average individual Advisors and the principals of Arkadios Wealth spend 50% of their time on other such activities. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors.

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. If Arkadios Wealth acts as a member of the selling syndicate for such offerings, the firm will receive compensation equal to a portion of the gross spread (the difference between the price the client pays for the security and the price at which it purchased the securities). The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement.

When Arkadios Capital is a member of the selling syndicate, Advisors, acting as a Registered Representative of Arkadios Capital, receive compensation from the sale of an initial public offering (IPO). Such compensation will not offset advisory fees. This poses a conflict of interest for those individuals as they have a financial incentive to recommend IPO purchases. However, Arkadios Wealth and its personnel are constrained by fiduciary principles to act in the client's best interest and will only recommend IPO's when they are believed to be suitable.

Certain Advisors are separately licensed as insurance agents/brokers for various independent insurance companies. These individuals spend as much as 5% of their time with these aforementioned non-advisory activities. In their capacities as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services. Arkadios Wealth clients are not obligated to purchase any recommended insurance products.

Arkadios Wealth is affiliated through common ownership with ACG Investment Management, LLC, a Registered Investment Adviser and manager of the OGao Fund, LLC. A potential conflict of interest could occur if an Advisor of Arkadios Wealth were to recommend an investment in the OGao Fund, LLC instead of other investments available through Arkadios Wealth. As a fiduciary any recommendation must be in the best interest of the client and all recommendations to invest in the Fund will be reviewed with this in mind.

ACG Wealth, Inc., a Registered Investment Adviser, is affiliated with Arkadios Wealth through common ownership under Arkadios Holdings Inc.

Item 12 includes additional details regarding brokerage practices and related disclosures.

#### **Item 11 – Code of Ethics**

Arkadios Wealth has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Arkadios Wealth must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of Arkadios Wealth may buy or sell securities that are recommended to clients. Arkadios Wealth's employees and persons associated with Arkadios Wealth are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Arkadios Wealth and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Arkadios Wealth's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Arkadios Wealth 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 have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Arkadios Wealth's clients. In addition, the Code restricts trading in close proximity to client trading activity. When practical, employee trades are aggregated with client trades. 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. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Arkadios Wealth and its clients.

Certain affiliated accounts trade in the same securities with client accounts on an aggregated basis when consistent with Arkadios Wealth's 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. Arkadios Wealth 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.

A copy of the firm's Code of Ethics may be requested by contacting the Compliance Department at our main number.

#### **Item 12 – Brokerage Practices**

Arkadios Wealth recommends the brokerage and custodial services of NFS, TD Ameritrade or Fidelity (collectively, the "Custodians") to hold your account. When selecting a Custodian to recommend, each Advisor considers factors that are important to them. Such factors include the Advisor's historical relationship with the Custodian; quality of overall execution services provided; promptness and accuracy of reports on execution; ability and willingness to correct errors; ability to access various market centers; the Custodian's facilities and technology; commission or transaction charged to clients; and execution and operational capabilities of the broker-dealer. Custodians are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed.

Arkadios Wealth receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical database information and computer software (i.e. soft dollars) that assists Arkadios Wealth's representatives in their investment management process, from our Custodians. The Custodian may also sponsor and make available to Arkadios Wealth other products and services that benefit Arkadios Wealth but may not benefit all clients' accounts. Additional benefits from the Custodians include educational events, conferences or meetings relating to the programs or brokerage services generally. Other potential benefits may include occasional business entertainment of personnel of Arkadios Wealth by the Custodian, including meals, invitations to sporting events, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services offered by the Custodians assist Arkadios Wealth in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (including order allocation or aggregation), provide research, pricing information and other market data, facilitate payment of Arkadios Wealth's fees from its clients' accounts, and assist with back-office training and support functions,

recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of client accounts, including accounts not maintained at the Custodian. The Custodians may also make available to Arkadios Wealth other services intended to help Arkadios Wealth manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications, conferences, roundtables and webinars on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. The receipt of such services creates a conflict of interest. Arkadios Wealth addresses this conflict of interest by periodically assessing the best execution capabilities of the broker-dealers we use.

Transaction fees paid are one of, but not the only, criteria in recommending a Custodian. Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Arkadios Wealth determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services and the fees for those services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Arkadios Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Arkadios Wealth does not recommend broker-dealers for client transactions in connection with third-party investment managers or plan sponsor and plan participant services.

Arkadios Wealth and Arkadios Capital have a referral arrangement with NFS, whereby Arkadios Wealth and Arkadios Capital receive business credits or other compensation from NFS based on the amount of client assets custodied by NFS, which will be transferred to the advisory platform maintained by Fidelity Institutional Wealth Services (FIWS), a division of NFS' affiliated company Fidelity Brokerage Services, LLC. For those clients that invest with advisers utilizing the NFS platform, this potentially creates a conflict of interest in that it gives Arkadios Wealth a financial incentive to recommend NFS. However, the advisers themselves do not have a financial incentive to recommend NFS. There are times where the advisers or Arkadios Wealth may indirectly benefit from the account being established on the NFS platform because of Arkadios Capital's affiliation with Arkadios Wealth due to common control and ownership. Clients do not incur any additional fees or expenses as a result of payments of business credits or compensation by NFS to Arkadios Wealth or Arkadios Capital.

Trades executed through Arkadios Capital, Arkadios Wealth's affiliated broker-dealer, will be charged transaction fees. Arkadios Capital will receive a portion of the transaction fees for their brokerage services including trade execution and back office support, as disclosed more fully under Item 5. Arkadios Wealth or its Advisors do not receive compensation for such transactions.

To the extent that Arkadios Wealth is acting as a Fiduciary with respect to Qualified Accounts subject to ERISA, Arkadios Wealth will seek to avoid or remedy any situation where its receipt of compensation from Fidelity for Support Services would be a prohibited transaction under ERISA. For purposes of the foregoing, "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and the applicable "ERISA-mirror provisions" of Sections 4975 of the Internal Revenue Code of 1986, as amended; "Fiduciary" shall be defined as that term is defined under ERISA; and "Qualified Accounts" shall mean accounts that constitute a retirement plan (including a 401(k) plan) or other employee benefit plan subject to ERISA, an

account for a tax-qualified retirement plan (including a Keogh plan), or an individual retirement account under the Internal Revenue Code.

Clients can benefit when we aggregate trades to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. When consistent with our duty to obtain best execution, we will aggregate multiple client transactions into a single order in order to obtain the best price for our clients.

#### **Item 13 – Review of Accounts**

Account reviews are conducted by the Advisor at least annually. Factors that are considered during such reviews include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact an account include the following: performance that is not in line with the client's "downside risk tolerance," change in investment objective, the client makes a significant addition of capital or withdrawal of capital from the account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position that could lead to volatility, etc.

Clients agree to inform Arkadios Wealth in writing of any material changes to their financial circumstances that might affect the manner in which their assets should be invested. Clients may contact us during normal business hours to consult with an Advisor concerning the management of their account(s).

Item 15 contains information regarding the custody reports provided.

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

In some instances, Arkadios Wealth compensates third-party solicitors for client referrals. The solicitor's agreements entered into by Arkadios Wealth comply with Rule 206(4)-3 under the Investment Advisers Act of 1940. Compensation will be based on a percent of referred clients' account value managed by Arkadios Wealth. Such fees are paid pursuant to a written agreement between Arkadios Wealth and the solicitor. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. Solicitor's fees will be based on Arkadios Wealth's normal fee schedule; clients will not be charged any additional fees or expenses because of the referral.

#### **Item 15 – Custody**

Clients will receive statements at least quarterly from the Custodian that holds and maintains their investment assets. Clients are urged to carefully review such statements and compare the official custodial records to any account statements that Arkadios Wealth or its representatives may provide. Arkadios Wealth statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

Arkadios Wealth usually receives discretionary authority in writing from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Arkadios Wealth observes



the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Arkadios Wealth in writing.

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

As a matter of firm policy and practice, Arkadios Wealth 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. Arkadios Wealth will provide advice to clients regarding the clients' voting of proxies if requested. Clients will receive their proxies or other solicitations directly from the Custodian or transfer agent.

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

Registered Investment Advisers are required to provide clients with certain financial information or disclosures about Arkadios Wealth's financial condition. Arkadios Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

## Privacy Policy

Arkadios Wealth collects non-public information about you from the following sources:

- Information we receive from you on account applications or other forms
- Information about your transactions with Arkadios Wealth or others
- Information we receive from a consumer-reporting agency

We do not disclose any non-public personal information about you to anyone, except as permitted by law. We maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information. If you decide to close your account(s) or you become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Advisors of Arkadios Wealth are typically also Registered Representatives of Arkadios Capital. Arkadios Wealth will disclose customer information to and receive customer information from Arkadios Capital for the purposes of offering additional products and services to you as well as to effect, administer, service and enforce your requested transactions and maintain and service your accounts. Arkadios Capital may also continue to use personal information they receive from us to perform services on our behalf, to respond to communications from you, as you authorize or request, or, if you are their customer, to offer you their products or services. To the extent that you are entitled to other protections under applicable laws and these laws apply, we will comply with them when we share personal information about you.

Arkadios Wealth restricts access to your personal account information to only those employees who need to know that information to provide products or services to you. For more information on our Privacy Policy, please contact the Compliance Department at (404) 445-0035.