

**Item 1: Cover Page**



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**Firm Brochure  
(Part 2A of Form ADV)**

**3/19/2019**

**This brochure provides information about the qualifications and business practices of Seaside Advisory Services, Inc., a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at 760.433.4632. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by California Department of Business Oversight.**

**Additional information about Seaside Advisory Services, Inc. is also available on the SEC's website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). The IARD/CRD number for Seaside Advisory Services, Inc., is 289985 Registration with the United States Securities and Exchange Commission or by the California Department of Business Oversight and does not imply a certain level of skill or training.**

**Item 2: Material Changes**

Seaside Advisory Services, Inc. amends this brochure at least annually. To receive a copy of our most recent brochure at any time during the year, please call Seaside Advisory Services, Inc. at 760.433.4632 and a copy will be sent to you. You may also obtain a copy of the most current brochure and additional information on our firm from [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) under Investment Adviser Search. If applicable, this section will contain a summary of material changes to the information in this brochure since the last annual update of this brochure.

Seaside Advisory Services, Inc. has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Seaside Financial & Insurance Services (Seaside) has been registered with the State of California as an investment advisor since 1997 as a Sole Proprietor and Seaside Advisory Services, Inc. has since June 2000 taken over the Sole Proprietorship and continued to operate the dba. Seaside Financial & Insurance Services which is owned and operated by Shawn Orser.

### B. Types of Advisory Services

Seaside Advisory Services, Inc., a Registered Investment Advisor ("Seaside") offers a variety of services to meet the needs of its clients. Most of our clients are individuals, but we also work with pension plans, businesses, charities, and trusts & estates. We give advice on-but not necessarily recommend- all types of securities, ranging from government bonds through mutual funds to commodities. We engage in fundamental securities analysis. Our main sources of financial information are on-line sources that include but are not limited to financial publications, Morning star, TD Ameritrade, Charles Schwab, magazines, research materials prepared by others, corporate rating services, annual reports, and corporate press releases. Our Investments Strategy is investing for the long term, occasionally for the short term. Clients may, but typically do not, impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Services and compensation takes a variety of forms and is described as follows:

**1. Asset Management:** Seaside manages clients' accounts on a discretionary and non-discretionary basis subject to client preference. These services are of an ongoing nature and are billed on a quarterly basis, in arrears. The annual fee ranges from 3/4 of 1% to 2.5% depending on the size and complexity of your account. If you wish to terminate our association- there is a 10day written notice requirement and any pre-paid fees will be refunded to you on a pro-rated basis.

Seaside reviews accounts as agreed upon between the client and the Advisory Representative. Reviews generally are of periodic brokerage or custodian statements provided clients and Seaside. In addition Seaside will prepare regular reports to you reviewing your accounts on a portfolio analysis basis. Periodically, advisory associates may solicit from client information as to the continued appropriateness of the investments for the client.

**2. Financial Planning Services: (OPTIONAL)** Financial Planning Services will include:

- a) **Single Issue Financial Plan** – This will address analysis of financial planning concerns raised by the client. The fees for this service can be a fixed fee, which is determined at the time of engagement and can range from \$200 - \$10,000 subject to the complexity of the work. Arrangement can also be made for work to be completed on an hourly basis, which would range from \$65.00 - \$400.00 per hour. The agreement for this service will terminate upon presentation of the written plan. A portion of the fee is payable at the time the agreement is signed. The balance is due upon completion of the service.
- b) **Ongoing Financial Planning Consulting** – This will usually (but not necessarily) be done as a follow-up to the Single Issue Financial Plan and will include periodic review meetings to update the Plan on an annual, semi-annual, or quarterly basis. The fees for this service will be from \$65.00 - \$400 per hour, or a fixed annual fee, based on the agreed upon frequency of the review meetings.

Financial Plans will address the Client's financial concerns based on their current financial situations and their future financial needs and objectives. The analysis will be based on the personal financial information obtained from the Client. In addition, the plan will be based on assumptions that are determined by the Seaside for projected hypothetical investment rates of return and inflation rates. These financial planning services will include analysis or recommendations concerning investments, fixed insurance policies, fixed annuities, but will not include legal advice, legal document preparation

or tax advice.

Clients have 10 business days after signing a Financial Planning agreement to cancel it, without penalty. Cancellation notice must be made in writing or by direct telephone contact with the Advisor. After 10 business days, Clients may terminate the contract in writing or by direct telephone contact with the Advisor and all pre-paid fees, less cost for services already performed, and expenses incurred, will be refunded.

After a Financial Plan is delivered, the Client will normally be given an option to implement investments, through Seaside, a Registered Investment Advisor, and/or the Advisor as a Registered Representative with the broker/dealer, Fortune Financial Services, Inc. and/or insurance contracts placed by the Advisor in her/his capacity as a licensed insurance broker. The Advisor will be compensated in these cases, separate from the financial planning agreement, with the usual fees or customary commissions.

In offering financial planning, a conflict may exist between the interests of the investment advisor and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation and if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser.

Seaside intends to, on occasion, conduct seminars for the purpose of disseminating financial ideas to groups of interested individuals, at no cost.

The Advisor will act in most cases as a fee-based Financial Planner and as an Investment Advisor Representative being compensated based on assets under management. The Advisor may in the capacity of a Registered Representative representing Fortune Financial Services recommend buying securities on a commission basis, in such an instance a conflict of interest exist. This is disclosed to each client in writing as part of the Form ADV Part 2. There will be no restrictions involving a client participating in both aspects of Advisors' business, advisory & securities brokerage.

For financial planning clients, generally the financial plan is the sole report to be provided. The plan may be in written form or may be provided through meetings or conversations.

#### **Pension Consulting Services:**

Seaside will provide certain business clients that have retirement plans assistance with the planning and structure of their retirement plan in conjunction with the client's CPA and the Third Party Administrator. Services will also include, Investment Selection, Performance Monitoring & Reporting, Fiduciary & Participant Education Services and Service Provider Search Support.

Clients will sign an advisory agreement with Seaside. The advisory relationship may be terminated by the client or Seaside in accordance with the provisions of those agreements. The client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement. Additionally, a client may terminate its advisory relationship with Seaside without being assessed any penalty within ten (10) business days of its signing in advisory agreement.

### **C. Client Tailored Services and Client Imposed Restrictions**

Individually managed accounts will be tailored to meet the client's investment goals and objectives. Seaside Advisory Representatives may utilize an investment policy statement that will detail the client's objectives and will include agreed upon investment strategies.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses and any other administrative fees. Seaside does

participate in a Wrap program, which is described in a separate Wrap Brochure.

#### **E. Assets Under Management**

As of December 2018:

Seaside manages a total of \$93,997,357.00 on a discretionary basis and \$0.00 on a non- discretionary basis.

### **Item 5: Fees and Compensation**

#### **A. Types of Fees**

	<u>Quarterly Rate</u>	<u>Annual Rate</u>
On the account value under \$500,000	0.375%	1.5%
Account value of \$500,000 or more but less than - \$1,000,000	0.25%	1%
Account value of \$1,000,000 or more but less than \$3,000,000	0.225%	0.90%
Account value of \$3,000,000 or more	0.1875%	0.75%

These fees may be different depending on the complexity of the client's portfolio and investment needs. Comparable services may be available from other sources at a lower cost.

For the payment of asset management services Seaside clients may select to either have their custodial accounts debited for the fee due Seaside or to have Seaside invoice the client. Generally, fees are paid to Seaside on a quarterly basis per the terms of the agreement between Seaside and the client. Statements prepared by the custodial broker-dealers will reflect asset management fees that have been debited from client accounts including the percentage charged and fee calculation. Billing invoices prepared by Seaside will include the same information.

Fees are calculated based on the market value of the investment accounts on the closing day of the quarter.

Fees may be decreased, or waived on an individual basis, but will be agreed upon in advance, between the Advisory Representative and client. All fees are made payable to Seaside.

Fees for financial planning services can be a fixed fee, which is determined at the time of engagement and can range from \$200– \$10,000 subject to the complexity of the work. Arrangement can also be made for work to be completed on an hourly basis, which would be at \$65.00 - \$400 an hour.

Pension Consulting Services are normally charged in a range from 0.20% - 1.0%. The fee is based on the amount of assets, number of participants and the complexity of the plan.

Seaside will in special circumstances enter into an agreement with a client for services outside the normal scope of work and be compensated a fixed fee subject to the complexity of the case.

Competing firms may charge lower fees now or in the future.

#### **B. Payment of Fees**

Generally, asset management fees are paid in arrears. Under certain circumstances, fees may be paid in advance. For those accounts, if an advisory client terminates the investment advisory agreement, fees may be prorated to the date of termination.

#### **C. Client Responsibility for Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Seaside. Please see Item 12 of this brochure regarding broker/custodian.

Seaside Advisor Representatives are Registered Representatives of Fortune Financial Services, Inc. a registered broker-dealer. When making investment recommendations, an inherent conflict of interest exist

in that investment advisor representatives may receive securities commissions in addition to investment advisory fees. In addition to the fees charged by Seaside, each mutual fund company in which a client's funds may be invested, utilizes fees paid by the investors that are deducted from the mutual fund's assets. These fees, called 12b-1 fees, pay for marketing and distribution expenses, such as brokers' commissions. The fees are categorized as annual operating expenses. Rule 12b-1 fees are disclosed in a mutual fund's prospectus and typically are less than 1 percent. Seaside will receive a 12b-1 fee only in such cases where securities are purchased on a commission basis. Fees will be fully disclosed to clients and clients are under no obligation to purchase these securities through the Advisory Representative or Seaside.

#### **D. Commissions and Investment Advisory Fees**

Seaside Advisory Representatives are also Registered Representatives of Fortune Financial Services, Inc. and may earn commissions on investment products in addition to receiving investment advisory fees. This practice presents a conflict of interest as it gives the advisor an incentive to recommend investment products based on the compensation received rather than the client's needs. Commissioned products are not placed under management for at least a twelve month period and during that time no advisory fees will be charged on those commission product assets.

Additionally, no load mutual funds are routinely recommended. Clients are under no obligation to purchase investment products that Advisory Representatives recommend. Clients have the option to purchase investment products that Advisory Representatives recommend through other brokers or agents that are not affiliated with Seaside.

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

Seaside does not charge fees based on a share of capital gains or on capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

Seaside provides investment advisory services to individuals, but we also work with pension plans, businesses, charities, and trusts & estates. Seaside Financial & Insurance Services does not require a minimum account balance at the time of opening an account or maintaining an account with Seaside Financial & Insurance Services.

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

#### **A. Methods of Analysis**

Seaside's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis, and charting analysis, modern portfolio theory and quantitative analysis.

**Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical Analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical Analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Modern Portfolio Theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

**Charting Analysis** involves the use of patterns in performance charts. Seaside uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Quantitative Analysis** deals with measurable factors as distinguished from qualitative considerations such

as the character of management, such as the value of assets, the cost of capital, historical projections of sales, and so on.

The main sources of information include Morningstar Investment Detail reports, Thomson Reuters StockReports+, Standard & Poor's Stock Report, Vickers Insider Trading Chronologies, The Street Ratings Report, and Jaywalk Consensus Report.

**All methods of analysis: Past performance is not indicative of future results.**

### ***Investment Strategies***

Seaside uses long term trading, short term trading and margin transactions.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

**Short Term Trading** risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short Sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Margin Transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options** writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

FIRM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic, international, and/or emerging equity and debt markets. However, it will utilize margin transactions. Margin transactions generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds (open end and closed end):** 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 (lower risk) or stock "equity" nature (mentioned below).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share



price value, albeit rather minimal.

**Fixed Income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**High Yield Bonds** are an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk. High Yield Bonds are at greater risk of default and repayment of principal due to the lower credit quality of the issuer.

**Debt Securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Private Equity Funds** carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private Placements** carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the

entire loss of the value of such assets.

**Venture Capital Funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**International and Emerging Markets:** investments in international and emerging market economies stocks and bonds may expose portfolio to greater volatility due to additional risks of currency and exchange rate fluctuations, political instability and governance issues, and liquidity concerns.

**Non-U.S. Securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Long Term Trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short Term Trading** risks include liquidity, economic stability and inflation.

**Margin Transactions** use leverage that is borrowed from a brokerage firm as collateral.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Options Writing** involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Equity Derivatives** gain their value from another instrument and therefore can result in large losses because of the use of leverage, or borrowing. Derivatives allow investors to earn large returns from small

movements in the underlying asset's price. However, investors could lose large amounts if the price of the underlying moves against them significantly.

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

## **Item 9: Disciplinary Information**

- A. Neither Seaside or Seaside Advisory Representatives have been or are currently involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Seaside or the Seaside manager:
  - 1. have been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
  - 2. have been the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
  - 3. have been found to have been involved in a violation of an investment-related statute or regulation; or
  - 4. were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Neither Seaside or a Seaside manager have been involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Seaside or a Seaside manager:
  - 1. were found to have caused an investment-related business to lose its authorization to do business; or
  - 2. were found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
    - (a) denying, suspending, or revoking the authorization of Seaside or a Seaside manager to act in an investment-related business;
    - (b) barring or suspending Seaside or a Seaside manager's association with an investment-related business;
    - (c) otherwise significantly limiting Seaside or a Seaside manager's investment-related activities; or
    - (d) imposing a civil money penalty of more than \$2,500 on Seaside or a Seaside manager.
- C. Neither Seaside or a Seaside Manager through the self-regulatory organization (SRO) proceeding in which Seaside or a Seaside manager:
  - 1. were found to have caused an investment-related business to lose its authorization to do business; or
  - 2. were found to have been involved in a violation of the SRO's rules and was:
    - (i) barred or suspended from membership or from association with other members, or was expelled from membership;
    - (ii) otherwise significantly limited from investment-related activities; or
    - (iii) fined more than \$2,500.

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

- A. Advisory Representatives are also securities Registered Representatives with Fortune Financial Services, Inc. As such, they are able to sell securities products to investment advisory clients.
- B. Seaside Advisory Representatives are not registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Certain Seaside Advisory Representatives are involved in the following business activities:

1. insurance company or agency; we act as insurance agents for a number of insurance carriers depending on the individual needs of our clients. In this capacity the Advisory Representative will receive the customary commission as paid by the insurance company, therein a conflict of interest exists as it is in the interest of the Advisor Representative to be paid a commission in addition to fees received from advisory services.
2. trust accounting services. A fee is charged for these services, therein a conflict of interest exists as it is in the interest of the Advisor Representative to be paid a fee addition to fees received from advisory services.
3. business consulting services. A fee is charged for these services, therein a conflict of interest exists as it is in the interest of the Advisor Representative to be paid a fee addition to fees received from advisory services.

Clients are not obligated to obtain these services through Seaside Advisory Representatives.

D. Seaside does not rely upon third party advisors for investment services.

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

*A copy of the CODE of ETHICS will be provided to any client or prospective client upon request.*

- A. Seaside maintains a Code of Ethics that describes firm policies and procedures and how Seaside conducts business with its clients. Seaside clients depend on the firm to be trustworthy, honest and loyal to their interests as provided in Seaside's agreements with them and disclosures in the Seaside form ADV. Clients expect Seaside to protect the confidentiality of their personal and financial information and to provide timely and professional advice in accordance with Seaside agreements. Each Advisory Representative will receive a copy of the Code and must acknowledge in writing that he or she has received and read it.

Each Advisory Representative is expected to strive to act at all time in accordance with fundamental principles of openness, integrity, and honesty. This is in addition to the legal obligations that Seaside and its Investment Advisor Representatives all have to adhere to applicable federal securities laws including the rules and regulations adopted under the Investment Advisors Act.

- B. Seaside does not generally recommend to clients, or buys or sells for client accounts, securities in which Seaside or a related person has a material financial interest, including acting as a general partner in a partnership in which Seaside solicits client investments; or Seaside or a related person acts as an Investment Advisor to an investment company that Seaside recommend to clients.
- C. From time to time, representatives of Seaside may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Seaside to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Seaside will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.
- D. Seaside, its officers and Advisory Representatives may purchase the same securities that are recommended to clients. Seaside will put its client's needs first and will follow all related securities regulations in executing the securities trades.

## **Item 12: Brokerage Practices**

- A. Clients may specify which broker-dealer to use or the Advisory Representative may make recommendations. Generally, these recommendations are based on the Advisory Representative's perception of the breadth of services offered, and quality of execution. However, the client may pay commissions or

fees that are higher or lower than those that may be obtained from other broker-dealers for similar services.

1. Research and Other Soft Dollar Benefits. Seaside does receive soft dollar benefits by choosing TD Ameritrade or Charles Schwab as its preferred custodian for client assets. Seaside does not use client brokerage commissions (or markups or markdowns) to obtain research or other products or services.
  2. Directed Brokerage. Seaside does suggest that clients custody their assets at TD Ameritrade or Charles Schwab however, client does not need to follow this suggestion and can invest with the broker-dealer of their choice. Should the client choose another brokerage firm Seaside may not be able to download transaction data used for its client reporting software, therein limiting the effectiveness of the portfolio monitoring. Further, there may be limitations to best execution for orders.
- B. Seaside Advisory Representatives participate in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional or Charles Schwab. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade or Charles Schwab offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade or Charles Schwab through its participation in the Program.

As disclosed above, Seaside participates in TD Ameritrade and Charles Schwab's institutional customer program and Seaside may recommend TD Ameritrade or Charles Schwab to Clients for custody and brokerage services. There is no direct link between Seaside's participation in the program and the investment advice it gives to its Clients, although Seaside receives some economic benefits through its participation in the program that are typically not available to TD Ameritrade or Charles Schwab's retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Seaside by third party vendors.

TD Ameritrade or Charles Schwab may also have paid for business consulting and professional services received by Seaside's related persons. Some of the products and services made available by TD Ameritrade or Charles Schwab through the program may benefit Seaside but may not benefit its Client accounts. These products or services may assist Seaside in managing and administering Client accounts, including accounts not maintained at TD Ameritrade or Charles Schwab. Other services made available by TD Ameritrade or Charles Schwab are intended to help Advisor manage and further develop its business enterprise.

The benefits received by Seaside or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade or Charles Schwab. As part of its fiduciary duties to clients, Seaside endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade or Charles Schwab for custody and brokerage services.

- C. If Seaside buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Seaside would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Seaside would determine the appropriate

number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

### **Item 13: Review of Accounts**

- A. Seaside Financial & Insurance Services will periodically review client accounts and/or financial plans. The frequency of the reviews will depend on what the client needs or requests. The reviews may be monthly, quarterly, or annual or at such times as requested by the client. Client reviews will be performed by the assigned Investment Advisor representative. Quarterly reports are sent out to each client at the end of each quarter with the billing summary. This includes a Morning-Star Summary page of all accounts and a Performance by Security Type broken down by account.
- B. Any material changes to a client's investment option may trigger a review. Account reviews are conducted by the designated Advisory Representative primarily responsible for each account.

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

- A. We receive an economic benefit from TD Ameritrade or Charles Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at TD Ameritrade or Charles Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of TD Ameritrade or Charles Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.
- B. Seaside does not compensate any client for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Seaside will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Because client fees will be withdrawn directly from client accounts, Seaside will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Seaside clients custody their accounts at qualified custodians, i.e. broker/dealers, that send monthly or quarterly statements directly to the clients. Additionally, Seaside will also provide clients with a quarterly statement which clients should use to compare the market value and securities to those listed in the custodian statement.

### **Item 16: Investment Discretion**

Seaside provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority. Where investment discretion has been granted, Seaside generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients may,

but typically do not, impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

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

- A. Seaside does not have nor will accept authority to vote client securities. Voting proxies or other solicitations will come directly from their custodian which is either Charles Schwab or TD Ameritrade or transfer agent.
- B. Seaside requests that clients engage another party to determine how proxies should be voted. Seaside does not provide proxy voting services to its clients.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

Seaside does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.**

Neither Seaside nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years.**

Seaside has not been the subject of a bankruptcy petition in the last ten years.