



FORM ADV PART 2A  
BROCHURE

444 W. Lake Street, Suite 1700  
Chicago, Illinois 60606  
Telephone: 312 579-4342  
Website: [www.lakest.com](http://www.lakest.com)

This brochure provides information about the qualifications and business practices of Lake Street Financial, LLC. If you have any questions about the contents of this brochure, please contact Justin M. Terzo at (312) 579-4342 and at [terzo@lakest.com](mailto:terzo@lakest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Lake Street Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for this Adviser is 296761.

Lake Street Financial, LLC. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

February 21, 2019

## **Item 2 – Material Changes**

This brochure dated February 15, 2019 is an updated Part2A from the firm's filing of July 18, 2018. Lake Street has no material changes from its most recent filing in July 2018.

### Item 3 – Table of Contents

Advisory Business .....	Page 4
Fees and Compensation .....	Page 6
Performance-Based Fees and Side-By-Side Management .....	Page 8
Types of Clients .....	Page 8
Methods of Analysis, Investment Strategies and Risk of Loss .....	Page 8
Disciplinary Information .....	Page 11
Other Financial Industry Activities and Affiliations .....	Page 11
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	Page 12
Brokerage Practices .....	Page 12
Review of Accounts .....	Page 14
Client Referrals and Other Compensation .....	Page 15
Custody .....	Page 15
Investment Discretion .....	Page 16
Voting Client Securities .....	Page 16
Financial Information .....	Page 16
Requirements for State-Registered Advisors .....	Page 16
Additional Information .....	Page 17

## Item 4 – Advisory Business

Lake Street Financial, LLC. (“Lake Street” or “Adviser”) is an SEC registered investment adviser located in Chicago, Illinois. It is owned by Justin M. Terzo and Joseph D. Stock. Lake Street was registered as an SEC adviser in the spring of 2018.

### Management Services Generally

Lake Street provides discretionary investment management services, non-discretionary assets under advisement services, ERISA co-fiduciary 3(21) investment advisor services and financial consulting to individuals, high net worth individuals, business entities, defined contribution plans, defined benefit plans, trusts, estates, charitable institutions, foundations and endowments.

Prior to engaging Lake Street to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with Lake Street for the terms and conditions under which it shall render its services (collectively the “*Agreement*”). Likewise, Lake Street will use certain investment tools to determine the clients’ risk parameters, time horizon and investment objectives. These include in person meetings, a risk profile, client questionnaire and other documentation.

Lake Street’s clients are advised to properly notify the firm if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Adviser’s management services.

The client may make additions to and withdrawals from the account at any time, subject to Lake Street’s right to terminate an account. Clients may withdraw account assets on notice to Lake Street, subject to the usual and customary securities settlement procedures. However, Lake Street generally designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client’s investment objectives.

Additions may be in cash or securities provided that Lake Street reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Neither Lake Street nor the client may assign the *Agreement* without the consent of the other party. Transactions that do not result in a change of actual control or management of the Adviser shall not be considered an assignment. Lake Street or client may terminate the advisory agreement upon 30 days written notice to the other party.

## **Discretionary Investment Management Services**

Lake Street offers advice primarily on individual equities, fixed income, mutual funds, closed-end funds, exchange-traded funds, structured notes, and alternative private funds. However, the Adviser intends to primarily allocate its client's investment management assets, on a discretionary basis among individual equities, exchange traded funds, individual debt securities, and mutual funds in accordance with the investment objectives of the client.

Lake Street may only implement its investment management recommendations after the client has arranged for and furnished the Adviser with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include but are not limited to Raymond James Financial Services ("Raymond James"), any broker-dealer recommended by Lake Street, any broker-dealer directed by the client, trust companies, and banks (collectively referred to herein as the "*Financial Institution(s)*").

## **Advisement Services (Non-Discretionary)**

Lake Street also will review and make recommendations for assets that are housed outside of the Adviser's selected custodian and are not under its discretionary management. Typically, these are 401(k) assets and corporate stock option plans. This service is provided on a non-discretionary basis and Lake Street will not execute the trades based on its recommendations. Lake Street will review a client's portfolio at least quarterly and make recommendations for the purchase or sale of securities.

## **ERISA Co-Fiduciary 3(21) Investment Advisor Services**

Lake Street may also act as an ERISA co-fiduciary 3(21) investment advisor. Lake Street will enter into a contract with the ERISA Plan or Plan Sponsor/Trustee to provide investment menu recommendations to the Plan, and the employer retains the discretion to accept or reject the advice. Lake Street will review the investment options quarterly and to ensure the menu is in accordance to the Investment Policy Statement (IPS). Lake Street will not have discretionary authority to execute its recommendations for the Plan.

## **Financial Consulting Services**

Lake Street provides financial consulting on a range of matters for clients. These services include analysis and recommendations relating to cash flow, projected income taxes, estate objectives, education funding, investment portfolio evaluation, long term health care planning, retirement planning, tax planning, and insurance provisions and needs. Once Lake Street completes this analysis, a representative from the firm meets with the client and finalizes a financial plan where different financial and/or estate planning and investment strategies are discussed. The client is provided with a summary in regard to the firm's analysis and recommendations. When a specific strategy is decided upon, the implementation of that

strategy begins and is reviewed, monitored, and updated by meetings, telephone calls and correspondence. Not all clients engage Lake Street for every service described.

Lake Street does not participate in a wrap fee program.

### **Assets Under Management**

Lake Street currently has \$218,684,115 under discretionary management and \$13,742,848 under non-discretionary management.

## **Item 5 – Fees and Compensation**

### **Fees Generally**

Lake Street's investment management fee is generally inclusive of any basic investment-related financial planning and/or consulting services. For non-investment management clients and investment management clients that require a disproportionate amount of consulting services, the Adviser may charge a separate fee for investment-related consulting services. In these limited circumstances, an additional hourly or fixed fee shall be agreed upon prior to rendering the consulting services. For clients with assets in excess of \$250,000, Lake Street shall not charge for additional financial consulting services as described in Item 4 above. Assets under advisement will be considered in conjunction with assets under management to reach the \$250,000 level.

### **Discretionary Investment Management Services**

Lake Street charges an annual management (or advisory) fee based upon the value of a client's assets under management. Lake Street's annual fee shall be charged monthly, in advance, based on the market value of the asset under management on the last day of the previous month as valued by the custodian. The annual fee shall be up to, but never more than, 2% of the client's assets under management. Clients should refer to their individual advisory agreement for defined fee schedule.

Lake Street, in its sole discretion, may negotiate to charge a lesser management fee or no management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, minimum work flow, etc.).

Lake Street's *Agreement* and/or the separate agreement with the *Financial Institution(s)* authorizes Lake Street through the *Financial Institution(s)* to debit the client's account for the amount of its fee and to directly remit that management fee to Lake Street in accordance with applicable custody rules. The *Financial Institution(s)* recommended by Lake Street have agreed

to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management of fees paid directly to the Adviser.

For the initial month of investment management services, the first month's fees shall be calculated on a *pro rata* basis. The *Agreement* between Lake Street and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Lake Street's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

### **Advisement Services (Non-Discretionary)**

Lake Street will charge fees for advisement (non-discretionary) services similar to the annual fees charged for discretionary investment management services described above. Fees may be charged either monthly or quarterly, in advance, based on the market value of the account on the last day of the previous month as valued by the custodian statement provided by the client. The annual fee shall be up to, but never more than, 1.5% of the client's assets under management. Clients should refer to their individual advisement service agreement for defined fee schedule.

### **ERISA Co-Fiduciary 3(21) Investment Advisor Services**

Lake Street also provides non-discretionary defined contribution investment consulting, pursuant to which it assists plan sponsors with the selection and/or monitoring of investment options offered to plan participants (generally open-end mutual funds) for the plan. Lake Street charges an annual fee based off of plan assets. The fee varies depending on the scope of the relationship and the size of the plan.

The annual fee shall be paid either monthly or quarterly, in advance or arrears, based upon the market value of the plan's assets on the last day of the preceding month/quarter. Lake Street can also engage a client on a flat fee arrangement. Lake Street, in its sole discretion, may charge a lesser retirement consulting fee based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be advising on, related accounts, account composition, and negotiations with the client).

### **Financial Consulting Services**

Generally, Lake Street will charge a stand-alone fee for financial consulting services for those clients whose assets under management or advisements are less than \$250,000. Lake Street's financial consulting fees begin at \$2,500 on a fixed fee basis and continue thereafter on an hourly basis between \$100 - \$300 depending upon the level and scope of the service(s) required and the professional(s) rendering the service.

## **Transaction Costs**

Clients may incur certain charges imposed by third parties such as commissions, custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. In addition, for certain fixed income transactions, traded away from the custodian, clients may pay a trade-away fee charged by the custodian. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee. The Adviser shall not receive any portion of these commissions, fees, and costs.

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

Lake Street does not charge performance-based fees. This section is not applicable to the Adviser.

## **Item 7 – Types of Clients**

Lake Street provides portfolio management services to individuals, high net worth individuals, business entities, defined contribution plans, defined benefit plans, trusts, estates, charitable institutions, foundations, and endowments.

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

### **Methods of Analysis**

Lake Street's investment process is based on objective research and rational investment methodology. The tenets of the firm's management are as follows: 1) remain independent and objective at all times; 2) recognize that the markets are efficient and the selection of an asset class is more important than the selection of an individual security; 3) utilize institutional cost structures and low cost investments wherever possible; 4) control risk through global diversification and modern portfolio theory; and 5) minimize taxes whenever possible.

Portfolios are measure for risk primarily by analyzing beta and standard deviation and are monitored and rebalanced on an ongoing basis. Even with a disciplined strategy, investing involves a significant degree of risk and clients should expect loss of principal at any time. This is especially true in times of crisis.



## **Investment Strategies**

Lake Street may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

## **General Risks**

Although the firm's investment strategy does not involve frequent trading, leverage, or short selling, there still exist material risks with our investment strategy. With fixed income investing the two principal factors of risk are maturity and default risk. Lake Street attempts to manage this risk by performing due diligence and close monitoring. Investing in equities presents risk of loss and the firm attempts to manage this risk with due diligence, global asset allocation and rebalancing.

All investment programs have certain risks that are borne by the investor. The Adviser's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-Rate Risk: Fluctuations in interest rates may 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 may 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.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **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. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.

### **Specific Strategies Risk:**

Short selling is an investment strategy with a high level of inherent risk. Short selling involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable

to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting or “hedging” a potential market risk in a client’s portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

## **Item 9 – Disciplinary Information**

Neither Lake Street nor any of its principals has any disciplinary history.

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

### **Insurance Agents**

The principals of Lake Street, Justin M. Terzo and Joseph D. Stock, are also licensed insurance agents for life and health with various insurance companies, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. A conflict of interest exists to the extent that Lake Street or its advisory affiliates recommend the purchase of insurance products where Lake Street or its advisory affiliates receive insurance commissions or other additional compensation.

Lake Street monitors this conflict by the following methods: 1) Lake Street does a point of sale analysis as to the suitability and the comportment of the product with the client’s investment objective; and 2) Lake Street does an analysis of the commission cost and determines if it is fair and reasonable based upon industry standards.

### **Registered Representative**

One of the principals of Lake Street, Joseph D. Stock, is also licensed as a registered representative of a broker-dealer, Cantella & Co., Inc. and may receive compensation from such activity. However, Mr. Stock does not receive commissions on any advisory client trades.

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

Lake Street has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Adviser or any of its associated persons. The Code of Ethics also requires that certain of the Adviser's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Finally, the Code also governs the Access Persons personal securities trading, receipt of gifts or gratuities and the confidentiality of client information.

Clients may contact Lake Street to request a copy of its Code of Ethics.

Lake Street, the adviser, does not receive any compensation from any advisory clients' brokerage. Lake Street and persons associated with Lake Street are permitted to trade simultaneously with clients consistent with the firm's policies and procedures. If a security is limited, the clients' transactions will always go first. Neither Lake Street nor any of its Advisory Affiliates shall receive preferential treatment in trading or receive a better price than the clients if done simultaneously.

## **Item 12 – Brokerage Practices**

### **Brokerage Practices Generally**

In general, Lake Street recommends the use of Raymond James Financial Services ("Raymond James"), as custodian and broker-dealer for its clients' trades. Factors which Lake Street considers in recommending Raymond James, or any other broker-dealer to clients, include their respective financial strength, reputation, execution, pricing, research, and service. Clients may incur transaction costs in addition to any commissions charged by the broker-dealer custodian when fixed income securities or securities traded over-the-counter are affected on their behalf through the custodian/broker-dealer on an agency basis. Broker custody of client assets may limit or eliminate Lake Street's ability to obtain best price and execution of transactions in fixed income or over-the-counter securities

Generally, in addition to a broker's ability to provide "best execution", Lake Street also considers the value of research or additional brokerage products and services that a broker-dealer has provided or is willing to provide. This is known as paying for those services with soft dollars and is discussed in more detail below.

## Soft Dollars

In general, Lake Street does not enter into any “soft dollar arrangements” with broker-dealers. Lake Street does however, receive certain products from Raymond James that could be considered to provide a benefit to Lake Street, so the firm could be considered to have a conflict of interest in allocating client brokerage business as follows: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. The firm may have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

That is, before placing orders with a particular broker, Lake Street generally determines, considering all the factors described above, that the compensation to be paid to any broker-dealer is reasonable in relation to the value of all brokerage and research products and services provided by that broker-dealer. In making this determination, Lake Street typically considers not only the particular transaction or transactions, and not only the value of brokerage and research services and products to particular client, but also the value of those services and products in the firm’s performance of its overall responsibilities to all of its clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research or services or products, might charge.

Lake Street may receive from Raymond James, without cost to Lake Street the following:

- Investment Research
- Financial Planning Software
- Account Level Support
- Technology Support
- Client Online Portal
- Practice Management Training
- Custodial Account Documents
- Trading Platform

These items allow Lake Street to better monitor and manage client accounts maintained at Raymond James.

Finally, Raymond James enables Lake Street to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Raymond James may be higher or lower than those charged by other broker-dealers.

### **Brokerage for Client Referrals.**

Lake Street does not direct brokerage in exchange for client referrals.

### **Directed Brokerage**

Generally, Lake Street does not accept client directed brokerage arrangements.

### **Trade Aggregation**

Transactions for each client generally will be effected independently, unless Lake Street decides to purchase or sell the same securities for several clients at approximately the same time. Lake Street may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Lake Street’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Lake Street’s clients pro rata to the purchase and sale orders placed for each client on any given day. In the event that Lake Street determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, including cash available, asset allocation and timing.

### **Trade Errors**

Lake Street corrects all trade errors through the impacted client account. If there are any losses due to Lake Street’s trade error, the client will be made whole by Lake Street. Any gains due to trade errors are dependent upon the policies of the client’s custodian. If the client caused the error, the client will bear the error.

## **Item 13 – Review of Accounts**

For those clients to whom the Adviser provides investment management services and advisement services, the Adviser monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Adviser provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of the principals of the Adviser, either Justin Terzo or Joseph Stock. All investment advisory clients are encouraged to discuss their needs, goals and objectives with the Adviser and to keep the Adviser informed of any changes thereto. The Adviser shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Client accounts are also reviewed at the request of client or, if in sole the discretion of Advisor a material or significant event has occurred. Such events may include economic, geopolitical, political, tax or legal changes.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Adviser provides investment advisory services may also, periodically, receive a report from the Adviser that may include such relevant account and/or market-related information such as an inventory of account holdings, asset allocation, account performance, risk metrics of the portfolios, projected cash flow from investments, and realized/unrealized gain/loss tax reporting. All written reports from the firm include notification that clients should review the information to confirm that it agrees with the statements of their custodians.

Those clients to whom the Adviser provides financial consulting services may receive reports from the Adviser summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Adviser.

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

### **Client Referrals**

Lake Street does not pay referral fees to affiliated or independent persons or firms (“Solicitors”) for introducing clients to the firm.

### **Other Compensation**

The principals of Lake Street, Justin M. Terzo and Joseph D. Stock, are also licensed insurance agents of various insurance companies and may recommend insurance products to advisory clients and non-clients. From such transactions, the advisory affiliates will receive the usual and ordinary compensation for those transactions.

In addition, one of the principals of Lake Street. Joseph D. Stock, is also licensed as a registered representative of a broker-dealer, Cantella & Co., Inc. As such he may receive usual and ordinary commissions from any transactions thereon. However, Mr. Stock does not receive commissions from any advisory clients’ trades.

## **Item 15 – Custody**

Lake Street does not take custody of client assets. Rather, Lake Street uses Raymond James to act as custodian for client assets. Clients receive account statements and trade confirmations directly from Raymond James and should review such statements for accuracy. Lake Street maintains copies of client statements and confirmations electronically. In addition, if Lake Street sends its own reports directly to clients, then

Lake Street urges clients to compare the custodial statements with the reports received from Lake Street for completeness and accuracy.

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

In some of its services, Lake Street exercises discretion over the specific securities to be bought or sold, the amount of securities to bought or sold and the particular broker-dealer to be used for such transactions. Lake Street will have authority to exercise full direction in the above-named factors without restriction. Lake Street also will observe any specific limitations imposed by clients in relation to this discretion.

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

Lake Street does not vote proxies for its clients.

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

Neither Lake Street, nor any of its principals, has ever filed a bankruptcy petition and has no financial information to report.

### **Item 19 – Requirements for State-Registered Advisers**

As an SEC Registered Investment Adviser, this item does not apply to Lake Street.



## Additional Information / Privacy Policy

### PRIVACY NOTICE (Regulation S-P)

Pursuant to Regulation S-P adopted by the Securities and Exchange Commission, it is the policy of Lake Street Financial, LLC ("Lake Street") to keep confidential nonpublic personal information ("*information*") pertaining to each current and former client (i.e., *information* and records pertaining to personal background, investment objectives, financial situation, investment holdings, account numbers, account balances, etc.) unless Lake Street is (1) previously authorized by the client to disclose *information* to individuals and/or entities not affiliated with Lake Street, including, but not limited to the client's other professional advisors and/or service providers (i.e., attorney, accountant, insurance agent, broker-dealer, investment advisor account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) permitted to do so in accordance with the parameters of regulation S-P. The disclosure of *information* contained in any document completed by the client for processing and/or transmittal by Lake Street in order to facilitate the commencement/ continuation/ termination of a business relationship between the client and nonaffiliated third party service provider (i.e. broker-dealer, investment adviser, account custodian, insurance company, etc.), including *information* contained in any document completed and/or executed by the client for Lake Street (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider. Each individual and/or entity affiliated with Lake Street is aware of Lake Street's *privacy policy* and has acknowledged his/her/its requirement to comply with same. In accordance with Lake Street's *privacy policy*, each such affiliated individual and/or entity shall have access to *information* to the extent reasonably necessary for Lake Street to perform its services for the client, and to comply with applicable regulatory procedures and requirements. If you have any questions, please contact Justin M. Terzo at (312) 579-4342 or at [terzo@lakest.com](mailto:terzo@lakest.com).