



---

**VERUS**  
CAPITAL PARTNERS, LLC

## **ADV Part 2A Appendix 1**

### **Wrap Fee Program Brochure**

14256 N. Northsight Blvd., Suite 110  
Scottsdale, AZ 85260

480-990-3719 · phone  
480-483-9742 – fax

[www.VerusCapitalPartners.com](http://www.VerusCapitalPartners.com)

**March 31<sup>st</sup>, 2019**

This brochure provides information about the qualifications and business practices of Verus Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 480-990-3719. 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. Verus Capital Partners, 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.

Additional information about Verus Capital Partners, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Verus Capital Partners, LLC is 151568.

## ADV Part 2A Appendix 1 Wrap Fee Program Brochure

### ***Item 2: Material Changes to Wrap Fee Program Brochure***

This is our Tenth Filing of our ADV Part 2A Appendix 1 Wrap Fee Program Brochure. At this time there are a few material changes to our most recently filed ADV Part 2A Appendix I, which was filed on February 14<sup>th</sup>, 2019. With respect to the section titled “Advisory Services” in Item 6: Portfolio Manager Selection, we’ve updated the value of our assets under management to the value as of 03-31-2019

# ADV Part 2A Appendix 1 Wrap Fee Program Brochure

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

### **Contents**

Item 1 Cover Page .....	1
Item 2 Material Changes .....	2
Item 3 Table of Contents .....	3
Item 4 Services, Fees and Compensation .....	4
Item 5 Account Requirements and Types of Clients .....	6
Item 6 Portfolio Manager Selection and Evaluation .....	6
Item 7 Client Information Provided to Portfolio Managers .....	7
Item 8 Client Contact with Portfolio Managers .....	7
Item 9 Additional Information .....	7

# ADV Part 2A Appendix 1 Wrap Fee Program Brochure

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

### ***About the Firm***

Verus Capital Partners, LLC. is a registered investment advisory firm located in Scottsdale, Arizona. Verus Capital Partners, LLC. ("Verus Capital", "We", or the "Firm.") offers the Wrap Fee program discussed in this brochure. A Wrap fee program is a program for which you pay one fee for both investment advice and custodial/trading services. More information about these services and the fees associated with these services is contained in this brochure.

The Firm commenced business on December 2009. Our owner is Stephen Bull

Our Wrap Fee program services are investment supervisory services which are ongoing portfolio management services based on your individual goals, objectives, time horizon, and risk tolerance. Investment supervisory services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Regular and/or continuous portfolio monitoring

For our Investment Supervisory services, we collect a Wrap program fee based upon a percentage of Assets under Management as follows:

#### ASSETS UNDER MANAGEMENT ANNUAL FEE

\$1 – \$250,000	2.50%
\$250,001 – \$500,000	2.50%
\$501,000 – \$750,000	2.00%
\$751,000 – \$1,000,000	2.00%
\$1,000,000 and above	2.00%

These fees are negotiable and your final fee schedule is Exhibit II of the Investment Advisory Contract. Fees for Investment Supervisory services are paid quarterly in advance and are typically debited directly from your account. In certain instances,

you may elect to be billed directly and to pay quarterly fees by check. We refund any pre-paid advisory fees for accounts terminated mid-quarter. You must notify us of the account termination to receive this refund. We calculate the amount owed to you based upon the number of days remaining in the quarter. You have the right to terminate our services within five days of signing the client agreement. If you do so, you will receive a refund of all pre-paid fees.

The Wrap fee program may cost you more or less than purchasing such services separately. For example, if the program trading costs were paid by you, and we traded frequently, you may pay more than the Wrap fee. If the program trading costs were paid by you and we traded infrequently, the total cost to you may be less than the Wrap fee.

### ***Other Information about Advisory Fees***

You do not typically pay custodial fees and mutual fund expenses. Your trading costs are included in the Wrap Fee. You may be charged a fee for such things as margin interest, a fee for a retirement account, or a transfer fee. To learn more about the custodial and brokerage expenses, consult your agreement with the custodian of your assets.

The Advisory Representative who recommends the program receives compensation for this recommendation in that he or she shares in a percentage of the collected fees.

### ***Additional Services***

Advisor also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other Independent Investment Advisors participating in the program. Specifically, the Additional Services include economic benefits specifically designated for the purchase and utilization of Citius Advisor Solutions (“CAS”), Birinyi and Associates, Inc., and InvesTech Research. CAS is a vendor who provides account billing support, compliance reporting and fulfillment tools, workflow optimization services, and client service consulting for clients and Investment Advisor Representatives. Birinyi and Associates, Inc. and InvesTech Research provide market research in the form of the Reminiscences Newsletter/Investor Bulletin, Monthly Newsletter, and Bulletin respectively. The Advisor compiles the market research with other market research and analysis to formulate investment recommendations and portfolio allocations for the Advisor’s clients.

TD Ameritrade provides the Additional Services to Advisor in its’ sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

The Advisor’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for,

Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

## **ADV Part 2A Appendix 1 Wrap Fee Program Brochure**

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

In our Wrap Fee Program, we provide investment advice to Individuals, Trusts, Estates, Corporations and other business entities.

The Firm has a minimum family of accounts value of \$250,000. We may waive this based on the complexity of the situation or your needs.

## **ADV Part 2A Appendix 1 Wrap Fee Program Brochure**

### ***Item 6: Portfolio Manager Selection***

We are the Portfolio Manager for the Wrap fee program. This could create a conflict of interest in that we are recommending ourselves as the manager of our assets. To address this conflict of interest, we consistently monitor the performance and quality of the advice we provide. Because we are a portfolio manager for the program, a description of the services we provide is below.

### ***Advisory Services***

When providing investment supervisory services, we evaluate your current investments with respect to your risk tolerance levels and time horizon. Verus Capital Partners believes that a prudent investment strategy reacts to current market conditions and does not lock a portfolio into a fixed allocation. We are an active manager, meaning we build portfolios with the flexibility to diversify among asset classes and management styles.

Clients electing to use our investment supervisory services give us discretionary authority, meaning that based upon your investment strategy, Verus Capital Partners will make decisions about the purchases and sales of securities on an ongoing basis.

We tailor advisory services to your individual needs. For average net worth clients, we do so through conversations. For our higher net worth clients, we may use a tool

called Money Guide Pro to help establish your goals and objectives. You may impose restrictions on investing in certain securities or types of securities.

Verus Capital Partners, LLC manages client assets. As of 03/31/2019, its' discretionary assets under management were \$470,062,063.96

## ***Investment Strategies and Risk of Loss***

We recommend a wide variety of publicly traded securities including stocks, bonds, exchange traded funds, mutual funds, CDs, and fixed income securities. Some clients may own private partnerships but the Firm does not recommend these products as part of the typical investment portfolio.

Investing in securities involve risk of loss that you should be prepared to bear.

Our investment methodology involves risks. The primary risks you should consider are market risk, company risk and sector risk. These primary risks are described below. Other risks include small and medium capitalization risk, ETF risks, Inverse ETF risks, mutual fund risks, and global geo-political risks.

Market risk is the risk that your investments will be worth less than when you originally invested. Markets fluctuate, causing the value of your investments to fluctuate.

Company risk is the risk that a specific company we recommend fails to perform as expected, causing a portion of your investment to be worth less than originally invested or nothing at all.

Another area of risk is the focus of your assets in securities of a particular sector. Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If a Fund invests more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. Certain sectors are subject to greater government regulation and changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

## ***Performance-Based Fees and Side By Side Management***

We do not accept performance-based fees.

## ***Voting Client Securities***

For its investment management accounts, Verus Capital Partners does not vote proxies. You retain this right. Clients may receive a copy of our proxy voting policies and procedures upon request.

## ADV Part 2A Appendix 1 Wrap Fee Program Brochure

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

You will provide information to us. We are the portfolio manager of your account and will use that information to manage your investments.

## ADV Part 2A Appendix 1 Wrap Fee Program Brochure

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

There are no limitations on your contact with us as your portfolio manager. You may contact us at any time to discuss your account.

## ADV Part 2A Appendix 1 Wrap Fee Program Brochure

### ***Item 9: Additional Information***

Neither the Firm nor any of our management persons have been involved in any event that are material to a client's or prospective client's evaluation of the Firm or the integrity of its management.

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. 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 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 through its participation in the Program.

As disclosed above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade 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 Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services



received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade.

Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor 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 for custody and brokerage services.

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

Associated persons may buy or sell for their own accounts the same securities recommended to you. This creates a conflict of interest. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to you and we monitor their personal trading.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

We have adopted a Code of Ethics to instruct its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and our personnel owe a duty of loyalty, fairness and good faith to their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective Client upon request.

### ***Brokerage Practices***

We do not receive any research or other products or services other than execution from a broker-dealer or third party in connection with your securities transactions. Nor do we receive any client referrals from a broker-dealer or third party.

We typically recommend TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc. member FINRA/SIPC or CHARLES SCHWAB Institutional, Division of Charles Schwab and Co., INC. Member SIPC. as a custodian. The Firm chose TD Ameritrade and Charles Schwab as its' main custodians because of their customer service, technology, trade execution, and low expenses to clients. They have relatively low transaction fees, no custodial fees, provide many client services free of charge, and provide documentation on best execution for our review and monitoring.

We may "bunch" buy or sell orders for two or more clients into a single large order, and place the bunched order with a single broker or dealer for execution. We are not obligated to place all transactions on a "bunched" basis. When determining whether to "bunch" orders, we rely on the judgment of the Chief Compliance Officer (CCO) as to what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. That is, we seek to avoid putting any client account at an advantage or disadvantage compared to our other client accounts that are buying or selling the same security.

Block trading is permitted where the following conditions are met:

Orders of two or more clients may be bunched only if CIFG has determined, on an individual basis that the securities order is:

1. In the best interests of each client participating in the order;
2. Consistent with CIFG's duty to obtain best execution; and
3. Consistent with the terms of the investment Advisory agreement of each participating client.

Where conducting a block trade, the IAR will determine the accounts that will participate, and the specific allocations in advance of the transaction. If the entire order is filled, you will receive your portion of the allocation specified on the trade ticket. All allocations are prior to the close of business on trade date. Client accounts participating in the transaction will receive the weighted average price of the security and will incur a pro-rata share of the transaction cost.

If part of the order is unfilled, the allocation is based upon an alphabetical order pre-determined with a random alphabet generator. The trading allocation is made in order based on the last name of the client using this list. This list is amended every six months. The allocation shall be made in the best interests of all the clients, taking into account all relevant factors, including, but not limited to, the size of each client's allocation, clients' liquidity needs, and previous allocations. If appropriate, we will then re-submit the trade on the following business day for completion of the

balance of the order if the portfolio manager determines that the price is still advantageous for the remaining accounts.

The books and records of the Firm separately reflect, for each client for whom an order is bunched, the securities held by, purchased, and sold for that client.

### ***Review of Accounts***

We continuously review the securities in every client's account. The accounts are reviewed quarterly.

### ***Client Referrals and Other Compensation***

We do not pay anyone for client referrals for our wrap fee accounts.

### ***Financial Information***

Verus Capital Partners has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### ***Custody***

We have custody of client assets only due to our ability to withdraw fees from customer accounts. The qualified custodian of client assets sends account statements directly to clients. You will receive account statements from the broker-dealer or other qualified custodian. Clients should carefully review those statements.

### ***Investment Direction***

For those investment supervisory accounts, we maintain limited power of authority over your account with respect to securities to be bought and sold and amount of securities to be bought and sold.