

**Item 1 – Cover Page**

**Investment Adviser Wrap Fee Program Brochure**

**NewSquare Capital LLC (“NewSquare”)  
16 Campus Boulevard, Suite 100  
Newtown Square, PA 19073**

**Telephone: 877-313-1343**

**March 27, 2019**

**This wrap fee program brochure provides information about the qualifications and business practices of NewSquare Capital LLC. If you have any questions about the contents of this brochure, please contact us at 877-313-1343. 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 NewSquare Capital LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year (December 31<sup>st</sup>). We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

There are no Material Changes to report from the date of the last Wrap Fee Brochure, August 6, 2018.

Our Brochure may be requested by contacting Matt Wilson at 610 325 6117. Our Brochure is also available on our web site [www.newsquarecapital.com](http://www.newsquarecapital.com), also free of charge.

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

# NewSquare Capital LLC

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

### **About NewSquare Capital LLC (“NewSquare”)**

Please review NewSquare’s disclosure document, Form ADV Part 2, Item 4 for the education, business standards, and business backgrounds of the individuals that determine the investment advice given to clients. NewSquare reviews each account upon establishment to ensure accounts are in accordance with the client’s goals, objectives, and risk tolerance. IAR’s, not affiliated with NewSquare, as well as NewSquare IAR’s, will obtain substantial background information about each client’s financial circumstances, investment objectives, and risk tolerance, among other things, through an in-depth interview and information gathering process which includes client profile and risk assessment forms. Those same IAR’s will review their client accounts regularly, but no less than annually, to identify any material changes to the clients’ goals, objectives, risk tolerance, and income needs and to ensure that the current portfolio is in accordance with the client’s goals, objectives, and risk tolerance and will communicate any changes to NewSquare. Under the Program, generally, the client retains NewSquare through its IAR (can either be an IAR affiliated with, or not affiliated NewSquare Capital) to provide discretionary asset management of assets held in a brokerage account established by the client at Schwab Advisor Services (“Schwab”), a registered broker dealer or TD Ameritrade Institutional (“TD Ameritrade”). Under the program, the account at Schwab or TD Ameritrade shall be known as the Program Account. Client also has the opportunity to impose reasonable investment restrictions applicable to Client’s assets in the Program by identifying them on the Investment Management Agreement. Investment restrictions must be reasonable, as solely determined by NewSquare, and must be complete and consistent with applicable law. NewSquare will observe the investment restrictions that the Client identified in the Investment Management Agreement, if deemed reasonable; provided that NewSquare reserves the right to seek further direction from the Client before any such investment

restrictions are observed. By executing the Investment Management Agreement, the Client acknowledges and agrees that the Client has been given the opportunity to impose reasonable investment restrictions on Client’s Account, and the reasonable investment restrictions, if any, that the Client wishes to impose at the time Client executed the Investment Management Agreement have been communicated in writing to NewSquare by the Client via the Investment Management Agreement.

### **Types of Advisory Services**

NewSquare's advisory services are mainly focused around designing and implementing diversified portfolios of primarily exchange traded funds, individual equities and selected fixed income securities. These services (“NewSquare Portfolios”) are tailored to each client based on their unique goals and objectives. The NewSquare Portfolios are strategic asset allocation portfolios with global diversification. Considerations include risk tolerance, time horizon, income needs, liquidity needs, tax sensitivity, and other factors.

NewSquare will offer clients the ability to invest on a discretionary and non-discretionary basis. Each client will receive individual service based on their needs and risk tolerances. Clients may impose restrictions on investing in certain securities or types of securities. NewSquare will continue to render advisory services to the client relative to the ongoing monitoring and review of the client account, and at least annually IAR’s, either affiliated or not affiliated with NewSquare, will review the appropriateness of the portfolio as it pertains to the client's risk tolerance, investment objectives, and financial situation and communicate any changes to NewSquare.

Under this program, assets are held in a brokerage account at Schwab or TD Ameritrade. All new accounts are being established at Schwab or TD Ameritrade. These accounts shall be known as the Program Account.

The client will retain NewSquare to manage client’s assets, generally on a discretionary basis, in such a manner based upon the goals,

objectives, and risk tolerance of the client. In such relationships, the client would execute a Discretionary Investment Management Agreement with NewSquare and a Brokerage Account Agreement with Schwab or TD Ameritrade (Program Account). In certain instances, NewSquare selects sub-advisers to manage segments of client accounts. NewSquare monitors and reviews the NewSquare client accounts that are sub-advised by these external advisers.

Advisory services are offered to individuals, businesses, trusts and employee benefit plans. The portfolios will be managed by NewSquare, generally on a discretionary basis. NewSquare is both the sponsor and the portfolio manager of the Program and the Program is structured as a wrap account. A wrap account is a type of individually managed account in which most expenses that are typical of a managed account are combined into one (a wrap) fee. This includes the management fee, the brokerage commissions, custodial fee and other expenses. The wrap fee does not cover certain fees such as markup/markdowns, transfer of asset fees, reorganization fees, wire or check fees.

### **Fees**

Clients pay a single fee for NewSquare's advisory services, the operational, maintenance and administrative services provided by NewSquare, and the custodial and brokerage services provided by Schwab or TD Ameritrade. This fee is known as a "wrap" fee since it "wraps" together both advisory and brokerage services under a single fee.

The Program fee is negotiable and the fee charged by NewSquare for Program Accounts is represented by the Fee Schedule shown below. At the discretion of management, certain multiple family accounts may be househanded and combined for fee purposes.

### **Standard Fee Schedule (All Portfolios except strategies utilizing Relative Strength Individual Equity Dividend and Growth)**

<u>Asset Range (\$)</u>	<u>Annual Fee</u>
\$ 0 to \$ 250,000	1.75%
\$ 250,001 to \$ 500,000	1.50%
\$ 500,001 to \$1,000,000	1.25%
\$ 1,000,001 +	1.00%

### **Standard Fee Schedule for strategies utilizing Relative Strength Individual Equity Dividend and Growth**

<u>Asset Range (\$)</u>	<u>Annual fee</u>
0 or more	1.75%

The max fee that can be charged on any NewSquare Portfolio is 1.75%. The majority of accounts opened at NewSquare charge a flat fee, rather than using the standard fee schedule.

Overall costs in a wrap program may or may not be greater than in a traditional fee-plus-commission arrangement where separate fees for advisory, brokerage and custodial services are charged. Generally, the factors that bear upon the cost of the program in relation to the cost of the same services purchased separately are the level of portfolio turnover (amount of securities transactions in the period) and the relative costs of the other fees if assessed individually.

We do not charge our clients higher advisory fees based on the trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) if we use transaction-based pricing with the broker-dealer / custodian. In that pricing arrangement, NewSquare is charged for executed trades.

### **Additional Client Fees**

In addition, other Schwab and TD Ameritrade brokerage account charges and fees (i.e. returned check fee, overnight charges, ACH return check fee, etc) *may* apply to Program Accounts. These charges and fees are disclosed in the Client Fee Schedule for brokerage accounts.

The Program Fee does not include special requests by clients or the internal management, operating or distribution fees or

expenses imposed or incurred by Mutual Funds or ETFs. Clients should read each fund's or ETFs prospectus for a more complete explanation of these fees and expenses, which include fees for management, administration, shareholder servicing, distribution, transfer agent, custodial, legal, audit and other services.

Clients may invest directly in mutual funds or ETFs (i.e., outside of the Program) without paying the Program Fee. Thus, it may be cheaper for clients to invest in the Mutual Funds and ETFs outside of the Program.

However, clients will not receive the services provided under the Program if they choose to do so. NewSquare does not represent that the Program Fee a client pays is the same as or lower than that charged to other clients who invest in the Program or is the same as or lower than that charged by other sponsors of comparable programs for accounts of comparable size or investment objectives.

#### **Program Fee and Billing**

The first payment is prorated to cover the period from the date that the Account balance has reached \$5,000 through the end of the current calendar quarter. Fees are debited directly from the client's Program Account based on the fee schedule and begin once the account balance has reached \$5,000.

Thereafter, the quarterly Program Fee will be paid at the beginning of each calendar quarter for such quarter and the fee will be based on the fair market value of the assets in the Account on the last business day of the preceding calendar quarter as calculated by NewSquare. Client will also be subject to a Program Fee for any additional lump sum contribution(s) in a calendar quarter equal to or greater than \$5,000. Client will pay for that portion of the ongoing quarterly Program Fee that relates to the number of business days remaining in the calendar quarter on the date of any additional contribution equal to or greater than \$5,000. Payment of the Program Fee will be made in the quarter following any such contribution and will be based on the amount of the contribution. Similarly, if Client withdraws \$5,000 or greater, then the Client will receive a pro-rated refund in the following quarter.

Through NewSquare, the client instructs the Program Fee and other charges under this Program be deducted by The Program account from cash assets held in the account. If the Account does not have enough cash to pay for advisory and/or brokerage fees and charges, it is the responsibility of NewSquare to liquidate positions to cover any such fees or charges. In such cases, Client may face a taxable event, to which capital gains (or other) taxes apply.

For certain accounts, specific security exclusions from billing may be negotiated with client.

Client authorizes Schwab and TD Ameritrade to deduct all applicable fees from Client's Program Account and all such fees will be clearly noted on Clients' brokerage statement provided to the client no less than quarterly by Schwab or TD Ameritrade. Fee notifications will be provided to Client by the Program Account.

If client's Agreement is terminated for any reason, Client will be entitled to a pro-rata refund of any pre-paid quarterly advisory fee based upon the number of business days remaining in the quarter after termination.

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

NewSquare provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, Trusts, estates, charitable institutions, corporations, foundations, and endowments. In general, NewSquare has a minimum account size of \$50,000, although the Strategic Models stated minimum account size is \$25,000. NewSquare, in its sole discretion, may accept portfolios of smaller amounts.

#### **Item 6 –Portfolio Manager Selection and Evaluation**

NewSquare is both the sponsor and the portfolio manager of the Program. NewSquare may select a sub-adviser to manage certain segments of a client's portfolio.

### **Portfolio Manager Performance**

Clients will receive performance reports on a quarterly basis. Custodial statements will be received on a monthly basis if there were transactions in a particular month and if not, on a quarterly basis, covering, among other things:

- All transactions made in the Program Account during the quarter;
- All contributions and withdrawals made to and from the Account;
- All fees and expenses charged to the Account;
- The value of the Account at both the beginning and end of the quarter; and
- The performance of the client's Account.

The performance reports and statements will indicate all amounts disbursed from clients' Accounts, including the amounts necessary to pay the Program Fee and other fees and charges, and include a reminder to clients that they should inform their MML Investor Services Inc. ("MMLIS") IAR and NewSquare Capital of any changes in their financial situation or investment objectives or of any desire to modify or impose any restrictions on their Accounts if applicable. Schwab or TD Ameritrade will be responsible for creating and sending the statements as well as written confirmations of all trades executed through clients' Program Accounts.

Program Account performance is measured by NewSquare utilizing Black Diamond Performance Reporting, a third-party industry leader in performance measurement and reporting. Performance is measured on a uniform and consistent basis according to industry standards. Those standards include the time weighted rate of return ("TWRR") calculated no less frequently than quarterly and linked to achieve annual rates of return. TWRR tracks the growth rate of a single dollar held in the portfolio for the entire measurement period independent of cash flows to or from the client. This isolates the contribution of the portfolio manager to those decisions over which the manager has sole control. TWRR utilizes portfolio valuations for each beginning and ending date and adjusts for daily weighted cash flows. The measurement periods (monthly or quarterly) are geometrically linked to achieve annual time weighted rates of return.

Also, each client's MMLIS IAR, as well as NewSquare is available to discuss the performance reports and statements, the asset allocation of and securities underlying the client's Account and any other issues relating to the Program.

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

NewSquare does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

### **Methods of Analysis**

NewSquare utilizes many methods of analysis to serve our clients' needs. Our security analysis methods include fundamental analysis, technical and cyclical analysis of the world economy, national economies, industry sectors and individual securities. Our main sources of information are asset allocation studies, global econometric analyses, annual reports, prospectuses and filings with the Securities and Exchange Commission and other regulators, financial newspapers and magazines, research prepared by others, corporate ratings services and company press releases.

Our investment strategies include long and short-term purchases, and trading (securities sold within 30 days).

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

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

NewSquare is a U.S. registered investment adviser specializing in global asset allocation strategies using primarily exchange traded funds ("ETFs"), equities and Fixed Income securities.

Investing involves risk, including possible loss of principal. Asset allocation strategies and diversification do not promise any level of performance or guarantee against loss of principal, and diversification may not protect against market risk.

NewSquare manages the NewSquare Portfolios, a proprietary family of investment

strategies implemented primarily with Exchange Traded Funds ("ETFs") equities and Fixed Income securities. The portfolios seek to outperform their designated benchmark by raising and lowering asset class exposures, industry sector exposures, international country exposures, currency exposures, and various alternative asset class exposures to anticipate relative price movements. To this end, the portfolios utilize equities, fixed income ETFs, individual fixed income securities, equity ETFs, international ETFs, currency strategy ETFs, and alternative class ETFs (including real estate, commodities, hedge fund strategies, private equity strategies, and potentially others) to adjust exposures where appropriate.

There are risks involved with investing in ETFs, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Both index-based and actively managed ETFs are subject to risk similar to stocks, including those related to short selling and margin maintenance.

In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations.

Emerging markets and frontier markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. Narrowly focused investments typically exhibit higher volatility.

Real estate investments are subject to changes in economic conditions, credit risk and interest rate fluctuations.

Commodity-related investments are speculative and involve a high degree of risk. Commodities markets have historically been extremely volatile, creating the potential for losses regardless of the length of time an investment is held.

Bonds and bond funds will decrease in value as interest rates rise. Investment return and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost and potentially subject to capital gains taxes. Tax-exempt fixed income strategies invest in securities designed to pay income that is exempt from certain income taxes, but a portion of the income may be subject to federal or state income taxes or the alternative minimum tax. Federal or state changes in income or alternative minimum tax rates or in the tax treatment of municipal bonds may make them less attractive as investments and cause them to lose value.

### **Voting Client Securities**

Client is responsible to vote proxies for investments held in the Program. NewSquare shall retain voting responsibility for corporate reorganizations and other corporate actions, including tender offers, proposed mergers, rights offerings, exchange offers and warrants among other things, that may require a voting decision or other actions, regarding investments held in Client's Account in connection with the Program. Client acknowledges that NewSquare, Schwab and TD Ameritrade shall have no responsibility to vote proxies under the Program.

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

As NewSquare is both the sponsor and the portfolio manager of the Program, all client information obtained in the course of the adviser/client relationship is obtained by a NewSquare IAR or an IAR (not affiliated with NewSquare), which they would in turn relay to NewSquare.

### **Item 8 –Client Contact with Portfolio Manager**

The client's IAR (either affiliated with, or not affiliated with NewSquare) will schedule client meetings on a periodic basis, but no less than annually, to review a client's portfolio, performance, market conditions, financial circumstances, and investment objectives, among other things, to confirm the firm's investment decisions and services are consistent with the



client's objectives and goals. Any changes will be communicated to NewSquare. Clients are free to contact and consult with their IAR and NewSquare at any time during normal business hours.

## **Item 9 –Additional Information**

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of NewSquare or the integrity of NewSquare's management. NewSquare has no legal or disciplinary events or history that is applicable to this Item.

### **Other Financial Industry Activities and Affiliations**

All brokerage services are offered and transacted through Schwab and TD Ameritrade. Neither Schwab or TD Ameritrade, is affiliated in any way with NewSquare.

### **Code of Ethics**

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

NewSquare anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which NewSquare has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NewSquare, its affiliates and/or clients, directly or indirectly, have a position of interest. NewSquare's employees and persons associated with NewSquare are required to

follow NewSquare's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NewSquare and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NewSquare's clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of NewSquare will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of NewSquare's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between NewSquare and its clients.

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

NewSquare's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Matt Wilson at 610 325 6117.

### **Review of Accounts**

NewSquare provides continuous and regular supervisory or management services to its clients. Accounts are monitored daily by the portfolio manager or an assistant. In certain instances, NewSquare selects and monitors sub advisers to manage client accounts. NewSquare monitors and reviews the NewSquare accounts that are sub advised by these external advisers.

All new advisory accounts at the time the account is established are reviewed by NewSquare to ensure the accounts are in accordance with the client's goals, objectives, and risk tolerance. Accounts can be opened by IAR's of NewSquare Capital or Individual IAR's (not affiliated with NewSquare). The IAR's obtain substantial background information about each client's financial circumstances, investment objectives, and risk tolerance, among other things, through an in-depth interview and information gathering process which includes client profile and risk assessment forms.

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

NewSquare may utilize the services of individuals to act as Solicitors as defined in Rule 206(4)-3 of the Investment Advisers Act of 1940. The Solicitor's primary role is to introduce and assist each Solicited Client in establishing a relationship with NewSquare which will include introducing prospective clients and providing information about NewSquare. Any unaffiliated Solicitors will provide each client with a "Solicitor's Brochure" which describes the relationship, the Solicitor's compensation and whether the client will pay a fee different than if the client had come directly to NewSquare.

### **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. NewSquare has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

### **Error Account - Schwab**

From time-to-time NewSquare may make an error in submitting a trade order on your behalf. When this occurs, NewSquare may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, NewSquare will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

### **Error Account – TD Ameritrade**

An Error Account has been established with TD Ameritrade for the purpose of enabling NewSquare to effect trade corrections due to trading errors associated with transactions executed in client accounts. The purpose of the Error Account is to ensure that clients that have incurred market losses because of any trading error by NewSquare are made whole. Should any error/correction result in a gain (above those necessary to make the client whole), that gain will be kept in the Error Account and will not be credited to the client. Gains that are captured due to trade errors are maintained in the Error Account and used to offset any future trade error loss. Should the Error Account be closed, any gains not used to cover trade error loss will be considered a profit.

### **Conflicts of Interest and Miscellaneous Disclosures:**

NewSquare may perform advisory services for various clients and may give advice or take actions for another client that differs from the

advice given or the timing or the nature of any action taken for the Account.

A client's IAR (whether a NewSquare IAR or an IAR not affiliated with NewSquare) receives compensation as a result of the client's participation in the Program.

**In addition, some IAR's participate in a Sale of Company ("SOC") incentive units from NewSquare. This plan grants non-voting, company liquidation participation units of the LLC, depending primarily on the amount of clients' assets that are recommended to NewSquare. In addition, certain IAR's receive additional compensation based upon the value of assets placed with NewSquare. Therefore, the IAR may have a financial incentive to recommend the Program over other advisory programs or services offered to clients.**

NewSquare may, from time to time, provide potential benefits to individuals who refer business to NewSquare Capital. The potential benefits may include occasional business entertainment including meals, invitations to sporting events, including golf tournaments and other forms of entertainment, some of which may accompany educational opportunities or guest speaker events.

#### **Wrap Program-Conflict of Interest.**

NewSquare provides services on a wrap fee basis as a wrap program sponsor. Under NewSquare's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. When managing a client's account on a wrap fee basis, NewSquare shall receive as payment for its investment advisory services, the balance of the wrap fee after all other costs incorporated into the wrap fee have been deducted. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in NewSquare's Wrap Fee Program Brochure. **Conflict of Interest:** Because wrap program transaction fees and/or commissions are being paid by NewSquare to the account custodian/broker-dealer, NewSquare could have an economic incentive to minimize the number of trades in the client's account. See

separate Wrap Fee Program Brochure. **Please Note:** This conflict of interest does not apply to accounts managed under an Asset-Based Pricing Arrangement, as further detailed below.

#### **Retirement Rollovers-Potential for Conflict of Interest:**

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If NewSquare recommends that a client roll over their retirement plan assets into an account to be managed by NewSquare, such a recommendation creates a conflict of interest if NewSquare will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by NewSquare.

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a participant or beneficiary of a Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (ii) the beneficial owner of an IRA acting on behalf of the IRA; or (iii) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then NewSquare represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by NewSquare or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Sub-Advisor / Separate Account Manager Services:** NewSquare may serve as a: (1) sub-advisor to unaffiliated registered investment advisers; and/or (2) as a separate account manager on a custodian's investment

platform. With respect to these two types of engagements, the unaffiliated investment advisers that engage NewSquare's sub-advisory services and/or assist their clients in selecting NewSquare as a separate account manager, maintain both the initial and ongoing day-to-day relationship with the underlying client, including the initial and ongoing determination of client suitability for NewSquare's investment strategies. NewSquare's obligation shall be to manage the client's account consistent with the investment strategy designated by the unaffiliated investment adviser. In addition, for all such engagements, NewSquare does not generally have the ability to choose and/or determine: (1) the custodian and/or broker-dealer for the client's account; (2) whether the services are part of a wrap program or provided on an unbundled basis; or (3) program and/or transaction cost pricing. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by NewSquare. Higher fees and transaction costs adversely impact account performance.

**Portfolio Activity.** NewSquare has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, NewSquare will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when NewSquare determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by NewSquare will be profitable or equal any specific performance level(s).

#### **Non-Discretionary Service Limitations.**

Clients that determine to engage NewSquare on a non-discretionary investment advisory basis must be willing to accept that

NewSquare cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that NewSquare would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, NewSquare will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Donor-Advised Funds.** NewSquare may provide advisory services to donor-advised funds through an arrangement with Schwab Charitable™, an unaffiliated non-profit organization. Donor-advised funds allow clients to contribute assets to a charitable account which may provide tax benefits to the client and allow for the client to support their preferred charity(ies). The client will be responsible for certain administrative fees charged by Schwab Charitable™ and will be informed of any advisory fees charged against the donor-advised fund prior to NewSquare taking over management of the fund. NewSquare does not provide tax, legal, or accounting advice. Clients are advised to speak with the professional(s) of their choosing prior to directing NewSquare to contribute assets to a donor-advised fund. More information on Schwab Charitable™ can be found at [www.schwabcharitable.org](http://www.schwabcharitable.org).

**Pledged Asset Accounts.** Although generally not recommended by NewSquare, some custodians will permit clients to open pledged asset accounts. Pledged asset account permit an investor to access cash by pledging their securities as collateral. NewSquare will not open a pledged asset account on behalf of a client, but may assist the client in opening such an account at the client's request. All clients are strongly advised to carefully consider the risks posed by pledged asset accounts prior to pledging assets.

#### **Asset-Based Pricing Arrangements and Limitations.**

NewSquare charges and all-inclusive wrap fee to clients. NewSquare can set an account either as "Asset-Based" or "Transaction-Based" pricing with the broker-dealer / custodian and the cost of both is paid for by

NewSquare and is part of the all-inclusive wrap fee charged to the client. Under an “Asset-Based” pricing arrangement, the broker-dealer/custodian charges a fixed percentage fee for all account commissions/transactions based on the amount of assets placed in custody and/or on the broker-dealer/custodian’s platform, and not based upon the number of transactions executed. This fee is charged to and paid by NewSquare. Generally, in an Asset-Based pricing arrangement, the applicable fixed percentage fee decreases as the account value increases. In the alternative, the broker-dealer/custodian could charge a separate commission/transaction fee upon the execution of an account transaction. This is referred to as a “Transaction-Based” pricing arrangement. Transaction fees paid will vary depending upon the number of and type of transactions that are placed for the account. In the wrap program transaction fees and/or commissions are being paid by NewSquare to the account custodian/broker-dealer, NewSquare could have an economic incentive to minimize the number of trades in the client’s account.

Account investment decisions are often more heavily driven by security selection and anticipated market conditions, as opposed to the amount of commission/transaction fees payable to the account broker-dealer/custodian.

NewSquare charges an all-inclusive wrap fee and may request at any time to switch between Asset-Based pricing and Transaction-Based pricing arrangements, however, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Therefore, given the variances in trading volume and pricing arrangements, any decision by NewSquare to switch between Asset-Based or Transaction-Based pricing could prove to be economically disadvantageous, but that cost is the responsibility of NewSquare.

#### **Other Conflicts**

**Broker Dealer.** Certain of NewSquare’s associated persons are registered

representatives of MMLIS, a FINRA member broker-dealer. Clients can choose to engage NewSquare’s associated persons, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation that a client purchase a commission product from MMLIS presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products from NewSquare’s associated persons.

**Other Investment Adviser.** NewSquare’s associated persons are investment adviser representatives MMLIS, a registered investment adviser. Neither Registrant nor its representatives will refer its clients to DJ to receive investment advisory services.

**Conflict of Interest:** The recommendation by NewSquare or its representatives that a client seek investment advisory services from MMLIS presents a potential conflict of interest, as NewSquare could have the incentive to make such a recommendation based on fees received from that client, rather than on a particular client’s need. Accordingly, NewSquare and its representatives do not generally refer clients to MMLIS to receive investment advisory services. Clients are reminded that they are not under any obligation to pursue investment advisory services from MMLIS.

**Licensed Insurance Agents.** Certain of NewSquare’s associated persons, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. Clients can engage these representatives to effect insurance transactions on a commission basis.

**Conflict of Interest:** The recommendation by NewSquare’s associated persons that a client purchase a securities or insurance commission product presents a material conflict of interest, as the receipt of commissions may provide an incentive to

recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from NewSquare's associated persons. Clients are reminded that they may purchase insurance products recommended by NewSquare through other, non-affiliated insurance agents.

#### **Potential Conflicts from Benefits Provided by Custodians**

NewSquare does not maintain custody of your assets that we manage. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Schwab, a FINRA-registered broker-dealer, member SIPC, as the qualified custodian or TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. We are independently owned and operated and not affiliated with Schwab or TD Ameritrade. Schwab and TD Ameritrade will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab or TD Ameritrade as custodian/broker, you will decide whether to do so and open your account with Schwab or TD Ameritrade by entering into an account agreement directly with them. We do not open the account for you. Even though your account is maintained at Schwab or TD Ameritrade, we can still use other brokers to execute trades for your account, as described in the next paragraph

NewSquare suggests its clients to custody its funds and securities and execute its transactions through Schwab or TD Ameritrade. Not all advisers require their clients to direct brokerage. The NewSquare management program is a wrap program. NewSquare acts as both the sponsor and the portfolio manager of the program. NewSquare has chosen Schwab and TD Ameritrade to effectuate the NewSquare wrap program. Compensation to the various parties in a wrap program is apportioned through the wrap fee. The factors that we

consider in reviewing the brokerage relationship include the average wrap fee and the quality of brokerage execution and the quality of client reports and services. Brokerage commissions are typically not a consideration in a wrap program because there are no transaction specific commissions. Execution quality means how well the trade is executed, generally whether the price is in line with other similar trades.

#### **Accounts held at Schwab:**

NewSquare may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA account holder. NewSquare is independently owned and operated and not affiliated with Schwab. Schwab provides NewSquare with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For NewSquare client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to NewSquare other products and services that benefit

NewSquare but may not benefit its clients' accounts. These benefits may include national, regional or NewSquare specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of NewSquare by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist NewSquare in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of NewSquare fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of NewSquare's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to NewSquare other services intended to help NewSquare manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to NewSquare by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to NewSquare. Products and Services Available to Us from Schwab.

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like

us. They provide our clients and us with access to its institutional brokerage (trading, custody, reporting, and related services) many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

#### Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

#### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and

- assist with back-office functions, recordkeeping, and client reporting.

#### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers. Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

NewSquare also receives proprietary research from Schwab. When NewSquare receives proprietary research in connection with client securities transactions, we receive an economic benefit because we do not have to produce or pay for the research. In addition, Schwab has agreed to provide payments to third party services and supplies, vendor support in an amount not to exceed \$200,000 for marketing, technology, consulting or research expenses. Also, Schwab has agreed to reimburse client accounts for charges incurred due to the transfer of account exit fees concerning the transition to Schwab. While, as a fiduciary, NewSquare endeavors to act in its clients' best interests, NewSquare's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to NewSquare of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Your Custody and Brokerage Costs - Schwab

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions (part of your Wrap Fee) or other fees on trades that it executes or that settle into your Schwab account.

In addition to commissions or asset-based fees Schwab charges NewSquare a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation NewSquare pays the executing broker-dealer. **Because of this, in order to minimize our trading costs, NewSquare may have Schwab execute most trades for your account.**

#### **Accounts held at TD Ameritrade:**

The Advisor also 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. The Advisor receives some benefits from TD Ameritrade through its participation in the Program. As disclosed above, The Advisor participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its clients, although the 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 the 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 the 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 the 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 the Advisor manage and further develop its business enterprise. The benefits received by the 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, the 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.