



## Item 1 – Cover Page

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April 2019

This Wrap Fee program brochure provides information about the qualifications and business practices of JT Stratford, LLC (“JT Stratford”, the “Company”, “us”, “we”, “our”). If you (“client”, “your”) have any questions about the contents of this brochure, please contact us at the number listed above. The information in this Wrap Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. JT Stratford’s IARD firm number is 155629.

We are a registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. Additional information about JT Stratford is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “Investment Adviser Search” and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

This our initial filing of our Form ADV Part 2A Appendix 1 or “Wrap Brochure” dated July 2018. Therefore, the only material change report is we have entered into a Consulting Agreement with a registered investment adviser to provide consulting for certain investment strategies.

For future filings, this section of the Wrap Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We may, at any time, update this Wrap Brochure and send you a copy that includes a summary of material changes. These changes may be communicated either by electronic means (email) or by mail.

If you would like another copy of this Wrap Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, D. Todd Ferguson at the number listed on this cover page or via email at [tferguson@jtstratford.com](mailto:tferguson@jtstratford.com).

### Item 3 –Table of Contents

Item 1 – Cover Page .....	
Item 2 – Material Changes .....	i
Item 3 –Table of Contents .....	ii
Item 4 – Services, Fees and Compensation.....	1
Item 5 – Account Requirements and Types of Clients.....	5
Item 6 – Portfolio Manager Selection and Evaluation.....	6
Item 7 – Client Information Provided to Portfolio Managers .....	12
Item 8 – Client Contact with Portfolio Managers .....	13
Item 9 – Additional Information.....	14
Item 10 – Requirements for State-Registered Advisers .....	24

## Item 4 – Services, Fees and Compensation

JT Stratford, LLC is a Limited Liability Company organized under the laws of the State of Georgia since June 28, 2010, and wholly owned by D. Todd Ferguson. We were registered as an investment adviser with the Georgia Secretary of State from February 22, 2011, until our effective date with the SEC on Jul 22, 2015. Additionally, we have notice filed with various states where notice filing is required. As of December 31, 2018, our assets under management is \$288,444,421 all of which was managed on a discretionary basis.

Individuals associated with our firm who are qualified will provide investment advisory services on our behalf. Such individuals are known as Investment Advisor Representatives ("IARs"). We require IARs engaged in determining or offering investment advice to clients to be properly licensed and registered in the states, unless exempted, in which they provide investment advisory services.

We offer advisory services through the Wrap Fee program ("Program") administered by our clearing firm, TD Ameritrade to maintain custody of clients' assets and to effect trades for the client's account(s). 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 will act as the qualified custodian for the assets in your account. This Program provides discretionary or non-discretionary asset management services for a convenient, single fee that includes account management, brokerage, clearing, custody and administrative services. We will receive a portion of the Wrap Fee for our services.

The IAR will collect personal information from the client to determine client eligibility for this Program and for the investment strategy and allocation(s) the client selects.

### ***Wrap Fee:***

The annual fee charged for all advisory services will be a percentage of assets under management. The maximum fee that we will charge is 200 bps. Fees are negotiable.

We will quote an exact percentage to each of you based upon both the nature of the advisory services and dollar value of the account. There is a \$150,000 minimum account size. However, at our discretion this may be negotiable. Any account under \$150,000 will have a minimum annual fee of \$180.

Fees are payable quarterly in advance, and automatically deducted from the account pursuant to the Wrap Account Program Agreement. If an account is opened in the first

or second month of a quarter, it will be charged one fee during its first billing cycle, which will occur during the first full month after the account is established. The fee is prorated for the number of days the account was open based on the start date through the end of the quarter. Our fee will be based on the ending value of the account during the first partial month. If an account is opened in the third month of a quarter, it will be charged two fees in its first billing cycle. The first will be for its partial quarter. The second will be for the upcoming full quarter. The fees will be charged on the 15th business day of the first full month, or the first month of the next quarter. Going forward, our fees are calculated at the end of the quarter and charged during the first month of the quarter based on the ending value of the account, for the last month of the preceding quarter. Additional deposits of funds and/or securities will be subjected to the same billing procedures.

Certain third party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Disclosure Brochure, Wrap Brochure, and agreement provided to the client.

The fee schedule may vary based upon portfolio size and other business considerations. The agreement may be terminated at any time upon notice by either party. Refunds may also be available depending on the circumstances. Fees paid in advance will be prorated to the date of termination, and any unearned portion of the fee will be refunded to the client as determined in accordance with the terms of the agreement. Any refunds due to the client shall be made as soon as possible from receipt of notice of termination, but no more than 30 days.

Detailed information on the termination terms and fees can be found in the applicable agreement.

***Potential Conflicts of Interest:***

Transactions in advisory program accounts are placed through TD Ameritrade as the executing broker-dealer.

We receive compensation as a result of a client's participation in the program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what we would receive if the client participated in other programs, or paid separately for investment advice, brokerage and other services. Even though we believe TD Ameritrade's fees are competitive, lower fees for similar services may be available from other sources.

Because mutual funds pay advisory fees to their investment advisors, such fees are therefore indirectly charged to all holders of mutual fund shares. Clients with mutual

funds in their portfolios are effectively paying us and the mutual fund advisor for the management of their assets. Clients who place mutual fund shares under our management are therefore subject to our direct management fee and the indirect management fee of the mutual fund advisor.

***Mutual Fund Internal Expenses:***

Internal advisory fees and expenses are paid by the mutual fund companies to their fund advisers, and/or sub account sponsors. These internal expenses are further outlined in the Fund Companies' Prospectuses. The program sponsor may act as broker in connection with mutual funds which are designated for management in the program and thus may receive additional compensation, separate from its Investment Advisory Program. We only receive a portion of the advisory fee and do not share in the revenue produced by mutual fund investments.

***General Information on Advisory Programs and Fees:***

All fees paid to us are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition, goals, and objectives. Accordingly, you should review both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to pay and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

We will not have custody of any your funds or securities, as a qualified and independent custodian will be used for these asset management services.

The Wrap Fee service may cost clients more or less than purchasing such services separately, depending on the frequency of trading in the client's accounts, commissions charged at other broker/dealers for similar products and fees charged for like services by other broker/dealers and other factors.

Under this Program, you will pay a single fee for investment advice and all transaction related costs associated with executing transactions (except for incidental costs such as wire fees or bank charges). The Wrap Fee also does not cover certain fees and expenses associated with investments in mutual funds, as discussed above. Other costs that may be assessed to you and that are not part of the Wrap Fee include fees for portfolio transactions executed away from Broker, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, among others.

We may receive compensation or other benefits in addition to the Wrap Fee we receive from you and, therefore, we may have an incentive to engage in such transactions. This compensation may be more than what you would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, we may have a financial incentive to recommend the Wrap Fee program over other programs or services.

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

We offer investment advisory services to individuals including high net worth individuals, pension and profit sharing plans, charitable organizations, and corporations.

There is a \$150,000 minimum account value. However, at our discretion this may be negotiable. We will charge a minimum annual fee of \$180 for any accounts under \$150,000.



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

Our role is not only as the Wrap Program sponsor but also as the portfolio manager. However, we may use outside portfolio managers. Our associated persons, providing investment advice to you under the Program, will be required to meet the specific state registration examination requirements, unless exempted, in order to provide such advice. Our selection process includes an extensive background review of each prospective portfolio manager. We scrutinize any prospective portfolio manager who may have a disciplinary history.

You may request that a specific portfolio manager to service your account, or if no Portfolio Manager is selected, and/or if the selected portfolio manager declines to service your account, subject to the client's approval, we may assign a portfolio manager to you. You may choose to request another portfolio manager to service your account or terminate your participation in the Program. You will be notified if your portfolio manager ceases their registration/employment with us. We may reassign your account to another portfolio manager who has agreed to manage your account under certain circumstances and/or at your request. In these circumstances, you will be notified of this change, and will be provided the opportunity to decline the assignment of the new portfolio manager.

It is our policy to always act in the best interests of our clients. However, a conflict of interest may exist since we are the Wrap Program's sole portfolio manager because we pay certain client trading costs from the fee that we charge. This may give us an incentive to make recommendations that cost us less, or to recommend fewer trades, regardless of the benefit to our client. Nevertheless, we feel that the cost of trading is not material enough to influence our investment recommendations, and we feel that the harm to our clients and our reputation far outweighs any potential cost savings.

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

We do not charge performance-based fees (i.e., advisory fees based on a share of the capital gains on or capital appreciation of the assets of a client). Our compensation structure is disclosed in detail in Item 4 above.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

#### **Methods of Analysis (Investment Process)**

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In determining the investment advice to give to you, we will employ fundamental, charting, and technical methods of investment analysis. The main sources of information we use are financial newspapers and magazines, inspections of corporate

activities, research materials prepared by others, corporate rating services, timing services, annual reports/prospectuses/filings with the Securities and Exchange Commission, and company press releases.

We will utilize a fundamental analysis in determining the investment advice to give to you in which we will analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets the clients' needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security. Charting is also called technical analysis, which is the study of market action, using charts, to forecast future price direction.

Technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

### **Investment Strategies (Ongoing Management)**

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Your investment portfolio will be tailored to help you accomplish your unique financial goals and objectives. After developing a thorough understanding of your risk tolerance and short and long-term goals, we will work together to create a customized investment portfolio specifically designed for you. Our investment strategies may also include short sales, margin transactions, and option strategies. Our IARs may actively trade option contracts or on margin for client's accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

You have the opportunity to place reasonable restrictions or constraints on the way your account is managed. However, such restrictions will impact the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

We will discuss and evaluate goals, risk tolerance, tax considerations and time horizon. We will then determine the asset allocation and recommend specific strategies and securities. We will establish the appropriate accounts, complete funding of accounts and execute initial portfolio trades. Finally, we will evaluate performance, provide ongoing due diligence of investment positions, rebalance portfolio and manage tax efficiency.

We provide advice on a variety of securities, including but not limited to, equities, bonds, commercial paper, certificates of deposit (CDs), and government bonds. The selection and use of these investment alternatives may depend on your financial situation. We will rebalance your portfolio periodically to control risk, take profits and enhance tax efficiency. We will reduce or eliminate positions due to lack of performance, to reduce concentrations in a security or sector of the market, to achieve certain tax benefits, to capture profits and to tactically re-allocate holdings.

### **Risk of Loss, Disclosures and other important information**

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There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear. Depending on the types of securities we invest in, you may face the following investment risks:

**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.

**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.

**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.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Margin and Use of Leverage:** We, with the client's consent, may open client accounts as margin accounts and if we elect to use margin, such use can magnify risk to client's

accounts. Use of margin should be discussed with your IAR. Separately managed accounts wishing to use margin are required to complete a margin agreement.

**Growth Style Risks:** Due to their relatively high valuations, growth stocks are typically more volatile than value stocks. Further, growth stocks may not pay dividends or may pay lower dividends than value stocks. This means they depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

**Value Style Risks:** Investments in value stocks are subject to the risk that their intrinsic values may never be realized by the market, that a stock judged to be undervalued may actually be appropriately priced, or that their prices may decline, even though in theory they are already undervalued. Value stocks can react differently to issuer, political, market and economic developments than the market as a whole and other types of stocks (e.g., growth stocks).

**Company Size Risks:** Generally, the smaller the market capitalization of a company, the fewer the number of shares traded daily, the less liquid its stock and the more volatile its price. Companies with smaller market capitalizations also tend to have unproven track records. These factors also increase risks and make these companies more likely to fail than companies with larger market capitalizations.

**Foreign Investing Risks:** Investments in foreign companies and markets carry a number of economic, financial and political considerations that are not associated with the U.S. markets and that could unfavorably affect account performance. Among those risks are greater price volatility; weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; fluctuations in foreign currency exchange rates and related conversion costs; adverse tax consequences; and settlement delays.

**Fixed Income Securities:** Client accounts with all or a portion of the underlying assets invested in fixed income securities and/or fixed-income based mutual funds are subject to the following risks:

**Interest Rate Risks:** Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

**Credit Risks:** Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, the value of a fixed income security may decrease and a fund holding securities of that issuer may lose money. Lower credit ratings

correspond to higher credit risk. Bonds rated BBB or Baa have speculative characteristics.

**Call Risks:** If the fixed income securities in which a fund invests are redeemed by the issuer before maturity (or “called”), the fund may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio’s overall yield. This will most likely happen when interest rates are declining.

**Liquidity Risks:** Liquidity risk refers to the possibility that an investor may not be able to sell or buy a security or close out an investment contract at a favorable price or time. Consequently, an investor, including a fund invested in fixed income securities, may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on investment performance. Infrequent trading of securities also may lead to an increase in their price volatility.

**Government Obligations Risks:** No assurance can be given that the United States government will provide financial support to United States government-sponsored agencies or instrumentalities where it is not obligated to do so by law. As a result, there is risk that these entities will default on a financial obligation.

**High Yield Securities Risks:** High yield securities tend to be more sensitive to economic conditions than are higher-rated securities and generally involve more credit risk than securities in the higher-rated categories. The risk of loss due to default by an issuer of high yield securities is significantly greater than issuers of higher-rated securities because such securities are generally unsecured and are often subordinated to other creditors. A fund may have difficulty disposing of certain high yield securities because there may be a thin trading market for such securities.

The above list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your IAR and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

### **Risks for All Forms of Analysis**

Our securities analysis methods depend on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we try to be alert to indications that data may be

incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

We attempt to select investment strategies that are appropriate for the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. While long-term purchases, ideally holding the securities in the account for a year or more, represent the typical investment strategy employed by advisers at the Company, we may utilize a variety of other investment strategies if we deem the strategy(ies) is in the client's best interest. Under certain circumstances and consistent with what we believe to be in the best interests for your account, we may engage in other investment tactics including: (i) short term purchases (securities sold within a year); (ii) selling securities within 30 days of purchases; and (iii) short sales. Strategies that involve frequent trading of securities can affect investment performance, particularly through increased brokerage and transaction costs and taxes. There is no guarantee that any strategy we utilize will be successful in meeting your investment objectives.

### **Voting Client Securities (i.e., Proxy Voting)**

#### **Proxy Voting**

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We do not have, nor will we accept authorization to vote client securities. We will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to you. You will receive their proxies or other solicitations directly from their custodian or a transfer agent. You should contact their custodian or a transfer agent with questions about a particular solicitation.

#### **Class Actions**

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From time to time, securities held in your portfolio may be the subject of class action litigation. The decision regarding whether to file a proof of claim in a class action settlement is a question involving legal judgment. We do not instruct or give advice to you on whether or not to participate as a member of class action lawsuits and will not automatically file claims on your behalf. If you request additional assistance, we will provide any transaction information pertaining to your account that may be helpful and/or needed in order for you or your custodian to file a proof of claim in a class action.

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

We have access to client information as our supervised persons act as the portfolio managers for the Wrap Fee program described in Item 4 above. Pursuant to applicable Federal and/or State Privacy Regulations, we are a financial institution that has determined to keep confidential non-public personal information about each our client.

We obtain the necessary information and review your financial situation and investment portfolio including your risk tolerance to determine and set the appropriate short and long-term investment goals, and objectives. We encourage that you notify us if there have been any changes in your financial situation or investment objective, or if you wish to impose any reasonable restrictions or modify any existing reasonable restrictions on the management of your account.

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

We have not placed any restrictions on your ability to contact and consult with your portfolio manager.



## Item 9 – Additional Information

### **Disciplinary Information**

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a relationship, or to continue a relationship with us.

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

#### **Financial Industry Activities**

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Neither we nor any of our management persons (except as disclosed below), registered, nor do we have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither we nor any of our management persons have any arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is under common control and ownership, i.e., a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

## **Our Financial Industry Activities and Affiliations**

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The Stratford Group, Inc. is an affiliate of JT Stratford and is licensed as an insurance agency with the Georgia Department of Insurance to sell accident & sickness, casualty, life, property, and variable insurance products. In addition, a number of the IARs either conducts insurance business through Colhoun, Robins, Davenport & Company, LLP (“CRD”) to sell Life, Variable Life & Variable Annuity, and Accident & Health or Sickness insurance products, or SFS Financial Inc. doing business as Benefit Resources, LLC (“Benefit Resources”) to sell Accident & Sickness, Casualty, Life and Property insurance products. CRD is licensed as an insurance agency with the North Carolina Department of Insurance, and Benefit Resources is licensed as an insurance agency with the Georgia Department of Insurance. Both entities are not affiliated with JT Stratford. These IARs are licensed to sell such insurance products through various companies. Appropriately licensed IARs will receive compensation for the sale of such products. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where you desire.

D. Todd Ferguson and several of our IARs are also registered representatives of Triad, a FINRA registered broker dealer and various regulatory agencies. We may also recommend other advisers to manage your assets. Any compensation arrangements or other business relationships between the advisory firms are described in detail in items 4 and 5 above.

Triad is also a licensed SEC investment adviser. Activities listed, and commissions earned are independent from and in addition to those of JT Stratford.

Triad is a wholly owned subsidiary of Ladenburg Thalmann Financial Services (LTFS). Ladenburg Thalmann Asset Management and Investacorp Advisory Services are SEC registered investment advisors and are wholly owned subsidiaries of LTFS. Triad is also affiliated with Ladenburg Thalmann & Co. (“LTCL”), and Investacorp, Inc. full service broker-dealers registered with the SEC, FINRA and various state regulatory agencies.

Certain of our associated persons are also licensed to sell life and annuity insurance products through various companies. See below for additional details.

The above affiliation may be considered material; however, we are not affiliated with Triad.

Certain IARs are also licensed to sell life and annuity insurance products through Triad Insurance, Inc. (a wholly owned subsidiary of Triad), and various other companies. Triad Insurance, Inc., as well as the appropriately licensed IARs, will receive compensation for the sale of such products. The client is under no obligation to

purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where the client desires.

We, through our relationship with Triad, have entered into an arrangement with Ash Brokerage, LLC ("Ash"), who is in the business of brokering transactions, (such transactions hereinafter referred to as "Life Settlements"), involving the sale of existing life insurance policies by the policy owner (hereinafter referred to as "Seller") to a funding entity. Ash will give Triad access to its Life Settlement methods practices, procedures, and materials related to its business. Triad desires to solicit applications for Life Settlements from prospective Sellers identified and contacted by Triad.

We shall refer to Ash Applicants who are interested in entering into Life Settlements. Each Applicant we refer, regarding Life Settlement services, shall complete and execute such documents as Ash may from time to time require for the purpose of facilitating Life Settlements. Further, in performing our obligations under this agreement, we shall comply with all rules, regulations, instructions, procedures and guidelines (collectively, the "Instructions") as may be amended from time to time in writing by Ash.

We shall (a) solicit the purchase of existing life insurance policies ("Policies") from appropriate Sellers, (b) with respect to any policy presented to Ash hereunder, promptly complete and deliver to Ash an application for brokerage of a Life Settlement (in the form prescribed by Ash) ("Application"), medical records, authorizations and such other information as Ash may require in connection with evaluating the Seller, his or her Policy and terms of a Life Settlement transaction, and (c) comply with the Instructions and complete such reasonable educational requirements as may be promulgated by Ash from time to time.

We will receive compensation for policies sold by Ash for each client exclusively referred by us to Ash. Commissions shall be earned only after a sale is closed, client receives his/her settlement payment, and all applicable rescission periods have expired.

In addition, we have entered into a Fixed Income Consulting Agreement ("Agreement") with a third-party, Fulcrum Point Financial, LLC ("Fulcrum"), for providing analysis to fixed income securities. Specifically, Fulcrum will provide support in monitoring and servicing of Fixed Income Portfolios held from time to time by our clients by reviewing your account and providing recommendations to us related to your Fixed Income Portfolios. Fulcrum will not employ investment discretion with respect to the Fixed Income Portfolios. Fulcrum will provide periodic updates and consult with us in determining which program model would be best suited for the Fixed Income Portfolios based on Fulcrum's understanding of our client's investment objectives, investment timeline and investment restrictions. To accomplish these services, our custodian, TD

Ameritrade and Fulcrum have entered into a Confidentiality Agreement in which Fulcrum will have access to interested party's Fixed Income Portfolios.

We have entered into a Consulting Agreement with a registered investment adviser ("consultant") to provide consulting for certain investment strategies. Specifically, the consultant will provide support in the recommending, monitoring and the analysis of equity and fixed income portfolios ("Portfolios"). Such services do not affect the fees paid by the client to JT Stratford. Details of our arrangement is available in the Consulting Agreement.

At least once a quarter, the consultant will provide JT Stratford with an update with respect to the Portfolios in order to discuss whether the Portfolios, or any program model in which such are invested, continue to conform to the requirements, restrictions, and objectives of our clients. We will continue to maintain discretionary authority with respect to the Portfolios.

### **Investment Adviser Relationships**

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We have developed programs, previously described in Items 4 and 5 of our Disclosure Brochure, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to Items 4 and 5 (or applicable Wrap Brochures) for full details regarding the programs and fees when we select other investment advisers. Because we receive a portion of the advisory fee from these third parties, our IARs have an incentive to recommend such advisors. However, we have developed and implemented policies and procedures to conduct due diligence on such advisors and to monitor client accounts for adherence to investment objectives that help mitigate any potential conflicts.

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

#### **Code of Ethics**

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The Code of Ethics adopted and implemented by JT Stratford applies to the activities of our Company. All employees of JT Stratford are subject to this Code of Ethics. In carrying on its daily affairs, JT Stratford and all of our supervised persons<sup>1</sup> shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by

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<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with applicable state and federal securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of JT Stratford, its affiliates or clients, might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of our clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

We will provide you a copy of our Code of Ethics upon request. To request a copy, you can contact us at the address or telephone number on the cover page of this brochure, Attn: Chief Compliance Officer.

### **Participation or Interest in Client Transactions and Personal Trading**

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Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where our personnel may buy and sell securities for themselves that is also recommended to clients. The policy requires all Access Persons to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for

compliance with the Code of Ethics. In the event that you request a copy of the Company's Code of Ethics, we will furnish a copy within a reasonable period of time to you at your current address of record.

Should the Company or its supervised persons buy or sell for themselves investment products that are also recommended to clients, the supervised persons should seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. In instances where the supervised person buys or sells the same securities as those of their clients, the clients' accounts are given priority. Records will be maintained of all securities or insurance products bought or sold by the Company, supervised persons or related entities. Such records will be available for inspection upon request.

Files of securities transactions effected for supervised persons of the Company will be maintained for review should there be a conflict of interest. The principal of the Company will review all securities transactions of our related persons to ensure no conflicts exist with client executions. To prevent conflicts of interest, all employees of the Company must comply with the firm's Written Supervisory Procedures, which impose restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Notwithstanding the above, our firm, and/or our officers, directors or employees may purchase or sell for themselves similar or different securities as are purchased or sold or recommended for our investment advisory clients, and different securities or transactions may be effected or recommended for different investment advisory clients of our firm.

We have created and implemented internal controls to monitor client account activity and proper allocation of investment opportunities, based on each client's stated investment objectives and risk tolerance, to address these conflicts.

We, or a related person, do not recommend to you, nor buy or sell for your accounts, securities in which we (or a related person) have a material financial interest. Additionally, we do not execute transactions on a principal or agency cross basis for equity transactions.

Pursuant to applicable Federal and/or State Privacy Regulations, we are a financial institution that has determined to keep confidential non-public personal information about each of our client. As discussed above, certain of our associated persons are registered representatives of our broker dealer. As a result of this relationship, as a broker dealer, we may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if

the client does not establish any account through our firm. Please contact our firm if you would like a copy of our Privacy Policy. A full copy of our Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of our Privacy Policy at any time and a copy will be furnished within a reasonable period of time to you at your current address of record.

We and the sub-advisor agree that all non-public records, information, and data relating to the business of the other, clients or Designated Portfolios (including, without limitation, any and all non-public, personal information regarding clients) that are exchanged or negotiated pursuant to the Sub-Advisory Agreement or in carrying out the agreement are, and shall remain, confidential and will not be disclosed to any third party without our consent.

## **Review of Accounts**

### **Account Reviews**

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*Reviews:* Accounts are reviewed at least annually. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Any third-party money manager to whom the IAR recommends for advisory services provides regular quarterly account report to you and the IAR. Reviews also consist of covering account holdings, transactions, charges, and performance as provided on such statements and other account reports. Reviews may cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by you. In either type of reviews, accounts will also be reviewed upon notice of changes in your circumstances.

*Reviewers:* Accounts are primarily reviewed by your IAR. In addition, our compliance program includes the periodic review of a sample of customer accounts for consistency with your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. There is no minimum number of accounts assigned for the reviewer.

### **Reports**

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You are provided with written monthly account statements from the custodian, depending on the activity in the account. Reports include details of your holdings, and other transaction information. We will also provide written quarterly reports which includes details of your holdings, asset allocation and other transaction information. Comparisons to market indices and account performance may be used to evaluate account performance in review with you.

## **Client Referrals and Other Compensation**

### **Client Referrals**

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We have a limited number of arrangements whereby from time to time we may compensate, either directly or indirectly, affiliated and/or unaffiliated persons for client referrals and/or service. Under such arrangements, we generally pay a percentage of the investment advisory fee payable to us by the client. This fee may vary according to each agreement. Clients referred to us will not be charged more than similarly-situated clients who were not referred to us. Clients referred to us by a Solicitor will receive a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. Referral arrangements are entered into in accordance with Advisers Act Rule 206(4)-3.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. Our Solicitors will disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with us. This creates a potential conflict of interest given that the Solicitor has a financial incentive to recommend our firm to you for advisory services. However, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. In addition, we have implemented a compliance program to monitor for such conflicts and our relationships with solicitors are periodically reviewed.

### **Other Compensation**

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Our associated persons, in their capacity as registered representatives of Triad, may receive commissions earned on securities transactions directed through same. Any such fee arrangements shall be fully disclosed to clients. In connection with the placement of client funds into investment companies, compensation may take the form of front-end sales charges, redemption fees and 12(b)-1 fees or a combination thereof. The prospectus for the investment company will give explicit detail as to the method and form of compensation.

### **TD Ameritrade Additional Services Program**

As disclosed under Item 12 above, we receive 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. We may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our



clients, although we receive economic benefits through our participation in the program. Specifically, the Additional Services with Orion includes the following products and services (provided without cost or at a discount): research related products and tools, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts), research, technology, and practice management products or services provided to us by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our clients. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. These benefits received by us, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

TD Ameritrade provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. We and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Our receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to its clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our receipt of Additional Services does not diminish its duty to act in the best interests of our clients, including to seek best execution of trades for client accounts.

Refer to Items 4 and 9, above for details of our compensation structure as well as any other compensation our IARs may receive.

**Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities or require or solicit prepayment of fees more than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.

## **Item 10 – Requirements for State-Registered Advisers**

We are an SEC registered investment adviser, so this section does not apply to us.