

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

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("ACWM")**

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Firm CRD# 157714**

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**This Wrap Fee Program Brochure provides information about the qualifications and business of Alexander Capital Wealth Management LLC ("ACWM"). This Brochure also describes ACWM wrap fee investment advisory plan (all the "Plan Programs") and contains information that should be considered before becoming a client of one of the Plan Programs. If you have any questions about the contents of this brochure, please contact us at 908-788-1799.**

**The Plan Programs may cost more or less than purchasing investment advisory, brokerage custodial services separately, depending upon the separate costs of such services and the trading a in the client's account.**

**Additional information about Alexander Capital Wealth Management LLC is also available SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**The information in this Brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.**

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment dated February 28, 2018, we have no material changes to report.

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## Item 4 Services, Fees, and Compensation

### Description of Firm

Alexander Capital Wealth Management, LLC ("ACWM") is a registered investment adviser primarily based in New York, NY. We were formed on January 23, 2012 and are organized as a limited liability company ("LLC") under the laws of the State of NY. We have been providing investment advisory services since 2014. We are registered to offer investment advisory services in New York, New Jersey and Washington. The firm's principal owners are Rocco Guidici Pietro and Joseph Amato.

As used in this brochure, the words "we," "our," and "us" refer to Alexander Capital Wealth Management LLC. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person in this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer portfolio management services through a selection of wrap-fee programs ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor and investment adviser for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### Client Investment Process

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions, and over the commission rates to be paid. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading

authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### **Programs Offered**

We currently offer two platforms through which our clients can engage in a Program.

#### *RBC Capital Markets Advisor Program - Envestnet | Placemark*

We are a sponsor of Envestnet | Placemark, a wrap fee program offered by RBC Capital Markets, LLC ("RBCAP"), Member NYSE/FINRA/SIPC, and a SEC registered investment adviser. Envestnet | Placemark is a discretionary wrap fee program providing investment advisory services, custody, execution, and clearing services for one inclusive fee. These services are all included in the stated investment management fee. We will assist you in establishing an Envestnet | Placemark account. A complete description of the Envestnet | Placemark investment services and related fees are described in the firm's Wrap Fee Brochure, which will be presented to each client prior to or at the time an Envestnet | Placemark account is established. Additional information about RBCAP is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) by searching the firm's Central Registration Depository ("CRD") number: 31194. All brokerage transactions in this program will be processed by RBCAP. At no time will we have possession or act as custodian of client accounts.

#### *RBC Capital Markets Advisor Program*

We are a sponsor of RBC Capital Markets Advisor Program (RBCCMAP), a wrap fee program offered by RBC Capital Markets, LLC ("RBCAP"), Member NYSE/FINRA/SIPC, and a SEC registered investment adviser. RBCCMAP is a discretionary wrap fee program providing investment advisory services, custody, execution, and clearing services for one inclusive fee. These services are all included in the stated investment management fee. We will assist you in establishing a RBCCMAP account. A complete description of the RBCCMAP investment services and related fees are described in the firm's Wrap Fee Brochure, which will be presented to each client prior to or at the time an Envestnet | Placemark account is established. Additional information about RBCAP is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) by searching the firm's Central Registration Depository ("CRD") number: 31194. All brokerage transactions in this program will be processed by RBCAP. At no time will we have possession or act as custodian of client accounts.

#### *Morning Star Managed Portfolios*

We are a sponsor of Morning Star Managed Portfolios ("MSMP"), a wrap fee program offered by Morning Star Investment Services, Inc. ("MSIS"), Member NYSE/FINRA/SIPC, and a SEC registered investment adviser. MSMP is a discretionary wrap fee program providing investment advisory services, custody, execution, and clearing services for one inclusive fee. These services are all included in the stated investment management fee. We will assist you in establishing a MSMP account. A complete description of the MSMP investment services and related fees are described in the firm's Wrap Fee Brochure, which will be presented to each client prior to or at the time an MSMP account is established. Additional information about MSIS is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) by searching the firm's Central Registration Depository ("CRD") number: 112525. All brokerage transactions in this program will be processed by MSIS. Assets managed within MSMP are held at Bank of New York Mellon. At no time will we have possession or act as custodian of client accounts.

### **The Program Fee**

The annual management fee charged for wrap fee programs will be negotiated with each client. Fees range from 0.25% - 2.00% on assets under management of which either *Envestnet* | *Placemark* or *Morning Star Managed Portfolios* will receive a percentage. The calculation of the fee is based on the value of your assets being managed as determined by *Envestnet* | *Placemark* or *Morning Star Managed Portfolios*. The percentage received by *Envestnet* | *Placemark* or *Morning Star Managed Portfolios* will not increase the overall fee paid by you on the account. The initial fee for each wrap fee program is calculated on a prorated basis based on the number of days in the billing period. Ongoing fees are calculated on a quarterly basis by *Envestnet* | *Placemark* or *Morning Star Managed Portfolios*, are charged in advance and are automatically deducted from the client's account, as authorized by the client in writing; alternatively, clients may choose to receive direct billing. There is no minimum fee for investing on the *Envestnet* | *Placemark* platform; however, *Morning Star Managed Portfolios* requires a minimum fee of \$200 for certain portfolios.

Our annual portfolio management fee is billed and payable quarterly in advance based on the account balance at end of billing period. Our advisory fee is negotiable, depending on individual client circumstances.

In some cases, we may charge a fixed fee for portfolio management. Fixed fees will be negotiable, agreed upon and documented in our advisory agreement with the client.

As a client, you should be aware that the wrap fee charged by our firm may be higher (or lower) than those charged by others in the industry, and that it may be possible to obtain the same or similar services from other firms at lower (or higher) rates. A client may be able to obtain some or all of the types of services available through our firm's wrap fee program on an individual basis through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower or higher than the annual fees shown above.

You have the ability to cancel your agreement with us, without penalty, within five (5) business days of entering into the agreement.

### **Changes in Your Financial Circumstances**

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

### **Withdrawal of Assets**

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement upon days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

## Wrap Fee Program Disclosures

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

## Additional Fees and Expenses

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

## Brokerage Practices

If you participate in the *Envestnet | Placemark* or *Morning Star Managed Portfolios* programs, you will be required to open a brokerage account with a qualified custodian that has a relationship with *Envestnet | Placemark* or *Morning Star Managed Portfolios*, respectively. *Envestnet | Placemark* and *Morning Star Managed Portfolios* maintain relationships with several broker/dealers and qualified custodians. Since the approved custodians are dictated by *Envestnet | Placemark* or *Morning Star Managed Portfolios* and not our firm you will be required to use one of their custodians. We will not be able to offer our advisory services under a wrap fee program to you if you wish to use a custodian not included on *Envestnet | Placemark* or *Morning Star Managed Portfolios* approved list.

We believe that the respective broker dealers used by the *Envestnet | Placemark* or *Morning Star Managed Portfolios* Programs provide quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

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

We offer investment advisory services to individuals, including high net worth individuals.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

**Item 6 Portfolio Manager Selection and Evaluation**

We are the sponsor of the Program. Portfolio managers are selected for participation in the Program by a documented due diligence review that we conduct, or by using information resulting from a due diligence review conducted by a third party. Where we receive information from a third party, we rely on the third party's recommendations and generally include the recommended portfolio manager in the Program. The information reviewed covers, for example, qualifications, investment philosophies, and past performance of the portfolio manager. We do not independently verify and cannot guarantee the accuracy of the information received, including performance information, from a third party or any other source. Your investment adviser representative will assist you in the selection of investments and managers that are suitable for your specific investment needs.

On an ongoing basis, either our firm or an independent third party will review the manager(s) participating in the Program to determine whether they should continue to participate in the Program. We make no representation regarding the performance of any investment strategy, or security, recommended by any portfolio manager participating in the Program. Past performance is not a guarantee of future performance.

**Performance-Based Fees and Side-by-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.



**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

## **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of

the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

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

In order to provide the Program services, we will share your private information with your account custodian RBC Capital Markets, and various broker dealers. We may also provide your private information to mutual fund companies and/or private managers as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

### **Privacy Notice**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

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

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account. You should contact your advisory representative with respect to changes in your investment objectives, risk tolerance, or requested restrictions placed on the management of your Program assets.

## **Item 9 Additional Information**

### **Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ACWM.

Management personnel have the following reportable disciplinary events to disclose for John Columbia

Management personnel have the following reportable disciplinary events to disclose for Rocco Guidici Pietro:

Mr. Rocco Guidici Pietro, December 20, 2006: While employed at a broker-dealer J.P. Turner & Company LLC (Docket/Case# E072003011203) the NASD fined Mr. Guidici Pietro \$113,035 and suspended him for 30 days in 2007. Mr. Guidici Pietro engaged in a private placement offering of interest through means of an offering memorandum that was false and misleading. Specifically, among other things, the offering memorandum failed to disclose that the respondent would personally receive substantial commission for all transactions effected and misrepresented the investment philosophy and trading strategy to be employed in the account, as well as attendant risks. Although, not one of the three accredited investors filed a complaint, all three investors signed an affidavit that they were aware of the commissions being paid, and all three investors profited from their participation.

In 2014 (FINRA Docket/Case#14-03184 filed 10/21/2014 settled in 02/01/2016 for \$60,000. While employed at J.P. Turner & Company LLC claimants alleged churning, unsuitability, unauthorized trading, fraud, breach of fiduciary duty and breach of contract. Alleged damages of \$1,000,000. Mr. Guidici Pietro denies the allegations. The case was settled for \$60,000.00 without his consent by JP Turner & Company.

In 2014 (Docket/Case#14-02186/filed 09/13/2014) arbitration: claimant alleges unauthorized purchases & sales of securities. Alleged compensatory damage amount \$520,326. This matter is currently in FINRA Arbitration. Mr. Guidici Pietro categorically denies any wrong doing. "The allegations are wholly and fully erroneous and slanderous. I have contacted legal counsel and will fight this defamatory, malicious allegation with full vim and vigor."

While employed at another broker-dealer in 2012, was responsible for the supervision of Registered Representatives. At that time a customer complaint was filed against one of the RR's (Docket/Case# 11-02452) that reported into Mr. Guidici Pietro. It was alleged that Mr. Guidici Pietro failed to supervise this Registered Representatives. The Firm settled for \$635,000.00 but no action was taken concerning Mr. Guidici Pietro.

While employed at another broker-dealer in 2010 (Docket/Case#13-03103/filed 11/13/2013) arbitration: claimant alleges churning, unsuitable investments, common law fraud, breach of fiduciary duty and breach of contract. Alleged compensatory damage amount \$1,500,000. The brokerage firm settled for \$450,000. Mr. Guidici Pietro did not contribute any monies to the settlement. Mr. Guidici Pietro categorically denies any wrong doing.

December 28, 2016, the state of Montana initiated a civil and administrative penalty(ies)/fine(s) with restitution against Mr. Guidici Pietro for failure to supervise. Docket/Case # SEC-2016-106 (PENDING).

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

### **Licensed Insurance Agents**

Investment adviser representatives of our firm serve as separately licensed insurance agents and, as such, are involved with the sale and servicing of life and health insurance products on behalf of various insurance providers. If a client elects to purchase insurance products through representatives associated with us, these individuals will be compensated by the provider on a commission basis. Agents offering insurance products will endeavor to offer such products outside of trading hours to minimize conflicts of interest to our clients.

### **Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Alexander Capital L.P., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

### **Arrangements with Affiliated Entities**

We are affiliated with Alexander Capital, L.P. through common control and ownership. The affiliate is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Persons providing investment advice on behalf of our firm are also registered representatives with our affiliate broker dealer. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

We are affiliated with, Alexander Capital Management Company, and Alexander Capital Ventures fund through common control and ownership. The Alexander Capital Ventures fund is a private equity fund. The fund is sold through selling agreements with broker dealers or directly through the fund. Registered Representatives of our affiliate broker dealer will receive commission-based compensation in connection with the purchase of the fund. Additionally, affiliate owners of the Alexander Capital Management Company and Alexander Capital Ventures fund may receive profits from such transactions.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

### **Recommendation of Other Advisers**

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s).

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Neither our firm nor any persons associated with our firm have any material interest in recommended securities.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Block Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Review of Accounts**

Your investment adviser, along with Scotty George, Chief Investment Strategist, will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will not provide you with additional or regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

## **Client Referrals (Non-Employees)**

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive either a one-time fixed referral fee at the time you enter into an advisory agreement with our firm or a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Client Referrals (Employees)**

We have entered into contractual arrangements with an employee of our firm, under which the individual receives compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation is a percentage of the advisory fee you pay our firm for as long as you

are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation is contingent upon you entering into an advisory agreement with our firm. Therefore, the individual has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Participants in this wrap program will not pay any portion of the transaction costs in addition to the program fee. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions or securities beyond the provision of investment advisory services as disclosed in this brochure. Neither our firm nor any persons associated with our firm have any material interest in recommended securities.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.



Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

### **Financial Information**

We are not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1200 in fees six months or more in advance of services rendered;

- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Furthermore, we do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts. Therefore, we are not required to include a financial statement with this brochure.

09/20/2016 Docket/Case #: 16-27137. Mr. Ross Bevevino filed for Chapter 13 Bankruptcy. Mr. Bevevino states, "Chapter 13 Bankruptcy was filed due to litigation with my former employer and failure to settle a contract dispute".