

**FORM ADV Uniform Application for Investment Adviser Registration  
Part 2A: Investment Adviser Brochure and Brochure Supplements  
Item 1: Cover Page**

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**Firm CRD# 157714**

**March 25, 2019**

***This brochure provides information about the qualifications and business practices of Alexander Capital Wealth Management LLC ("ACWM") and its supervised personnel. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.***

***The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.***

***Additional information about the firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **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 our last annual updating amendment dated February 28, 2018, we have made the following material changes.

We have amended Item 5, Fees and Compensation, to include fixed fees for portfolio management services as an alternative to fees based on assets under management. Fixed fees are negotiable and will be agreed upon and documented in the client contract.

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## Item 4 Advisory Business

### 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, Texas, Arkansas, and Washington. The firm's principal owners are Rocco Guidici Pietro and Joseph Amato.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. 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.

### Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

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

We may also offer non-discretionary portfolio management services. 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.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

### Wrap Fee Programs

We are a sponsor of wrap fee programs, which are a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. 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. In providing these account management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in your account.

#### *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 an 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.

#### **Selection of Other Advisers**

We may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

## **Capital Markets and Mergers & Acquisitions Advisory**

We offer certain institutional clients and issuers capital markets and M&A advisory services on a contract basis. The services we provided include, but are not limited to, rendering strategic advice relating to various aspects of the acquisition and sale of companies and assets such as business valuation, negotiation, pricing and structuring of transactions, as well as procedure and implementation. Services performed are done so on a fee-only basis which varies depending on the particular needs of our clients and the scope of services to be provided. Because our broker-dealer affiliate, Alexander Capital, LP may engage in the investment banking efforts of certain of these clients, a potential conflict of interest could arise for certain transactions. Such scenarios are subject to various disclosure requirements.

## **Types of Investments**

We offer advice on equity securities, corporate debt securities, municipal securities, mutual fund shares, United States government securities, options contracts on securities, hedge funds, money market funds and ETFs.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

## **Assets Under Management**

As of January 1, 2019, we provide continuous management services for \$30,375,577 in client assets on a discretionary basis and \$0 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our annual fee for portfolio management services varies between 0.25% - 2.00% depending upon the market value of your assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. Initial fees are calculated on a prorated basis based on the number of days in the billing period. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. The value of the assets under management is calculated by the custodian firm.

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.

Annual portfolio management fees are billed and payable quarterly in advance, based on the balance at end of billing period. You have the option of paying advisory fees by direct deduction or by direct billing.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

You may terminate the portfolio management agreement upon verbal or written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management 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. You may cancel your advisory contract within 5 business days of entering the contract with no penalty. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Wrap Fee Programs**

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*, *RBC Capital Markets Advisor Program* or *Morning Star Managed Portfolios* ("Managers") will receive a percentage. The calculation of the fee is based on the value of your assets being managed as determined by the Manager. The percentage received by the Manager 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 the Manager, 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. Please see *Appendix 1 Wrap Fee Brochure* for fee information. There is no minimum fee for investing on the *Envestnet | Placemark* or *RBC Capital Markets Advisor Program* platforms; however, *Morning Star Managed Portfolios* requires a minimum fee of \$200 for certain portfolios.

### **Selection of Other Advisers**

Our recommendations to use third party money managers are included in our portfolio management fee. We do not charge you a separate fee for the selection of other advisers nor will we share in the advisory fee you pay directly to the TPMM. Advisory fees that you pay to the TPMM are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure for information on its fees and services.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory 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. We endeavor to use the least expensive share classes as available on the custodian platform.

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. Product fees and other mutual fund expenses are disclosed in the mutual fund prospectus, you should read this document carefully prior to investing. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm may be 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.

## **Item 6 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 a 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 in the *Fees and Compensation* section 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.

However, we may recommend a non-affiliated hedge fund whose investment manager charges performance fees. You should read the hedge funds offering documents for information regarding the fees charged by any hedge fund that you may invest in.

## **Item 7 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 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Mr. Scotty C. George, our Chief Investment Strategist has developed methods of analysis including fundamental and technical analysis. He may use our own analysis or third-party research to identify attractive investment opportunities. Through analysis, we seek to identify companies that appear to be attractive based on cash flows, earnings or growth potential of assets.

Your investment in securities and other investments may be affected by general economic conditions such as prevailing economic growth, inflation and interest rates. Investing in securities involves risk of loss that you should be prepared to bear.

Our investment philosophy is derived from a proprietary technical analysis that is combined with a fundamental analysis, resulting in an asset allocation model, comprised of stocks, bonds, cash and other securities. The discipline focuses on low risk/low beta asset allocation strategies reflecting both domestic and global markets efficiencies. Above all, asset allocation is adjusted to reflect sector and macro momentum indices, including interest rate directional changes, earnings, earnings velocity and currency risk.

We focus our discipline around one primary tenet: asset allocation is of greater significance to portfolio accretion than any individual security within that portfolio. Using computer models and proprietary market research evaluation, we identify intensity of market volatility and specific sector valuations to create low risk investment scenario models. After the macro levels are established, we structure a top-down investment approach using bonds, cash, large and mid-cap equities evaluated upon a fundamental and technical review. Stocks selected must fit into carefully screened patterns of earnings growth and price appreciation. Additionally, our sell discipline is extremely rigid. If an equity or bond meets the anticipated price appreciation potential, or if market factors create a change in a security's relative valuation, we control portfolio liability by executing a sell order. Our asset evaluation is similarly reflected in our fixed income portfolio structure. During periods of declining rates, we attempt to maximize income and capital gains potential by identifying the optimal combination of yield



and value within maturity scales. During rising interest rate periods, we shorten maturities to increase liquidity levels for future investment considerations. Historically, we have found that bond portfolios serve to buttress equity returns and averages between short and intermediate term maturities.

### **Our Methods of Analysis and Investment Strategies**

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** - employs the use of statistical models and quantitative methodologies to evaluate performance and value over a specified period of time. Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients, and may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. 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.

**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** - is a general assessment based upon various factors including sale price, asset value, market structure, and history. We will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. 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.

**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. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on investment model portfolios and strategies developed by the third party money managers and their portfolio managers. We may replace/recommend replacing a third party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **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 First-In First-Out ("FIFO") 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 a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

### **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.

### **Recommendation of Particular Types of Securities**

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.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its underlying index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Options Contracts:** Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

## Item 9 Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser.

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

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.

## Item 10 Other Financial Industry Activities and Affiliations

The firm maintains a fiduciary obligation to place its clients' interests first. However, clients should be aware that the receipt of additional compensation itself can create a conflict of interest, and may affect the judgment of this individual when making investment recommendations. In order to properly handle such potential conflicts of interest, the firm has adopted a Code of Ethics. Please see Item 11 (below) for further discussion related to the firm's Code of Ethics.

### Licensed Insurance Agents

Investment adviser representatives of our firm may 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

Certain 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. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are 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 Insurance Agency. Clients can engage Alexander Capital to effect insurance transactions on a commission basis. The recommendation that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products. Clients are reminded that they may purchase insurance products recommended by Alexander Capital through other, non-affiliated insurance agents.

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 affiliated 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). Refer to the *Advisory Business* section above for additional disclosures on this topic.

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

### **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.

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.

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

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

### **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"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

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.

## **Item 12 Brokerage Practices**

We maintain relationships with several broker-dealers. Please refer to *Item. 4 Advisory Business* for a discussion of firms used for the execution of trades. While you are free to choose any broker-dealer or other service provider as your custodian, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Wrap Fee Programs**

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.



## **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.

## **Directed Brokerage**

Persons providing investment advice on behalf of our firm who are registered representatives of Alexander Capital L.P. may recommend Alexander Capital L.P. to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from Alexander Capital L.P. unless Alexander Capital L.P. provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through Alexander Capital L.P. It may be the case that Alexander Capital L.P. charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Alexander Capital L.P., these individuals (in their separate capacities as registered representatives of Alexander Capital L.P.) may earn commission-based compensation as result of placing the recommended securities transactions through Alexander Capital L.P.. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use Alexander Capital L.P., we may not be able to accept your account. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

## **Block Trades**

We may combine multiple orders for shares of the same securities purchased for discretionary 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. Generally, non-wrap accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. If you participate in our wrap fee program described above, you will not pay any portion of the transaction costs in addition to the program fee. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. 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 do not block trade 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.

## **Item 13 Review of Accounts**

Your investment adviser or delegated person 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). Please contact us immediately with any questions or concerns you may have regarding these statements.

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

As disclosed under the *Fees and Compensation* section in this brochure, 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. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We may 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. We will ensure that Solicitors are registered or exempt from registration as an investment adviser or investment adviser representative prior to conducting business with the Solicitor. 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.

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.

## **Item 15 Custody**

We do not directly debit advisory fees from your account and we do not exercise custody over your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact your custodian directly.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

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 18 Financial Information**

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, the firm does not require the payment of more than \$500 in fees six months or more in advance or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.