



**CASTLEVIEW**  
— PARTNERS —

# **Castlevue Partners, LLC**

## **Part 2A of FORM ADV: Firm Brochure**

**December 31, 2018**

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This brochure provides information about the qualifications and business practices of Castlevue Partners, LLC (“Castlevue” or “Castlevue Partners”). If you have any questions about the content of this brochure, please contact us at the phone number above. Castlevue Partners, LLC is registered with the United States Securities and Exchange Commission (“SEC”) as an Investment Adviser; however, such registration is not intended to imply a certain level of skill or training. This Brochure has not been approved by the SEC or by any state securities body or regulatory authority.

Additional information about Castlevue Partners, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using our unique identifying number 281410, known as a CRD number.



## **ITEM 2 – MATERIAL CHANGES**

Below is a summary of any material changes that were made in the adviser's current Brochure since its last Brochure filing.

Since the last filing of the Castlevue Partners' Brochure, the firm has made material amendments to:

## **ITEM 4: ADVISORY BUSINESS**

THE FOLLOWING INDIVIDUALS JOINED CASTLE PARTNERS AS OWNERS / PRINCIPALS AND ARE BASED AT OUR HEADQUARTERS IN DALLAS, TEXAS.

LAWRENCE C HELLER – CHIEF INVESTMENT OFFICER

BRITON M CHAMBERLAIN – CHIEF COMPLIANCE OFFICER

DAVID M FAJARDO – DIRECTOR OF CAPITAL MARKETS

CASTLEVIEW PARTNERS LAUNCHED THE "ALPHAPORT" PLATFORM, A TURNKEY ASSET MANAGEMENT PROGRAM. THIS TECHNOLOGY PLATFORM DELIVERS A CLOUD-BASED PRACTICE MANAGEMENT SYSTEM AND MODEL PORTFOLIO MARKETPLACE FOR OTHER INVESTMENT ADVISORY FIRMS.



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## **ITEM 4 - ADVISORY BUSINESS**

Castlevue Partners, LLC ("Castlevue") is registered with the Securities and Exchange Commission ("SEC") as a Registered Investment Adviser ("RIA") with its principal place of business located in Dallas, Texas. Castlevue began conducting business in October 2015. Castlevue is majority owned by Gill Capital Management, Inc. Douglas Gill is the sole owner of Gill Capital Management, Inc. The other four principals with management influence are Umberto Perez, Lawrence Heller, Briton Chamberlain and David Fajardo.

### **DIRECT ADVISORY SERVICES**

Castlevue Partners' main investment advisory business is to manage the investment portfolios of individuals, high-net-worth individuals, corporations, non-profits, and retirement plans. Castlevue's investment advisory services are tailored to the individual needs of its Clients and are based on the Client's goals, investment objectives, time horizon and risk tolerance. In this capacity, Castlevue Partners and our Investment Advisor Representative (IAR) act as fiduciaries to the Client, always acting in the best interest of the Client.

Castlevue Partners offers the following investment advisory services through its IARs:

#### **1) ADVISOR DIRECTED MANAGED ACCOUNTS**

IARs provide continuous investment advice to Clients regarding the investment of Clients' portfolio holdings based on the individual needs of each Client. The IAR and the Client discuss the Client's particular financial circumstances and then establish goals, investment objectives, time horizons and risk tolerance. The IAR also reviews and discusses the Client's prior investment experience, in an effort to properly complete the Risk Tolerance Questionnaire ("RTQ") and develop a personalized Investment Policy Statement ("IPS"), both of which are utilized to manage the Client's portfolio.

An Advisor Directed Managed Account is one in which the account and the selected investments are managed by the IAR. The IAR conducts research, assesses prevailing economic and market conditions, weighs the Client's objectives, and then makes investment decisions as to securities to be bought and sold and the timing of such purchases and sales within the Client portfolio of holdings on a discretionary basis.

IARs will utilize a variety of investments including, but not limited to: stocks, bonds, open and closed end mutual funds, no-load or load waived mutual funds, Unit Investment Trusts ("UITs"), Exchange Traded Funds ("ETFs"), and derivative instruments such as index and stock options, Certificates of Deposit ("CDs"), non-traded alternative asset class holdings, such as Limited Partnerships, Business Development Corporations, and Real Estate Investment Trusts.



## CASTLEVIEW — PARTNERS —

Because each type of investment holding or security involves a varying degree of risk, a particular security, and the associated weighting to that security, will only be selected when it is determined to be consistent with and fit into the overall strategy for achieving the Client's stated goals, investment objectives, risk tolerance, time horizon and liquidity needs.

The Client may impose reasonable restrictions on investing in certain securities, types of securities, companies and/or industry sectors. However, Castleview and IAR will refuse to accept or to continue management of the account or program, if Castleview and IAR determine that such restrictions imposed by the Client cannot be honored. If the Client refuses to modify or withdraw such restrictions after the IAR has notified the Client that the restrictions cannot be honored and has given the Client an opportunity to withdraw or modify the restrictions, then an account will not be opened or, in the case of an existing account, the account will be closed. Castleview and IAR will no longer be responsible for providing investment advice and implementing investment decisions to manage the account and the Investment Advisory Fee will cease. At that time, the account will become a non-discretionary, commission-based retail brokerage account, with each transaction being charged a commission and each transaction being initiated by the Client.

### **2) THIRD PARTY MONEY MANAGER ACCOUNTS**

Upon gathering information about a Client's financial circumstances, investment objectives, risk tolerance and other data, an IAR of Castleview will assist the Client in selecting a particular Third-Party Money Manager (TPMM) to deliver an investment model (strategy) or manage a separate account for the Client. IARs utilize multiple factors in selecting a prudent TPMM to recommend to a Client, including but not limited to performance, investment objectives and fees. These factors are considered in relation to the Client specific goals and objectives to help determine suitability of the TPMM. Clients referred to a TPMM for the management of a separate account are directed to the disclosure documents and separate written agreements of the TPMM for more complete information regarding the terms and conditions of the relationship between the Client and the TPMM. When a Client engages a TPMM recommended by IAR, the IAR does not directly manage that portion of the Client's portfolio assets and is not involved in selecting the securities to be bought and sold, or the timing of same. The day-to-day portfolio management decisions are provided by the TPMM, and then executed by Castleview at the custodian of the account or executed directly by the TPMM if managed in a separate account.

In the event it is recommended that a Client use multiple TPMMs, each TPMM will have differing minimum account requirements as well as a variety of fee ranges. If a Client uses a TPMM in a separate account, IARs will periodically review the Client's financial situation, objectives, and restrictions and communicate relevant information to the TPMM, and will assist the Client in



understanding and evaluating the services provided by the TPMM. Some TPMs maintain their own separate execution, clearing and custodial relationships.

If the IAR determines that a selected TPMM is not managing the Client's portfolio in a manner consistent with the Client's IPS and investment objectives, or if the financial situation of the Client changes, the IAR will recommend a different TPM.

If the IAR recommends the use of one of the strategies managed internally by Castleview Partners, a conflict of interest may arise because Castleview will benefit from earning an additional fee above the advisory fees to manage the Castleview investment model to which client funds are allocated.

### **3) COMBINED ADVISOR DIRECTED AND MONEY MANAGER MODEL ACCOUNTS**

In some cases, a Client account will be managed as a blend of Advisor Directed and TPMM Models in which there are both selected investments managed by the IAR and allocations to models that are managed by the TPMM in one single account.

### **4) FINANCIAL PLANNING**

Some IARs of Castleview provide financial planning services. Fees may be charged as a flat dollar amount or an hourly fee. Financial planning is a comprehensive evaluation, using assumptions and analysis of a Client's current and future financial situation and needs, using variable data such as current and future income, expenses, investment growth and performance, cash flows, asset values and withdrawal plans. Through the financial planning process, questions, information and analysis are considered as to how they may impact the current and future financial situation of the Client. To prepare a financial plan or analysis, the IAR gathers information from the Client through personal interviews. Information may include the Client's tax status, current assets and liabilities, expenses, investment portfolio, future goals, investment return expectations and attitudes towards risk. The financial plan or analysis is provided to help the Client make informed decisions with their financial resources toward the achieve their financial goals and objectives.

In general, the financial plan or analysis may address any or all of the following areas: Asset Allocation, Education Planning, Estate Planning, Financial, Insurance Needs, Retirement Planning, and Business Retirement Planning.

The financial plan or analysis will not always contain specific recommendations by the IAR to purchase or sell specific securities. But when investment recommendations are included, It is entirely up to the Client whether or not to implement the recommendations made by the IAR in



the financial plan or analysis through the IAR or elsewhere. The services provided in the Financial Planning Agreement terminate upon the delivery of the financial plan or analysis to the Client.

If the Client chooses to implement the recommendations made by the IAR based on the financial plan, the IAR will then recommend specific investments. To the extent that the IAR makes specific investment recommendations to the Client, the IAR may also be acting as a registered representative of a Broker Dealer. The IAR is limited to soliciting, offering and selling only those investments approved through their Broker Dealer. This may create a conflict of interest, as the IAR may be compensated for recommending specific investments in addition to the financial planning fee already received. Similarly, insurance product recommendations will be limited to the insurance companies that the IAR is appointed with as a licensed insurance agent or broker.

Castleview Partners both sponsors and provides investment management services through a wrap fee program called the Multiple Strategy Portfolio Program. Regardless of whether an account is Advisor Directed or utilizes TPMMs, as described above, there is no difference in how accounts are managed between the wrap and non-wrap format. Accounts in our wrap program have the cost of custody / execution (whether transaction-based or asset-based) included in the overall "wrap fees" charged to the account, and as such Castleview receives a portion of the overall wrap fees charged on such accounts.

See Item 5 of this brochure for additional information on Wrap Program Fees.

#### **PLATFORM SERVICES – AlphaPort**

In addition to the Direct Advisory Services detailed above, Castleview provides advisory, sub-advisory and operational support services to other investment advisory firms ("RIA Clients") through the AlphaPort platform. AlphaPort provides RIA Clients with a cloud-based practice management system and a model marketplace with access to model portfolios and strategies of Third-Party Money Managers ("TPMMs").

Designed to be an end-to-end solution for advisory firms, the AlphaPort platform delivers a comprehensive suite of administrative, operational and trading services to RIA Clients. AlphaPort's open architecture is custodian agnostic and customizable/scalable to the specific business needs of each RIA Client. AlphaPort can be engaged as a practice management system administered and operated by their own internal staff, can choose to have Castleview's AlphaPort Service Team provide account administration and operational support services, or can select a combination thereof.

RIA Clients will utilize the models provided by the TPMMs through AlphaPort for the allocation of their client ("End Clients") portfolios and/or offer RIA Advisor Directed services in which the RIA Client's internal investment professionals work individually with the End Clients. The RIA Client's financial professionals provide the specific advice concerning the selection of TPMMs, separately managed accounts, ETFs or mutual funds that are available on AlphaPort. RIA Clients are responsible for ensuring



that their financial professionals provide regular and ongoing contact with End Clients, allowing End Clients the opportunity to update and changes to their financial or personal profiles. RIA Client financial professionals are responsible for informing Castleview of any restrictions which End Clients may wish to impose regarding the management of their accounts. The RIA Clients retain sole responsibility for determining whether a TPMM's or RIA Advisor Directed portfolio or strategy is suitable and appropriate for the End Clients. Castleview reserves the right to cancel services if it is not able to accommodate the restrictions requested by End Client.

TPMMs available on AlphaPort are either internally-sourced by Castleview or added at the request of an RIA Client. Castleview will perform initial and ongoing due-diligence on internally-sourced TPMMs and such TPMMs will be made available to RIA Clients. RIA Clients that request to have specific TPMMs added to AlphaPort bear all responsibility for the due diligence of requested TPMMs and the related suitability for End Clients. Such TPMMs are not endorsed by Castleview and are only made available to the requesting RIA Client. In the event Castleview desires to make the models of an RIA Client-requested TPMM available to other RIA Clients, Castleview will conduct its own due diligence process prior to making such TPMM available. Castleview reserves the right to add or remove TPMMs from the AlphaPort platform at its sole discretion. TPMMs provide trade signals to Castleview through AlphaPort for Castleview to facilitate trades in the End Client accounts.

Castleview's internal IARs utilize the AlphaPort Platform for Client portfolio management and administration. While AlphaPort is designed and intended to provide efficiency to our overall advisory practice, and Castleview Clients incur no additional cost as a result of our use of AlphaPort, Clients should consider it when evaluating Castleview due to the resources and human capital required for its operation.

## **ASSETS UNDER MANAGEMENT**

As of December 31, 2018, Castleview had approximately \$594,436,731 in total assets, of which \$268,677,898 constitute Regulatory Assets Under Management ("RAUM") and \$325,758,833 represent Assets Under Advisement ("AUA") for RIA Clients of the AlphaPort platform. Castleview's RAUM consists of \$221,652,539 managed on a discretionary basis and \$47,075,359 managed on a non-discretionary basis. Client assets are managed on a discretionary basis, unless otherwise indicated in writing in the Client Management Agreement.

## **ITEM 5 - FEES AND COMPENSATION**

### **DIRECT ADVISORY SERVICES**

Investment Advisory Fees charged by Castleview are based on a percentage of assets under management and charged quarterly by debiting the Investment Advisory Fees from Client accounts, as specified and





further explained below. The Investment Advisory Fee will range from .50% to 1.75%, annually. In situations where a Client wishes to maintain a particular securities position or positions within an Investment Advisory Account, referred to as a Protected Position(s), the market value of the Protected Position(s) is assessed the Advisory Fee described below. Under no circumstances will Castlevue require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Castlevue has established the Investment Advisory Fee schedule in this Brochure to create a framework of understanding for prospective Clients. The actual fee a Client is ultimately assessed for services provided is negotiable and reviewed on a Client by Client basis. The Investment Advisory Fee is based on a number of factors including, but not limited to, the complexity of the Client's situation, amount of assets to be managed, anticipated future additional assets, related accounts, portfolio style, account holdings, manager selection, time involved, and the Client's particular circumstances. The Client's specific annual fee schedule is delivered in writing in the Client Management Agreement between Castlevue and the Client. That schedule will be complete with a definition of terms and calculations and will specify what portfolio costs are and are not included in the fee.

The following fee schedule covers the Advisory Fee, which is the compensation that goes to your advisor (also referred to as IAR) and includes the cost of the Castlevue back-office administrative services. The Value column provides for Clients to combine the value of all accounts into a household aggregate amount to achieve a break-point of lower fee rates. Not included in this fee schedule is the cost of TPMM model strategies or Castlevue model strategies. The fee for the investment models is detailed later in this brochure. Investment Advisory Fees charged by other investment advisers may be similar to, more, or less than the fees assessed by Castlevue.

#### MAXIMUM ANNUAL ADVISORY FEE SCHEDULE

<u>Managed Account Portfolio Value</u>	<u>Fee Percentage</u>
\$0 - \$500,000	1.75%
\$500,001 - \$1,000,000	1.50%
\$1,000,001 - \$5,000,000	1.25%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 and above	Negotiable

Model Management Fees for investment models (strategies) developed and managed internally at Castlevue Partners are based on a percentage of assets under management allocated to the model and charged quarterly. Model Management Fees range from .00% to 1.00% annually based on the model selected and are negotiated based on the total relationship with the Client, but typically fall between .20% to .50% annually.



Model Management Fees for investment models (strategies) provided by TPMMs are based on a percentage of assets under management allocated to the model and charged quarterly. Model Management Fees for TPMMs range from .60% to 1.00% annually based on the model selected.

The cost of investment advisory and model management services provided through Castlevue Partners may be more or less than the cost of purchasing similar services separately. For example, an unmanaged direct investment in a mutual fund, ETF or variable annuity sub-account would be less expensive than participation in an advisory account, because the Client would not bear the Castlevue Partners' Investment Advisory Fee nor the Model Management Fee. There is no assurance that paying an model management fee for a model strategy will yield better performance than simply buying and holding the same underlying position(s) held by a model. Variable annuity accounts may be subject to transaction costs in connection with portfolio rebalancing as provided in the Prospectus delivered to the Client by the variable annuity issuer. Such costs, if incurred, would be in addition to the Castlevue Partners Investment Advisory Fee.

#### **FEE CALCULATION BASIS**

Clients pay an Investment Advisory Fee for advisory services rendered by their IAR and the firm and, in most cases, a Model Management Fee for model strategies. The value figure used in the fee calculation is the average daily balance computed at the close of business each trading day. In computing the Average Daily Balance in the account, shares of any mutual funds shall be valued at their respective net asset value as calculated on the valuation date in accordance with each fund's prospectus. The value for stocks, bonds, options and other securities is the closing price provided by custodians and/or reputable pricing services. Valuation for fee calculation purposes shall not be deemed a guarantee of any kind with respect to the marketability/liquidation value of those assets.

#### **ARREARS BILLING EXPLAINED**

The arrears billing method means that Clients pay for advisory services after the services have been rendered by their IAR and Castlevue. Each account will incur a Total Account Fee comprised of the combined sum of the Advisory Fees and the Model Management Fees. Billing periods are based on the calendar quarter. The first partial billing period will be the actual number of days from the inception of the account to the end of the calendar quarter. All subsequent billing periods will be based on the total number of days in the calendar quarter. The Total Account Fee is calculated by multiplying the account's Average Daily Balance by the applicable Annual Advisory Fee weighted for the number of days in the quarter divided by 365, and then adding any Model Management Fees which are calculated by multiplying the Annual Model Fee by the percentage weighting of the account's allocation to the model.



The calculated Total Account Fee will be deducted from Client's account within the first 2 weeks after the commencement of the new billing period.

#### **ADVANCE BILLING EXPLAINED**

The advance billing method means that Clients pay for advisory services prior to the services being rendered by their IAR and Castleview. Each account will incur a Total Account Fee comprised of the combined sum of the Advisory Fees and the Model Management Fees. Billing periods are based on the calendar quarter. The inception billing will occur immediately following the end of the inception month. The inception billing is calculated by multiplying the starting value by the applicable Advisory Fee rate for the number of days remaining in the calendar quarter divided by 365. For all subsequent full quarters, the billing is calculated by multiplying the Average Daily Balance of the previous calendar quarter by the applicable annual Advisory Fee weighted for the number of days in the forward quarter divided by 365, and then adding any Model Management Fees, which are calculated by multiplying the similarly calculated Model Management Fee by the percentage weighting of the account's allocation to the model.

The calculated Total Fee will be deducted from Client's account during the first week after the commencement of the next billing period.

#### **AUTHORITY**

Client hereby authorizes Castleview Partners to charge Client's account automatically for all Account Fees payable with respect to the account. The quarterly Account Fees will be deducted from Client's account within 2 weeks after the commencement of each calendar quarter. Client shall be responsible for verifying the accuracy of any fee calculation and acknowledges that custodian will not determine whether the computation performed by Castleview is correct. The amount of Castleview fees debited can be found on the custodian account statements.

#### **EMBEDDED OPERATING EXPENSES**

Any mutual funds, exchange-traded funds (ETFs), or variable annuity sub-accounts included in accounts bear their own internal operating expenses. Such internal expenses are in addition to the fees paid to Castleview Partners and the Client's individual IAR. Information on the amount and calculation of expenses for each of the mutual funds and ETFs is set forth in the fund's prospectus and periodic reports provided by the fund to the Client. Information concerning the amount and calculation of expenses of each variable annuity sub-account and any other expenses assessed by each variable annuity issuer are contained in the prospectus delivered to the Client by the variable annuity issuer.

#### **CUSTODIAL, BROKERAGE AND OTHER TRANSACTION COSTS**



The custodian selected for the account will custody (hold) the account assets, execute trades in the account and provide other account related services. The custodian will charge fees and/or commissions for their services ("Custodial Charges"). If a Wrap Fee Approach is selected (described below), the annual Advisory Fee will include the cost of basic custody services, meaning Castleview covers this expense from the total fee it assesses Clients. If the Client selects a non-wrap fee arrangement with Castleview, then the Custodial Charges will be assessed to the Client account in one of two ways:

#### **1. TRANSACTION BASED PRICING METHOD**

With this selection, the Custodial Charges related to trading within the account are charged by the custodian in the form of per ticket, or per trade, when a buy or sell transaction is executed. Thus, the more active the trading, the more this method will cost the Client. These ticket charges differ among custodians and information specific to a custodian, including a commission schedule, can be obtained from the IAR. This expense is separate from, and does not include, the investment advisory fee charged by Castleview.

#### **2. ASSET BASED PRICING METHOD**

With this selection, the investment advisory account is charged a flat annual basis point fee on chargeable asset value held in the account, with no additional Custodial Charges for each buy or sell transaction executed. Thus, the less active the trading, the more inefficient this method is relative to paying per ticket commissions. The fee is assessed on the average daily balance of the chargeable assets. This expense is separate from, and does not include, the investment advisory fee charged by Castleview.

Transaction based pricing may be beneficial if the trading activity in the account is infrequent. If the trading activity becomes frequent and remains so, transaction-based pricing may be less cost effective than asset-based pricing. The rates for transaction-based and asset-based vary among custodian firms and will be disclosed in detail in separate documentation at the time of contracting. You should consult with your IAR to discuss the best option for your circumstances.

#### **WRAP FEE APPROACH**

A Wrap Fee Program is an investment advisory program in which Client pays one fee for both investment advisory services and the cost for trading in the account. The "wrap fee" is not based directly upon the actual transaction or execution costs for the transactions within the account(s). Depending on the underlying investments within the Program and how much actual trading activity occurs, participants in wrap fee programs could pay more or less than if they elected to subscribe to a non-wrap fee program and pay for transactions costs separately.



Whether the Program subscribed to is a Wrap Fee Program or whether the fee for services is not wrapped and transaction charges are assessed separately to Client, the program type is stipulated in the Acceptance of Terms, which is made a part of the final Client Management Agreement.

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 a client, the client should compare the fees and any other costs 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 by Castleview. You should consult with your Investment Advisor Representative to discuss the best option for your circumstances. If Wrap Fee is elected, a separate disclosure document will be delivered.

See Item 12 of this brochure for information on the Firm's Brokerage Practice.

#### **TERMINATION OF THE CLIENT MANAGEMENT AGREEMENT**

The Client Management Agreement may be cancelled at any time by either party for any reason without penalty. Termination by the Client is effective upon receipt of written notice to Castleview unless a later date is requested in the notice by the Client and agreed to by Castleview. Termination by Castleview is effective thirty (30) days from the date of the written notice to the Client unless a later date is stated in the notice. Client may terminate the agreement within five business days of signing the Client Management Agreement.

Upon termination of an account, any pre-paid, unearned fees will be promptly refunded back to the Client. In calculating a Client's reimbursement of fees, Castleview will prorate the amount owed according to the number of days remaining in the billing period.

Proper notice of termination is very important. If the Client does not provide proper written notice of termination under the Agreement, but instead moves the custodial account or otherwise disables Castleview authority on the custodial account without notice, trade errors can likely result, and the Client will be financially responsible for these errors.

#### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Castleview Partners does not charge performance-based fees, nor does it have any supervised persons who manage accounts that charges such fees. The Client's Advisory Fee is assessed on the value of the Client's account, not the performance of the account.



## **ITEM 7 - TYPES OF CLIENTS**

Castleview Partners generally provides investment advisory services to individuals, including high net worth individuals, for both taxable and retirement assets. To a lesser extent, it may also provide services to pension and profit sharing plans, charitable organizations, and corporations or business entities.

## **ITEM 8 - METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODS OF ANALYSIS**

Each IAR affiliated with Castleview Partners selects from a variety of sources from which they obtain information and data concerning securities, which they use to formulate their individual investment strategies. The main information sources include, but are not limited to:

- Financial programs and financial websites;
- Financial newspapers and magazines;
- Research materials prepared by others;
- Timing services;
- Annual reports, prospectuses, filings with the SEC; and/or
- Company press releases.

The IARs may use charting, fundamental and/or technical analysis methods to formulate the investment advice that they give to their Clients. Clients are advised to become familiar with the sources of information used by their IAR and to ask any questions that they may have regarding those information sources.

### **INVESTMENT STRATEGIES**

Investment strategies used by IARs affiliated with Castleview Partners may include, but are not limited to:

- Asset Allocation with rebalancing;
- Capital Preservation;
- Active Trading;
- Interest or Dividend Income;
- Margin transactions;
- Options trading;
- Hedging.



Prior to investing, Clients should ensure that they fully understand and agree with the investment strategy proposed by their IAR.

## **RISK OF LOSS**

### **GENERAL RISK**

Investing in securities involves risk of loss that the Client should be prepared to bear. Castleview Partners does not represent or guarantee that it can predict future results, successfully identify market tops or bottoms, or insulate Client from losses due to market corrections or declines. The prices of, and the income generated by, equities and other securities held in the portfolio may decline in response to certain events taking place around the world, including those directly involving the issuers whose securities are owned. Conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency fluctuations, interest rate changes, inflation, and commodity price fluctuations are all risk factors.

Castleview Partners cannot offer any guarantees or promises that the Client's financial goals and objectives will be met. Past performance is in no way an indication of future performance. The value of a Client's assets will be subject to a variety of factors, such as the liquidity and volatility of the securities markets. Portfolio transactions may give rise to tax liability, for which the Client is responsible.

### **ASSET ALLOCATION RISK**

Asset allocation risk is the risk that a Client's assets may be allocated to an asset class that underperforms other asset classes. For example, fixed-income securities may underperform equities. Accordingly, asset allocation risk will be influenced by the allocation among equities, fixed income and money market funds.

### **INVESTMENT AND MARKET RISK**

Recommendations are subject to investment risk, including the possible loss of the entire principal amount invested. A recommendation to invest in securities and other instruments may also involve market risk, which is the risk that the value of these positions, like other investments, may move up or down, sometimes rapidly and unpredictably. Recommended investments at any point in time may be worth less than the original investment, even after taking into account any reinvestment of distributions.



## **ITEM 9 - DISCIPLINARY INFORMATION**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to Client's evaluation of the Registered Investment Adviser or the integrity of its management. Neither Castleview Partners, nor its owners, nor its management have been involved in any criminal, legal, or disciplinary events that would have a negative material impact on a Client's evaluation of Castleview Partners' advisory business or reflect negatively on the integrity of management.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As discussed above under Item 4 - Advisory Services, Castleview operates the AlphaPort Platform providing administrative and operational support services to other investment advisory firms. Please see Item 4 for additional details.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

Castleview Partners' Code of Ethics sets forth a standard of business conduct that is expected to be followed by all of its employees. Castleview employees must uphold high standards of ethical conduct in their relationships with Clients, each other, Castleview management, vendors, and the public. Castleview Partners' Code of Ethics details such items as Conflicts of Interest, Protection of Nonpublic Personal Information, Personal Securities Trading, Reporting of Violations, Recordkeeping Requirements, Outside Business Activities, Gifts and Gratuities, and Privacy Considerations to ensure that each employee understands what is expected of them from a regulatory and ethical perspective. Material violations of such laws, rules, regulations or any part of the Code of Ethics will result in disciplinary action up to and including termination of any association with Castleview Partners and notification of such violation to the appropriate regulatory authority. Please note that a copy of the Code of Ethics is available to Clients upon request at no cost.

### **PERSONAL TRADING**

From time to time, IARs, Castleview management, or related persons, will buy and sell the same securities that are going to be, or have already been, bought or sold for Client accounts. Transactions for the IAR, or a related person, could be effected at or about the same time they are effected for a Client's





account. Because of this, a conflict of interest could arise, in that it is possible for the IAR or a related person to place their order ahead of a Client's order and, as a result, get a better price than the Client. While Castleview Partners does allow its IARs to invest in the same securities that Clients buy and sell, it does not allow orders to be placed ahead of Clients. Systematically trading ahead of Clients is known as front-running and is strictly prohibited. Doing so could put the Client at a disadvantage and would be a violation of Castleview Partners' fiduciary duty to the Client. It is important for Clients to understand that IARs or other related persons might be placing trades on the opposite side of the market from the Client due to differences in short-term investment objectives of those persons involved.

## **ITEM 12 - BROKERAGE PRACTICES**

### **GENERAL PRACTICES**

We will arrange for the execution of securities transactions for client accounts through brokers or dealers that we reasonably believe will provide best execution. In selecting a broker or dealer, we will consider, among other things, the broker or dealer's execution capabilities, the reputation of the broker or dealer and the broker or dealer's access to the markets for the securities being traded.

Castleview Partners considers factors such as execution speed, reliability, cost, quality of trade execution, and the availability of services and products when selecting broker-dealers to execute Client transactions. The rate that a Client pays for such services may be higher than the rate available at other brokerage firms. Castleview Partners believes the benefits and features of recommended brokerage firms are of sufficient value to warrant a Client paying a potentially higher transaction cost than could be achieved at other such firms. Put simply, price is not the sole, or even most important, factor when selecting where a Client trade is executed. Generally, we will seek competitive commission rates, but will not necessarily attempt to obtain the lowest possible commission for transactions for the account.

Our decisions to purchase or sell securities for our Client accounts are based on the specific investment objectives, guidelines, restrictions and circumstances of each account. We attempt to allocate, to the extent operationally and otherwise practical, investment opportunities to each Client over a period of time on a fair and equitable basis relative to our other Clients.

In the event a trade error results in a capital gain to Castleview in excess of \$100, the gain will be donated to a 501(c)(3) organization of Castleview's choosing, currently the Wounded Warrior Project, subject to change without prior notification.

From time to time, recommended broker-dealers may refer Clients to Castleview Partners. Such referrals could provide an incentive for Castleview to engage their execution services; however, these potential



referrals are not material in size or volume and would not negatively influence the level of care towards Clients' accounts.

In most cases, transactions will be executed through a broker-dealer that also serves as the custodian of the Client's funds.

### **INSTITUTIONAL ADVISOR PROGRAMS**

Castleview participates in the institutional advisor programs (each referred to as "Program") offered by TD Ameritrade Institutional and Charles Schwab Advisor Services. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member, and Schwab Advisor Services (Schwab) is a business segment of The Charles Schwab Corporation, serving advisors through Charles Schwab & Co., Inc, FINRA Member, also an unaffiliated company to Castleview. TD Ameritrade and Schwab offer to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Castleview receives some benefits from TD Ameritrade and Schwab through its participation in these Programs.

As disclosed above, Castleview participates in the advisor programs, and Castleview may recommend TD Ameritrade or Schwab to Clients for custody and brokerage services. There is no direct link between Castleview participation in the Programs and the investment advice it gives to its Clients, although Castleview receives economic benefits through its participation in the Programs that are typically not available to TD Ameritrade or Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Castleview by third party vendors. TD Ameritrade or Schwab may also have paid for business consulting and professional services received by Castleview related persons. Some of the products and services made available by TD Ameritrade and Schwab through these Programs benefits Castleview but may not benefit its Client accounts directly. These products or services may assist Castleview in managing and administering Client accounts, including accounts not maintained at TD Ameritrade or Schwab. Other services made available by TD Ameritrade and Schwab are intended to help Castleview manage and further develop its business enterprise. The benefits received by Castleview or its personnel through participation in these Programs do not depend on the amount of brokerage transactions directed to TD Ameritrade or Schwab. However, Castleview and/or its



Advisors do benefit financially from transition assistance these firms make available, which can take the form of cash payment, loans, or administrative support, so Castleview and/or its Advisors might have an incentive to maintain Client assets at these firms over some other firm not offering transition assistance. As part of its fiduciary duties to clients, Castleview endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Castleview or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Castleview's choice of TD Ameritrade, Schwab, or RJFS for custody and brokerage services.

The SEC recently changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as soft dollars. Although the additional services we receive from the Schwab and TD Ameritrade described above would fall under this description of soft dollars, Castleview does not participate in soft dollar arrangements with either of these firms.

In limited cases, Castleview might recommend the use of RBC Advisor Services or National Financial Services for custody services for accounts involving non-standard assets or for accounts owned by U.S. residents living abroad, resident aliens, or certain types of corporate entities.

## **SOFT DOLLARS**

Castleview has entered into a Commission Agreement under which, from time to time, a portion of the commissions associated with certain Client securities transactions are used to acquire research products and services from other broker/dealers or a designated third party. This is commonly referred to as paying for those products or services with so called "soft dollars." Because such products and services provide a benefit to Castleview, this creates a potential conflict of interest in the allocation of Client brokerage. Castleview could receive benefits by selecting this particular broker/dealer to execute Client transactions, and the transaction fees charged by that broker/dealer might not be the lowest fees Castleview might have otherwise been able to negotiate on such transactions. The research products and services made available through these soft-dollar arrangements include economic surveys, data, and analyses; financial publications; company or industry specific information; and other products and services (such as computer services and equipment, including hardware, software & data) that provide assistance to Castleview in the performance of its investment management responsibilities. Such products and services are used in the general decision-making process of our investment management services, and not just for those accounts whose trading commissions were actually used as soft dollars for payment of the provided products and services. Castleview's use of soft dollars is intended to be done in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. As such, Castleview has determined, based on the various factors described herein, that the commissions to be paid under such arrangement are reasonable in relation to the value of all the brokerage and research products and services provided.



In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker, who did not provide research products or services, might charge.

## **TRADING PROCEDURES**

We employ the following trading procedures in connection with discretionary accounts:

- When we believe it is desirable, appropriate and feasible to purchase or sell the same security for a number of our advisory Clients at the same time, when possible, we aggregate clients' orders in what is commonly known as a block order that seeks to obtain more favorable executions, in terms of the price at which the security is purchased or sold, and/or the efficiency of the processing of the transactions. All Client accounts participating in a block trade at a given custodian are allocated shares at the same average price.
- When it is not possible to process the trade on a block basis, trades are processed on a rotating basis, so as not to systematically advantage or disadvantage any particular Client or group of Clients.
- Although we will place aggregated trades on an average price or rotating basis as described above, there is no assurance that the actual execution of the block trades by the various custodians will occur in the manner established by us.
- Once a block trade is completed for clients holding assets at a particular custodian, allocation instructions are then provided to the custodian. The trade allocation process takes place on as timely a basis as possible, either as an order is completed in full, or, in the case of a partially-executed block order, at the market's close when the average price can be calculated.
- If the block order is not fully executed by the end of the trading day, allocation of the partially filled order will be completed on a pro-rata basis, unless it is not practical to do so. Any deviation from a pro-rata process will be performed in a fair and equitable method and the reason for the allocation method used is documented in writing no later than on the trading day following the day the order is executed.

In the case of accounts over which we do not exercise investment discretion, trades for the Client's account will not be executed at the same time as block trades for the discretionary Client accounts and, as a result, will not be executed at the same average price as our discretionary accounts.



### **ITEM 13 - REVIEW OF ACCOUNTS**

IARs will offer to meet with Clients no less frequently than annually to review Client's account(s) and personal financial circumstances. Each calendar month or quarter, Clients will receive a statement from the custodian of the Client's account, listing all activity that has occurred during the quarter. Additionally, quarterly performance reports from Castleview Partners showing how the Client's investments have performed will be made available online. The IAR and/or Castleview home office personnel will be available during normal business hours to answer Client's questions regarding activity and performance.

### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

From time to time, Castleview Partners may pay a referral fee to a person or entity that is not supervised by our firm for introducing Clients. Such fees will be paid pursuant to SEC Rule 206(4)-3 regarding cash solicitation arrangements. The amount of the fee will be a percentage of the total fee paid to manage the Client's account. In no case would the Client fee be marked-up in order to pay referral compensation.

There is no direct link between Castleview's participation in the programs offered through custodian broker-dealers and the investment advice it gives to its Clients.

Some of the Castleview Partners Investment Advisor Representatives are registered representatives with a broker-dealer or appointed insurance agents with one or more insurance companies. These affiliations, although related to their work as an IAR of Castleview, are considered by the firm to be an outside business activity. There is no requirement for Castleview clients to implement recommended transactions through the IAR in this outside capacity. Moreover, clients of Castleview should be aware that the IAR will receive additional compensation from one of these affiliations related to such transaction that introduces the possibility of a conflict of interest. Clients are encouraged to obtain detailed information from their IAR regarding commission compensation related to the purchase of insurance products and investment in financial products outside of Castleview.

### **ITEM 15 – CUSTODY**

Neither Castleview Partners nor any of its affiliates will have custody of the assets in the Client's account. An unaffiliated custodian will be recommended by the IAR and one will be selected by the Client. The custodian will send an account statement on at least a quarterly basis which will itemize each of the current investment positions and all transactions that have occurred in the Client's account. Castleview Partners will also prepare a quarterly performance statement. The Client is advised to compare the two statements each quarter. In the event of a discrepancy, the custodian's statement will prevail as the



official accounting record. Any discrepancies, errors, or questions should be brought to the attention of the Client's IAR immediately.

#### **ITEM 16 - INVESTMENT DISCRETION**

The Client will grant investment discretion by signing a Client Management Agreement and through the custodian account documentation. The Client Management Agreement will make reference to an Investment Policy Statement ("IPS") which will be presented to the Client by the IAR describing the investment parameters. If the Client wishes to make changes to this discretion, it must be done in writing.

#### **ITEM 17 - VOTING CLIENT SECURITIES**

Castleview Partners will not vote proxies on behalf of Clients. Clients are instructed to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Clients who own shares of common stock or mutual funds are responsible for exercising their right to vote as shareholders. Clients are free to contact their IAR to discuss pending votes.

#### **ITEM 18 – FINANCIAL INFORMATION**

Neither Castleview Partners nor its management has any adverse financial situations that would be expected to reasonably impair the ability of Castleview Partners to meet all obligations to its Clients. Neither Castleview Partners nor any of its principals has been subject to a bankruptcy or financial compromise. Castleview Partners is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.