



**We Are One Seven, LLC  
d/b/a: One Seven**

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**March 28, 2019**

**FORM ADV PART 2A  
BROCHURE**

This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of We Are One Seven, LLC ("One Seven" or the "Advisor"). Certain Advisory Persons of One Seven may also conduct business under the "doing business as" or dba name Everglades Parkland Advisors or Carey Dittoe Wealth Management. If you have any questions about the contents of this Disclosure Brochure, please contact us at (216) 865-1700.

One Seven is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through One Seven to assist you in determining whether to retain the Advisor.

Additional information about One Seven and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 283087.

## Item 2 Summary of Material Changes

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about Advisory Persons of One Seven.

One Seven believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. One Seven encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

Since our last annual updating amendment, dated March 29, 2018, we have made the following materials changes to our Form ADV:

- Item 4 - Certain Advisory Persons of One Seven may also conduct business under the "doing business as" or dba name Everglades Parkland Advisors or Carey Dittoe Wealth Management.
- Items 5 and 10 - International Assets Advisory, LLC ("IAA") was added as one of the broker-dealers that Advisory Persons of the Advisor may have an affiliation.
- Item 10 - An Advisory Person of the Advisor, in his separate capacity, also serves as a portfolio manager and principal officer of a private investment fund called the Everglades Global Opportunities Fund LP (the "Fund"). Please see Item 10.
- Item 12 - The Advisor may also recommend that Clients establish accounts at Charles Schwab & Co., Inc. ("Schwab").
- Item 12 - The Advisor may also recommend that Clients establish accounts at Raymond James Financial Services, Inc. ("Raymond James").

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of One Seven.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 283087. You may also request a copy of this Disclosure Brochure, by contacting us at (216) 865-1700.

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## Item 4 Advisory Business

### A. Firm Information

We Are One Seven, LLC ("One Seven" or the "Advisor") is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"), which is organized as a Limited Liability Company ("LLC") under the laws of the State of Ohio. One Seven was founded in June 2016, and is owned by Ronald S. Gross, Paul J. Orchosky, and Richard J. Gross, Todd M. Resnick, Stuart A. Gertman, Bruce B. Greenwald and Michael P. Mawby. Certain Advisory Persons of One Seven also conduct business under the "doing business as" or dba name Everglades Parkland Advisors or Carey Dittoe Wealth Management.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by One Seven. You may contact Todd M. Resnick, the Advisor's Chief Compliance Officer ("CCO"). Mr. Resnick can be reached at (216) 865-1700 with questions relating to this Disclosure Brochure.

### B. Advisory Services Offered

One Seven offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, retirement plans and other types of investors (each referred to as a "Client").

#### Investment Management Services

One Seven primarily provides discretionary investment management services to its Clients. Based on the needs of each Client, the Advisor will develop a portfolio that is primarily constructed with diversified mutual funds, exchange-traded funds ("ETFs"), individual stocks and/or individual fixed income securities. The Advisor may also utilize other types of investments, as necessary, to meet the needs of a particular Client, including but not limited to REITS, Options, structured products, variable annuities and variable insurance.

One Seven's investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. One Seven will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

One Seven evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. One Seven recommends, on occasion, redistributing investment allocations to diversify the portfolio. One Seven as deemed appropriate, recommends specific positions to increase sector or asset class weightings and recommends employing cash positions as a possible hedge against market movement. One Seven, as deemed appropriate recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, over valuation or over weighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

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 reasonable restrictions and guidelines in writing.

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

One Seven provides investment management and related advisory services. One Seven generally does not accept or maintain custody of a Client's funds or securities. Client assets will be managed within their designated account[s] at the third party Custodian, pursuant to the Client investment advisory agreement. For additional information, please see Item 12 - Brokerage Practices and Item 15 - Custody.

#### Use of Independent Managers

One Seven, as deemed appropriate, recommends that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively "Independent Managers"). Independent Managers may be sourced directly or accessed through an investment management platform. One Seven serves as the Client's primary advisor and relationship manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. One Seven will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. One Seven will continue to provide oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties.

The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties.

The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Form ADV Part 2A (or a brochure that makes the appropriate disclosures) of those parties. **One Seven does not receive any compensation from these Independent Managers or Investment Platforms, other than One Seven's investment advisory fee (described in Item 5).**

#### Financial Planning Services

One Seven will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, insurance needs, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. One Seven may also refer Clients to an accountant, attorney or other specialist, as appropriate for their

unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Educational Seminars

One Seven provides educational seminars for a fee.

#### Leverage

When requested by clients, One Seven assists clients in working with outside institutions to obtain loans through pledged borrowing. We do not get paid directly for this service. However, the leverage allows accounts for which we provide investment advisory services to retain a larger balance than if assets were withdrawn to pay directly for the goods and services the loan is used for. This presents a potential conflict of interest as we get paid for assets under management and have an incentive to recommend the use of pledged borrowing in place of withdrawal of assets. See Item 8 for leverage risk.

### **C. Client Account Management**

Prior to engaging One Seven to provide investment advisory services, each Client is required to enter into one or more agreement(s) with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. Services we offer include:

- Establishing Investment Strategy - One Seven, in connection with the Client, develops a strategy designed to meet the Client's investment goals and objectives.
- Asset Allocation - One Seven develops a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction - One Seven develops a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision - One Seven provides investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

For some Clients, One Seven includes the securities transaction fees together with investment advisory fees to provide the Client with a single, bundled fee structure. This combination of fees is typically referred to as a "Wrap Fee Program." One Seven customizes its investment management services for Clients. This Wrap Fee Program is described in the Appendix 1 (Wrap Fee Program Brochure) to this Disclosure Brochure. One Seven may also recommend the implementation of investment management through Unaffiliated Manager[s] and Investment Platform[s], which may deliver services through a wrap fee structure. Please see Appendix 1.

## **E. Assets Under Management**

As of December 31, 2018, we provide continuous management services for \$501,515,565 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements with the Advisor that detail the responsibilities of One Seven and the Client.

### **A. Fees for Advisory Services**

#### Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees range from 0.25% to 1.50% annually, depending on the size and complexity of the Client relationship and the services to be provided. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions, inclusion of securities transaction fees and other complexities may be charged a higher fee.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by One Seven are independently valued by the Custodian.

You may terminate the investment management agreement upon written notice to our Firm. 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. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

#### Use of Independent Managers

For Clients account[s] implemented through an Independent Manager, the Client's overall fees will include One Seven's investment advisory fee (as noted above) plus advisory fees and/or platform fees charged by the Independent Manager[s], as applicable. The Independent Manager may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. In such instances, One Seven will not charge its fee separately on those assets.

When you contract separately with independent managers, you may terminate your advisory relationship with the Independent Manager according to the terms of your agreement with the Independent Manager. You should review each Independent Manager's brochure for specific information on how you may terminate your advisory relationship with the Independent Manager and how you may receive a refund, if applicable. You should contact the Independent Manager directly for questions regarding your advisory agreement with the Independent Manager.

#### Retirement Plan Advisory Services

Retirement plan advisory fees are paid either quarterly or monthly, in advance of each period, pursuant to the terms of the retirement plan advisory agreement. Fees are charged at an annual rate of up to 1.00%, based on the market value of assets in the Plan at the end of the prior quarterly or monthly period.



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

#### Financial Planning Services

One Seven offers financial planning services on either an hourly or fixed fee basis, depending on the scope of the engagement. Hourly fees are charged at a rate of up to \$300 per hour. Fixed fee engagements are generally based on the expected effort and duration of the engagement. The Advisor may also offer its services on an annual retainer, paid quarterly, in advance of each calendar quarter. Financial planning fees are negotiable at the sole discretion of the Advisor and the Advisory Person performing the services. An estimate for total hours or costs will be provided to the Client prior engaging for services.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Investment Management Service.

You may terminate the Financial Planning services through written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a pro-rated fee based on services performed prior to termination of the financial planning agreement.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Educational Seminars

We provide educational seminars for a fee. Fees collected are used to cover the cost of the venue and any remaining balance is donated to charity.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees will be calculated by the Advisor or its designee and deducted from the Client account[s] at the Custodian. The Advisor or its designee shall send an invoice to the Custodian indicating the amount of the fees to be deducted from each Client account at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with One Seven at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting One Seven to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Use of Independent Managers

Client account[s] implemented through Independent Manager[s] will be billed in accordance to the separate agreement[s] with the respective parties. These parties will typically add One Seven's investment advisory fee and deduct the overall fee from the Client's account[s].



#### Retirement Plan Advisory Services

Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement. Financial Planning Services Financial planning fees may be invoiced up to fifty percent (50%) upon execution of the financial planning agreement, with the balance due upon receipt of the agreed upon deliverable[s]. For ongoing planning retainers, fees are billed in advance of each quarter. Clients may be offered to pay by check or deduction from their account[s].

#### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than One Seven, in connection with investments made on behalf of the Client's account[s]. One Seven may include securities transactions costs as part of its overall advisory fees through the One Seven Wrap Fee Program. Please see Item 4.D. above.

In addition, all fees paid to One Seven for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of One Seven, but would not receive the services provided by One Seven which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by One Seven to fully understand the total fees to be paid.

#### **D. Advance Payment of Fees and Termination**

##### Investment Management and Retirement Plan Advisory Services

One Seven is compensated for its services in advance of the period in which advisory services are rendered. Either party may terminate the advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for advisory fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid advisory fees from the effective date of termination to the end of the period. The Client's advisory agreement with the Advisor is non-transferable without the Client's written approval.

##### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. One Seven will assist the Client with the termination and transition as appropriate.

##### Financial Planning Services

One Seven may be partially compensated for its services in advance of rendering financial planning services. Either party may terminate a planning or consulting agreement, at any time, by providing written notice to the other party. Upon termination, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate or in the case of a fixed fee engagement, as a percentage of the engagement completed by the Advisor. For ongoing financial planning engagements, the Client shall be responsible for fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's financial planning agreement with the Advisor is non-transferable without the Client's written approval.

## **E. Compensation for Sales of Securities or Other Investment Products**

One Seven does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above. Some individuals providing investment advice on behalf of our firm are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), MGO Securities Corp. ("MGO Securities") or International Assets Advisory, LLC ("IAA"). Please see Item 10.

In one's separate capacity as registered representative, an Advisory Person may implement securities transactions on a commission basis through PKS, MGO Securities or IAA. In such instances, an Advisory Person 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 an Advisory Person in their capacity as a registered representative is separate and in addition to One Seven's advisory fees. This practice presents a conflict of interest as an Advisory Person may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on Client needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. To mitigate this conflict, Clients are under no obligation, contractually or otherwise, to purchase securities products through one of our Advisory Persons. Further, One Seven will not charge an ongoing investment advisory fee on any assets implemented in the separate capacity of one of our Advisory Persons. Please see Item 10.

Persons providing investment advice on behalf of our firm are licensed as independent insurance professionals. Advisory persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by an Advisory Person is separate and in addition to One Seven's advisory fees. This practice presents a conflict of interest as an Advisory Person may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on Client needs. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor.

Please refer to Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for a description of how One Seven addresses these conflicts and upholds its fiduciary duty to its Clients.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

One Seven does not charge performance-based fees for its investment advisory services. The fees charged by One Seven are as described in Item 5 - Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

One Seven does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## Item 7 Types of Clients

One Seven offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, corporations, retirement plans and other types of investors. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts change over time and are updated at least annually by the Advisor. One Seven generally does not impose a minimum relationship size for its services, but certain investment strategies may require a minimum level of assets.

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

### A. Methods of Analysis

#### Our Methods of Analysis

One Seven have multiple portfolio managers each of whom use their own methods of analysis. Analysis used includes charting, technical analysis and modern portfolio theory.

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.**

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting 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.

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

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

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. One Seven will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

### **Market Risks**

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### **ETF Risks**

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

### **Mutual Fund Risks**

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

### **Options Risks**

An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

Options are complex investments and can be very risky and in certain situations, an investor's risk can be unlimited. However, options can also be used to provide income or reduce risk. Investors should understand the risks involved with any option strategy used by their portfolio manager.

### **Variable Annuities Risks**

A variable annuity is a form of insurance where the issuer makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum or a series of regular payments. Annuities can be purchased to provide an income during retirement. Variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Investors should read the annuity contract for a complete list of the benefits, risks, and costs (which are in addition to fees we charge) associated with annuities.

**Real Estate Investment Trust Risks**

A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. REITs are required to declare 90% of their taxable income as dividends. REITs may be forced to refinance debt or make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

**Structured Product Risks**

A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

**Leverage Risks**

Using leverage usually results in a client's net assets increasing or decreasing at a greater rate than if borrowed money is not used.

**Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

One Seven and its Advisory Persons value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 283087.

**Item 10 Other Financial Industry Activities and Affiliations****Broker-Dealer Affiliations**

As noted in Item 5.E., certain Advisory Persons of One Seven are also registered representatives of PKS, MGO Securities, or IAA. In an Advisory Person's separate capacity as a registered representative, the Advisory Person will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by an Advisory Person. Neither One Seven nor any of its Advisory Persons will

earn ongoing investment advisory fees in connection with any services implemented in the Advisory Person's separate capacity as a registered representative. Under supervision by PKS, MGO Securities, or IAA, these parties will have access to certain confidential information of the Client, including, but not limited to financial information, investment objectives, transactions and holdings information. Please see our Privacy Policy, which is included with this Disclosure Brochure.

MGO Securities is also under common control with One Seven. Certain owners of One Seven are also owners of MGO Securities.

#### Other Registered Investment Advisor

Certain owners of One Seven are also owners and/or supervised persons of MGO Investment Advisors Inc. (CRD# 109884), an SEC-registered investment advisor (herein "MGO Advisors"). One Seven and MGO Advisors are operationally independent, but may contract for certain shared services.

#### Insurance Recommendations

Certain Advisory Persons of One Seven may serve as independent licensed insurance professionals. Implementations of insurance recommendations are separate and apart from an Advisory Person's role with One Seven. As an insurance professional, an Advisory Person may receive customary commissions and other related revenues from the various insurance companies whose products are purchased. Advisory Persons are not obligated to use the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by One Seven or any of its Advisory Persons.

#### Recommendation of Other Advisers

We may recommend that you use an Independent Manager based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the Independent Manager for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended Independent Manager(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

#### Everglades Global Opportunities Fund LP

One of One Seven's Advisory Persons, in his separate capacity, also serves as a portfolio manager and principal officer of a private investment fund called the Everglades Global Opportunities Fund LP (the "Fund"). Advisory Persons of One Seven may recommend that Clients and prospective clients of One Seven invest in the Fund. Clients and prospective clients that are offered to invest in the Fund shall be provided with the Fund's private placement memorandum and related documents that provide a full description of the investment approach, business practices, fees and risks associated with an investment in the Fund. Clients are not obligated to invest in the Fund. To mitigate the conflict of interest associated with this outside activity, the Advisor will not charge an ongoing investment advisory fee on assets that are invested in the Fund.

#### Advisor Panel Disclosure

One Seven serves on the TD Ameritrade Institutional Advisor Panel ("Panel"). The Panel consists of approximately thirty (30) independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for three-year terms by TDA Institutional senior management. An investment advisor may serve longer than three years if appointed to additional terms by TDA Institutional senior management. At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign



confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending Panel meetings. The benefits received by One Seven or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by One Seven or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of TD Ameritrade for custody and brokerage services.

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

### **A. Code of Ethics**

One Seven has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with One Seven (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. One Seven and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of our Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (216) 865-1700.

### **B. Personal Trading with Material Interest**

One Seven allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. One Seven does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. One Seven does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

One Seven allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of One Seven may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by One Seven requiring reporting of personal securities trades by its Supervised Persons for review by the CCO or his delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While One Seven allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will One Seven, or any Supervised Person of One Seven, transact in any security to the detriment of any Client.



## Item 12 Brokerage Practices

### A. Recommendation of Custodian[s]

One Seven does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize One Seven to direct trades to the Custodian as agreed in the investment advisory agreement and separate account opening forms of the Custodian. Further, One Seven will recommend the Custodian and assist with the paperwork for establishing account[s]. One Seven does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis. Certain Clients may also have accounts held at other custodians away from the Client's Custodian. The Client may authorize the Advisor to provide advisory services with respect to those accounts, pursuant to the terms of the investment advisory agreement.

In certain instances, the Client may also authorize the Advisor to trade securities away from the Custodian and arrange for delivery of these securities to the Client's account[s] at the Custodian. For such "trade-away" arrangements, the Custodian will charge a separate trade-away fee in addition to the securities commissions. These trade-away fees are in addition to any commissions and other brokerage fees charged by the executing broker-dealer.

Clients are not obligated to use the Custodian recommend by One Seven, however, the selection of another custodian may impair the ability for One Seven to effectively manage Client accounts. One Seven will generally recommend that Clients establish their account[s] at either TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), Charles Schwab & Co., Inc. ("Schwab") or Raymond James Financial Services, Inc. ("Raymond James"). TD Ameritrade, Schwab and Raymond James are unaffiliated SEC-registered broker-dealers and FINRA members. TD Ameritrade, Schwab or Raymond James will serve as the Client's "qualified custodian". One Seven maintains an institutional relationship with TD Ameritrade, Schwab and Raymond James, whereby the Advisor receives economic benefits from these Custodians (Please see Item 14 below.).

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. One Seven does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor does receive certain economic benefits from the Custodians as detailed in Item 14 below.

**2. Brokerage Referrals** - One Seven does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where One Seven will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s], unless specifically directed otherwise. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, One Seven will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

### **TD Ameritrade Institutional**

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

### **Schwab - Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$250 million of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are

deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Schwab Advisor Services**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

#### **Services that Benefit You**

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

#### **Services that May Not Directly Benefit You**

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

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data; o facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

#### **Services that Generally Benefit Only Us**

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

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount of up to \$4,250 on PortfolioCenter® Reporting Software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above - see "The Custodian and Broker We Use") and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

### **B. Aggregating and Allocating Trades**

The Advisor, at its sole discretion, may or may not aggregate securities trades. In trading for Client accounts, the Advisor seeks to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. One Seven will execute its transactions through the Custodian as authorized by the Client. One Seven may aggregate orders when securities are purchased or sold through the same Custodian for multiple discretionary accounts. If an aggregated order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 Review of Accounts**

### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of the RIA and periodically by the CCO or his delegate. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client. Financial planning engagements for ongoing planning support are reviewed at least annually, as per the terms of the financial planning agreement.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify One Seven if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## Item 14 Client Referrals and Other Compensation

### A. Compensation Received by One Seven

One Seven does not receive any compensation from any third party in connection with providing investment advisory services to its Clients. As noted throughout this Disclosure Brochure, Advisory Persons may also be registered representatives of PKS or MGO Securities and/or licensed insurance professionals. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the Item 10 above.

#### Participation in Institutional Advisor Platform (TD Ameritrade)

The Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. The Advisor receives some benefits from TD Ameritrade through its participation in the Program.

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

The Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the Program. Specifically, the Additional Services include licensing for Morningstar, a portfolio reporting and analytic technology. TD Ameritrade provides the Additional Services to the Advisor in its sole discretion and at its own expense, and the Advisor does not pay any fees to TD Ameritrade for the Additional Services. The Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to the Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, the Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with the Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, the Advisor may have an incentive to



recommend to its Clients that the assets under management by the Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. The Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

#### Participation in Institutional Advisor Platform (Schwab)

One Seven has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like One Seven. As a registered investment advisor participating on the Schwab Advisor Services platform, One Seven receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* - Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* - Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* - Schwab also offers other services and support to One Seven that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a potential conflict of interest. One Seven believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

#### Participation in Institutional Advisor Platforms (Raymond James)

One Seven has established an institutional relationship with Raymond James to assist the Advisor in managing Client account[s]. Access to the Raymond James platform is provided at no charge to the Advisor. The Advisor receives access to software and related support with minimal cost because the Advisor renders investment management services to Clients that maintain assets at Raymond James. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first.

Additionally, the Advisor may receive the following benefits from the Raymond James platform: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; access to research; and access to an electronic communication network for Client order entry and account information.

In order to help facilitate the transition of One Seven clients to Raymond James' custodial platform One Seven, along with its Investment Adviser Representatives, received transition support from Raymond James in the form of a loan, which is forgiven if we meet certain conditions in terms of maintaining a relationship with Raymond James. The amount of the upfront loan represents a substantial payment and forgiveness of the loan and accrued interest is contingent upon the continued association with Raymond James. This presents a conflict of interest in that we have a financial incentive to maintain a relationship with Raymond Jones in order to have the loan forgiven. However, to the extent that we recommend that clients use Raymond James, it is because we believe that it is in the client's best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by Raymond James.

#### Additional Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with PKS, MGO Securities or IAA, each 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.

#### **B. Client Referrals from Solicitors**

One Seven does not engage paid solicitors for Client referrals.

### **Item 15 Custody**

One Seven has established procedures to ensure client assets are held at a qualified custodian in the name of the client. Account statements are delivered directly from the custodian to each client. Clients should carefully review those statements and are urged to compare the statements against any client report provided by One Seven.

When clients give One Seven the authority to deduct management fees directly from their accounts, One Seven is deemed to have custody. One Seven is also deemed to have custody over client assets when clients, using a standing letter of authorization (SLOA), give One Seven authority to transfer assets to a third party. The Custodian and One Seven have adopted safeguards to ensure that the transfer of assets are completed in accordance with the Client's instructions.



## **Item 16 Investment Discretion**

One Seven generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by One Seven. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by One Seven will be in accordance with each Client's investment objectives and goals.

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**

One Seven does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 Financial Information**

Neither One Seven, nor its management, have any adverse financial situations that would reasonably impair the ability of One Seven to meet all obligations to its Clients.

We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Additional Information**

### **Class Action Lawsuits**

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

### **IRA Rollover Considerations**

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

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

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

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

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

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

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