

Sullivan Investments Group, LLC  
Firm Brochure  
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Part 2A of Form ADV: *Firm Brochure*  
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**Item 1 Cover Page**

This brochure provides information about the qualifications and business practices of Sullivan Investments Group, LLC. If you have any questions about the contents of this brochure, please contact us at (561) 400-3488 or [craig@sullivan-investments.com](mailto:craig@sullivan-investments.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sullivan Investments Group, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sullivan Investments Group, LLC is a "Registered Investment Adviser." This "Registration" does not imply Sullivan Investments Group, LLC has a certain level of skill, training, or certified designations.

Registration of an investment adviser does not imply that Sullivan Investments Group, LLC or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

## **Item 2 Material Changes**

The last update of this Brochure was filed by Sullivan Investments Group, LLC with the SEC on July 3, 2024. There following changes have been made since the prior filing:

- Item 19 has been deleted since Sullivan Investments Group, LLC is now registered with the SEC and that Item was a requirement for State registered investment advisers.

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#### Item 4 Advisory Business

- A. Sullivan Investments Group, LLC (SIG) is an investment advisor providing investment management services and financial planning to individuals, pension and profit-sharing plans, trusts, estates, corporations, and business entities. SIG acts as a fiduciary on behalf of all clients. SIG provides prudent advice that is based on the investment objectives, risk tolerance, financial circumstances, and needs of the Investor, without regard to the financial or other interests of the Advisor, Financial Institution, or their Affiliates, or other parties.

SIG provides its services on a fee basis based upon assets under management. Prior to engaging SIG, the client is required to enter into a written agreement with SIG. This agreement is called the Investment Management Agreement (IMA). The IMA sets forth the terms and conditions under which SIG will render its services.

SIG was previously registered as a Registered Investment Advisor (RIA) in various states since January 2009, to provide clients with personalized service, sound financial guidance, and a world-class investing platform. SIG is now a federal-registered adviser with the SEC and has no intermediate subsidiaries. Craig Sullivan is the Managing Member and sole owner of SIG.

- B. SIG specializes in providing asset management services based on simple and transparent investment products. SIG does not specialize in quantitative analysis or market timing. Commonly managed assets include, but are not limited to:
- a. Money Market Funds
  - b. US Treasuries
  - c. US Agencies
  - d. Stocks
  - e. Corporate bonds
  - f. Commercial paper
  - g. Municipal securities
  - h. ETFs
  - i. Mutual Funds
  - j. Commodities
  - k. Options contracts on securities and commodities

SIG uses a top-down financial planning approach to determine the client's preferred allocation of the portfolio between fixed-income and equity securities. The ratio between fixed-income and equity assets is referred to as "finding your center of risk and reward".

For the fixed-income side of the portfolio, the client has a choice of bond mutual funds, ETF bond funds, or individual bonds. Mutual funds, ETF funds, and individual bonds are available for both taxable and tax-free fixed-income investments. The use of low-yield, tax-free instruments depends on the client's income tax preferences.

For the equity side of the portfolio allocation, SIG uses a "Core-Satellite" strategy. "Core-Satellite" is a blend of market indexes and individual stocks in a single portfolio strategy. Though the division between the Core and Satellite holdings is usually 50/50, clients may shift this balance according to their own preferences.

The "Core" of the equity portfolio provides exposure to broad markets through index ETF funds. Examples include the S&P 500 Index ETF and the Dow Jones Industrial Index ETF.

The "Satellite" of the equity portfolio provides direct exposure to market sectors, company stocks, commodities, and foreign markets. Examples include an energy ETF, a gold ETF, an emerging markets ETF, and individual company stocks such as Coca-Cola or Boeing.

Clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services (Fidelity) and its affiliates.

C. SIG offers personalized attention to each client by tailoring portfolios based on several factors, including:

- a. Investment time horizon;
- b. Risk tolerance;
- c. Income requirements; and
- d. Financial objective.

Performance discussions allow clients to assess their portfolios' progress and reallocate funds if they are not satisfied with current performance. Performance discussions occur on an as needed basis.

Clients may also impose restrictions on investing in certain securities or types of securities. The following scenarios are examples of restrictions clients may impose on security selections:

- a. All bonds: Clients can restrict bond purchases to a certain credit rating. For instance, they can decide to only purchase investment grade bonds, which are rated BBB- or better by Standard & Poor's credit rating agency. SIG believes bonds rated CCC+ and lower incur a level of risk not suitable for investors.
- b. Municipal bonds: Clients may elect to exclusively invest in municipal bonds of states in which they live for tax purposes.
- c. Corporate bonds: Clients may elect to avoid corporate bonds offered at a premium over par for cost basis purposes.
- d. Stocks: Clients' preferences are taken into account. For instance, the portfolio may exclude tobacco or non-domestic securities.

Clients are encouraged to regularly review their monthly statements and accounts online to ensure no restricted securities have been purchased.

D. SIG offers financial planning services to current clients at no additional cost beyond their asset management fees. SIG's financial planning process is as follows:

- a. Discovery and Goal Setting: We begin with a discovery phase, where we take the time to understand our clients' financial goals, risk tolerance, and specific concerns. This phase forms the foundation of a personalized financial plan.
- b. Comprehensive Analysis: Next, we conduct a thorough analysis of our clients' current financial situation, reviewing income, expenses, assets, liabilities, insurance coverage, and investment portfolios. Using advanced financial planning software, we create a detailed snapshot of financial health, identifying strengths, weaknesses, and opportunities for improvement.
- c. Tailored Plan: Based on our analysis, we develop a customized financial plan aligned with our clients' goals. This plan includes cash flow management, investment strategy, retirement planning, tax optimization, estate planning, and risk management. We provide clear, actionable recommendations to help achieve financial goals while managing risk.
- d. Implementation and Monitoring: We assist in implementing the recommended strategies, coordinating with other professionals when necessary. We continue with ongoing monitoring and review meetings ranging from quarterly to yearly to ensure the financial plan evolves with changing circumstances and remains aligned with our clients' objectives.

E. SIG does not participate in wrap fee programs by providing portfolio management services.

F. SIG offers both discretionary and non-discretionary asset management services to cater to the diverse needs of our clients.

- a. Discretionary Asset Management: With discretionary asset management, SIG has the authority to make and execute trades and strategic changes on behalf of our clients without requiring their

prior approval. This allows us to act swiftly and efficiently in response to market conditions, ensuring that investment strategies are proactively managed to align with our clients' financial goals.

- b. **Non-Discretionary Asset Management:** For clients who prefer a more hands-on approach, our non-discretionary asset management service requires client approval before executing any trades or implementing strategic changes. This service ensures that clients remain fully involved in the decision-making process, providing them with greater control over their investments.

- G. SIG allocates clients' assets on a discretionary or non-discretionary basis, based upon the terms of the IMA. The total client Assets Under Management (AUM) at the close of business on November 30, 2024 was \$124,459,919. Of this total, \$2,182,819 managed on a non-discretionary basis. The remaining \$125,277,100 is managed on a discretionary basis.

#### Item 5 Fees and Compensation

- A. SIG is a "fee-based only" investment adviser. Compensation for SIG is generated only from the "fee based" adviser business. Below is an example of a quarterly fee calculation:

The quarter ending balance and fee for each account is below:

Account	Balance		Annual/quarterly fee percentage
Family Trust	\$727,358.24	fee \$1,454.72	(0.8% annual fee, 0.2% per quarter)
IRA	\$518,019.12	fee \$647.52	(0.5% annual fee, 0.125% per quarter)
Utility Account	\$104,346.93	fee \$104.35	(0.4% annual fee, 0.1% per quarter)

Prior to establishing a new account at Fidelity Investments, the IMA is signed by the client(s) and SIG. The SIG Form ADV Part 2 is delivered to new clients prior to executing the IMA. The SIG IMA is a discretionary investment management agreement. If the client desires discretion on all transactions, the IMA can be revised to a non-discretionary agreement.

The IMA refers to and includes three separate exhibits: A, B, and C. The three exhibits are reviewed and initialed by the client. The three exhibits are summarized below.

#### Exhibit A. Schedule of Assets, Accounts, and Fees

The clients' Fidelity accounts are listed and designated as either assets and accounts under management or assets and accounts excluded from management. One type of account excluded from management is small Fidelity cash accounts used exclusively to pay the quarterly fees. These small cash accounts are frequently used by clients who do not want fees directly deducted from their IRAs. No management fees are assessed on accounts maintained for paying quarterly fees.

#### Exhibit B. Client Profile

The following client information is gathered on the Client Profile exhibit:

- a. General information;
- b. Investment experience;
- c. Investment time horizon;
- d. Description of assets;
- e. Financial objective; and
- f. Income needs.

Based on the profile information, SIG and the Client discuss and agree upon a level of risk and volatility acceptable in the portfolio.

Exhibit C - Schedule of Fees

The annual fee varies depending upon the market value of the assets under management and the type of investment management services rendered below. Fees are negotiable within the following ranges:  
Based on the

Fixed Income Portfolios: 0.20%-0.75%. Equity Portfolios: 0.75%-2.00%.  
Combined Fixed Income and Equity Portfolios: 0.50%-1.5%

Here's the updated version:

The exact management fee within the specified ranges is disclosed and agreed upon in the Investment Management Agreement between both parties before any fees are charged or services are provided. This fee is determined based on the size of the client's accounts, as well as the complexity and amount of work required to best serve the client's needs and objectives.

- B. The annual fee for the services provided is a percentage specifically indicated on Exhibit A of the IMA. The Management fee is prorated and paid quarterly, in arrears, based upon the market value of the Assets on the last day of the previous quarter as valued by Fidelity.

For the initial quarter of investment management services, fees are calculated on a pro rata basis. This calculation starts on the day the assets are designated to SIG for management. No portion of the management fee is based on capital gains or capital appreciation of the assets. No increase in the management fee is effective before notifying the client. The client directs and authorizes SIG to invoice Fidelity for the management fee. Fidelity deducts the amount from one or more of the clients' accounts, as directed by the client.

Fidelity sends the client a statement, at least quarterly, indicating all amounts disbursed from your accounts, including the management fee. It is the client's responsibility to verify the accuracy of the calculation of the management fee. Fidelity will not determine whether the management fee is accurate or properly calculated.

- C. In addition to our management fee, you may also incur charges imposed by unaffiliated third parties. Such charges may include, but are not limited to:
- a. Custodial fees;
  - b. Brokerage commissions;
  - c. Transaction fees;
  - d. Management or other fees imposed directly by a mutual fund, index fund, or ETF;
  - e. Certain deferred sales charges;
  - f. Odd-lot differentials;
  - g. Transfer taxes; and/or
  - h. Wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.
- D. SIG's clients do not pay any advisory fees in advance.
- E. Other
1. SIG does not accept compensation for the sale of securities or other products, including asset-based sales charges or service fees from the sale of mutual funds. SIG does not receive any revenue from commission-based products. If mutual funds are included in a portfolio, then "no-load" funds are recommended. If there are any mutual fund 12b-1 fees, they are retained by Fidelity.

2. Clients have the option to purchase investment products recommended by SIG through other brokers and agents who are not affiliated with SIG.

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

SIG does not accept performance-based fees.

#### **Item 7 Types of Clients**

SIG generally provides asset management services to individuals, trusts, estates, pension and profit-sharing plans, corporations, and other business entities. All new accounts are opened at the discretion of SIG. There is no minimum account size requirement.

Individuals Retirement and Retirement Plan Accounts:

When Sullivan Investment Group provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Put your financial interests ahead of ours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

- A. SIG's methods of analysis include both fundamental and technical research. Because investing in securities involves risk, clients should be prepared for the volatile ups and downs of the capital markets.

The fundamental parameters for formulating investment advice and managing assets are:

- a. PE ratio (12-month trailing, 12-month forward);
- b. PEG ratio (5-year forward);
- c. Market capitalization;
- d. Cash;
- e. Debt;
- f. Dividend yield;
- g. Index membership;
- h. Analyst coverage;
- i. Earnings results versus recent quarters estimates; and
- j. Relative strength (watching the tape).

The fundamental parameters above are compared to both the overall market and to sector peers.

Technical analysis focuses on reading charts ranging from 3 months to 5 years. Technical information is



not used to formulate buy/sell decisions. Rather, it lends support to decisions based on fundamental metrics. For example, relative to an asset's history, higher highs and higher lows indicate a stock is in demand. Conversely, lower highs and lower lows indicate a stock is in oversupply.

Clients are advised from the outset about the significant risk of loss involved in an equity-based portfolio. To mitigate this risk, no individual stock may constitute more than 10% of the total stock portfolio value at the time of initial purchase. If, through appreciation, the stock holding represents more than 20% of the portfolio value, SIG may recommend scaling back the holding.

Fixed-income portfolios also entail risk due to the chance of issuer default—if this occurs, the value of the bond may drop to \$0. To lessen this risk, no bond issuer may constitute more than 5% of the portfolio. We also recommend bonds with at least a single B rating from Standard & Poor's credit rating agency.

B. SIG utilizes the following four investment strategies to meet client goals and objectives. Clients may use one or a combination of the strategies. Individual strategies are often placed in separate accounts to help monitor performance. None of the investment strategies employed by SIG involve frequent trading. Fidelity's commissions on equities, options, and bonds are competitive.

- a. **Laddering with individual bonds:** By staggering individual bond maturity dates, the bonds will mature evenly across interest rate cycles. This is called a "bond ladder". SIG recommends individual bonds with maturity dates instead of bond funds or ETF bond funds whose net asset value price may fall when interest rates rise. Risk increases when the bond maturity dates are not evenly distributed over a 2 to 10 year time span. If too many bonds mature in a low-interest rate environment, the money must be reinvested into lower-yielding bonds.
- b. **Core-satellite strategy:** This strategy blends market indexes and individual stocks in a single portfolio. The Core consists of index Exchange Traded Funds (ETFs) and the Satellite consists of individual stocks. The Core and Satellite portions are typically split about 50/50. The percentage split varies with clients' preferences. ETFs are a great solution for Core equity holdings for the following reasons:
  - i. Represent diverse, broad segments of capital markets
  - ii. Low cost annual expense fees
  - iii. Tax efficient (little or no annual cap gains)
  - iv. Transparent (ETF holdings are published online)
  - v. All-day tradable
  - vi. Stop-loss orders
  - vii. Options available for covered calls and put protection

The Satellite portion of the portfolio is composed of 5-20 individual stocks that preferably pay dividends and come from a variety of sectors. To minimize risk, individual Satellite stocks will typically comprise less than 10% of the equity portfolio. The overall risk level of a Core-Satellite portfolio is similar to that of a stock-based mutual fund. The Core-Satellite strategy does not involve frequent trading of securities, averaging 1 or 2 trades per month.

Examples of dividend-yielding Satellite stocks are:

- i. Microsoft
- ii. Intel
- iii. AT&T
- iv. Chevron
- v. Boeing
- vi. Kraft

c. **Selling covered calls strategy:** Selling covered calls on equity positions is a conservative strategy

to generate income. This strategy is allowed in both taxable and IRA accounts. In return for the call premium received, the client must be willing to forfeit the stock price appreciation above the strike price. The client must be aware of the risk of a sharp increase in the stock price before the expiration date. This will result in the loss of the appreciation over the strike price.

The client is asked how they would feel if the stock rises to a certain level. If the client answers with some discomfort, the trade is discouraged.

- d. **Selling puts strategy:** For clients with trading experience and the financial resources to accept greater risk, selling puts can be used to generate income or to gain entry into a desired stock. The selling puts strategy is conducted in a separate account. Because of the high level of risk, the value of this account should not exceed 20% of a wealthy individual's net assets.

If this is a new strategy for a client, all puts sold must be cash-covered puts. The client must have sufficient cash in the account to cover the possibility of the stock price dropping to \$0. After selling puts for a period of time, the client can apply for margin-covered puts. Deploying margin-covered put sales incurs more risk to the portfolio and is suitable only for wealthy clients.

- C. SIG does not recommend a particular type of security to clients. Many clients will utilize more than one of the strategies described above. Some clients will establish a separate account for a particular strategy in order to more easily monitor that strategy's performance. Fidelity does not charge a fee to open or maintain an account.
- D. At SIG, we use several simple practices to manage risk.
- We focus on domestic dividend paying stocks with heavy analyst coverage.
  - We do not manage accounts using margin. However, clients can request the use of margin for a specific term cash need. For example, many clients have used margin funds to buy the next house before closing on the current house. If the client does not return the cash to cover the margin in a reasonable period of time, we work with the client to adjust the portfolio to eliminate the margin.
  - We do not allow the purchase of inverse or leveraged ETF's.
  - We do not allow the purchase of structured products.
  - We do not allow the purchase of unit trusts.
  - We do not allow clients to make their own trades.
  - When it comes to smaller accounts, SIG focuses on using a higher percentage of ETF's than individual stocks to avoid single stock risk.
  - We do not use high volume or active trading strategies. We are a buy and monitor firm.

#### Item 9 Disciplinary Information

- A. Neither SIG nor its staff has ever been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.
- B. SIG and Craig Sullivan entered into a Stipulation and Consent Agreement with the State of Florida whereby SIG and Mr. Sullivan jointly, without admitting or denying the findings, agreed on an administrative fine in the amount of \$5,000 for various findings by the State of Florida. The State of Florida found that SIG and Mr. Sullivan failed to send invoices to one or more clients and entered into a contract with two clients without a written agreement. As a result of the failing to send invoices to client, the State of Florida found that the SIG was not in compliance with Rule 69W-300.002(4)(b), 69W-600.016(3)(a), and 69W-600.016(5) of the Florida Administrative Code.
- C. Neither SIG nor its staff has been involved in a self-regulatory organization (SRO) rules violation proceeding.

#### Item 10 Other Financial Industry Activities and Affiliations

- A. SIG is not registered, nor does it have an application pending to register as a broker-dealer or a registered

- representative of a broker-dealer.
- B. SIG is not registered, nor does it have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
  - C. Neither SIG nor any related persons have a relationship with any broker-dealer, investment advisor, law firm, or any other party that could create a material conflict of interest with clients.
  - D. SIG does not select other investment advisers for our clients, nor do we receive compensation from such advisors that could create a material conflict of interest for clients.

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

- A. SIG conforms to a Code of Ethics that highly prioritizes its reputation for integrity and professionalism. This Code complies with SEC rule 204A-1 under the Investment Advisers Act of 1940. It demonstrates SIG's commitment to serving the client's needs over personal interests, never taking inappropriate advantage of our position within the firm and avoiding actual or potential conflicts of interest and any abuse of our position of trust and responsibility.

SIG and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- a. The duty to have a reasonable, independent basis for the investment advice provided.
- b. The duty to obtain best execution for a client's transactions where SIG is in a position to direct brokerage transactions for the client.
- c. The duty to ensure that investment advice is suited to the client's individual objectives, needs and circumstances.

SIG will provide a copy of its full Code of Ethics to any client or prospective client upon request.

SIG is not a principal of any company represented by a securities investment. SIG is not a general partner in any partnership that would be recommended to clients, nor do we advise any investment company that would be recommended to clients.

SIG buys and sells securities for clients' at or around the same time the SIG buys or sells the same securities for its own account. This presents an opportunity for an unethical practice called "fronting", in which an advisor purchases an asset before executing an order for a client (or selling an asset before a client's) to manipulate the bid-ask in his/her favor.

For this reason, SIG always purchases and sells clients' assets *before* its own. SIG maintains an independent trade log whenever same-time trades are executed. The trade log records the client's trade and the SIG trade.

When SIG purchases or is considering for purchase any security on behalf of a client, no related person (i.e. spouse, minor children, and adults living in the same household as the related person) with assets under SIG management may buy or sell that security prior to the completion of the client's purchase or until a decision has been made not to purchase that security for the client. Similarly, when SIG is selling or considering the sale of any security on behalf of a client, SIG will not buy or sell that security prior to the completion of the sale, or until a decision has been made not to sell that security. Neither SIG nor any of its related persons may effect for himself or herself, for a related person's immediate family, or for trusts for which the related persons serves as a trustee or in which the related person has a beneficial interest, any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale on behalf of any of SIG's clients.

**Item 12 Brokerage Practices**

- A. To offer clients a world-class investing platform, SIG evaluated and considered many factors before selecting a broker-dealer.

Unless directed otherwise, we will arrange for the execution of securities brokerage transactions for the assets through a broker-dealer that we reasonably believe will provide best execution. When seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into account the full range of the broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive commission rates, we may not necessarily obtain the lowest possible commission rates for account transactions.

Consistent with obtaining best execution, transactions for your account may be directed to the broker-dealer in return for research products and/or services, known as "soft dollar benefits", which assist us in our investment decision-making process. Such research generally will be used to service all of our clients, but brokerage commissions paid by you may be used to pay for research that is not used in managing your account. Thus, you may pay the broker-dealer a greater commission than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

SIG may have an incentive to select or recommend a broker-dealer based on receiving research and other products or services, rather than the client's interest in receiving most favorable execution.

1. SIG receives research, products, services, and other soft dollar benefits from the broker-dealer, Fidelity. SIG selected Fidelity as the broker-dealer for the following reasons:
  - a. Financial strength;
  - b. Competitive commissions on equity and option trades;
  - c. Free checking and no annual IRA custodian fee;
  - d. No charge for Electronic Fund Transfers (EFTs);
  - e. A fast and intuitive online experience;
  - f. Customer support is available 24 hours a day, 7 days a week; and
  - g. No commission on individual bond trades. The client receives the market bid price or pays the market ask price. Fidelity does not charge a commission on top of the bid or ask prices.

Over the last fiscal year, the soft dollar benefits received from Fidelity may include but are not limited to:

- a. Monday Morning Market conference calls;
    - b. Weekly Webinars relating to industry trends or regulatory issues;
    - c. Daily e-mails highlighting bonds and CDs available in inventory;
    - d. Use of the Fidelity Advisor Channel online platform;
    - e. Duplicate statements and trade confirmations; and /or
    - f. Access to fixed-income trading desk and equity trading desk.
  2. SIG does not receive client referrals from the broker dealer or a third party.
  3. SIG requires that all client's custody their accounts and execute transactions at Fidelity. Not all advisers require and direct their clients to one specific broker-dealer. SIG and the broker-dealer are not affiliates and do not have an economic relationship that creates a material conflict of interest. By directing brokerage exclusively through Fidelity, SIG may be unable to achieve most favorable execution of client transactions. This practice may cost clients more money.
- B. Transactions for each client account generally will be executed independently, though we may decide to combine or "batch" orders to obtain best execution, negotiate more favorable commission rates, or allocate equitably among our client's differences in prices and commissions or other transaction costs. Under this procedure, transaction prices will be averaged and allocated among our clients in proportion to

the purchase and sale orders placed for each client account. We aggregate client orders in accordance with applicable rules promulgated by the staff of the SEC. We will not receive any additional compensation or remuneration as a result of the aggregation.

#### **Item 13 Review of Accounts**

- A. SIG monitors clients' portfolios as part of an ongoing process and conducts regular verbal reviews. Account monitoring services and reviews are conducted on a quarterly basis. For clients receiving account monitoring services, verbal reviews are conducted on a quarterly basis. These reports are personalized on a client-to-client basis, however some common topics include: upcoming life events, cash flow needs, job status, investment holdings review, goal review, and more. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with SIG and to keep SIG informed of any changes. SIG contacts ongoing advisory clients at least annually to review its previous services and/or commendations and to discuss any changes in the client's financial situation and/or investment objectives. Craig Sullivan, President of SIG, conducts all client reviews.
- B. Other than regular reviews, client account reviews are triggered when portfolio performance does not meet or exceed previously discussed expectations. SIG does not provide any performance reports to clients.

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

- A. SIG does not accept compensation from non-clients for providing investment advice or other advisory services to clients. SIG receives soft dollar benefits from Fidelity. Please see Item 12 for details on the soft dollar benefits received from Fidelity.
- B. Neither SIG nor a related person directly or indirectly compensates any person who is not your supervised person for client referrals.

#### **Item 15 Custody**

Aside from debiting fees from its clients' accounts to pay for services rendered, SIG does not maintain custody of its clients' funds. All assets are held at Fidelity, a qualified custodian. Fidelity sends quarterly, or more frequent, account statements directly to the clients. SIG encourages its clients to carefully review those statements and compare such official custodial records to the reports SIG may provide.

#### **Item 16 Investment Discretion**

SIG accepts discretionary authority to manage securities accounts on behalf of clients. Clients may place limitations on the discretionary trading authority. Examples of limitations clients may place on accounts are:

- a. Limit bond purchases from a single issuer to 10 bonds or about \$10,000;
- b. All bonds must have a Standard & Poor's credit score of BBB- or better;
- c. All stocks must be a member of the Standard & Poor's 500 index at the time of purchase; and
- d. Put and call option expiration dates must be within 4 months at the time of purchase.

In the Investment Management Agreement, the client appoints SIG as attorney-in-fact and grants SIG limited power-of-attorney with discretionary trading authority over the account to buy, sell, or otherwise effect investment transactions involving the assets. SIG is authorized, without client's prior consultation, to buy, sell, and trade in stocks, bonds, mutual funds, index funds, ETFs, and other securities and/or contracts relating to the same. SIG is also permitted to trade on margin (only if a separate written margin authorization has been granted).

**Item 17 Voting Client Securities**

SIG does not accept the authority to vote client securities or proxies. Clients will receive their proxies or other solicitations directly from their custodian but may reach out to Craig Sullivan with any further questions.

**Item 18 Financial Information**

- A. SIG does not require or solicit any prepayment from clients.
- B. Though SIG has discretionary authority of client funds, there are no reasonably likely conditions that would impair our ability to meet contractual commitments to clients.
- C. SIG has not been the subject of a bankruptcy petition during the past 10 years.