



**REALTA**  
**WEALTH**

**Lloyd Layton**

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**Wilmington, DE 19801**

**888.657.5200**

**This Brochure Supplement provides information about Lloyd Layton that supplements the Realta Investment Advisors, Inc. ("RIA")'s Brochure. You should have received a copy of that Brochure. Please contact Mr. Barrett Schultz at (888) 657-5200 if you did not receive RIA's Brochure or if you have any questions about the contents of this supplement.**

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

## ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Lloyd Layton was born April 27, 1958, in San Diego, California. Lloyd graduated from Radford University College of Business and Economics in 1981, with a B.S. in Finance. After graduating, Lloyd served five years as an officer in the United States Marine Corps. Following his honorable discharge, Lloyd took a position with Merrill Lynch as a financial Advisor in 1986. In July 1995, Lloyd joined Smith Barney and served as a Financial Advisor until 2004 when he joined Morgan Stanley. Lloyd most recently served as a Financial Advisor with Wells Fargo Advisors from 2015 until joining Realta as a Financial Advisor in 2018.

## ITEM 3- DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Additional information about your Financial Advisor is available at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

From January 2012 through June 2015, Morgan Stanley failed to establish and maintain a supervisory system and written supervisory procedures reasonably designed to detect and prevent unsuitable short-term trading of Unit Investment Trusts. This failure resulted in a violation of NASD Rule 3010 and FINRA rules 3110 and 2010. FINRA found that during that time period, hundreds of Morgan Stanley representatives executed short-term UIT rollovers, including UITs rolled over more than 100 days before maturity, in thousands of customer accounts. FINRA further found that Morgan Stanley failed to adequately supervise representatives' sales of UITs by providing insufficient guidance to supervisors regarding how they should review UIT transactions to detect unsuitable short-term trading, failing to implement an adequate system to detect short-term UIT rollovers, and failing to provide for supervisory review of rollovers prior to execution within the firm's order entry system. Morgan Stanley also failed to conduct training for registered representatives specific to UITs. Morgan Stanley was fined \$3.25 million and required to pay approximately \$9.78 million in restitution to affected customers.

As a result of that investigation, FINRA alleged that between July 2012 and December 2014, Mr. Layton engaged in an unsuitable pattern of short-term trading of Unit Investment Trusts in 54 customer accounts.

Without admitting or denying the allegations, on July 18, 2018, Mr. Layton agreed to enter into an Acceptance, Waiver, and Consent Order with FINRA resulting in a suspension of three months (9/7/18 – 12/16/18) in all registered capacities, and a fine of \$5,000.00.

As a result of the conduct described conduct, the CFP® Board suspended Mr. Layton for six months in February 2019. Mr. Layton has chosen not to reinstate his CFP® mark as of this date.

#### ITEM 4- OTHER BUSINESS ACTIVITIES

Lloyd is licensed to sell securities through Realta Equities, Inc. ("REI"), a securities broker/dealer registered with the Financial Industry Regulatory Authority ("FINRA"). In this capacity, Lloyd may be involved in the sale of investment products such as securities, mutual funds, and variable products. If an advisory client implements recommendations made by Lloyd by purchasing securities or other products through REI, Lloyd will receive additional compensation in the form of commissions, including 12b-1 fees for the sale of such products. Lloyd spends approximately 15% of his professional time in his sales capacities at REI.

Lloyd is also a licensed insurance agent. Lloyd may recommend insurance products to advisory clients. He is paid a commission for selling such products. He spends approximately 5% of his time in his capacity as an insurance agent.

#### ITEM 5- ADDITIONAL COMPENSATION

Aside from the activities discussed in Item 4 above, Lloyd receives no economic benefit from any non-client third party.

#### ITEM 6- SUPERVISION

Mr. Barrett Schultz (Chief Compliance Officer) and designated supervisors monitor the investment advisory activities, personal investing activities, and adherence to the Advisor's compliance program and code of ethics on a continuous basis using various methods, including periodic inspection and review of client securities positions and transaction activity, obtaining certifications of compliance with company policies and procedures from those supervised, and obtaining and reviewing brokerage statements or transactions and holdings reports of the supervised persons. Mr. Schultz can be reached at 888.657.5200.