

ATFS ADVISERS LLC/ATFS MARKETS LLC
Form ADV, Part 3 - Form Customer Relationship Summary

January 24, 2024

Item 1. Introduction

ATFS Advisers LLC (“ATFS Advisers”) and ATFS Markets LLC (“ATFS Markets” and collectively with ATFS Advisers, “our” or “we”) are affiliates and direct subsidiaries of Atlas Financial Services, Inc. ATFS Advisers is an investment adviser registered with the Securities and Exchange Commission (the “SEC”), and ATFS Markets is a broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority Inc. (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. The SEC provides free educational materials about investment advisers, brokerage services, and investing and offers simple tools to help you research firms and financial professionals at www.investor.gov/CRS.

Item 2. Relationships and Services

What investment services and advice can you provide me?

ATFS Advisers provides, among other services, customized discretionary and non-discretionary investment and wealth management services to high-net-worth individuals and associated trusts, estates, pension and profit-sharing plans, and other legal entities (“Atlas Private Client”) through third-party platforms. ATFS Advisers generally invests client discretionary assets in domestic and international stocks, bonds, options, mutual funds, exchange traded funds (“ETFs”), private funds, and real estate. ATFS Advisers works closely with you to identify your investment goals and objectives as well as risk tolerance and financial situation in order to design a portfolio strategy. ATFS Advisers considers your specific goals and risk tolerance and its capital markets outlook when directing assets to specific investments. ATFS Markets does not interact with or provide services for the Atlas Private Client product.

Additionally, through a wrap program (the “Wrap Program”) accessible through our mobile platform, ATFS Advisers offers discretionary investment advisory services (the “Services”) to retail investors (hereinafter “Clients” or “you”) through individual taxable accounts. ATFS Markets serves as the introducing broker, offering brokerage services to ATFS Advisers’ Clients. ATFS Markets does not make recommendations, does not monitor Client accounts, does not execute trades and is not the custodian of client assets. As described in more detail below, Apex Clearing Corporation (“Apex”) provides custody, execution, clearing, and settlement services.

For its clients in the Wrap Program, ATFS Advisers uses information provided by clients to tailor its investment recommendations in accordance with each Client’s investment risk, financial parameters and objectives. As described in more detail in ATFS Advisers’ Wrap Brochure, ATFS Advisers’ Programs (defined below) seek to provide personalized, long-term oriented investment portfolios composed of ATFS Advisers’ proprietary equity strategies. Each equity strategy consists primarily of a concentrated basket of stocks (long) and may include hedging, in some cases, to protect against market downturns (short). The positions in the equity strategies are determined via ATFS Advisers’ proprietary research process.

For its clients in the Wrap Program, ATFS Advisers has discretionary authority over Client accounts, which means that ATFS Advisers is allowed to buy and sell investments in your account, without asking you in advance, subject to ATFS Advisers’ fiduciary duties to you. This authority is ongoing, and similar to portfolio reviews, may be triggered by material changes of which ATFS Advisers has been made aware of variables such as a Client’s investment risk, tax profile, and financial parameters and objectives. In some cases, Clients may exercise their own discretion rather than execute on ATFS Advisers’ recommendations.

For its clients in the Wrap Program, ATFS Advisers requires that its Clients use Apex as their independent custodian, and for execution, clearing and settlement services. ATFS Advisers does not allow directed brokerage and therefore requires that all Clients use ATFS Markets as their introducing broker. When a Client order is placed through ATFS Advisers, it is communicated to ATFS Markets who then sends the order to Apex for execution, clearance and settlement. Apex holds all Client securities and cash, records all Client transactions, and facilitates standard account activities such as transferring securities and/or cash out of client brokerage accounts.

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ATFS Markets also makes available to Clients, the ability to participate in a cash sweep program (the “Cash Sweep Program”) facilitated by Apex, whereby cash held in eligible Client accounts is deposited at Apex’s discretion into an insured account at one or more program banks. Through the Cash Sweep Program, Clients receive interest from program banks on cash while on deposit at the program banks.

ATFS Markets also makes available to eligible clients the ability to participate in a fully-paid securities lending program (the “Securities Lending Program”) facilitated by Apex, whereby securities held in eligible Client accounts are lent to third parties at Apex’s discretion. Through the Securities Lending Program, Clients receive interest for their securities lent.

ATFS Advisers regularly reviews its curated strategies to ensure that incremental discretionary investments are in line with each Client’s investment risk and financial parameters and objectives. ATFS Advisers periodically contacts or reminds Clients to review and make any needed updates to their suitability questionnaires. As part of its best execution responsibilities, ATFS Advisers reviews and monitors data and/or reports regarding execution costs of transactions executed by Apex for Client accounts.

For more information about our services, please see ATFS Advisers’ Form ADV, Part 2A, (“Firm Brochure”), which is available on ATFS Adviser’s website and on the SEC’s IAPD database at www.adviserinfo.sec.gov.

Conversation Starters:

-Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
-How will you choose investments to recommend to me?
-What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

For wealth management services offered through Atlas Private Client, fees will be based on a percentage of your total managed assets and are paid in arrears or in advance based on the previous quarter’s end value or average daily balance as agreed upon by ATFS and the Client. Fees are negotiable and typically range between 0.25%-1.5% per year, depending on the size and complexity of your account, among other factors. Fees are billed quarterly in arrears or in advance based on the previous quarter’s end value or average daily balance as agreed upon by ATFS and the Client. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days that the account(s) was managed.

The Wrap Program fee is not based upon transactions in a Client’s account, but rather is a bundled fee, which includes the costs for advisory services (the “Advisory Fee”), including, but not limited to execution, clearance, custody and account reporting.

As part of the Wrap Program, ATFS Advisers employs a tiered pricing model to calculate your Advisory Fee. In order to calculate the tier or percentage you are charged for the Wrap Program, ATFS Advisers includes all of your total deposits with ATFS Advisers (net of withdrawals and liquidations but not considering market fluctuations) (“Net Deposits”) as follows:

Net Deposits	Advisory Fee based on Eligible AUM
Up to \$1,000	\$0 per month
\$1,000 to \$9,999	\$10 per month
\$10,000 or more	1.00% of Eligible AUM

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Net Deposits are calculated from the date of inception of your account through the last day of the applicable billing cycle. Eligible assets under management (“AUM”) value is calculated based on the average daily market value of Eligible AUM in your portfolio over the applicable month. The Wrap Program fees are prorated and charged monthly, in arrears. ATFS Advisers may from time to time, in its sole discretion, offer lower fees through promotions, referrals and other discounts to some accounts, including accounts of employees of ATFS Advisers or its affiliates, that differ from the fees stated above.

In order to participate in the Wrap Program, clients with individual taxable accounts must meet a \$1,500 minimum initial investment requirement. ATFS Markets does not have a separate account minimum, provided that Clients with accounts at ATFS Advisers will be subject to a \$1,500 minimum initial investment requirement.

ATFS Advisers imposes a mandatory cash reserve of a portion of each investment strategy. ATFS Advisers Clients are required to maintain a minimum of 150 basis points (1.50%) of the value of their account (prorated in each strategy) in cash. The cash is used to pay ATFS Advisers’ Advisory Fees and other expenses, as set forth herein. If a ATFS Advisers Client wishes to withdraw cash, ATFS Advisers has authority to sell other assets in the Client’s account to maintain the cash reserve. If a Client is invested completely in an illiquid strategy, such that cash cannot be replenished immediately, the Client will not be able to immediately withdraw the cash portion.

ATFS Advisers engages in agency cross transactions pursuant to which it effects transactions between its Clients’ accounts and the accounts of other individuals and/or entities, including other Clients of ATFS Advisers. ATFS Markets, will receive compensation in connection with agency cross transactions effected for ATFS Advisers Clients’ accounts.

Under the Wrap Program, ATFS Advisers’ Advisory Fee includes all trade costs and fees paid to Apex, which holds your assets (called “custody”), and as a result, wrap fees are typically higher than non-wrap advisory fees. ATFS Advisers’ Wrap Program fee includes all trade charges applicable to client accounts. It does not include other related transaction costs and expenses.

A client may incur certain charges imposed by other third parties (e.g., transfer fees, administrative fees, and other fees). Issuers of exchange traded funds (“ETFs”) and American depository receipts (“ADRs”) purchased for Clients, charge fees and expenses that affect clients. ATFS Markets does not charge separate fees for its brokerage services provided to ATFS Advisers clients.

Due to the nature of the fees assessed under the Wrap Program, in general the more assets there are in a Client’s account, the more a Client will pay in fees. ATFS Advisers therefore has an incentive to encourage Clients to increase the assets in their accounts.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

For more information regarding our fees, see ATFS Advisers’ Firm Brochure as well as ATFS Advisers’ fee schedule.

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

ATFS Markets *will not* provide recommendations as your broker-dealer. *When ATFS Advisers acts as your investment adviser*, ATFS Advisers has to act in your best interest and not put its interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services and investment advice we provide you. Here are some examples to help you understand what this means:

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- The use of ATFS Markets as an introducing broker-dealer will create certain conflicts of interest for ATFS Advisers. ATFS Markets shares in revenue earned on payment for order flow, securities lending, and other ancillary fees generated by Apex.
- The way ATFS Advisers makes money (an asset-based fee or fixed fee) is not tied to the overall performance of your account with ATFS Advisers.

Conversation Starter: How might your conflicts of interest affect me, and how will you address them?

For more information regarding our conflicts of interest, see ATFS Advisers' Firm Brochure.

How do your financial professionals make money?

Our financial professionals receive total compensation consisting of a base salary, equity in Atlas Financial Services, Inc., and may receive a discretionary bonus (cash and non-cash benefits) linked to the revenue and growth of the company. Total compensation takes into account market rate for the role and expertise, overall revenue, new assets, retained assets, contributions to our culture, and business strength. Payment of incentive compensation and profit creates a conflict of interest for your financial professional.

Item 4. Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. ATFS Advisers and ATFS Markets do not have any legal or disciplinary history.

You can visit Investor.gov/CRS for a free and simple search tool to research you and your financial professionals.

Conversation Starter: As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5. Additional Information

For more information about our investment advisory and brokerage services, please visit www.atlasfinancial.com and ATFS Advisers' Firm Brochure. You can also request additional, up-to-date information or a copy of this Client Relationship Summary ("Form CRS") by visiting www.atlasfinancial.com or calling us at (805) 557-8713.

Conversation Starter: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?