

BRIGHTON SECURITIES

— CAPITAL MANAGEMENT —

Form ADV Part 2A: Firm Brochure

BRIGHTON SECURITIES CAPITAL MANAGEMENT INC.

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This brochure provides information about the qualifications and business practices of Brighton Securities Capital Management Inc. If you have questions about the contents of this brochure, please contact us at 585-473-3590. 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.

References in this brochure to "registered investment adviser" or "registered" do not imply a certain level of skill or training.

Additional information about Brighton Securities Capital Management Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Advisory Firm and Principals. Brighton Securities Capital Management Inc. ("Brighton Securities Capital Management," "we," "our," or "us") is New York corporation established on April 15, 2021 offering fee-only investment advisory and financial planning firm. Brighton Securities Capital Management is a subsidiary of Brighton Securities Holdings Inc.

Advisory Services Offered. We may offer all or any combination of the investment advisory and financial planning services described below.

Investment Advisory Services. We provide clients with investment management services with respect to their investment accounts. Our clients are primarily individuals and their families, but we also offer services to trustees, executors, qualified retirement plans, and business entities.

We construct portfolios based on our assessment of a client's risk profile, investment objective(s), time horizon, withdrawal or spending needs, account restrictions (if any), and overall financial situation. Portfolios generally consist of mutual funds (either no-load or load waived, sometimes referred to as "load-at-NAV") and exchange-traded funds (ETFs), with a heavy emphasis on index-tracking funds. Some of portfolios may utilize individual equity or fixed income securities, and individual client accounts may hold individual securities. The client may place reasonable restrictions on the types of investments to be held in the portfolio, provided that such restrictions are agreed upon in writing.

Financial Planning Services. Other financial planning services may be provided based on a client's needs and objectives and the level of services desired. These services may be provided on a one-time or on-going basis. Depending on the particular circumstances, financial planning services may be broad in nature or limited to specific issues or concerns.

For example, a broad financial analysis could include a review of a client's overall financial condition, income and tax status, personal and business assets, insurance needs, risk profile, retirement planning, estate planning, and other factors unique to a client's particular circumstances. We may also offer advice regarding the rearrangement of cash flow in order to fund certain long-term objectives such as retirement planning.

We may identify legal or tax issues a client needs to address and coordinate with other professionals to ensure that these issues are properly addressed. We do not, however, render legal, tax or accounting advice or prepare any legal documents for clients. We may refer clients to an accountant or attorney for development of tax or estate plans. The client personal attorney is solely responsible for providing legal advice and documents. The client's personal tax adviser or accountant is solely responsible for any tax or accounting advice.

Financial planning services may also take the form of investment advice in situations where investment accounts are not held with a custodian with whom we have a relationship and, therefore, where we do not provide ongoing investment management. For example, these services may include advice regarding asset allocation, investment portfolio construction, investment selection, performance review, or other services as agreed upon.

Assets Under Management. As of on or about December 31, 2023, Brighton Securities Capital Management managed approximately \$194,956,017.22 on a discretionary basis.

Item 5 – Fees and Compensation

Investment Advisory Services. Our fees are typically based on a percentage of assets managed. The annual fee is calculated and payable quarterly, in advance, based on the aggregate market value of the assets under management as of the close of business on the last business day of the preceding calendar quarter. Fees are either deducted directly from a client account or, at the client's request, may be billed separately.

The first billing will be calculated based on the account value when we determine that the assets under management are held by the custodian and the account is available for trading.

A client will receive a full refund of fees paid in the event the client terminates the agreement with us within five business days after signing. If a client terminates after the first five days, fees will be credited back on a prorated basis for the unused portion of the quarter.

Our fees generally follow the following fee schedule:

Assets Under Management	Annual Fee Rate (not to exceed)
All Assets	Up to 1.50%

We reserve the right in our sole discretion to negotiate fees on case-by-case basis. As a result, actual fees may be less than as stated above and are set forth in the client agreement.

Investment management services may also be billed on a fixed fee arrangement, billed quarterly, as agreed upon and set forth in the client agreement.

Financial Planning Services. Financial planning services are charged at an hourly rate (currently between \$0 and \$2,000 per hour) or on a fixed fee basis. Fees are negotiable and will vary depending upon the complexity of the client's situation and the scope of services to be provided. Fees are billed after the services are performed and are due upon receipt of the bill.

Negotiation of Fees. We may in our sole discretion negotiate fees on a case-by-case basis. This may be based upon a variety of factors, including the nature and complexity of the services, the nature or history of the client relationship, and the size of the account.

Other Fees and Expenses

Mutual funds and exchange-traded funds have an expense ratio that represents the percentage of the fund's asset value charged as an expense for operating the fund. Mutual fund shares or ETF shares in a client's account may be subject to other fees and expenses that are described in the fund prospectus. These other fees and expenses are not paid to us.

Fee-Only Compensation

We are fee-only advisers. We do not accept commissions or other compensation, including asset-based sales charges or service fees, in connection with the purchase or sale of mutual funds or other investment products. See Item 12 of this Form ADV Part 2A for more discussion of our Brokerage Practices.

Outside Compensation for the Sale of Securities to Clients

Almost all of the registered representatives of Brighton Securities Corp. ("BSC") are also investment adviser representatives of the Adviser, and almost all of the investment adviser representatives of the Adviser are also registered representatives of BSC.

Each of the representatives in this dual role has a conflict of interest in that they could seek to maximize the income to BSC or the Adviser, and to themselves in the capacity of registered representative or investment adviser representative by directing clients to brokerage or advisory accounts depending on aggregate client amounts under management or frequency and size of trades. When a new potential client comes to Brighton, we ascertain the type of services they are seeking, to establish the appropriate client relationship (brokerage or advisory). We revisit clients' accounts on an ongoing basis informally, and formally annually to ensure that the type(s) of accounts they are in (including accounts of family members which we may aggregate in terms of establishing AUM to provide a lower fee band) are in the best interests of the applicable clients.

Our ongoing training of our investment adviser representatives emphasizes our duty to act in our clients' best interests, regardless of the financial impact on us, our affiliates, or the investment adviser representative. Ongoing informal analysis of trading activity and amounts under management by our investment adviser representatives are intended to identify patterns where a client might be better served by changing account type. Compliance staff review of daily trading blotters are expected to identify excess trading, significant trading (where a wrap program could benefit the client), and to a lesser extent may reveal that certain accounts have extremely limited trading (where a brokerage account could benefit the client). When it appears that a change of account type could benefit a client, the investment adviser representative discusses the pros and cons of such a change with the applicable client and changes the type(s) of account(s) if appropriate and agreed upon by the client.

Item 6 – Performance Based Fees

We do not charge performance-based fees that are based on a share of the capital gains on, or appreciation of, a client's assets.

Item 7- Types of Clients

We provide investment advisory and financial planning services primarily to individuals, but also to trusts, estates, pension and profit sharing plans, corporations or other business entities. We do not maintain express account minimums.

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

Investment Strategies. We believe that investors are more likely to reach their investment objectives by efficiently capturing market returns rather than by attempting to outperform the markets. We generally recommend index-tracking funds for the portfolios we manage, but we do not use index funds exclusively. Index funds are mutual funds or exchange-traded funds (ETFs) that aim to achieve the same return, as near as possible, as a particular market index, but usually at a lower cost and with greater tax efficiency than a comparable actively managed fund. Index funds are especially useful for taxable accounts because

they generally experience relatively low turnover and can be more tax efficient than actively managed mutual funds.

Our investment strategies principally rely on the basic principles of asset allocation and diversification. **Asset allocation** generally refers to the decision to invest across multiple asset classes with the aim of balancing risk and return. We believe that the decision setting the allocation among various asset classes, such as stocks, bonds and cash, and their respective sub-classes, is the single most important determinant of portfolio performance. We believe it is more important, over the long-term, than individual security selection. **Diversification** refers to investing broadly within an asset class by using a number of investments to minimize the impact of poor performance of an individual security on the overall portfolio.

Asset allocation and diversification are strategies for managing risk. They attempt to produce higher portfolio returns at a lower level of risk than can be achieved by owning a single security. This is based on the concept of constructing a portfolio of different kinds of investments that are not highly or perfectly correlated. Correlation refers to the tendency of one asset to move in relation to another. A basic objective of portfolio construction is to reduce risk, generally measured by volatility, by combining assets that do not move up or down at the same time or to the same degree.

Asset allocation and diversification are basic principles of what is known as Modern Portfolio Theory. Modern Portfolio Theory focuses on the relationship of all the investments in a client's portfolio rather than looking at investments in isolation from each other. Risk is inherent when investing in any asset class. Greater risk is generally associated with higher expected investment returns, but greater risk does not necessarily lead to higher returns. Asset allocation and diversification do not ensure a profit or prevent a portfolio from experiencing a loss.

Rebalancing is a related investment strategy that builds upon the principles of asset allocation and diversification. It refers to the periodic adjustment of a portfolio to its intended asset allocation. Rebalancing either reallocates gains from investments in rising markets or adds to investments that have decreased in value during a market decline. Rebalancing imposes the discipline of adhering to the asset allocation strategy.

We determine an appropriate allocation for a client taking into consideration: the client's general financial situation, investment objectives, risk profile, time horizon, liquidity needs and the need for withdrawals. The aim is to seek a level of expected return proportionate to the level of risk appropriate for the client.

Methods of Analysis. We use various sources of information to analyze and select investments, including: research and analysis provided by Morningstar or other sources; investment and financial journals, publications and subscriptions; professional conferences, meetings and continuing education; and other news and commentary from various sources.

Risk of Loss. Every investor faces risk of loss that can take various forms. The most basic risk faced by all investors is **market risk**. This refers to the risk that the market for an asset class declines in value and affects all securities in that asset class in a similar way. When pursuing strategic long-term investing strategies, we are assuming the financial markets will go up in the long-term, which may not be the case. Market risk applies to any asset class, not just stocks. It is a risk that cannot be eliminated even by diversification. A related form of risk of loss is **variability of returns**. This refers to the risk that the client's investments will fluctuate in value over time and may be worth less than the original investment when sold or redeemed, even if the long-term trend has been upward. Financial markets and a client's specific investment may experience varying degrees of volatility and fluctuation in value. While we attempt to mitigate these risks by using asset allocation strategies, asset allocation involves assumptions based on

the historical performance of different asset classes. There is a risk that an asset class does not perform in a similar way, or that the assumptions on which we rely may be proved incorrect in the future. Consequently, there is no guarantee that an asset allocation strategy will meet its investment objective or that a portfolio will not suffer losses.

Investing in mutual funds or ETFs may involve various specific risks, of which the following are examples:

1. **Manager risk.** The risk that the fund's investment adviser will fail to execute the fund's stated investment strategy or fail to meet its objective. This risk is greater with actively managed funds and is minimized with index-based funds.
2. **Inflation risk.** The risk that the rate of price increases in the economy deteriorates the returns associated with the fund. Inflation is a particular risk with bonds and other types of fixed income that become less valuable as inflation increases.
3. **Interest rate risk.** This is the risk that the market value of bonds will go down when interest rates go up. Bond prices generally have an inverse relationship to interest rates.
4. **Tracking error risk.** This risk is specific to index mutual funds and ETFs. Tracking error measures the discrepancy between the fund's returns and the returns of the target index.
5. **ETF trading risks.** Because ETFs are bought and sold like stocks, the spread between the bid price and ask price is an additional cost and, therefore, a risk for investors. Another trading risk involves ETFs trading at a premium or discount to the value of the underlying securities. Yet another risk is the potential for improper trade execution and the risk that a trade executes at other than the intended price. These trading risks are one important way in which ETFs differ from comparable mutual funds.

Please see the appropriate mutual fund or ETF prospectus and statement of additional information for additional risk information.

Key Person Risk. David Peartree holds primary responsibility for the management of the client's assets. As a result, the continuation of the firm's advisory services to clients is dependent heavily upon the ability of Mr. Peartree to provide investment advice.

Investing in any security involves risk of loss that the investor should be prepared to bear.

Item 9-Disciplinary Information

We have not been involved in any legal or disciplinary events related to past or current investment advisory clients under either our current name or any prior name.

Item 10 – Other Financial Industry Activities and Affiliations

Brighton Securities Corp, a broker dealer, is under common ownership with Brighton Securities Capital Management. In this role, registered representatives of Brighton Securities receive compensation for the sale of investment products to Brighton Securities Capital Management clients.

Clients always have the option to purchase products recommended products through other broker dealers. Brighton Securities Capital Management, has a formal clearing arrangement with Charles Schwab & Co, Inc as well as Wells Fargo Clearing Services through our affiliation with Brighton Securities Corp.

Brighton Securities Capital Management (BSCM), through it's affiliation with Brighton Securities Corp (BSC), has a clearing relationship with Wells Fargo Clearing Services (WFA) which provides Brighton Securities with economic benefits by using WFA. BSC receives additional good standing benefits from WFA when total Brighton account values at WFA maintain certain thresholds, which includes BSCM accounts held at WFA. Specifically, BSC receives a credit of \$15,000/month for assets under management of up to \$1 billion, \$20,000/month for up to \$2 billion AUM, and \$25,000/month for up to \$3 billion AUM. WFA, to help defray the cost associated in transferring certain client accounts onto Brighton's platform custodied at WFA, reimburses Brighton a portion of the termination and transfer fees incurred by a client that qualifies for such assistance.

In April 2020, Brighton Securities Corp. renegotiated an amendment to the clearing agreement's Pricing Schedule A, that included an extension of the contract to 2025 and an upfront lump-sum cash extension award of \$500,000. This award is used for the considerable operations, technology, and compliance expenses. We have a pro-rated termination Fee Schedule should we terminate its clearing agreement prior the end of the contract term in August 2025.

This additional compensation received by Brighton Securities Corp. in its broker/dealer capacity creates a conflict of interest with clients of Brighton Securities Capital Management because BSC and BSCM has an economic incentive to use WFA as its clearing firm for trade execution and custody over other firms that do not or would not provide these incentives to Brighton. However, the transition dollars are a common occurrence in the industry, and other Clearing Firms offer similar arrangements. A change to another Clearing Firm would likely generate the same award and is a significant undertaking for a broker dealer and its clients. The use of a Clearing Firm is a long-term commitment and integral part of our broker dealer's business model, operations and product and service offerings; thus it is not a change to be made frequently. For the IARs of Brighton Securities Capital Management who are also broker agents with the BD, use of the Clearing Firm provides advantages for clients in that their financial professional can offer both products and services in a comprehensive and coordinated manner. Clients with both brokerage and advisory accounts at the Clearing Firm are able to enjoy the benefits of working with one custodian, such as consolidated reporting, costs advantages of householding, ease of transferring funds and securities between accounts, and the same contact to service the accounts. Clients have a wide range of access to products, reporting, and services at a single custodian. The Firm addresses these conflicts of interest through internal exception reports and ongoing reviews to ensure the services provided by the Clearing Firm remain appropriate for our firm and clients. Additionally, no portion of these payments are applied as direct or indirect compensation to our Financial Professionals.

There is an inherent conflict of interests between registered investment advisers and brokerage firms, due to their respective pricing models: A broker, to earn fees, would want to affect as many transactions as possible. An investment adviser would want to maintain the highest AUM while affecting the fewest trades. BSC and the Advisor are under common ownership, mitigating any potential conflict of interest, since the owner receives revenue regardless of if it is generated from fees or commissions. As noted in Item 4 above, the conflict of interest caused by the fee structures affects dual representatives. Focus on the best interests of the clients and analysis of their accounts as outlined above, mitigates the conflict of interest at the representative level and means that it is also addressed at the company level.

Brighton Securities Capital Management Inc. is not registered as any of the following: 1) a futures commission merchant, 2) a commodity pool operator, 3) a commodity trading adviser, or 4) an associated person of any of the foregoing entities.

Other than as set forth above in respect of Brighton Securities Corp, Brighton Securities Capital Management and its investment adviser representatives do not believe we have any material conflicts of interest with any related persons or other investment advisers. We do not receive compensation from other advisers.

Item 11 – Code of Ethics

Brighton Securities Capital Management Inc. has adopted a Code of Ethics that establishes standards of business conduct for all supervised persons of the firm. The Code of Ethics is designed: to put the interests of clients before the interests of the firm or the personal interests of any of the firm's supervised persons; to prevent improper personal trading; to identify conflicts of interest; and to provide a means to resolve any actual or potential conflicts in favor of clients of the firm.

We do not recommend to clients any securities in which Brighton Securities Capital Management or any related person has a material financial interest. A related person of Brighton Securities Capital Management may purchase securities that are recommended to clients. We generally recommend open-end mutual funds or exchange traded funds (ETFs) for our clients' portfolios. We have an ethical obligation to ensure that a related person does not receive a preferential price with respect to a security which a client may also be selling or purchasing at or about the same time.

To mitigate the potential for receiving preferential pricing for a trade in an ETF or other security which trades intra-day, the purchase or sale of such a security on any trading day will be placed first in a client's account, unless the decision to trade in the client's account was made after the trade in the account of the related person. Mutual funds do not trade intra-day and the purchase or sale of a mutual fund by a related person does not present a potential opportunity for preferential pricing. Mutual funds are priced once each day after their net asset value is calculated following the close of trading.

A copy of the firm's Code of Ethics is available upon request.

Item 12 – Brokerage Practices

The custodian and brokers we use.

Brighton Securities Capital Management, as well as through its affiliation with Brighton Securities Corp, has clearing firm relationships in place with both Wells Fargo Clearing Services and Schwab, and therefore recommends that clients utilize their custodial services. Factors which Brighton considers in recommending Wells Fargo and Schwab, or any other broker-dealer to clients, include their respective financial strength, reputation, execution, pricing, research, and service. Wells Fargo and Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Wells Fargo and Schwab may be higher or lower than those charged by other financial institutions and depend on the account options selected by you.

We do not maintain custody of the assets we manage. We may, however, be deemed to have custody of your assets if you give us authority to withdraw assets from your account (See Item 15, Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or a bank.

We are independently owned and operated and are not affiliated with Wells Fargo or Schwab, which will hold your assets in brokerage account(s) and execute transactions as we instruct them to. While we generally recommend Wells Fargo and Schwab as custodians/brokers, you will decide whether to do so and will open your account with Wells Fargo or Schwab by entering into an account agreement directly with them. Subject to limited exceptions where we may use another custodian, if you do not wish to place your assets with Wells Fargo or Schwab, then we cannot manage the account.

Selecting Brokerage Firms

Brighton Securities Capital Management’s advisory program is offered through its agreement with Schwab as well as through Brighton Securities Corp’s agreement with Wells Fargo, and is only available through accounts opened with Brighton Securities Corp. Accordingly, Brighton Securities Corp, a registered broker-dealer and member of FINRA, recommends that clients establish an account with them. Custody and clearing services for accounts are provided by Wells Fargo Clearing Services and Schwab.

How we select custodians or brokers. We seek to recommend custodians that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

- combination of transaction execution services and asset custody services, generally without a separate fee for custody
- capability to execute, clear, and settle trades (buy and sell securities for your account)
- capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- breadth of available investment products (mutual funds, exchange-traded funds (ETF's), stocks, bonds, etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, interest rates, other fees, etc.) and the willingness to negotiate the prices
- reputation, financial strength, and stability
- prior service to our clients and to us
- availability of other products and services that benefit us, as discussed below.

As noted above, Brighton Securities Capital Management, through its affiliation with Brighton Securities Corp, has a formal relationship with Wells Fargo Clearing Services and Schwab. Under the “Best Execution” rule our representatives must seek the best market for client to make trades for their clients’ portfolios. Brighton Securities enters all equity orders through the order entry system of our custodian and clearing firms, Schwab as well as First Clearing, a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker dealer and non-bank affiliate of Wells Fargo & Company (“FC”). The securities that are traded for a client are traded in more than one marketplace. Consistent with the

overriding principle of best execution and subject to applicable regulatory requirements, we rely on the clearing firm's discretion in selecting the market in which to enter your orders. They route client orders for over-the counter and listed equity securities to exchange venues, as appropriate, with best execution being the highest priority. In making the determination to use Wells Fargo or Schwab, our objective is not necessarily to obtain the lowest possible cost, but to obtain the best qualitative execution having considered the foregoing factors. It is possible that another custodian could provide more favorable execution of transactions or that another custodian may cost less.

While we rely on our clearing firm for trade execution and order routing, the Advisor ultimately has a fiduciary responsibility to ensure that Wells Fargo and Schwab is fulfilling its best execution obligations. We review order routing and best execution reports as they become available on a monthly and quarterly basis as well as perform a cost comparison analysis of other clearing firms on an annual basis. Links to our clearing firms' order routing 606 reports are available on our website under our Disclosures section.

Your brokerage and custody costs. For our clients' accounts that Schwab and Wells Fargo Clearing Services maintains, Schwab and Wells Fargo Clearing Services generally does not charge you separately for custody services but are compensated based on transaction costs or other fees on trades that it executes or that settle into your Schwab and Wells Fargo Clearing Services, Inc account. Certain trades (for example, mutual funds and ETFs) may not incur Schwab and Wells Fargo Clearing Services, Inc commissions or transaction fees. These fees are in addition to the compensation you pay the executing broker-dealer and is included in the total advisory fee charged to the client. Because of this, in order to minimize your trading costs, we have Schwab and Wells Fargo Clearing Services, Inc execute all trades for your account and is consistent with our duty to seek "best execution" of your trades.

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

The following is a more detailed description of Schwab and Wells Fargo Clearing Services, Inc's support services.

Services that benefit you. Schwab and Wells Fargo Clearing Services, Inc'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 and Wells Fargo Clearing Services, Inc include some to which we might not otherwise have access or that would require a higher minimum initial investment.

Services that may not directly benefit you. Schwab and Wells Fargo Clearing Services, Inc 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 and Wells Fargo Clearing Services, Inc's and that of third parties. We may use this research to service all or a substantial number of clients, including accounts not

maintained at Schwab and Wells Fargo Clearing Services, Inc. In addition to investment research, Schwab and Wells Fargo Clearing Services, Inc also makes available software and other technology that:

- provides access to client account data
- facilitates trade execution
- provides pricing and other market data
- facilitates payment of our fees from clients' accounts
- assists with back-office functions, recordkeeping and client reporting.

Services that generally only benefit us. Schwab and Wells Fargo Clearing Services, Inc also offers other services intended to help us manage and further develop our business. These include:

- educational conferences and events
- consulting on technology, compliance, legal and business needs
- publications and conferences on practice management and business succession
- marketing and consulting support.

Schwab and Wells Fargo Clearing Services, Inc may provide some of these services itself. In other cases, it may arrange for third-party vendors to provide services to us. Schwab and Wells Fargo Clearing Services, Inc may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. The availability of these services from Schwab and Wells Fargo Clearing Services, as part of our arrangement benefits us because we do not have to produce or purchase these services separately. This may create an incentive to recommend that you maintain your account with either Schwab or Wells Fargo Clearing Services based on our interest in receiving the services they provide as part of our relationship 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 recommendations are in the best interest of our clients. Our recommendations are primarily supported by the scope, quality, and price of services provided to our clients; they are not based on services that benefit only us.

Trades. We do not “bunch” or aggregate trades. The aggregation and allocation practices of mutual funds and any third-party managers that we recommend are disclosed in the respective mutual fund prospectuses and third-party manager disclosure documents which will be provided to the client, if applicable.

Item 13-Review of Accounts

Clients' investment accounts and financial plans are reviewed with clients periodically, not less than annually and as frequent as quarterly by their Financial Adviser and/or the Portfolio Manager. Reviews include, when warranted, recommended changes to the investment or financial plan, and changes to the asset allocation and investment selection. Brighton Securities Capital Management provides regular reports to clients regarding their account. Reporting typically includes monthly statements, quarterly reports, transaction summaries and year-end and tax reporting. These reports are provided to clients by Wells Fargo Clearing and Charles Schwab & Co. the custodian of the assets, and not by Brighton Securities.

Item 14-Client Referrals and Other Compensation

We are not paid referral fees to refer clients to a custodian or broker-dealer. However, as set forth in Item 12 above, we may receive some benefits from our clients' custodians as a result of client assets being directed to such custodians or broker-dealers. While our recommendation for the use of such custodians may create a potential conflict of interest, we believe our recommendations are in the best interest of our clients and are not based on benefits available to us. Specifically, the availability of Schwab and Wells Fargo Clearing Services, Inc's products and services is not based on us giving any particular investment advice. We do not pay referral fees to third parties.

Item 15-Custody

We generally do not maintain actual custody of client assets, but instead custody your assets with a qualified custodian. Under government regulations, we may be deemed to have custody of your assets if, for example, you authorize us to instruct the custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. The custodian maintains actual custody of your assets.

You will receive account statements directly from the custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian. You should carefully and promptly review those statements when you receive them. You should also compare the custodian's account statements with any periodic reports received from us.

Item 16-Investment Discretion

We manage most investment accounts on a discretionary basis. Our discretionary authority is based on the investment advisory agreement signed by the client. Discretionary authority allows us to determine, without obtaining specific client consent for each trade, the specific securities and the amount of securities to be bought or sold subject to our determination of the suitability of the securities for a client. Clients may place reasonable restrictions on investments to be held in the portfolio provided such restrictions are agreed upon in writing.

Item 17-Voting Client Securities

We do not have the authority to vote proxies solicited by or with respect to the issuers of securities held in client account(s). Please contact us at any time with questions regarding proxy solicitations. Proxies will be sent to the client by the custodian and not by us.

Item 18-Financial Information

We do not require or solicit prepayment of fees more than six months in advance. Brighton Securities Capital Management Inc. has not been the subject of a bankruptcy petition at any time during the past ten years or at any time.