



## **Vision Investment Advisors, LLC**

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This Brochure provides information about the qualifications and business practices of Vision Investment Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 203-388-2700. 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 Vision Investment Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Vision Investment Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

This Item 2 only discusses specific material changes that are made to the Brochure and provides clients with a summary of such changes since the last brochure on March 1 2023.

Vision Investment Advisors, LLC has had no material changes in its business since its last filing on March 1 2023.

Mr. John Karafa, the Anti-Money Laundering Compliance Officer was appointed to be the Chief Compliance Officer on July 18, 2019 and is listed on the ADV Part 1A Schedule A.

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## **Item 4 – Advisory Business**

- A. VIA (“VIA”) is an SEC-registered investment advisor under the “Multi-State” registration category as stated in the ADV Part 1A Item 2A(10). VIA has been in the investment advisory business since September 2000. Mr. Howard Rothman and Boshnack Family LLC are principal owners controlling 25% or more of the entity and are listed in the ADV Part 1A Schedule A. the principal owners are not a publicly held companies and their ownership is not through subsidiaries.
- B. VIA provides general investment advisory services for clients on a discretionary and non-discretionary basis. VIA may recommend a third-party investment advisor to manage all or a portion of a client's account or an independent Commodity Trading Advisor ("CTA") to manage all or a portion of a client's account in managed futures. Individual accounts are managed directly by a specifically named VIA investment advisor. Investment advice is not limited and includes many different types of investments.
- C. Accounts managed by a VIA Investment Advisor Representative (“IAR”) are tailored to meet the needs of the client by determining those needs through ongoing discussions regarding risk tolerance, investment goals, personal economic facts, personal demographic facts, and other personal preferences of the client. The accounts are managed based on the following clients’ stated investment objectives: (1) preservation of capital, (2) income, (3) capital appreciation, and (4) speculation. Client accounts may be managed independently by an IAR, invested on one of VIA proprietary “portfolios” as described below or invested in a combination of disciplines. IARs may recommend another investment advisor or a commodity trading advisor to manage all or a portion of the assets in the accounts. Clients are also free to impose reasonable restrictions upon investing in certain securities or types of securities.
- D. VIA no longer offers wrap fee programs but the program is maintained for existing accounts. Information regarding the wrap fee program is described in a separate ADV Part 2A Wrap Fee Program document. As of December 31, 2023, there are 24 legacy wrap fee accounts with \$21,013,508.33 in assets under management. VIA receives a portion of the wrap fee for its services.
- E. As of December 31, 2023, VIA has total assets of \$106,360,014.27 in total assets under management. Discretionary assets total \$103,697,743.79 and non-discretionary assets total \$2,662,270.48.

### **Investment Portfolios - Non-Wrap Fee Programs**

VIA provides discretionary advisory services on a non-wrap fee basis in the Equity, Balanced, Dividend, Fixed Income and Total Portfolios as well as the Stock Put Writing Program and the Stock Put Credit-Spread Option Program to individuals and institutional investors.

These investment methodologies have been developed by Mr. Howard Rothman, VIA's Chief Executive Officer. Mr. Rothman makes the ultimate investment selections and recommendations and monitors each client account that receives discretionary investment advice. A VIA client may establish an account in one or more of VIA's investment portfolios, each of which consists of accounts with similar investment objectives, portfolio construction, market exposure and risk tolerance. Each client's portfolio is managed specifically for that client based upon the client's individual goals, objectives, restrictions and current market conditions. A client may request, subject to VIA's approval, to place limited and reasonable restrictions on the specific securities or types of securities that are purchased for their account. VIA may also provide discretionary advisory services not based on any of the portfolios described below.

For trade implementation, each VIA client opens a brokerage account with either Vision Financial Markets, LLC ("VFM"), or a third-party brokerage firm. All trades are executed in that brokerage account and client assets are held in custody with that brokerage firm's custodian. VIA does not execute trades or custody assets. VFM is a affiliated company under common ownership and control with VIA.

### **The Equity Portfolio (The E-Portfolio)**

VIA's principal objective in its Equity Portfolio is to seek returns from a diversified group of large cap U.S. traded equities that it believes have the potential to outperform the S&P 500 Index over time. The Equity Portfolio is primarily composed of a diversified portfolio of large-cap stocks that currently exhibit a high degree of financial strength and potential for growth. The total amount of diversification is a function of the total amount of the individual client's funds invested in the E-Portfolio. An account with a smaller amount invested generally will incorporate fewer stocks and therefore be less diversified.

VIA's research efforts focus on identifying companies that have sustainable gross revenue ("topline") and earnings or net income ("bottom-line") growth, competitive advantages and strong returns on equity. VIA selects and purchases stocks based upon its research and evaluation of a given company. During this process, the advisor will review a given company's past revenue and earnings growth, current cash flow status, debt factors, financial ratios such as the price-earnings ratio ("PE") and additional ratios and factors we deem to be relevant.

Securities in the Equity Portfolio may represent several sectors of the economy but generally will not be concentrated in any one sector or constitute more than 15% in any one issuer. Securities are sold when VIA deems that the ownership of that company is no longer attractive, or to replace that security with another security that is more attractive. Considerations to sell a security may include deceleration in sales or earnings growth or expected future growth, a high stock price based on PE ratio or key management changes, among other factors.

VIA also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Equity Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, VIA works to optimize the tradeoff between receiving option premium income and the possibility of forgoing future price

appreciation on the underlying stock above the written strike price of the option until the option expires. At the same time, the account receives a small measure of downside protection to the extent of the net option premium received should the price of the stock decline. By adding a covered call position to an existing long stock position, VIA will attempt to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain up to the total net option premium received should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, VIA will measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time period.

In addition to covered calls, VIA may, from time to time purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock in the account. This strategy of employing puts to help protect the stocks; value in an account is likely to temper total returns (due to the premium paid to purchase the put options) but does provide some downside protection against declines in the value of the underlying stocks in the account.

### **The Balanced Portfolio (The B-Portfolio)**

The principal objective of the Balanced Portfolio is to provide income and capital gains from a combination of stocks (common and preferred), bonds, notes, cash, cash equivalents and option premium income. The equity portion of the Balanced Portfolio is managed using the methods employed to manage the Equity Portfolio accounts. Within the fixed income portion, securities are evaluated and selected based upon VIA's interest rate assumptions, the U.S. Treasury yield curve, credit risk and a number of macroeconomic variables that may affect the relative performance of the specific bonds. Fixed income holdings can include preferred stocks, municipal bonds, corporate bonds, U.S. Government agency debt securities and other debt instruments.

VIA also believes that it makes sound economic sense to employ, from time to time, a strategy of writing covered call positions against some or all of the stocks in the Balanced Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, VIA seeks to optimize the tradeoff between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received, should the price of the stock decline. By adding a covered call position to an existing long stock position, VIA attempts to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, VIA will measure the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time period.

In addition to covered calls, VIA may, from time to time, purchase out-of-the-money put options to further add to the level of downside protection. The ratio of purchased put options may be less than the number of long shares of stock owned in the account. This strategy of employing puts to help protect the stocks in an account is likely to temper total returns (due to the premium paid to purchase the put options) but does provide some downside protection against declines in value of the underlying stocks.

### **The Dividend Portfolio (The D-Portfolio)**

VIA's principal objective in its equity-based Dividend Portfolio is to provide returns from a diversified group of companies that have an attractive dividend rate but still maintain many growth characteristics. Accordingly, the Dividend Portfolio is composed of mid-cap and/or large-cap stocks that maintain a targeted minimum dividend yield of at least 1.50% and exhibit a high level of financial strength coupled with a historical above average return on equity. Mid-cap stocks represent companies that have a total market capitalization between \$1 billion and \$5 billion. Mid-cap stocks tend to have a higher risk/reward ratio than large-cap stocks. Large-cap stocks represent companies that have a total market capitalization over more than \$5 billion. Based on market conditions, this portfolio may have less diversification at times and may be more exposed to sector trends than a more diversified portfolio.

VIA employs technical screening methods to forecast revenue and earnings over the next one to two years. Upon identifying a number of issuers, the selection is further narrowed by applying other investment rules and financial ratios such as PE ratio to evaluate future price projections. In addition to financial strength, dividend yield and return on equity, VIA also examines the dividend payout, the debt equity ratio and forward-looking PE ratios. Finally, VIA looks at companies that may also have an established history of buying back their stock and raising their dividend payments. Although certain industries tend to offer higher yielding stocks, the additional factors employed tend to screen out many less-desirable stocks in certain industries.

From time to time VIA also utilizes a strategy of writing covered call positions against some or all of the stocks in the Dividend Portfolio.

The primary purpose of option writing is to earn additional income through premiums received from the buyers of the call options. By monitoring the volatility, delta and time to expiration, VIA seeks to optimize the tradeoff between receiving option premium income and the possibility of forgoing future price appreciation on the underlying stock above the written strike price of the option, until the option expires. At the same time, the investor receives a small measure of downside protection, to the extent of the net option premium received should the price of the stock decline. By adding covered call positions to an existing long stock position, VIA works to enhance the potential overall return in the portfolio.

The goal of a covered call position is for the short option value to decay over time and allow the account holder to realize a gain, up to the total net option premium received should the option position expire worthless. In order to calculate the gain or loss on the overall covered call position, VIA measures the profit or loss realized during the period the covered call option position was open against the profit and loss of the open securities position during the same time period.

In addition to covered calls, VIA may, from time to time, purchase out-of-the-money put options to add downside protection. The ratio of purchased put options may be less than the number of long shares of

stock owned in the account. that the strategy of employing puts to help protect the account is likely to temper total returns (due to the premium paid to purchase the put options) but does provide some downside protection against declines in the underlying stocks.

### **The Fixed Income Portfolio (The I-Portfolio)**

A more conservative strategy is the Fixed Income Portfolio. A client can choose a taxable Fixed Income Portfolio, which seeks to provide returns from U.S. government agency securities, corporate debt and/or preferred stocks, or a non-taxable Portfolio, which seeks to provide returns from municipal bonds. Fixed income securities are selected using the same methodology as the fixed income segment in the Balanced Portfolio. The fixed income portfolio seeks to produce total returns over complete market cycles that exceed returns that may be expected from random trading and passive management strategies. At the discretion of the advisor, the taxable and/or non-taxable fixed income portfolios may consist entirely of one type of security, such as, for example, government agency securities or municipal bonds.

### **Stock Put Writing Program ("SPWP") and the Stock Put Credit-Spread Option Program ("SPCSOP")**

VIA provides its clients with an alternative trading strategy that is designed for investors seeking aggressive returns. It is suitable only for those investors who can bear a high risk of loss, and who are suitable for active and short-term option trading, which includes the use of leverage in holding short put option positions and short put option credit-spread positions. For these investors, VIA offers the SPWP and the SPCSOP.

Clients in these portfolios must have "Speculation" or "Capital Appreciation" as their primary objective and their risk tolerance must be "Aggressive" or "Speculative". It is advised that clients allocate no more than 20% of their total investable assets into these portfolios. (VIA has additional portfolios that could be utilized for the balance of a client's investable assets.) It is advised that clients who are age 65 or older do not allocate more than 15% of their investable assets into these portfolios.

VIA seeks to achieve an aggressive return for investors in the SPWP, by employing a strategy of writing (selling) put options on a group of common stocks. A client enters a typical trade by selling an out-of-the-money put on a given stock and receiving a premium in exchange for agreeing to purchase 100 shares of that stock at the strike price any time before the expiration date of the option. If the underlying stock price does not drop below the strike price of the option, the option will generally decay in value over time and expire worthless on the expiration date. The premium collected for writing the option becomes the short-term profit for that trade. If the stock price drops below the exercise price, then the option is subject to being exercised. In that case, the stock would have to be purchased at the strike price, which would be higher than the current market price of the stock. A client is not required under applicable margin rules to maintain in his/her account sufficient equity to fund assignments on all the client's short option positions. However, should the client be exercised on a short-put position, the cost of funding the resulting assignment of the stock may exceed the account's free available margin and result in a margin call, which would likely result in liquidating the stock position at a loss. The SPWP is a leveraged investment and should only be considered by investors with a high-risk tolerance.

VIA seeks to achieve an aggressive return for investors in the SPCSOP by writing (selling) put credit-spread options on a group of common stocks or on a stock index. By entering into a spread position, under



applicable margin rules, the initial margin that is required will be less than the total maximum potential loss on the spread position. Therefore, the SPCSOP is a leveraged investment and should only be considered by investors with a high-risk tolerance.

Clients in both of the above programs will be required to open margin accounts with VFM, or with another qualified custodian. Margin accounts allow for substantial leverage and clients will therefore be responsible for maintaining adequate levels of margin. If the market moves unfavorably, clients may be required to deposit additional margin on short notice to maintain their open positions. Also, clients need to be aware that they will have limited ability to withdraw amounts deposited as margin while option positions in their accounts remain open. Clients in both of the above programs will be required to be approved for writing uncovered options. Clients will need to be approved for Level 3 options trading in order to write puts and for Level 4 options trading to write uncovered puts. Clients who utilize puts on indexes must be approved for Level 5 options trading. Those clients who open option accounts will be provided with a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) prior to being approved to trade options. Clients will also receive margin and uncovered options disclosure forms. ***Please note: Options involve risk and are not suitable for all clients.***

VIA will first identify companies that it believes have a strong tendency to trade at or above their current market price (these may be the same stocks that VIA uses in its other portfolios). The portfolios seek to achieve trading profits by entering into the short-put options trades at higher prices than when the positions are liquidated (closed) or the option positions expire worthless. It is important for an investor to fully understand that a drop (especially a sudden large drop) in the respective stock price will cause losses on the stock option position and at times those losses could be greater than the total potential profit on the option transaction.

Leverage is a significant part of the investment strategy and creates the risk that a declining stock price, in the case of writing puts, may result in a loss greater than the amount deposited as margin. Moreover, a stock that is trading below the strike price, in the case of a short put, can and may incur potentially substantial losses in a short period of time. The price of a stock may fall to zero, and the loss in the client's account will be the cost of purchasing the stock at the strike price (far surpassing the value of the margin deposited in the account and the premium income received). If a client purchases a put, it gives the client the right to sell the underlying stock on or before the expiration date at the strike price. If a client sells a put, the client is obligated to buy the underlying stock at the strike price if the client is assigned. As a writer (seller of a put) the client has no control over whether the option will be exercised. Either type of position may be closed out before the expiration date thereby ending any right or potential obligation. A credit spread is the simultaneous initiation of a short put option in combination with the purchase of put option at a lower strike price with the same expiration date. One side of the transaction is writing a put on the stock and receiving a premium, in exchange for agreeing to purchase the stock at the strike price at a future date. The other side of the spread is buying a put option. The buyer pays a premium for the right to sell the stock at the strike price at a future date. There are different kinds of spreads that can be used, each having different objectives.

VIA seeks to maintain a diversified portfolio of short options on various stocks that it believes will be more beneficial than limiting the option positions to just one or a few stocks.

In the SPWP, if a client desires to own shares of stock but also believes that the ownership of that stock should take place at a price that is lower than the current market price and is willing to wait until a future

date, an option strategy can be employed. By writing a put option at a strike price below the current market price, it will offer the opportunity to potentially own the stock at a lower price by the designated expiration date of the option. The put writer receives the premium since the account has now assumed the risk of loss if the stock moves below the strike price. If the stock price drops and the option is exercised, the net put premium will be used to lower the net cost on the stock when it is purchased at the strike price. If the stock does not trade below the strike price by expiration, the option will ultimately expire as worthless and the net put premium will be the profit on the trade. The put writer will be writing uncovered puts and will not own the actual stocks. It is not the intention of this type of portfolio to hold any stocks. If an option position is exercised and stock is purchased, it would most likely be promptly liquidated.

In the SPCSOP, VIA will engage in writing put credit spreads. In this spread transaction, both the profit and loss are limited. The spread is the difference between the higher and the lower strike price. This strategy is used when one anticipates that the price of the underlying stock is likely to move higher or remain in a sideways trading range but remaining above the strike prices of the spread transactions, which will give it the opportunity to decay over time and result in a profitable trade. The reason the transaction is structured as a short credit spread instead of a naked put is to limit the potential of a loss on the transaction. Having a limited-loss feature also restricts the potential profit and adds transaction costs because there are two option positions rather than just one.

The opportunities of the SPWP and SPCSOP Programs are:

- The potential to profit from natural time decay of out-of-the-money short put options;
- The potential to profit from an upward stock trend and/or from a sideways stock trend;
- Access to investment methodologies developed by Mr. Rothman who will make the investment selections or recommendations and actively manages each of the portfolios; and
- Portfolios also offer the ability to trade Exchange Traded Funds ("ETFs") and Indexes. If puts are sold on an index, the client would have to be approved for Level 5 options trading.

### **The Total Portfolio (The T-Portfolio)**

VIA offers the Total Portfolio in which it may employ any of the strategies that it uses in managing the other portfolios offered, such as the Equity and Balanced Portfolios and the SPCSOP. In addition, VIA may engage in various option strategies including writing naked call options, entering into credit call spreads, entering into short stock positions and/or other decisions in a client's account including using margin to leverage the assets in a client's account. This portfolio entails a **HIGH DEGREE OF RISK** and requires a higher-level option trading approval, as detailed below, along with margin leverage.

Clients in this portfolio must have "Speculation" or "Capital Appreciation" as their primary objective and their risk tolerance must be "Aggressive" or "Speculative." **It is advised that** clients allocate no more than 20% of their total investable assets into this portfolio. (VIA has additional portfolios that could be utilized for the balance of a client's investable assets). It is advised that clients who are age 65 or older should not allocate more than 15% of their investable assets into this portfolio.

In this portfolio, the manager is seeking aggressive market returns. Please note that VIA will have broad discretion to employ many aggressive market strategies in order to seek profits. VIA believes that this

portfolio has the flexibility to engage in activities that are specifically geared to events (either short-term or long-term) that are taking place in the market. For example, VIA may employ a "tactical tilt" to exploit a current situation in the market or utilize a complex options strategy due to a severe move in an underlying stock or the market in general.

VIA may use various strategies, including but not limited to the following:

- All of the strategies detailed in the SPWP and the SPCSOP listed above;
- Selling a short (i.e., uncovered) call position providing an opportunity for profit but also involving unlimited risk of loss as the underlying stock price can rise substantially above the option strike price; and
- A short straddle, which is a non-directional options trading strategy that involves simultaneously selling a put and a call of the same underlying security, strike price and expiration date. The profit is limited to the premiums of the put and call, but the straddle has substantial risk of loss if the underlying security either drops substantially below the strike price of the put or soars above the strike price of the call. This strategy is called non-directional because the short straddle may be profitable when the underlying security only has a small change in price direction before the expiration of the straddle.

These strategies involve the use of leverage and margin. Please review the following important risk disclosure statement regarding the use of margin in a client's account.

Clients in the Total Portfolio will also have to be approved for writing uncovered options. Clients will need to be approved for Level 3 options trading in order to write puts and for Level 4 options trading to write uncovered puts. Clients who utilize puts on indexes must be approved for Level 5 options trading. Those clients who open option accounts will be provided with a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) prior to being approved to trade options. Clients will also receive margin and uncovered options disclosure forms. ***Please note: Options involve risk and are not suitable for all clients.***

#### **Non-Wrap Fee Accounts Managed Independently by an IAR**

Clients may elect to have an IAR individually manage their accounts. Each IAR has his/her own methods of providing investment advice. VIA does not select or recommend an IAR for a client and does not select client investments for the IARs. Each IAR acts independently, makes his/her own investment recommendations and is responsible for those recommendations.

The IAR managing a client's account will create a portfolio consisting of one or more of the following: individual equity securities including exchange-traded funds ("ETFs"), preferred stocks, mutual funds, fixed income securities (such as corporate bonds, government securities and municipal securities), unit investment trusts, real estate investment trusts and options on securities. Clients will generally be invested in publicly traded securities. IARs may also invest in portfolios offered by VIA. IARs may not invest client assets in penny stocks or securities that do not have a readily available market price. IARs typically will open new accounts with a third-party broker/custodian. (Please see Appendix 1.)

IARs will allocate the client's assets among various investments taking into consideration the objectives, risk tolerance and time horizon of each individual client. The portfolios weighting between funds and market

sectors will be determined by each client's individual needs and stated investment objectives. Clients will have the opportunity to place reasonable restrictions on the types of investments made on their behalf if they provide the restrictions in writing.

IARs may also engage third-party money managers, with whom VIA has a selling agreement, to manage a portion or all of the client's account. Fees for such management will vary from manager to manager and will be in addition to the fees paid to VIA (Please see Appendix 1).

An IAR may recommend a third-party CTA to a client to manage an appropriate portion of the client's account. Any such allocation to managed futures must be based on the suitability of the respective client and the details of the proposed investment (including size of the allocation, etc.). The IAR may include such allocated assets in the total amount on which they are advising the client and on which the investment management fee is charged. There are costs involved in a managed futures account including commissions, exchange/clearing fees and regulatory fees. These costs are in addition to any fees charged by VIA for allocating and supervising the assets. In addition, there may be instances when an IAR is also registered as an Associated Person with an Introducing Broker firm that is a member of the National Futures Association that may be affiliated with VIA. In such instance, it is possible that an investment in a CTA program can be made through the Introducing Broker firm and that the IAR may then share in a portion of the commissions generated in the futures account. Since this is a potential conflict of interest, the IAR is required to disclose such affiliation to the client and obtain the client's affirmative consent to function as the Introducing Broker of the futures account in addition to their role allocating assets as an IAR.

IARs may utilize various data sources in gathering historical information, as well as annual and quarterly reports. IARs may use various investment disciplines such as technical, fundamental, cyclical and charting analysis. However, IARs will continuously monitor and evaluate securities relative to market and industry conditions.

IARs may use money market funds to "sweep" unused cash balances.

Clients who open margin accounts need to be aware that margin involves the use of leverage, and clients may lose more money than they deposit in the margin account.

IARs may use certain strategies that are viewed as riskier including, but not limited to, short-term trading (securities sold within 30 days) and short sales and/or naked option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated objectives and tolerance for risk.

There also are certain risks associated with option strategies. In a rising market, a call option written to protect the portfolio or an individual stock position within the portfolio may reduce upside potential above the strike price of the option. As options expire or experience increased market volatility, it may be more difficult to manage the covered call positions for maximum economic advantage. Likewise, market volatility may drop around the time of the expiration resulting in lower premium income attainable when "rolling over" an options position. Option execution charges have a much greater impact on smaller accounts than they do on larger accounts. All clients engaging in options transactions, regardless of the portfolio they select, will receive a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) at, or prior to opening an options account. Clients whose accounts are using options strategies,

in addition to covered calls, will also receive the margin and uncovered options disclosure forms.

### Margin Disclose Statement

Clients who open margin accounts will be provided with the full regulatory margin disclosure documents. Margin clients need to be aware of the following:

They may lose more funds than are deposited in the margin account;

The client's brokerage firm, whether VFM, or third-party brokerage firm, can liquidate any position to cover a margin debit;

The client's brokerage firm, whether VFM, or third-party brokerage firm, can liquidate positions without first contacting the client;

Clients are not entitled to choose which securities or other assets in their account(s) are liquidated or sold to meet a margin call;

The loss on a given short spread is limited to the difference between the two strike prices less the net premium received, after execution charges and any other transaction costs;

VFM, or third-party brokerage firm can increase its "house" maintenance margin requirements at any time and are not required to provide advanced written notice to clients; and

Clients are not entitled to an extension of time to meet a margin call.

## **Item 5 – Fees and Compensation**

### **Non-Wrap Fee Program**

In the Non-Wrap Fee Program, clients will pay for advisory services and brokerage services separately. Clients will not be charged commissions but will incur a small execution fee on each transaction that is placed in their account to cover execution charges. The specific manner in which fees are charged by VIA is disclosed in the client's Investment Management Agreement with VIA which accompany the new account documents. Fees are deducted from the client's account on a quarterly basis in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any unpaid fees will be due to VIA and payable on a prorated basis. Clients whose accounts are managed by a VIA IAR will pay VIA transaction costs associated with a non-wrap account in addition to the fee they pay to VIA for a VIA IAR to manage their individual account. Transaction fees will also be charged to all accounts by the broker-dealer where the assets are custodied.

### **Fees for Investment Advisory Services**

VIA's compensation is an asset-based management fee. The management fee is payable (in arrears) at the end of each calendar quarter based on the total value of the account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on at the end of the quarter.

If an account is opened in the middle of a quarter, the management fee is prorated for the number of days in the quarter. If an account is terminated in the middle of a quarter, the fee will be calculated based on the value of the account on the day of termination and prorated for the number of days in the quarter the account was under management. The management fee is deducted from the account before the account assets are delivered to the client.

Clients need to be aware that VIA's advisory fees may be higher than those normally charged by other investment advisors for comparable advisory services. There may be other investment advisors who can provide comparable types of advisory services at a lower advisory fee rate.

### **Annual Asset-Based Management Fee (Non-Wrap Fee Accounts) the Portfolios**

The fee is negotiated with each individual client. The fee will not exceed 3%. Fees are paid on a quarterly basis. The amount of the fee may vary based upon factors at VIA IAR's discretion, including but not limited to, the amount of the original investment, if the client has accounts with an affiliated firm and if the client has additional accounts with VIA. A client will be advised of the management fee in writing prior to opening an account with VIA.

### **Fee Schedule for Stock Put Writing and Stock Put Credit-Spread Option Programs**

The Stock Put Writing and Stock Put Credit Spread Option Programs carry a different fee structure than other portfolios. For clients that select either of these programs, actual fees are negotiated and, for a specific tier, may vary but will not exceed the fees listed below. Two alternative fee structures are offered - the Stock Put Writing Program with a performance fee and lower management fee, and the Stock Put Credit Spread Option Program with no performance fee and a higher management fee. The amount of the fees may vary based on factors in VIA IAR's discretion including, but not limited to, the amount of the original investment, if the client has accounts with an affiliated firm and whether the client has additional accounts with VIA. A client will be advised of the fees and execution charges prior to opening an account with VIA.

<b>Stock Put Writing Program</b>		<b>Stock Put Credit Spread Option Program</b>	
Management Fee	Performance Fee	Management Fee	Performance Fee
2.00%	20.00%	2.00%	20.00%

All accounts will pay processing charges of \$0.25 per transaction. Non-qualified investors will be charged a management fee.

### **Performance-Based Fees**

VIA will consider reducing its management fees in the portfolios for qualified clients who choose to pay a performance fee which is based solely on the performance in the account. Under Rule 205-3 of the Investment Advisers Act, such clients must place a minimum of \$1,100,000 under VIA's management or



have a net worth (either individually or together with assets held jointly with a spouse) of more than \$2,200,000 (excluding primary residence) at the time of opening an account.

The performance fee is typically 20% of "new appreciation" in the account over a year period, measured initially from the date the account is opened to the end of the calendar year and, in subsequent years, over the entire year. The performance fee is paid only where the cumulative appreciation in the account exceeds a "High Water Mark" or the highest level of appreciation earned on any prior calculation date in the account. Once earned, the performance fee is not refundable in the event of subsequent losses but VIA must recoup such losses and exceed the High-Water Mark before it is entitled to another performance fee. If the client withdraws funds or closes the account before the performance period ends, VIA will calculate the performance fee based on the value of the account on the day of termination and will deduct any performance fee due from the assets in the account before distribution. All accounts that choose this option must be reviewed and approved by VIA prior to the client signing the agreement.

### **Fee Negotiation**

All fees may be subject to negotiation. When negotiating fees, VIA may consider the following factors, including but not limited to: (i) clients with multiple accounts; (ii) size of the account; (iii) a prior or existing relationship with a VIA affiliate; and (iv) a client's particular needs or financial characteristics. Due to the fact that fees may vary, clients with existing accounts may be charged fees that do not match precisely the foregoing fee schedules or the fees paid by other clients. Clients will not pay a total fee in excess of 3% except for the Stock Put Writing and Stock Put Credit-Spread Option Programs.

### **Brokerage and Other Costs for Non-Wrap Fee Accounts**

VIA requires that clients establish and maintain their accounts at VFM which is affiliated with VIA or with a third-party custodian (Please see Appendix 1). Clients' funds and securities that are held at VFM, VFM acts as a custodian. Accounts that are held on a third-party platform will be held by the third-party custodian. VIA's advisory fees do not include brokerage and custodial expenses incurred by the client and paid to VFM or another broker-dealer or custodian selected by VIA or the client. In addition to the non-wrap fee, all client accounts will be charged a per transaction fee to cover execution costs. Clients will be provided with those transaction costs when the account is opened. Clients may also be charged any mark-ups or mark-downs on fixed income securities depending on where and how they are purchased.

Clients whose accounts are managed by a third party may incur additional costs, which will be disclosed separately when the account is opened.

VIA may use third-party managers and other trading platforms. (Please see Appendix 1.) Those accounts will be held directly with those firms and all transactions fees will be charged directly to the client. VIA is mindful of the total costs to the client including transaction fees when negotiating the management fees. VIA may recommend a third-party CTA to a client for management of an appropriate portion of the client's account. Any such allocation to managed futures must be based on the suitability and investment objectives of the respective client and the details of the proposed investment (including size of the allocation, etc.). A client should expect to incur fees and expenses in connection with a managed futures account with an independent CTA recommended by VIA in addition to any management fees charged by

the individual CTA. VIA fees will be determined on a case-by-case basis and stated in the client agreement prior to account opening.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such fees are in addition to the advisory fee charged by VIA. Neither VIA nor any of its affiliates receive any portion of such fund management fees.

Clients should also expect to incur: (i) annual custodial fees, brokerage account fees or other administrative fees, such as wire fees, charged by VFM, or a third-party custodian (ii) certain odd-lot differentials, transfer taxes or transaction fees mandated by the Securities Act of 1934, postage and handling fees and charges imposed by law with regard to transactions in the client's account; and (iii) advisory fees, expenses of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any, held in the client's account.

Mr. Rothman is the principal owner of VFM. As owner of VFM, Mr. Rothman has an indirect financial interest in execution charges or other revenues generated by the securities transactions of the clients of VIA. Although Mr. Rothman will not earn execution fees directly from the brokerage transactions conducted through VFM, VIA has an incentive to engage in a higher volume of trading than would be the case in the absence of such a relationship. VIA addresses this conflict by monitoring the brokerage activity in client accounts to identify any unusual trading patterns.

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

VIA may enter into performance fee arrangements with qualified clients which are subject to individual negotiation on a case by case basis. VIA will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940, as amended (the “Advisors Act”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-

3. In measuring clients' assets for the calculation of performance-based fees, A performance fee is typically 20% based on realized and unrealized capital gains and losses. Please also see Item 5 which discusses performance fees.

A conflict of interest may exist when some clients are charged a performance fee and other accounts may be charged an asset based or flat fee. Therefore, an IAR may have an incentive to favor suggesting one fee arrangement over another. Performance based fee arrangements may create an incentive for VIA to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. VIA has procedures designed and implemented to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients. Prior to the time the client enters into a specific fee arrangement it will be explained to the client, included in the written advisory agreement and approved by a supervisor.



## **Item 7 – Types of Clients**

VIA provides portfolio management services to individuals, high net worth individuals, family offices, charitable organizations, endowments, pension plans, trusts and other institutional investors.

A \$100,000 minimum dollar value of assets is suggested but not required for opening or maintaining an advisory account.

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

- A. VIA uses many different investment strategies, and methods of investment analysis in formulating investment advice. Securities analysis techniques used include charting, both fundamental and technical analysis, and cyclical analysis. The formulation of investment strategies is based upon the needs, goals, and risk tolerance of the client. Once a strategy has been agreed upon with the client, one or more forms of analysis are used in an effort to determine which securities are most appropriate to execute the strategy. Investing in securities involves risk of loss that client should be prepared to bear.
- B. The method of analysis or type of strategy does not eliminate market risk or the loss of principal. Market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities. The frequency of trading can effect investment performance through increased brokerage and other transaction costs and taxes.
- C. VIA does not recommend any particular type of securities. Investing in publicly traded securities involves market risk.

VIA's investments in the equity portion of its portfolios are concentrated in large-cap stocks with market capitalizations generally over \$5 billion. These stocks are listed on exchanges and typically are seasoned companies with a history of earnings displaying particular growth characteristics. VIA may also purchase mid-cap stocks that exhibit similar characteristics and preferred stocks. VIA may recommend third-party managers and trading platforms. If a client's circumstances warrant, VIA may also recommend an independent CTA or another investment advisor to manage a portion of a client's account in managed futures or securities, as applicable. VIA focuses primarily on long-term investing with a growth-oriented approach supported by technical analytical methods to determine target prices in its equity and balanced portfolios. Drawing from traditional and electronic information sources such as financial reports, SEC filings, Bloomberg, various rating services and nationally recognized research services such as Value Line, VIA conducts primary research. A heavy emphasis is placed on factors such as: (i) revenues and income growth; (ii) dominant-industry position; (iii) large-cap status; (iv)

return on equity; and (v) companies that favor stock purchase programs. In addition, enhanced yield and a measure of downside protection is sought through closely monitored covered call option writing.

VIA may use one or more of these investment strategies: (a) long-term purchases (securities held for at least one year); (b) short-term purchases (securities sold within one year); (c) margin transactions; and (d) option writing, including covered options, uncovered options, or spread strategies.

### **Special Considerations**

Although the stocks selected in the Portfolios are generally established companies in their industries, there are counterbalancing factors in considering an investment in these portfolios: Many of the companies selected for purchase are growth companies or are poised for active growth and tend to exhibit higher price-earnings ratios than the market as a whole. Such stocks may be more vulnerable to market declines from earnings disappointments or adverse factors that inhibit a company's ability to carry out the plan on which the growth prospects were anticipated. Because the companies in the portfolios will typically conduct business globally and have significant operations or product distribution in countries outside the U.S. their earnings can be impacted by fluctuations in foreign currency rates.

VIA may purchase securities on margin. By virtue of the use of borrowed funds and the leverage employed in the portfolio, the returns must exceed interest expenses. Moreover, any losses will be increased in magnitude in direct proportion to the amount of margin debt incurred.

### **Risks of Option Writing Strategies**

There are certain risks associated with the option writing strategies employed in the portfolios.

In a rising market, a call option written to protect the portfolio, or an individual stock position within the portfolio, may reduce upside potential above the strike price of the option. As options expire or experience increased market volatility, it may be more difficult to manage the covered call positions for maximum economic advantage. Likewise, market volatility may drop around the time of the expiration and result in lower premium income attainable when "rolling over" an options position. Option execution charges have a much greater impact on smaller accounts than they do on larger accounts.

All clients engaging in options transactions, regardless of the portfolio they select, will receive a copy of the brochure *Characteristics and Risks of Standardized Options* (and any supplements) at, or prior to opening an options account. Clients whose accounts are using options strategies, in addition to covered calls, will also receive the margin and uncovered options disclosure forms.

### **Mutual Funds**

In selecting a mutual fund there are key factors and risks to consider: (1) ability to tolerate a fund's investment strategy, (2) risk profile, investment performance and relationship to the overall asset allocation strategy and investment time horizon; (3) a fund's fees and expenses can have an impact on its investment returns and are important factors as well; and (4) the information and risks for a mutual fund are in its respective prospectus.

## **Miscellaneous**

Given that clients may have a variety of investments, each investment selection will pose various risks that must be considered or may be complex to understand. Many of these risks continue even if the client decides to no longer have VIA or their current IAR manage their investments. The following offers some examples:

### **Call Risk**

A callable provision of a security allows the issuer to call or repay early. If interest rates drop low enough an issuer can save money by calling the security and issuing a new security at a lower interest rate. If this happens the interest payments will cease and clients will receive their principal early.

### **Complex Products**

Complex products usually include more than one risk from any embedded features. Examples include structured products, equity-indexed annuities, leveraged and inverse exchange-traded funds, principal protected notes, reverse convertibles and commodity future-linked securities.

### **Counterparty or Credit Risk**

The risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and in most financial contracts, counterparty risk is also known as "default risk". This may necessitate having to buy in or sell at a price not otherwise anticipated as part of a strategy.

### **Exotic-Exposure Risk**

Complex strategies that move beyond plain-vanilla stocks and bonds have a host of complex risks and require the ability to understand the risks and bear the losses.

### **Hot-New-Thing Risk or Crowded-Trade Risk**

Markets that "believe the hype" often artificially increase and alternatively decrease the value of the security in the market. As money rushes in, the attractiveness of a particular asset may diminish. Some of these new asset classes have limits on liquidity. If the money rushes out, the valuations could also be harmed. This can cause the need for additional funding to preserve the position or force liquidation or a buy-in.

### **Inflation Risk**

Inflation risk is a particular concern for investors who are planning to live off their bond income, although inflation is a factor everyone should consider. The risk is that inflation will rise and reduce the purchasing power of the income.

### **Interest Rate Risk**

Depending on the economic environment and market conditions -- both of which can be affected significantly by a change in interest rates -- the value of products that have an interest rate sensitivity can be affected (e.g., bonds). However, if you hold a bond until maturity, interest rate risk is a lesser concern.

### **Liquidity Risk**

Liquidity risk is the risk that you might not be able to buy or sell investments quickly for a price that is close to the true underlying value of the asset. Even though a security is liquid when purchased, bad news or other events may cause a sudden change in liquidity and even the freeze of trading a security.

### **Shutdown Risk**

If a fund is liquidated and shareholders are paid in cash or in kind, the client should expect capital gains or losses, transaction costs, uneven tracking, legal costs or various other possibilities during the liquidation process, which will go to the shareholders as of a record date.

### **Tax Risk**

Determining long and short-term tax implications is something the client must be sure to understand and consult with a tax professional as necessary. For example, where an investment has the possibility of a cash flow consequence that substantially impacts the client's ability to pay tax liabilities.

### **Spread**

Spread, which is the difference between the bid and offer prices of security, can vary from one penny to many dollars and may change substantially over an investor's holding period. When spread widens during the holding period, it may be more costly to close out a position than anticipated.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the investment advisor. VIA has no disciplinary history to disclose. Information on VIA's affiliates and associated persons can be found at <https://brokercheck.finra.org/> and <https://www.nfa.futures.org/BasicNet/basic-search-landing.aspx>. Information on VIA's investment advisor representatives can be found in their ADV Part 2B Item 3.

- A. Criminal or Civil Action - VIA has no material information applicable to this section.
- B. Administrative Proceeding - VIA has no material information applicable to this section.
- C. Self-Regulatory Organization Enforcement Proceeding - VIA has no material information applicable to this section. However, one of its "management persons" (Howard Rothman) consented to a one count complaint and undertaking which was issued by the NFA Business Conduct Committee (BCC), NFA Case No. 11-BCC-003. This alleged that that while he was an associated person and listed principal of a Future Commission Merchant and Commodity Pool Operator the BCC stated he violated NFA Rule 2-9(A); no fine was imposed upon him.

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

- A. VIA is affiliated and under common ownership and control with two FINRA-registered broker-dealers: Vision Financial Markets LLC and Vision Brokerage Services, LLC. VIA is affiliated and under common ownership and control with an NFA registered introducing broker, High Ridge Futures LLC and a Commodity Trading Advisor. Some of VIA supervised and access person are registered with its affiliated entities as associated persons. Neither VIA nor its management persons have any applications pending to register as a broker-dealer or register as representatives of another non-affiliated broker-dealer.
- B. Neither VIA nor its management persons have any applications pending to register as futures commission merchant, commodity pool operator, a commodity trading advisor. Some of VIA supervised and access person are registered with its affiliated entities as associated persons.
- C. VIA is affiliated and under common ownership and control with two FINRA-registered broker-dealers: Vision Financial Markets LLC and Vision Brokerage Services, LLC. VIA is affiliated and under common ownership and control with an NFA registered introducing broker, High Ridge Futures LLC and a Commodity Trading Advisor. Conflicts exist when persons are dually associated with different regulatory regimes. It is possible that its associated persons might recommend a client relationship with one versus another to yield a more profitable relationship. VIA IAR who possess a

dual affiliation are aware of this fact but do work to present clients with the business relationship that is in their best interest. VIA IARs are held to a “fiduciary” standard and must act in their clients’ best interest of all times. VIA IARs are bound to a “Code of Ethics” which describes their fiduciary responsibilities.

- D. VIA IARs recommend and may select other investment advisors to clients for which it receives compensation and a portion of the management fee. To address this conflict all fees are explained to the client at the inception of the client relationship and written into the advisory agreement before the account is opened.

## **Conflicts of Interest**

VIA’s IARs are fiduciaries who are required to act in the best interest of their clients at all times. Conflicts of interests can and do arise and VIA will attempt to resolve them in ways that will not unfairly harm its clients. Examples of potential conflicts include where VIA or its affiliates:

- Could make a gain or avoid a loss at a client's expense;
- Have an interest in the outcome of a decision or service which is not the same as the client's;
- Have incentives to favor one client over another;
- Have incentives to favor a service provider that is not the best solution for the client; and
- Are not entirely impartial in making this appraisal in view of each other.

In cases where VIA has interests that conflict with clients, VIA manages them by disclosing the conflicts (e.g., the terms and conditions under which it operates or its motivations) and by mitigating them by acting in the clients' best interest. It may suggest to clients that they should make an alternative selection or make an informed choice to accept the terms under such conditions. The following are some of those conflicts of interest, and others are noted elsewhere in this document.

There are financial incentives to select an investment or third-party manager that results in the highest compensation. VIA has an incentive to engage in a higher volume or higher paying investment than would be the case in the absence of such a relationship. Clients may negotiate with other brokers to effect transactions.

IARs are required to disclose any affiliations with broker-dealers and investment advisors as well as any outside business activity. This information is disclosed to clients in the IAR's ADV Part 2B brochure, which is provided to clients prior to the execution of an investment management agreement. Other IARs may dedicate their time solely to advisory activities.

VIA affiliate fees and expenses are competitive but may be higher than otherwise available elsewhere. Clients must consent by written agreement to the terms of services, which are negotiable on a case-by-case basis.

Affiliates may utilize third-parties for executing transactions, which may result in the client receiving less favorable execution on some transactions. VIA and affiliates conduct best execution reviews for this purpose.

VIA and IARs may recommend third-party managers to manage a portion of the client's assets. A client may pay higher fees when investing through a third-party manager. Clients can contract directly with third parties.

VIA or an IAR may give different advice on the same securities to different clients based upon on the client's specific goals and objectives. Therefore, it may purchase securities for one client while, at the same time, selling the same securities for another client based upon each client's goals and investment objectives.

There are no restrictions on a client's ability to contact VIA in its capacity as the investment advisor or the IAR managing a client's account.

### **Secured Demand Note Account Holders**

Vision Investment Advisors currently manages the collateral accounts of persons who have entered into secured demand notes with VFM pursuant to secured demand note agreements between those persons and VFM. As noted above, Vision Investment Advisors is affiliated through common ownership with VFM. Mr. Rothman, owner and President of VFM, may have an incentive to establish such accounts for Vision Investment Advisors and/or manage such accounts for VFM's benefit. There is a potential conflict of interest between VFM's interest as the pledgee of the collateral underlying the secured demand notes, including VFM's right to sell the collateral under certain circumstances, and Vision Investment Advisor's interest as adviser to the collateral accounts. However, all secured demand note agreements are executed pursuant to discussions with VFM, and Vision Investment Advisors does not recommend or solicit clients to enter into secured demand note arrangements or related collateral accounts. If a client enters into a secured demand note agreement with VFM after discussions with VFM, Vision Investment Advisors will manage the resulting collateral account. All collateral accounts are managed by Vision Investment Advisors under a standard advisory agreement. Clients investing in Secured Demand Notes may receive differing rates or durations as agreed upon with Vision.

### **Item 11 – Code of Ethics**

- A. VIA has adopted a Code of Ethics for its supervised and access persons in the firm describing its high standard of business conduct, and fiduciary duty to its clients pursuant to SEC Rule 204A-1. VIA has adopted this Code of Ethics to detect in order to work to prevent conflicts of interest. VIA

clients or prospective clients may request and receive a free copy of the firm's Code of Ethics by contacting the firm at 203-388-2700.

- B. VIA may recommend and purchase securities in the various managed “portfolio accounts” offered to clients securities that are also purchased, sold or held by VIA IARs and other associated persons in its affiliated companies.. From time to time there may be a principal transaction between a proprietary firm account and a portfolio account. Certain proprietary accounts may pay lower fees and execution charges than are paid by portfolio accounts.
- C. VIA IARs and related person may invest or trade for their own accounts in securities which are recommended to and/or purchased for VIA clients.
- D. VIA IARs and related person may recommend or trade for their own accounts in securities which are recommended to and/or purchased for VIA clients.

To work to resolve conflicts of interest in the above. VIA IARs are mindful of their fiduciary duties and work diligently to make recommendations that are in the best interest of their clients and also suitable based on the clients stated investment objectives. As a precautionary measure when proprietary orders on the same side of a transaction on the same day for the same security will be placed simultaneously with orders placed for client accounts the trades will be aggregated. VIA also monitors the personal trading of its IARs in ComplySci and looks for patterns of like securities in the accounts of its IARs, those of its associated persons in affiliated entities and client accounts. Any discrepancies or irregularities are reported to the Chief Compliance Officer who will investigate the timing and prices of the securities and take appropriate measures.

## **Item 12 – Brokerage Practices**

Research and Other Soft Dollar Benefits. VIA may receive complimentary research from clients’ brokerage firms and/or custodians. Clients select the broker-dealer of their choice which is where their assets are held in custody. VIA does not engage in soft dollar transactions.

Brokerage for Client Referrals. VIA does not receive client referral fees from broker-dealers or third-party managers.

Directed Brokerage. VIA intends to effect brokerage transactions through VFM, or a third- party custodian (Please see Appendix 1). VIA may utilize other broker-dealers at its discretion based upon who introduced the account. VIA has the right to reject an account that may want to direct brokerage to another firm. Clients whose accounts consist of the collateral underlying secured demand notes entered into with VFM will have their transactions executed at VFM. VFM will clear and settle the transactions and hold custody of client funds and securities. Clients



should be aware that not all investment advisors recommend or require clients to use a specified broker-dealer. VIA may direct client accounts to be held on third-party trading platforms.

Although VFM, or third-party firm provide competitive execution charges, these charges may not be the lowest attainable for similar transactions and have not been negotiated at arms' length due to the relationship between the firms. This could result in clients paying more for brokerage execution than might otherwise be the case. Although VFM is affiliated with VIA, VIA has a duty to its clients, as their investment advisor, to obtain a combination of best price and execution for their advisory accounts. It should be understood, however, that VIA is not entirely impartial in making this appraisal in view of its affiliation with VFM. VIA relies on the best execution policy of VFM, or third-party firm. To work to mitigate this inherent conflict VFM has a best execution committee which meets regularly to assess the quality of executions.

VIA reserves the right to decline acceptance of an advisory account that insists upon directing brokerage to another broker-dealer. Vision may also require that accounts are opened on a third-party trading platform where the funds and securities will be the custodied. Directing brokerage may also result in VIA not being in a position to freely negotiate execution charges or spreads, select such brokers on the basis of best price and execution, or ensure the rates of such firms will be comparable to those of VFM. As a result, the client may pay higher execution charges, additional transaction costs or greater spreads, or may receive less favorable net prices for the advisory account than would otherwise be the case. Factors that VIA commonly considers in determining whether to accept directed brokerage accounts are the size of the account, a client with a previously established relationship with the other brokerage firm and whether the client was referred by that firm.

Orders for an advisory account may be placed separately, unless VIA decides to purchase or sell the same securities for several clients at approximately the same time. In such event, VIA may, (but is not obligated to), aggregate or "batch" such orders to possibly obtain best execution, to negotiate more favorable execution charges or to allocate equitably among accounts, thereby reducing differences in prices and execution charges or other transaction costs that might have occurred had such orders been placed separately. Transactions generally will be averaged as to price and transaction costs and will be allocated among accounts in proportion to the purchase and sale of orders placed for each account on any given day. However, any savings in transaction costs will not benefit clients with wrap fee accounts, since the client pays a wrap fee for all brokerage services in the account.

### **Item 13 – Review of Accounts**

- A. VIA advisors review their client portfolio accounts on a regular basis, no less than weekly. The nature of the review is ongoing to ensure that the securities in the portfolios match the client's needs and are appropriate in the current economic and market environment.
- B. A change in the client's investment objectives, risk tolerance or general financial situation would trigger an other than periodic review of a client account. Reviews can be triggered more frequently due to market conditions, news affecting meaningful account holdings and other outside factors.

- C. For accounts held at VFM, Charles Schwab & Co. Inc. or third-party advisors account statements are sent to clients on a monthly basis unless there is no activity in which case statements are sent on a quarterly basis.

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

VIA does not directly or indirectly compensate any person or entity for client referrals.

#### **Item 15 – Custody**

VIA does not have custody of client funds or securities; however, through its affiliated relationship with VFM, VFM is considered a “related person” and thus assets held at VFM and advised by VIA, VIA is considered to have custody. Clients receive at minimum quarterly statements from their broker-dealer, bank or other qualified custodian that holds and maintains client’s assets. Clients received confirmations directly from the custodian on trades affected in the account in public markets. VIA IARs may from time to time prepare individual holdings or summary reports of account activity for client accountholders. VIA urges clients to carefully review those “customized” statements and compare them to the official custodial records as there is a chance that VIA customized statements may vary from the custodial statements based on accounting procedures, reporting dates, errors or valuation methodologies of certain securities.

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

VIA agrees to receive discretionary authority from the client at the outset of an advisory relationship by the client signing an advisory agreement or power of attorney to provide that authority. Discretionary authority gives VIA the ability to select the identity and amount of securities to be bought or sold for the client and select broker-dealers through which transactions will be affected and execution charges paid. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

#### **Item 17 – Voting Client Securities**

- A. As a matter of firm policy and practice, VIA will not accept authority to vote proxies or exercise voting rights for securities held by clients pursuant to SEC Rule 206(4)-6. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolio accounts.
- B. VIA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients will receive their proxies or other solicitations directly from their custodian and/or a transfer agent. Clients may contact VIA with questions about a particular solicitation.

#### **Item 18 – Financial Information**

- A. VIA does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance.
- B. VIA has discretionary authority but it does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance.
- C. VIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## **APPENDIX 1**

### **THIRD-PARTY BROKER/CUSTODIAN: CHARLES SCHWAB & CO.**

This section applies to those clients whose accounts are being held by Charles Schwab & Co., Inc. as the third-party firm referenced in this ADV.

VIA recommends that some clients hold their accounts with Charles Schwab & Co., Inc. ("Schwab"), a qualified broker/custodian. Schwab is a FINRA-registered broker/dealer and a member of SIPC. VIA and Schwab are not affiliated entities. Schwab will hold the account as a brokerage account and will execute trades and allocations to third-party managers when VIA instructs them to do so. If your account is held at Schwab, you will complete all of Schwab's required new account opening paperwork in addition to signing an investment management agreement with VIA.

VIA's Investment Advisor Representatives ("IARs") will use Schwab to directly manage individual client accounts and to allocate assets to third-party managers that are available to them through the Envestnet Platform. VIA may also use Schwab as the custodian for non-wrap accounts that it manages in the portfolios described in this ADV in Section 4 above.

VIA selected Schwab as a qualified broker/custodian who will hold client assets and execute transactions on terms that VIA believes are advantageous when compared to other providers and their services. The factors that were considered included but were not limited to:

- Availability of a combination of transaction execution services and asset custody services;
- Capability to execute, clear and settle your trades;
- Capability to facilitate the transfer and payments to and from your account;
- A large number of products and services, including a large number of third-party money managers;
- Availability of investment research and other tools to assist VIA in making investment decisions for your account;
- Quality of service;
- Competitiveness of the price for the services provided.

Schwab generally does not charge separately for its custody services but rather is compensated by charging the client commission or other fees on trades that it executes or settles into your Schwab account. These costs have been negotiated based upon the amount of assets VIA believes clients will hold with Schwab. Schwab will charge fees if VIA executes trades at other brokerage firms. It is not VIA's intent to do so.

VIA and its clients will have access to Schwab's institutional brokerage, trading, custody reporting and other related services that are not always available to individual clients. Schwab also provides VIA with support services based upon the amount of assets that are held. Schwab will also provide VIA with services that do not directly benefit the client such as access to client data, payment of management fees, trade allocation and back-office functions, recording keeping and client reporting. Schwab may also provide VIA with educational conferences and events, technology, compliance and legal consulting.