

SOCIUS

— F A M I L Y O F F I C E —

Form ADV

Part 2A

March 27, 2024

Socius Family Office, LLC
200 East Las Olas Boulevard, Suite 1550
Fort Lauderdale, FL 33301
561-404-0484
561-404-0494...fax
kmelia@socius.com
www.socius.com

This brochure ("Brochure") provides information about the qualifications and business practices of Socius Family Office, LLC. ("SFO", "Socius", or the "Adviser"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 561-404-0484 or kmelia@socius.com. Additional information about SFO or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at www.adviserinfo.sec.gov. Click on the link, select "Investment Adviser Search" and type in our firm name or SFO's CRD firm number, 137800. The results will provide you with both Parts 1 and 2 of our Form ADV.

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. SFO's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to SFO.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

II. Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's brochure, the adviser is required to notify clients and provide a description of the material changes. Generally, we will notify clients of material changes on an annual basis. However, when we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify clients in a separate document.

Filing date of last annual ADV update: March 30, 2023

Since the filing of our most recent annual ADV update, there have been no material changes to report to this Brochure. However, there have been updates to the list of their affiliates which is disclosed under Item 10.

Additionally, we have made other changes, some of which clarify or enhance existing disclosures, but we do not consider these other changes to be material.

The revised Disclosure Brochure will be available since our last delivery or posting of this Disclosure Brochure on the SEC's public disclosure website (IAPD) at www.adviserinfo.sec.gov or you may contact our Chief Compliance Officer, Kaylyn Melia at the number listed on the cover page of this Disclosure Brochure or via email at kmelia@socius.com to obtain a copy. When an update is made to this Disclosure Brochure, we will send a copy to you with a summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].

III. Table of Contents

II. Material Changes.....	2
III. Table of Contents	3
IV. Advisory Business	5
Firm Profile.....	5
Years in Business	5
Direct Principal Owners.....	5
SFO’s Advisory Services.....	5
Product Types	5
Services Offered.....	5
IRA Rollover Recommendations	6
Customization of Advisory Services.....	7
Wrap Fee Program Participation.....	7
Assets Under Management (“AUM”).....	7
V. Fees and Compensation	7
SFO Fees.....	7
Fee Billing and Collection Process	8
Fees Upon Termination of Services.....	9
Other Fees/Expenses	9
Additional Compensation	9
Conflicts of Interest.....	9
Client-Directed Brokerage	10
Brokerage Compensation.....	11
Advisory Fee Offset.....	11
VI. Performance-Based Fees and Side-By-Side Management	11
VII. Types of Clients.....	11
VIII. Methods of Analysis, Investment Strategies and Risk of Loss	11
Methods of Analysis	11
Risk Disclosures.....	13
Investment-Specific Risks	15
IX. Disciplinary Information	15
X. Other Financial Industry Activities and Affiliations.....	15
Registrations	16

Relationships.....	16
XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	16
Code of Ethics.....	16
Participation in Client Trading.....	17
Trading Alongside Our Clients	17
XII. Brokerage Practices	18
Research and Soft Dollar Benefits	18
Brokerage for Client Referrals.....	18
Directed Brokerage	19
Batch Trading.....	19
XIII. Review of Accounts	19
Review of Accounts or Financial Plans	19
Review of Client Accounts	19
Review of Financial Plans.....	19
Non-Periodic Account Reviews.....	19
Reports to Clients.....	20
XIV. Client Referrals and Other Compensation	20
Compensation We Receive	20
Compensation We Pay	20
XV. Custody	20
XVI. Investment Discretion.....	20
XVII. Voting Client Securities.....	21
Proxy Voting Policies and Procedures.....	21
XVIII. Financial Information.....	22
Balance Sheet.....	22
Adverse Financial Condition	22
Bankruptcy-Related Matters	22
XIX. Requirements for State-Registered Advisers	22

IV. Advisory Business

Firm Profile

SFO is a full-service investment advisory, wealth management, and family office with a nationwide presence. We help our clients achieve their financial objectives through a comprehensive review of their investment needs and by providing them with a wide range of investment products, portfolios, and services to help them prepare for their financial future.

Years in Business

SFO, formerly known as Alterna Wealth Management LLC, was formed as a limited liability company on March 1, 2012. Prior to 2012, Alterna Wealth Management LLC, was incorporated as Alterna Wealth Management, Inc. The incorporation was filed on March 1, 2005.

SFO obtained its initial investment adviser registration on May 16, 2006, with the state of Florida and became SEC-registered on June 22, 2010.

Direct Principal Owners

The principal direct owner of SFO is Alterna Financial LLC. Alterna Financial, LLC serves as the Adviser's Managing Member.

SFO's Advisory Services

Product Types

We generally provide investment advice in relation to the following specific types of securities/investments:

- Equities: Exchange Listed, Over the Counter, and Foreign Issuers
- Mutual funds (closed end and open-end funds)
- Exchange Traded Funds
- Real Estate Investment Trusts ("REITs")
- U.S. Government Securities
- Options on Securities, Commodities, and Futures
- Futures contracts (intangibles)
- Corporate Debt Securities (other than commercial paper)
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Life insurance
- Variable Annuities
- Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving Real Estate, Oil and Gas, Mortgages and/or Other Receivables/Assets

Services Offered

Although we offer the following services, we do not limit our services to specializing in any single area. Below we describe both the services we offer as well as other key issues related to those services.

Ongoing Asset Management

On a discretionary basis, we design, revise, and reallocate a custom portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors. Depending on your individual needs and the services you request of us, we may exercise full discretion as to the securities to be bought or sold, the amount of the securities to be bought or sold, the timing as to when such securities are to be bought or sold, and the particular broker-dealer to be used for arranging client securities transactions.

Recommendation of Other Investment Advisers

Under this service, and without specifically selecting other investment advisers to provide the specific investment management services related to your assets, we may recommend other investment advisers that would provide such services (not on a sub-advisory basis). Our services in relation to the other investment advisers we may recommend generally will include assisting you in choosing investment objectives and asset allocation, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions, and answering any of your questions. We will monitor such outside investment advisers' performance with respect to their management of your assets.

We do not retain the authority to engage or terminate your relationship with the investment advisers we recommend. At all times, you will retain such authority. Further, we do not possess or otherwise exercise investment discretion in connection with the underlying assets managed by any investment adviser that we may recommend to you.

A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser's current disclosure document(s) (i.e., Form ADV, Part 2A).

Financial Planning

We may provide you with a financial plan. In order to determine a suitable course of action for you, we will perform a review of the variables that are presented by you. This review may include, but would not necessarily be limited to, investment objectives, consideration of your overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to your particular circumstances.

We will review your present financial situation and may issue a written analysis and report of recommendations in accordance with your goals and objectives. This service may include an initial consultation and subsequent follow-up visits.

IRA Rollover Recommendations

For the purpose of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), when applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under an exemption that requires us to act in your best interest and not put our interest ahead of yours. Under this exemption, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice),
- Never put our financial interests ahead of yours when making recommendations (give loyal advice),
- Avoid misleading statements about conflicts of interest, fees, and investments,
- Follow policies and procedures designed to ensure that we give advice that is in your best interest,
- Charge no more than is reasonable for our services, and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Customization of Advisory Services

To the fullest extent possible, we will endeavor to tailor our advisory services to meet the specific needs of each client. In order to determine a suitable course of action for an individual client, we will perform a review of our clients' financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of a client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client's particular circumstances.

In making investment recommendations on behalf of a client, we will rely on a data gathering document or other questionnaire, which would be completed based on information provided by a client.

Our clients are free to impose any restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines imposed by a client may affect the composition and performance of custom portfolios as well as any recommendations provided to the client. Performance of custom portfolios within the same investment objective may differ and a client should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance.

Wrap Fee Program Participation

Our investment advisory services do not involve the use of wrap fee programs.

Assets Under Management¹ ("AUM")

AUM (discretionary):	\$ 814,830,986
AUM (non-discretionary):	\$ 100,154,210
Total AUM:	\$ 914,985,196
Date of AUM Calculation:	12/31/2023

V. Fees and Compensation

SFO Fees

Asset Management Fees

Our fees for ongoing asset management services will vary depending upon factors such as the type of account, the asset classes being managed, the amount of assets being managed, and the investment strategies we employ. Our asset management fees are generally asset-based and calculated at an annual rate as a percentage of the value of the assets managed by the Adviser. The asset-based fees paid to the Adviser are typically up to 1.5% per annum of the assets managed by the Adviser and payable monthly or quarterly in advance, although the fees may vary and may be payable more or less frequently, or in arrears. Clients may also engage the Adviser on an annual flat fee or retainer basis. The annual flat fee may be in addition to or in lieu of asset-based fees.

Recommendation of Other Investment Advisers

When we recommend other investment advisers, we do not charge you for our services. You will enter into an Agreement with the other investment adviser and the fee you pay for management of your assets will be assessed by the other investment adviser according to the terms of your Agreement with such investment adviser. Our compensation for the recommendation will be a portion of the fee charged by such investment adviser and will be paid by such investment adviser in accordance with their normal and customary billing practices. For more

¹ The term, "assets under management" shall carry the same meaning as that term is defined by Form ADV.

details, please refer to the other investment adviser's disclosure documents (i.e., Form ADV Part 2A) which we will provide to you prior to or at the time of the recommendation.

Financial Planning

When we are engaged for financial planning, the scope and terms will be disclosed in a separate agreement. Financial planning fees are billed monthly or quarterly in advance and are based on the complexity of the financial plan. Payments may be made by a direct debit of the client's account with the custodian, or we may bill you directly.

All fee arrangements are negotiable at our sole discretion. Specific fee arrangements will be set forth in your investment advisory agreement ("Agreement") with us.

Fee Billing and Collection Process

Asset Management Fees

For ongoing asset management services, we receive our asset management fees by automatic fee deduction via the custodian or by billing you directly. Fees are billed monthly or quarterly, and, typically, in advance. The amount of the initial fee will be prorated based on the number of days remaining in the initial billing period and will be based on the value of assets managed by the adviser. The specific fee arrangements will be set forth in your Agreement with us.

Billing Via Custodian: Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our asset management fees and remit the fees to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:

- all amounts disbursed from the account, and
- the amount of advisory fees paid directly to us.

Direct Billing: If so desired, you may choose to be billed directly by us for our asset management fees. If so chosen, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.

Fees for the Recommendation of Other Investment Advisers

If another investment adviser is managing your assets, we will not bill or invoice you directly for our fees related to the recommendation or selection of other investment advisers. The fees charged by other investment advisers are assessed by such parties. Such fees may be charged in advance or in arrears; monthly, quarterly, or annually. Furthermore, fees may be collected via the custodian or by way of direct billing by such investment adviser. Regardless of the other investment adviser's billing practices, our compensation will be received from the other investment adviser in accordance with the normal and customary billing practices as outlined in that outside investment adviser's disclosure document(s). For more details, please refer to the other investment adviser's current disclosure document(s) (i.e., Form ADV Part 2A). Your specific fee arrangements will be set forth in your Agreement with the other investment adviser.

Financial Planning Fees

Financial planning fees are billed monthly or quarterly in advance. Payments may be made by a direct debit of the client's account with the custodian, or we may bill you directly. The specific terms will be disclosed in your Agreement with us.

Fees Upon Termination of Services

In the event the Agreement with us is terminated, any fees paid in advance will be considered earned and non-refundable up to the effective date of termination as described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”), we will calculate a pro-rata refund of any unearned fees. The pro-rata refund will equal the total number of calendar days remaining in the billing period after the date of the termination to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.

If another investment adviser(s) is used to manage your assets, any available refund process for fees collected in advance will be dictated by such other investment adviser’s disclosure document(s) and/or service agreement(s) with you.

For more details, please refer to the other investment adviser’s current disclosure document(s) (i.e., Form ADV, Part 2A). Your specific fee arrangements will be set forth in your Agreement with us.

Other Fees/Expenses

In addition to our fees, you may be assessed other fees and expenses charged by parties independent from us, including, but not limited to custodians, brokers, third-party investment managers, and other third parties. Such fees may include custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and brokerage commissions on securities transactions. Mutual funds, exchange-traded funds, and private investment funds (e.g., private equity and hedge funds) are subject to their own respective expenses and also charge internal management fees, which are disclosed within the respective investment offering documentation. In addition, private investment funds not advised by the Adviser may charge performance-based fees. Further information regarding the fees, costs and expenses incurred by funds advised by the Adviser can be found in the respective fund’s offering documents. Such charges, fees and commissions are exclusive of and in addition to the fees paid to the Adviser. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you. The Adviser does not receive any portion of these commissions, fees, and costs.

Refer to Section XII for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.

Additional Compensation

Certain individuals who are associated with us, if properly registered and licensed to do so, may also receive compensation (i.e., commissions) related to the sale of securities or other investment products. Transaction-based compensation (“Additional Compensation”) such as this is separate and distinct from the other fees we may receive in connection with our investment advisory services as described above in Section IV. Since it is not registered as a broker-dealer, SFO does not receive Additional Compensation.

Conflicts of Interest

The instructions in the Form ADV require us to tell you that the receipt or potential for the receipt of Additional Compensation gives our supervised persons an incentive to recommend investment products based on the Additional Compensation received, rather than on your specific needs. Although we are obligated to tell you this, our objective as a firm, which is shared by our supervised persons, is to place nothing before your best interests.

How we address these conflicts. First and foremost, we address the conflicts described above in relation to Additional Compensation by disclosing them to you in this Brochure as well as your representative’s Brochure Supplement. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures

(“WSPs”) that was designed to address, among other things, conflicts of interest such as Additional Compensation. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

The potential conflict of interest resulting from the Additional Compensation described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they are proper in light of the added examination, licensing, registration, and other regulatory oversight that also takes place in the brokerage area of the investment industry. Our supervised persons have satisfied various regulatory examination and registration requirements that allow not only for the offering of the types of products and services described in the information related to the Additional Compensation described above but also the receipt of the normal and customary compensation that any similarly registered, licensed, and qualified person could receive in the form of sales compensation for those same products/services.

However, please note the following:

- The General Partner of the Alterna Tax Certificate Fund II, L.P. (“ATCF II”), Alterna Tax Asset Group, LLC, is a related person to SFO. Fees, if any, to be charged by SFO for client funds invested in ATCF II shall be paid directly by SFO to the clients’ investment advisor representative. SFO’s investment advisor representatives do not receive any special or additional compensation for client recommendations to invest in direct participation programs, like ATCF II, or other alternative investments, so there is no financial incentive for SFO’s investment advisor representatives to recommend these investments over any other securities. In fact, generally the fee rate for SFO’s recommendation of utilizing ATCF II should be less than the fees charged by SFO with respect to equities, fixed incomes, mutual funds, or exchange-traded funds. ATCF II has implemented a fee reduction policy with respect to certain SFO clients invested in ATCF II.
- Additionally, Socius may recommend that certain clients invest in a Private Company, of which the CEO is also a client of Socius Family Office. As this client’s assets increase, so does the fee collected by Socius Family Office. This causes a conflict of interest. To address this conflict, the firm has created policies and procedures to monitor all client investments and holdings to ensure each client’s investment objectives are being met and all such real or potential conflicts are properly disclosed.

Bear in mind that even if our supervised persons were not registered/licensed to sell the types of products/services addressed in the preceding section, the majority of your investments or transactions involving such products would still result in you paying some sort of commission for those products. In the case of our supervised persons, their active registration/licensing may allow them to be able to receive such Additional Compensation as opposed to the executing financial institution keeping that compensation exclusively for itself.

Any Additional Compensation received by our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

Procedures for disclosing these conflicts. In an effort to inform you of these conflicts of interest, we have prepared this Brochure and have provided it to you, in part, for the purpose of disclosing these conflicts. You are always welcome to request a current copy of our Brochure. We are obligated to provide you a copy of this Brochure no later than the time you sign our Agreement and on an annual basis, we are required to provide you either (1) a copy of our current Brochure or (2) a set of instructions as to how you can request a copy of our current Brochure.

If we recommend mutual funds to our clients, we may often or occasionally recommend no-load funds.

Client-Directed Brokerage

You have the ability to purchase investment products that we recommend through any broker-dealer or other financial institution you choose. If you choose to use a firm other than the broker-dealer(s) we may normally recommend, we may not be able to properly monitor your assets and therefore we cannot be held responsible for the success or failure of any investment products or strategies that you implement at firms other than those we recommend. In other words,

our services and responsibilities will not apply to transactions you effect on your own whether through firms you choose on your own or through any broker-dealer we may recommend.

Brokerage Compensation

SFO is not registered as a broker-dealer and thus we do not receive transaction-based compensation for securities-related activities.

Advisory Fee Offset

In the event that we or our supervised persons receive compensation other than our advisory fees as described above in Section IV, we will not adjust our advisory fees to offset those other fees.

VI. Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees (fees based on a share of the capital gains or capital appreciation of managed securities).

“Side-by-Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because we have no performance-based fee accounts, we do not engage in side-by-side management.

VII. Types of Clients

We generally provide services to individuals, high net worth individuals, and charitable organizations.

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In the course of our management process and as appropriate on a case-by-case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Clients need to understand that investment decisions made for their accounts by us are subject to various risks. The investment decisions we make will not always be profitable nor can we guarantee any level of performance.

The information contained in this brochure cannot disclose every potential risk associated with an investment strategy, nor all of the risks applicable to a particular manager, security or investment. Risks vary by client according to their investment objectives, guidelines, liquidity needs or risk tolerance, and not every strategy or portfolio will be exposed to each of the risks described in this brochure. This list is not intended to be exhaustive of all of the risks associated with investing in strategies or securities that are utilized or recommended by us. Rather, it is a general description of the nature and risks of the investment advisory services provided by us and the related investments.

Charting / Technical

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment

instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

Fundamental

Fundamental analysis is generally considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e., the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

In the course of our management process and as appropriate on a case-by-case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

Long-Term Purchases

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk and Political Risk.

Short-Term Purchases

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk and Political Risk.

Trading

Trading generally involves the acquisition of an investment instrument and holding it for a period of not more than thirty days.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk and Political Risk.

Short Sales

Selling short involves the sale of an investment instrument that you do not own. In most cases, a short seller will have to go out and borrow or arrange for the borrowing of a particular investment instrument before selling short. When selling short, the seller is expecting the price of the underlying investment instrument to decline but if it does, the seller is able to sell the investment instrument(s) at the present day price (in effect at the time of entering into the short sale) and the profit potential is the difference between the sale price of the borrowed shares and the cost of purchasing the borrowed shares in order to make good on the delivery of the investment instrument(s) to the party on the other side of the initial short sale.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk and Political Risk.

Margin Trading

Margin trading, or “trading on margin,” as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds you have available for the purchase. Essentially, trading on margin means that you can borrow additional funds, generally from the firm that holds your brokerage account, to purchase investment instruments that exceed the amount with which you have funded your account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk and Political Risk.

Option Writing (including covered/uncovered options or spreading strategies)

We will also employ the use of options trading in the event that such trading complements an investment strategy we may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e., the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when you own the underlying instrument on which the option is based. Uncovered options involve options trading when you do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk and Political Risk.

Risk Disclosures

Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk, and the loss of capital is generally a risk for any investment instrument.

Credit Risk

Credit risk can be a factor in situations where an investment’s performance relies on a borrower’s repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e., borrowed funds) are subject to credit risk.

Currency Risk

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, German mark, Euro, Japanese yen, French franc, etc.).

Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Over time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest-paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

Legal/Regulatory Risk

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns. Direct Participation Programs, like ATCF II, or other alternative investments, generally offer at least quarterly redemptions. However, those investments may delay payment if special circumstances require, such as a market emergency that prevents the liquidation of positions or the inability to sell a fund's underlying collateral – such as a mortgage or tax lien or a delay or default in payment to a fund by a counterparty or third party.

Market Risk

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry, or sector of the economy, or may affect the market as a whole. Market risk can affect any

investment instrument, or the underlying assets or other instruments held by or traded within that investment instrument.

Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

Political Risk

These risks include political uncertainties of the US and foreign countries, including changes in governments through elections, rebellions, as well as international acts of terrorism. These political risks may have an adverse effect on investments held in your portfolio.

Investment-Specific Risks

There is no single type of investment instrument that we predominantly recommend; however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

IX. Disciplinary Information

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. In the past ten years, we have had no disciplinary events or information (including criminal or civil action, administrative proceeding, nor SRO proceeding) to disclose.

X. Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

Registrations

Neither SFO nor any of its management persons is registered nor has an application pending as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser (“CTA”), or an associated person of the foregoing entities.

Relationships

Neither SFO nor any of our management persons have a relationship or arrangement that is material to our advisory business with any of the following:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker
- Other investment adviser or financial planner
- Futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor
- Banking or thrift institution
- Accountant or accounting firm
- Lawyer or law firm
- Insurance company or agency
- Pension consultant
- Real estate broker or dealer

However, Socius Family Office and the below entities share common control.

Fund	GP/Manager	Investment Manager
Alternata Tax Certificate Fund II, LP	Alternata Tax Asset Group, LLC	
Alternata Capital Solutions Income LLC (ACS Income)	Alternata Equity Partners LLC	AEPM
Alternata Capital Solutions Equity LLC (ACS Equity)	Alternata Equity Partners LLC	AEPM
Alternata Equity Partners Fund I LP (AEP Fund I)	Alternata Equity Partners GP LLC	AEPM
Alternata Bulk Co-Invest, LLC	Bulk Express Transport Manager LLC	AEPM
Alternata Bulk Co-Invest QP, LLC	Bulk Express Transport Manager LLC	AEPM

Investors in any of the above funds who are also clients of Socius Family Office are informed of the relationship and common control of the listed entities.

SFO is also affiliated with Alternata Equity Partners Management LLC (AEPM), an SEC registered investment adviser. Alternata Equity Partners Holdings LLC (AEPH) owns 100% of AEPM. Alternata Equity Partners LLC (AEP) owns 66.7% and Olivia Ryan, LLC owns 33.3% of AEPH, respectively. Robert Konrad owns 100% of AEP and Casey Swercheck owns 99% of Olivia Ryan, LLC.

AEPM has a sub-advisory agreement with AEP. Therefore, AEPM serves as the Investment Manager to Alternata Bulk Co-Invest, LLC, Alternata Bulk Co-Invest QP, ACS Equity and ACS Income, and AEP Fund I.

XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We take great pride in our commitment to serving our clients’ needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics (“Code”) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- Conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm’s IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

Participation in Client Trading

The information in this Section is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you. No such arrangements exist.

Trading Alongside Our Clients

On occasion, we may invest for our own accounts in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different from transactions recommended to or made for our clients’ accounts. Such transactions are permitted if effected and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our associated persons quarterly or more frequently if deemed necessary.

Investment Policy

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client’s purchase of that security; and
- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client’s sale of that security.

As an alternative to the procedures described in the preceding points, we may include our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over those of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is not allowed.

XII. Brokerage Practices

The purpose of this Section is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

SFO is not a broker-dealer. Unless you direct otherwise, we shall generally recommend that all of your brokerage accounts that we manage be maintained at, by, or through certain other firms that are unaffiliated with SFO. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer activities.

Any such other firm may act in the capacity of "broker of record" for your account(s), in which case, another firm may serve as the custodian for your account(s). Alternatively, any such other firm may serve as both the "broker of record" and "custodian" for your account(s). In no case shall SFO act or attempt to act in the capacity of "broker of record" or "custodian" with respect to your account(s), funds, or other assets. Although not all-inclusive, we may recommend the following custodians:

Custodian
Schwab Capital Markets, L.P.
Pershing Advisor Solutions, L.L.C.
Deutsche Bank AG
Fidelity Investments
American Funds Distributors, Inc.
The Vanguard Group

Factors that we consider in recommending certain broker-dealers or custodians to you may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, we or certain of our supervised persons may receive certain support services that may assist us in our investment decision-making process for all of our clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for your account transactions.

Research and Soft Dollar Benefits

Soft dollar benefits are items such as research or other products or services (other than the typical execution and other brokerage services available to all other investment advisers) that we may receive from a broker-dealer or other party in connection with the client securities transactions we direct to that broker-dealer(s). We do not participate in any soft dollar arrangements.

Brokerage for Client Referrals

In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

Directed Brokerage

This Section is intended to address situations where we may recommend, request, or require you to provide us with instructions as to how to direct brokerage activity on your behalf.

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e., using a particular broker-dealer for execution purposes).

Batch Trading

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, does not guarantee the lowest possible price for execution; however, it is intended to reduce the overall volatility in execution price for a large number of orders that, if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

XIII. Review of Accounts

Review of Accounts or Financial Plans

Review of Client Accounts

We will review your accounts quarterly. The Designated Supervisor (i.e., the person named in our written supervisory procedures as the responsible party for this function) will review your accounts for best execution, suitability, and service. Your investment objectives are used to review for suitability. Transactions are reviewed quarterly to ensure trades are appropriate and fit your stated objectives.

Name and title of Designated Supervisor: Kaylyn Melia, Chief Compliance Officer.

Review of Financial Plans

Unless specifically engaged to do so, we do not periodically review financial plans that we have prepared for clients.

Non-Periodic Account Reviews

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, or requests by the client to liquidate certain securities positions/contracts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints.

Reports to Clients

Account statements will be provided no less frequently than quarterly by the custodian, not by SFO. Account statements will identify account positions, balances, and transaction details. Upon your request, a quarterly account appraisal (written or electronic) may be created for you by SFO in addition to an annual year-end statement.

In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

XIV. Client Referrals and Other Compensation

Compensation We Receive

Other than the compensation arrangements described above in Section V, SFO does not receive any other compensation in connection with the investment advisory services provided to our clients.

Compensation We Pay

Under certain circumstances, firms like ours may compensate other parties for referring clients or potential investment advisory clients to them. These sorts of arrangements are generally referred to as “solicitor” or “promoter” arrangements.

Presently, we have no solicitor/promoter arrangements. However, we may enter into agreements with various parties to refer prospective investment advisory clients to us. In such situations, we would not charge clients introduced by third parties fees or costs greater than the fees or costs that we would normally charge any other clients who were not introduced by a third party and have similar portfolios under management with us. The specific referral compensation arrangements could vary but would be disclosed prior to or at the time of the referral. The third party making the referral would provide the prospective client with a copy of our Form ADV Part 2 (Disclosure Brochure), Form ADV Part 3 (Form CRS) and will disclose its relationship with us and its compensation arrangements.

XV. Custody

We engage in certain activities that result in us being deemed to have custody of certain of our client’s funds and/or securities. Such activities include automatic fee deduction from your brokerage or other trading accounts and the ability to gain access to certain client bank accounts. Additionally, one of our related persons has custody of funds and/or securities, as disclosed in Section V above under the heading: “Conflicts of Interest.”

As stated previously in Section XIII, your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian.

XVI. Investment Discretion

As part of our investment advisory services, we will generally seek and obtain your authorization to carry out part of our services on a purely discretionary basis. We will memorialize your authorization of our discretionary authority in our Client Profile & Advisory Agreement (CPAA).

If you have authorized us to do so, we will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on the client's behalf
- 2) The amount of securities to be bought or sold on the client's behalf
- 3) Timing as to when such securities are to be bought or sold
- 4) The particular broker or dealer to be used for arranging client securities transactions

We will have authority to exercise complete discretion with regard to the above-mentioned factors without restriction. If you have not authorized us to exercise discretion, we will make certain recommendations that must be authorized by you prior to our facilitation of any such transactions. As may be separately agreed to in writing, we will observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

XVII. Voting Client Securities

Proxy Voting Policies and Procedures

In the event that you have authorized (via the CPAA) us to vote proxies on your behalf, we will perform the voting process for you subject to the following information and procedures. Alternatively, if you provide us with other, specific instructions as to how we are to carry out the proxy voting process on your behalf, we will do so. Such instructions must be written and included in or as part of our CPAA.

In an effort to ensure that clients' proxy votes are carried out in our clients' best interests and not affected by any conflicts of interest that we may have, we have adopted the following elements as part of our proxy voting policy.

Regardless of the nature of the issue up for vote, we thoroughly and objectively research the voting options and the corporate landscape in order to arrive at a decision that we believe meets the best interests of the client as a shareholder of the company in question. The overriding theme of our policy is to vote client proxies in the manner that we believe is most consistent with the following:

- The client's stated investment objectives
- The client's desired voting interests
- The long-term well-being of the company soliciting the proxy
- An increase in shareholder value

Conflicts of Interest: We recognize that conflicts of interest may arise when voting your proxies. A conflict of interest exists when your best interests are contrary to our best interests due to some relationship between us and/or our associated persons and a company that is soliciting a proxy. Some examples may include:

- The spouse of one of our associated persons is a board member of a company whose management is soliciting proxies to vote on a salary increase for the board.
- We are an affiliated company of a company that has issued a proxy notice to individuals who are our clients.
- We or one or more of our affiliates may manage a pension plan, administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to a company whose management is soliciting proxies.

It is our policy to vote proxies in the best interests of our clients regardless of the existence of any conflict that we may have.

As authorized in our CPAA, we may exercise complete discretionary voting authority in relation to proxy notices that we receive on your behalf. If no apparent conflict of interest exists in relation to our exercise of our voting authority on your behalf, we shall vote all such proxies as we see fit and in your best interest.

Under certain circumstances, the most prudent action on our part may be NOT to vote a proxy(s). Under such circumstances, we shall ensure that appropriate records are maintained so as to justify not having voted such proxy(s).

How to Obtain Our Proxy Voting Record: We will ensure that a complete record is retained of the initial proxy notice and the subsequent vote that we cast on your behalf. For a copy of our proxy voting record on your behalf, please write or call us at:

Socius Family Office, LLC.
200 East Las Olas Boulevard, Suite 1550
Fort Lauderdale, FL 33301
Tel: 561-404-0484
Fax: 561-404-0494
kmelia@socius.com

If you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at 561-404-0484.

If you have authorized us to vote proxies on your behalf, we will do so in accordance with the information provided above. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at 561-404-0484.

XVIII. Financial Information

Balance Sheet

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

Adverse Financial Condition

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

Bankruptcy-Related Matters

During the past ten years, SFO has not, at any time, been the subject of a bankruptcy petition.

XIX. Requirements for State-Registered Advisers

As a federally registered investment adviser, this section is not applicable to us.