

Item 1 Cover Page

**Southport Station Financial  
Management, LLC**  
SEC File Number: 801 – 68863

**ADV Part 2A, Brochure**  
**Dated: March 26, 2024**

Contact: Thomas A. Turiano, Chief Compliance Officer  
368 Center Street  
Southport, CT 06890  
[www.southportstation.net](http://www.southportstation.net)

**This Brochure provides information about the qualifications and business practices of Southport Station Financial Management, LLC (“Registrant”). If you have any questions about the contents of this Brochure, please contact us at (203) 254-2333 or [tom@southportstation.net](mailto:tom@southportstation.net). 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 Registrant also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Registrant 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

Since Registrant's March 22, 2023 annual update filing, there have been no material changes to this Firm Brochure.

**Registrant's Chief Compliance Officer, Thomas A. Turiano, remains available to address any questions that a client or prospective client may have regarding this Brochure.**

## Item 3           Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	7
Item 6	Performance-Based Fees and Side-by-Side Management .....	10
Item 7	Types of Clients.....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9	Disciplinary Information .....	13
Item 10	Other Financial Industry Activities and Affiliations .....	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.	14
Item 12	Brokerage Practices .....	15
Item 13	Review of Accounts.....	16
Item 14	Client Referrals and Other Compensation.....	17
Item 15	Custody.....	17
Item 16	Investment Discretion.....	17
Item 17	Voting Client Securities.....	17
Item 18	Financial Information .....	18

#### **Item 4            Advisory Business**

- A. Registrant is a limited liability company formed in 2008, which has been registered with the United States Securities Exchange Commission as an investment adviser since February 2008. Registrant is wholly owned by Teck Financial, Inc., which, in turn, is wholly owned by Thomas A. Turiano, CFP®.
- B. As discussed below, Registrant provides personalized, confidential financial planning, asset management, and related consulting services as discussed in more detail below.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage Registrant to provide discretionary or non-discretionary investment advisory services. Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under management. Before engaging Registrant to provide investment advisory services, clients are required to enter into a Wealth Management Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

To begin the investment advisory process, an investment adviser representative will first determine each client's investment objectives and then invest client's assets consistent with their investment objectives. Once allocated, Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to the client's investment objectives and may periodically rebalance an account based upon these reviews.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, Registrant may also provide financial planning or consulting services (on investment and non-investment related matters, including estate, tax and insurance planning) as a separate service.

Before engaging Registrant to provide stand-alone financial planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement.

#### **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** In the event that the Registrant provides financial planning or consulting services, no portion of its services should be viewed as legal or accounting services. Registrant is not a law firm or accounting firm. Accordingly, Registrant does not prepare estate planning documents or tax returns. Registrant may recommend the services of other professionals for certain implementation purposes (i.e., attorneys, accountants, insurance agents) including representatives of Registrant in their separate individual capacities as registered representatives of Purshe, Kaplan Sterling Investments, an SEC registered, FINRA/SIPC member broker/dealer ("PKS"), and as licensed insurance agents as indicated in Items 5.E. and 10.C. below. The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation

decisions and is free to accept or reject any recommendation from Registrant or its representatives.

If the client engages any professional, recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided.

The recommendation by Registrant's representative that a client purchase a securities or insurance commission product through Registrant's representative in their separate and individual capacity as a registered representative of PKS or as an insurance agent, presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment or insurance products based on the compensation to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through the Registrant's representatives. Clients can purchase securities and insurance products recommended by Registrant through other broker-dealers or insurance agencies.

**Non-Discretionary Service Limitations.** Clients that determine to engage the Registrant on a non-discretionary investment advisory basis must be willing to accept that the Registrant cannot affect any account transactions without obtaining the client's consent. For instance, although the firm does not recommend market timing as an investment strategy, in the event of a market correction event where the firm cannot reach the client, a client may suffer investment losses or miss potential investment gains.

**Portfolio Activity.** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Registrant determines that trades within a client's portfolio are neither necessary nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by the Registrant will be profitable or equal any specific performance level(s).

**Third-Party Discretionary Management.** Registrant has entered into an arrangement with an unaffiliated broker-dealer for the provision of discretionary investment management, primarily with respect to fixed income and preferred equity products. In such situations, the broker-dealer maintains day-to-day responsibility for the active discretionary management of the allocated assets. Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. Factors that Registrant considers in recommending the broker-dealer includes the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Clients whose assets are placed under the broker-dealer's management will continue to incur Registrant's ongoing asset-based fee. No separate asset-based fees are assessed by the broker-dealer, but clients will generally incur transaction-based fees, discussed further in Item 5 below.

**Client Obligations.** The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

**Use of Mutual and Exchange Traded Funds.** Registrant utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). The mutual funds and exchange traded funds utilized by the Registrant are generally available directly to the public. Thus, a client can generally obtain the funds recommended and/or utilized by Registrant independent of engaging Registrant as an investment advisor. However, if a prospective client does so, then they will not receive Registrant's initial and ongoing investment advisory services.

**Retirement Plan Rollovers – Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Generally Registrant does not make recommendations related to rollovers and only provides educational and informational material as it relates to rolling over. However, if Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Registrant is acting as a fiduciary 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. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant, whether it is from an employer's plan or an existing IRA.

**Account Aggregation Platform.** Registrant, in conjunction with the services provided by an account aggregation software provider, may also provide, for a separate fee, periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Registrant (the "Excluded Assets"). Unless agreed to otherwise in writing, Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, Registrant's service relative to the Excluded Assets is limited to reporting only. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance. Without limiting the above, the Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may choose to engage

Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Registrant and the client.

**Cash Positions.** Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

**Cash Sweep Accounts.** Certain account custodians can require that cash proceeds from account transactions or new deposits, be swept to and/or initially maintained in a specific custodian designated sweep account. The yield on the sweep account will generally be lower than those available for other money market accounts. When this occurs, to help mitigate the corresponding yield dispersion, Registrant shall (usually within 30 days thereafter) generally (with exceptions) purchase a higher yielding money market fund (or other type security) available on the custodian's platform, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. Please Note: The above does not apply to the cash component maintained within a Registrant actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any Registrant unmanaged accounts. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Thomas A. Turiano, remains available to address any questions that a client or prospective client may have regarding the above.

**Cybersecurity Risk.** The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Registrant has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of

securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Disclosure Brochure.** A copy of Registrant's written disclosure brochure as set forth on Part 2 of Form ADV and Client Relationship Summary (Form CRS) shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

- C. Registrant will provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, Registrant will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on Registrant's services.
- D. Registrant does not participate in or sponsor a wrap fee program.
- E. As of February 21, 2023, Registrant had \$139,227,061 in assets under management on a discretionary basis and \$35,310,259 in assets under management on a non-discretionary basis for a total of \$174,537,320 in assets under management. .

## **Item 5 Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

The client can engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. Registrant's negotiable annual investment advisory fee shall generally be based upon a percentage (%) of the total market value and type of assets placed under Registrant's management. The fee is negotiable but will not exceed 1.25%. The full schedule is as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 to \$499,999	1.25%
\$500,000 to \$2,999,999	1.00
\$3,000,000 to \$5,999,999	0.75%
\$6,000,000 and Above	Negotiable

Registrant typically imposes a \$250,000 minimum asset level for investment management services. However, the Registrant may, in its sole discretion, waive or reduce its minimum asset level requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, business or familial relationship, dollar amount of assets to be managed, related accounts, account composition, etc.).

**Fee Dispersion.** Registrant, in its discretion, may charge a lesser or higher investment advisory fee, charge a flat fee, waive applicable minimum asset or minimum fee levels, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the

engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Thomas A. Turiano, remains available to address any questions that a client or prospective client may have regarding advisory fees.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$500 to \$20,000 on a fixed fee basis or from \$250 to \$375 per hour on an hourly basis. The type and amount of the fee is dependent upon the level and scope of the services required.

- B. Clients may elect to have Registrant's fees deducted from their custodial accounts. The applicable form of Agreement and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of Registrant's fees and to directly remit that fee to Registrant in compliance with regulatory procedures. In the limited event that Registrant bills the client directly, payment is due upon receipt of Registrant's invoice. Registrant generally deducts or bills clients for its fees quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. However, for certain retirement plans, Registrant bills its advisory fee quarterly in arrears based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed in Item 12 below, unless the client directs otherwise or an individual client's circumstances require, Registrant shall generally recommend that Raymond James & Associates, Inc. (Member NYSE/SIPC) ("Raymond James"), an SEC registered and FINRA member broker-dealer, serve as the broker-dealer/custodian for client investment advisory assets. Registrant may, to better serve specific client needs, elect to use the services of other custodians, at its discretion.

Broker-dealers such as Raymond James charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including Raymond James, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do.

There can be no assurance that Raymond James will not change their transaction fee pricing in the future.

Raymond James may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically.

Clients will incur, in addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded



fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Fees for Third-Party Discretionary Management.** As discussed in Item 4 above, certain client assets may be allocated to an unaffiliated broker-dealer for fixed income and/or preferred equity management. These assets will not incur additional asset-based advisory fees beyond those charged by Registrant. The engaged unaffiliated broker-dealer is generally compensated by retaining a portion of the trade spread, or by assessing a per-share trade commission, with respect to fixed income and preferred equity trades, respectively. Registrant neither receives nor retains any portion of these transaction costs.

In connection with these arrangements, transactions may be affected through broker-dealers other than the client's account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer, as well as a separate "trade-away" and/or prime broker fee charged by the account custodian. Higher transaction costs can adversely impact account performance.

- D. Investment advisory fees are billed quarterly, in advance, based on the market value of the assets on the last day of the previous quarter, as valued by the account custodian(s). New accounts, once established, are assessed a pro rata portion of the annual fee for the quarter in which the account is established.

Financial planning fees based on an annual fixed fee are divided into quarterly amounts and billed quarterly, in advance, with the client invoiced directly. Hourly financial planning or consulting service fees are billed to the client upon completion of the services requested. These services are also invoiced directly to clients lacking custodial accounts from which the fees may be deducted. A retainer may be required for these services, at the discretion of the advisor, with the balance due upon completion of the services performed.

Upon termination of the applicable form of client agreement, Registrant will refund the pro-rated portion of the advanced unearned advisory fee based upon the number of days that services were provided during the billing quarter.

- E. **Securities Commission Transactions.** In the event that the client desires, the client can engage Registrant's representatives, in their individual capacities, as registered representatives of Purshe, Kaplan Sterling Investments, an SEC registered, FINRA/SIPC member broker-dealer ("PKS") to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through PKS, PKS will charge brokerage commissions to effect securities transactions, a portion of which commissions PKS shall pay to Registrant's representatives, as applicable. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, PKS, as well as Registrant's representatives, may receive Rule 12b-1 fees directly from the mutual fund company during the period that the client maintains the mutual fund investment. Mutual funds and mutual fund share classes that pay 12b-1 fees generally maintain high internal expense ratios than those funds or share classes which do not pay 12b-1 fees. Higher expense ratios can adversely impact investment performance.

- 1. **Conflict of Interest:** The recommendation that a client purchase a commission

product from PKS presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives.

2. Clients may purchase investment products recommended by Registrant through other, non-affiliated broker dealers or agents.
3. The Registrant does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the Registrant recommends to its clients.
4. When Registrant's representatives purchase or sell an investment product for a client on a commission basis, the Registrant does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, the Registrant's representatives do not also receive commission compensation for such advisory services.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7            Types of Clients**

Registrant's clients generally include individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and business entities.

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

- A. Registrant may utilize the following investment strategies when implementing investment advice given to clients:
  - Long Term Purchases (securities held at least a year)
  - Short Term Purchases (securities sold within a year)
  - Trading (securities sold within thirty (30) days)
  - Option writing (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s). Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
  - Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
  - Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
  - Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
  - Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
  - Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
  - Credit Risk: Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value, and thus, impact performance. Credit risk is greater for fixed income securities with ratings below investment grade (BB or below by Standard & Poor's Rating Group or Ba or below by Moody's Investors Service, Inc.). Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.
  - Call Risk: Call risk is the risk that during periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.
- B. Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Registrant must have access to current/new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate 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.

Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy

has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

In addition to the fundamental investment strategies discussed above, Registrant may also implement and/or recommend options transactions.

### **Options Strategies.**

Registrant may engage in options transactions (or engage an independent investment manager to do so) for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of “hedging” a potential market risk in a client’s portfolio and/or generating income for a client’s portfolio. **Please Note:** Certain options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

### **Covered Call Writing.**

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

### **Long Put Option Purchases.**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought, strike price and expiration. In the event that the security is put to the option holder, it will

result in the client (option seller) to lose ownership in the security and to incur potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

**Please Note:** There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, he/she must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes). **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Thomas A. Turiano, remains available to address any questions that a client or prospective client may have regarding options.

- C. Currently, Registrant primarily allocates client investment assets among mutual funds, exchange traded funds, individual equities, and individual bonds. In limited cases, when consistent with a client's investment objectives, Registrant may also recommend the use of options strategies as described above.

## **Item 9            Disciplinary Information**

Neither Registrant nor any of its associated persons have been the subject of any disciplinary actions.

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

- A. As disclosed in Item 5E above, certain of Registrant's representatives, in their individual capacities, as registered representatives of PKS an SEC-registered FINRA/SIPC member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Registered Representatives of PKS** As disclosed above in Item 5.E, Registrant's Principal and certain representatives are also registered representatives of PKS. Clients can therefore choose to engage Registrant's Principal and/or Representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Licensed Insurance Agency / Agents.** Thomas A. Turiano is a partial owner of Barth Insurance Agency, which is a licensed insurance agency. In addition, certain of Registrant's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of Registrant's representatives to effect insurance transactions on a commission basis.

**Conflicts of Interest:** The recommendation by the Registrant or its related persons that a client purchase securities or insurance products on a commission basis, including through Barth Insurance Agency, presents conflicts of interest, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's related persons or

related entity. Clients are reminded that they may purchase securities and insurance products recommended by Registrant through other, non-related broker-dealers and/or insurance agents and agencies.

- D. Registrant does not recommend or select other investment advisors for its clients for which it receives a fee.

## **Item 11            Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.

- B. Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.
- C. Registrant and/or representatives of Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of Registrant's clients) and other potentially abusive practices.

Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Registrant's "Access Persons." Registrant's securities transaction policy requires that an Access Person of Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Registrant selects.

- D. Registrant and/or representatives of Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## Item 12      **Brokerage Practices**

- A. In the event that the client requests that Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at Raymond James. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Registrant considers in recommending Raymond James (or any other broker-dealer/custodian to clients) include historical relationship with Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. Non-Soft Dollar Research and Benefits

Registrant receives from Raymond James (and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors) free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its investment management business operations.

Certain of the above support services or products received assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

There is no corresponding commitment made by the Registrant to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

2. Registrant does not receive referrals from broker-dealers.

3. Directed Brokerage.

Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Registrant’s Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Registrant on an annual basis.
- B. Registrant may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian



and/or program sponsor for the client accounts. Registrant may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A above, Registrant receives certain free or discounted support services and products from Raymond James.
- B. Registrant does not compensate any person, other than its representatives, for referrals.

#### **Item 15            Custody**

The Registrant is deemed to have custody over client assets only to the extent that it requests the client's custodian to deduct advisory fees directly from the client's account(s), when authorized by the client, in lieu of fees being billed directly to the client for payment. As previously stated, Registrant generally recommends that advisory client assets be held at Raymond James, which serves as a qualified custodian according to the SEC's definition. The client's custodian provides account statements directly to the clients at their address of record at least quarterly, with copies forwarded electronically to Registrant.

To the extent that Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Registrant with the account statements received from the account custodian.

The account custodian does not verify the accuracy of Registrant's advisory fee calculation.

The Registrant provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

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

The client can determine to engage Registrant to provide investment advisory services on a discretionary basis. Prior to Registrant assuming discretionary authority over a client's account, the client shall be required to execute a Wealth Management Agreement, naming Registrant as the client's attorney and agent in fact, granting Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on Registrant's discretionary authority.

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

- A. Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Registrant to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Registrant has not been the subject of a bankruptcy petition.

**Registrant's Chief Compliance Officer, Thomas A. Turiano, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**