



COUNSEL PROGRAM

**PART 2A**

**APPENDIX 1**

PROGRAM BROCHURE

Current as of March 28, 2024

**Osaic Advisory Services, LLC**

**d/b/a Osaic Advisors**

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This brochure provides information about the qualifications and business practices of Osaic Advisory Services, LLC also doing business as Osaic Advisors (the “Firm,” “we” or “us”). If you have any questions about the contents of this brochure, please contact us at 678-387-3088. The Firm is registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. Registration does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](https://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Firm is 171070.

## **Item 2 - Material Changes**

Osaic Advisory Services, LLC (formerly known as Triad Hybrid Solutions, LLC) also doing business as Osaic Advisors filed its last annual amendment to its Form ADV Counsel Wrap Brochure on March 31, 2023. Since then, the following material changes have occurred:

- Triad Hybrid Solutions, LLC has been re-named to Osaic Advisory Services, LLC universally throughout this document as the result of the firm changing its legal name effective March 28, 2024.
- The firm address has been updated on the cover page.

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## **Item 4 - Services, Fees and Compensation**

The Counsel Program ("Program") is sponsored by Osaic Advisory Services, LLC also doing business as Osaic Advisors ("OAS", "Firm", "us" or "we" or "our") an SEC-Registered Investment Adviser. OAS is a limited liability company organized under the laws of the State of Florida on April 15, 2014. Triad Advisors, LLC, OAS's broker-dealer affiliate, is registered with the SEC as a broker-dealer engaged in the offer and sale of securities products and is a member of the Financial Industry Regulatory Authority ("FINRA"). OAS is a wholly-owned subsidiary of Osaic Holdings, Inc., which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes, RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2006 Trust.

### **Advisory Services**

When your OAS Investment Adviser Representative ("Advisory Representative") manages your account through the Counsel Program your account will be established at the custodian named in the Counsel Investment Advisory Agreement ("Agreement") that you sign to participate in the Counsel Program. The Program begins with your Advisory Representative working with you to identify your investment goals and objectives as well as risk tolerance. Your Advisory Representative will then customize asset allocation, investment selection, and investment strategies to meet your individual financial situation and investment goals. Your Advisory Representative has the option to allocate your portfolio amongst a mix of mutual funds, stocks, bonds, options, exchange traded funds ("ETFs"), variable annuity ("VA") sub-accounts, and other types of securities which are based on your investment goals, objectives, and risk tolerance.

Depending on the terms you enter into with us in the Agreement, your Advisory Representative will manage your account on either a discretionary or non-discretionary basis. We define discretionary management as the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds. Non-discretionary management means that your Advisory Representative does not have the ability to perform the aforementioned without your consent.

As described previously, the Advisory Representative's services are tailored to your individual needs. Advisory Representative assists you in connection with establishing and monitoring of your investment objectives, risk tolerance, asset allocation goals and time horizon. You have the opportunity to place reasonable restrictions or constraints on the way your accounts are managed; however, such restrictions may cause the Advisory Representative to deviate from a strategy or recommendations that the Advisory Representative would have made if such restrictions or constraints were not in place. Thus, the account's performance may be lower than it otherwise would have been.

The services that OAS provides under some or all of these investment options may be available from other providers for lesser fees. In addition, you may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of our investment programs without incurring fees through our program.

An unaffiliated entity acts as custodian and broker-dealer for Counsel described in this brochure. The custodian is named in your Agreement. The Custodian will typically be Fidelity Brokerage Services, LLC ("Fidelity"), or Charles Schwab & Co., Inc. ("Schwab").

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## Program Costs

The Counsel Account has no minimum account size and advisory fees are negotiable. Advisory fees are billed quarterly and you have the option of choosing the billing methodology (flat, linear, or tiered); these elections are made on the Agreement. The basic asset-based fee schedule for the Account is as follows:

Portfolio Value	Max Annual Fee Allowed
\$0 — \$150,000	2.50%
\$150,001 — \$250,000	2.25%
\$250,001 — \$500,000	1.75%
\$500,001 — \$1,000,000	1.50%
\$1,000,001 — \$3,000,000	1.25%
\$3,000,001 — \$5,000,000	1.00%
\$5,000,001 — \$10,000,000	1.00%
\$10,000,001 +	1.00%

The Counsel Program is a “wrap fee” account under which you pay a single fee that covers the Advisory Representative’s advice and the execution of transactions through the custodian. You should understand that the wrap fee may cost you more than purchasing the program services separately. A non-wrap fee account is generally more cost-effective for you if you do not intend to actively trade your account. While there is no precise determinant for an actively traded account, if you are engaging in a small number of transactions per year, you should discuss in detail with your advisor if a wrap fee account is appropriate for your needs.

Several factors influence the selection to use the Counsel Program, including but not limited to:

1. your preference for a “wrap fee” versus transaction charges per trade on certain or all securities
2. account size
3. anticipated trading frequency
4. anticipated securities to be traded
5. management style
6. long term investment goals

Regardless of the actual quarterly Wrap Fee rate or the value of the assets in the accounts, the minimum fee charged to accounts in the Counsel Program is the greater of \$30 or up to 15 basis points (0.15%) annually assessed per account. The imposition of the minimum fee may cause the effective Wrap Fee rate (expressed as a percentage) to be greater than the fee rates specified in your Counsel Agreement.

OAS will “household”, for fee calculation purposes only, multiple Accounts together within the Agreement at your request. This practice is designed to allow you the benefit of an increased asset total, which can reduce your advisory fee. OAS can treat accounts under management as part of the same household if all reside at the same address, have the same last name, have the same Social Security Number or per your request and execution of the Household Billing Addendum to the applicable Agreement. Accounts opened at a later date may be added for householding purposes. You understand that you are responsible for notifying OAS of which Account(s) you would like to household under this agreement for fee billing purposes.

Either party at any time, and upon written notice, may terminate the Counsel Agreement and a pro rata portion of any Wrap Fee paid by you in advance will be remitted to you based on the number of days left in the quarter, following receipt of the notice of termination by OAS. Terminated account refunds are processed monthly.

## **Additional Fees and Costs**

Other costs that are assessed by broker-dealers or the custodian and that are not included in the Wrap Fee include: fees for transactions executed away from chosen custodian, dealer mark-ups and spreads paid to market-makers. The Management Fee also does not cover debit balances or related margin interest, "mark-ups" and "mark-downs" or "dealer spreads" that broker-dealers (including broker dealer affiliates) receive when acting as principal in certain transactions, brokerage commission or other charges resulting from transactions not effected through chosen custodian. The Management Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees or SEC fees or other fees or taxes required by law. The advisory fees do not cover charges imposed by third parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds and variable annuity contracts. In addition, each mutual fund or third-party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm. Please see the section titled Brokerage Practices for additional information.

Variable annuity companies generally impose internal fees and expenses on your variable annuity, including contingent deferred sales charges and early redemption fees. These fees are in addition to the advisory fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Advisory Representatives can trade on margin for your accounts, which could result in a high portfolio turnover ratio and higher transaction charges in accounts with such charges. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved. Advisory fees for accounts with margin are billed net of the margin debit held in the account.

In addition to the Program Fee, each mutual fund or ETF in which your account may invest also bears its own investment advisory fees and other expenses. The mutual funds available through Counsel may be available directly from the funds pursuant to the terms of their prospectuses and without paying the Wrap Fee. Exchange-traded funds are also available outside of Counsel without paying the Wrap Fee, subject to applicable commissions and/or transaction charges. Further, to the extent that cash used for investment comes from redemptions of a mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Wrap Fee on those assets. Additional expenses associated with the specific underlying investment funds such as, redemption fees may apply. Certain mutual funds used in the Program may charge a redemption fee if shares are redeemed within a specified period of time. You may incur redemption fees in the event that a sell is executed or model update is implemented. Redemption fees vary by fund and are described in each fund's prospectus.

## **Mutual Funds**

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B, and C shares), certain mutual funds also offer institutional shares classes and other share classes that are specifically designed for purchase in an account enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other share classes. You should not assume that they will be invested in the share class with the lowest possible expense ratio.

Certain mutual fund share classes are available for purchase or sale without a transaction fee; these mutual funds are typically available in higher cost share classes. Mutual Fund share classes which have a transaction fee are typically available in lower cost share classes. The decision to use the higher cost share classes versus the lower cost share classes is based on the anticipated level of trading activity in the selected mutual fund. Generally, prolonged holding periods of the higher cost share classes result in higher underlying expenses to you than if a lower cost share class were chosen with a transaction fee. In discussing with you which share class is appropriate, our Advisory Representatives will typically discuss the size of the investment in the particular mutual fund, anticipated number of transactions in the mutual fund, the preference of paying a transaction fee and the likely

turnover of the assets in the account based on the proposed strategy for the account. Please contact your Advisory Representative for more information about share class eligibility.

### **Approved Advisory Products List**

In an effort to mitigate the above-referenced conflicts and meet current SEC regulatory expectations, OAS has created an Approved Advisory Products List ("Products List") to which OAS' advisory activities are subject. The selection of mutual funds and share classes for the Products List is based on a number of factors including expense ratio, availability, and supervision practicality. OAS has implemented a policy whereby no new mutual fund purchases may be made in advisory accounts unless such mutual funds and share classes have been approved and are listed on the current Products List. Further, to the extent that certain funds currently held in advisory accounts are on the Products List but not held in an approved class, OAS has a periodic process of converting all such holdings to an approved share class, without tax consequence and at no cost, in most cases.

Notwithstanding the foregoing, you should understand that despite its inclusion on the Products List, the share class offered for a particular mutual fund in many cases will not be the least expensive share class that the mutual fund makes available. Also, other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through OAS. We also note that to the extent that an advisory account includes mutual fund holdings that are unapproved as to both fund and share class, such funds may continue to be held in that account (although no new purchases shall be permitted).

Finally, we note that OAS' policies and procedures allow OAS' Advisory Representatives to formally request for both new inclusions to the Products List as well as (in rare cases) waivers from its applicability. You may find additional information relating to Mutual Fund share classes by visiting [www.finra.org/investors/alerts/understanding-mutual-fund-classes](http://www.finra.org/investors/alerts/understanding-mutual-fund-classes).

### **Comparison Cost of Service**

The Wrap Fee may cost you more or less than purchasing services separately depending on the frequency of trading in the accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other broker-dealers and other factors. Among the factors impacting the relative cost of the program include the size of the account, the type of account (i.e., equity or fixed income), and the size of the assets devoted to a particular strategy.

Advisory Representatives receive a substantial portion of the total Wrap Fee charged which may be as high as 2.50% annually; pursuant to your Counsel Agreement in the management of your portfolio. This compensation may be more or less than what the Advisory Representative would receive if you participated in other programs or paid separately for investment advice, brokerage and other services. The Advisory Representatives therefore has a financial incentive to recommend the Counsel Program described in this brochure over other programs or services.

In the Counsel wrap fee program, transaction or ticket charges are paid by OAS when they occur. Because of this practice you should be aware that OAS has a conflict of interest because of the incentive to limit trading activities in your account in order to minimize these costs. An account in which there are no transaction charges may cost more or less than you would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset-based fees typically assumes a normal amount of trading activity under particular circumstances. Prolonged periods of account inactivity result in higher compensation than if transaction charges were paid separately by you for each transaction. In negotiating asset-based fees and transaction charges, Advisory Representatives will discuss with you the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account. Advisory Representatives may also recommend an account structure which has varying transaction charges for certain security types (mutual funds, ETFs, equity, fixed income, options and alternatives), which are charged to OAS. As a consequence, OAS has a conflict of interest in recommending one security type over another as OAS may receive less compensation in the Advisory Representative's choice of investments in managing your account. As a fiduciary we are required to act in the your best interest and manage these conflicts via periodic reviews of our pricing arrangements with our custodians.

## **Item 5 - Account Requirements and Types of Clients**

### **Types of Clients**

The Program is available to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, banks as well as other business entities.

### **Minimum Account Size**

OAS generally does not impose any requirements for opening or maintaining an account, such as a minimum account size. We will charge a minimum service fee which is the greater of \$30 or up to 15 basis points annually assessed to the Advisory Representative per account.

## **Item 6 - Portfolio Manager Selection and Evaluation**

Your Advisory Representative is the portfolio manager available with respect to the Program. Because your Advisory Representative is the portfolio manager in this Program you acknowledge that you have chosen him or her to act in this capacity. Advisory Representatives are selected by their Firms based on various criteria including experience. You should refer to the OAS Form ADV 2A for additional information.

## **Item 7 - Client Information Provided to Portfolio Managers**

Your personal identification, account and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that are suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account.

Please refer to the Firm's Privacy Policy located at [osaic.com/advisoryservices-disclosures](https://osaic.com/advisoryservices-disclosures) to find details.

## **Item 8 - Client Contact with Portfolio Managers**

### **Client-Advisor Relationship**

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments.

You should direct any questions that you have regarding the Program to your Advisor.

## **Item 9 - Additional Information**

### **Disciplinary Information**

Not applicable. Neither we, nor any of our management personnel have been involved in any disciplinary events that are material to your evaluation of our programs or the integrity of our management.

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

Advisors that offer the Program may be "Related Persons" to us. You should see the OAS ADV Part 2A that will be provided to you for information regarding any of their other financial industry affiliations and for any associated conflicts of interest.

## Code of Ethics

We have adopted a Code of Ethics (“the Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The principle that investment adviser personnel should not take inappropriate advantage of their positions;
- The fiduciary principle that information concerning the identity of security holdings and your financial circumstances is confidential; and
- The principle that independence in the investment decision-making process is paramount.

This response is only intended to provide you with a summary description of our Code of Ethics. Please refer to our Code of Ethics located at [osaic.com/advisoryservices-disclosures](https://osaic.com/advisoryservices-disclosures) in its entirety for additional details.

Individuals who are covered by our Code (“Access Persons”) can buy or sell securities identical to those recommended to you for their personal accounts. In addition, any of our Related Person(s) may have an interest or position in securities which are recommended to you. Our Code requires Access Persons to report their personal securities holdings for review by us.

## Participation or Interest in Client Transactions

Your Advisor, who may be a Related Person to us, can recommend or buy and sell securities that it or its Related Persons’ have a financial interest in. Please see the OAS ADV Part 2A for further details on these financial interests and associated conflicts of interest.

## Brokerage Practices

OAS utilizes various custodians to execute advisory account transactions and to custody advisory assets in connection with the Counsel Program. Currently, OAS utilizes Fidelity and Schwab. Generally, each Advisory Representative chooses to use one of the custodians exclusively to execute transactions and custody your funds and securities. OAS does not require Advisory Representatives to utilize a particular custodian over another that OAS currently utilizes.

A number of factors affect custodial choice and 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, safety of customer funds, execution capability, commission rates and responsiveness. Accordingly, although OAS will seek competitive rates, to the benefit of all clients, it will not necessarily obtain the lowest possible commission rates for specific client account transactions. In utilizing broker-dealers for custodial services, OAS considers any or all of the following:

- Quality of overall execution services provided
- Promptness of execution
- Creditworthiness, financial condition, and business reputation
- Research (if any) provided
- Promptness and accuracy of reports on execution
- Ability and willingness to correct errors
- Ability to access various market centers
- The Custodian’s facilities, technology & technology integrations
- Commission or transaction charged to clients
- Execution capabilities and operational efficiencies
- Product specialty and availability (types of securities)
- Banking, charitable & trust services offered

The benefits received by OAS or its personnel through participation in programs available at Fidelity or Schwab ("Custodians") do not depend on the amount of brokerage transactions directed to the Custodians. You should be aware, however, that the receipt of economic benefits by OAS or its related persons in and of itself creates a conflict of interest and influences OAS' choice of custodians for custody and brokerage services. OAS receives no products, research, or services in connection with your securities transactions (i.e., soft dollars or soft dollar benefits) that it would consider a primary factor in utilizing a particular broker-dealer. However, under its custodian agreements, OAS receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, access to a trading desk, access to block trading, economic forecasting and general market information, historical database information and computer software that assists OAS' Advisory Representatives in their investment management process.

Custodians refer financial professionals to OAS, and these professionals may become Advisory Representatives of our firm. These referrals from our Custodians raise a conflict of interest. Custodians will most likely refer potential Advisory Representatives to OAS when we encourage those Advisory Representative's clients to custody their assets at the referring firm and whose client accounts are profitable to the Custodians. Consequently, in order to obtain referrals, OAS has an incentive to recommend to clients that the assets under management by OAS be held in custody with the referring firm and to place transactions for client accounts with that same Custodian. OAS does not pay referral fees to Custodians for providing OAS with potential Advisory Representative referrals. This arrangement does not diminish our duty to seek best execution of trades or our duty as a fiduciary to act in the client's best interest.

Fidelity provides OAS with technology platforms or other software to access Fidelity's brokerage system. These systems aid OAS in providing services to its clients and their accounts, which includes software that makes available client's account data, facilitates trade execution, allocates aggregated trade orders, facilitates payment of fees from client accounts, and assists with back office functions, such as recordkeeping and client reporting. Fidelity also assists OAS with certain Advisory Representatives joining the Fidelity platform, and in some cases, pay account transfer fees or other charges the client pays when changing custodians or service providers. The agreement for services described above may be better or worse than the terms offered to other advisors and may depend on the type or amount of business OAS and its client conduct with Fidelity. Other factors may be considered as well, including the amount of assets in accounts with Fidelity within a certain timeframe. Our Advisory Representatives are motivated by these factors when recommending Fidelity accounts to clients. OAS will establish pricing on commissions, account transactions, and other service fees for accounts in which Fidelity is the custodian. This pricing will be agreed upon based on the current and expected type and amount of business OAS plans to do with Fidelity.

Schwab provides OAS with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The Custodians also sponsor and make available to OAS other products and services that benefit OAS. These benefits include national, regional or OAS specific educational events, conferences or meetings relating to the programs or advisor custody and brokerage services. Some benefits include occasional business entertainment of personnel of OAS by the Custodians' personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which accompany educational opportunities. Other of these products and services assist OAS in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of OAS' fees from its clients' accounts, access to mutual funds with no transaction fees and to certain institutional money managers; and assist with back-office training and support functions, recordkeeping and client reporting. Many of

these services are used to service all or some substantial number of OAS' accounts, including accounts not maintained at Schwab or Fidelity. Certain Custodians also make available to OAS other services intended to help OAS manage and further develop its business enterprise. These services include professional compliance, legal and business consulting, publications, conferences, roundtables and webinars on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the Custodians make available, arrange and/or pay vendors for these types of services rendered to OAS by independent third parties. The Custodians will occasionally discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to OAS.

When the purchase or sale of a particular security is appropriate for more than one client account, trades for advisory clients may be aggregated. We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is a common practice that these orders be "batched" for ease of execution. This is done principally to ensure that clients are treated fairly and that one client is not advantaged at the expense of another client. Trades with advisory clients may be aggregated with those of other clients of OAS or the personal trades of Advisory Representative's accounts as well. Aggregate orders may not reduce transactions costs. There may be several prices at which the securities transactions are executed, even though the orders were entered as one order for all accounts. Advisory Representative may aggregate all, none or some of client trades based on, among other things, a client's investment guidelines and restrictions (including those on the use of discretion by the Advisory Representative) the type of securities and the size of the order.

OAS's policies do not require Advisory Representative to aggregate or block trade all client orders. When an Advisory Representative chooses not to aggregate client orders for the same security a conflict of interest exists (except for mutual funds). In such instances, the adviser must decide which client order to place first which may result on one client receiving a better execution price over another client and will lead to certain client accounts receiving more favorable order executions over time. OAS does not monitor Advisory Representatives choosing not to aggregate orders to determine whether any one client or group of clients is systematically disadvantaged over time. It is our practice to treat all subject accounts equally when a block trade occurs, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. OAS may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating will, in certain circumstances, cost clients more money. Clients that are not included in block trading of other client accounts may receive a higher or lower price than clients that have been included in a block trading order. In order to ensure that no client or group of clients is favored over another, OAS retroactively reviews the block trading activity with respect to clients that are not included in block trades with other clients of an Advisory Representative for the same security on the same date.

## **Trading Errors**

Occasionally, a trading error may occur where either we, or our Advisory Representatives, are at fault for effecting one or more erroneous securities transactions for a client's brokerage account. If this occurs in your account, the error will be corrected, and your account will be restored to the same economic position had the error never occurred. In the process of restoring your account, a profit may be realized, or a loss suffered in connection with correcting this error. Neither losses nor gains realized will be passed on to you. As a result, trade corrections can result in a financial benefit to us or our affiliated broker/dealers.

## **Fixed Income**

In addition, OAS may execute fixed income trades through Advisors Asset Management. A OAS Advisory Representative may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. OAS does not receive referrals, products, research or services (i.e., soft dollars) in connection with this relationship. However, Triad Advisors receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect

the “wrap fee” or the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Triad Advisors, LLC (“Triad”) or Ladenburg Thalmann & Co, Inc. (“LTCO”), an affiliate of OAS, may act as broker-dealer for accounts in these programs for certain syndicate securities. Thus, by recommending one of these securities, the Advisory Representative is recommending Triad or LTCO as broker-dealer. The transaction charges paid in connection with these programs may be more or less than the client would pay for transactions through other broker-dealers. However, these transaction charges are determined taking into account the advisory services provided by OAS.

### **Directed Brokerage**

Directed brokerage occurs when an investment adviser complies with the client’s request to use a designated broker or custodian. OAS requires that clients establish brokerage accounts with certain registered broker-dealers (“Custodians”). Currently, OAS utilizes Fidelity or Schwab to maintain custody of clients’ assets and to effect trades for their accounts. OAS is independently owned and operated and not affiliated with these Custodians. The final decision to custody assets with the Custodians listed above is made by the Client in the applicable program agreement, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. OAS client accounts maintained at the Custodians generally do not charge separately for custody services but are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through the Custodians or that settle into their accounts. Because OAS may pay the execution costs in certain programs associated with securities transactions, there is a disincentive to trade securities above a certain threshold. OAS does not receive any portion of the commission or fees from the Custodians.

The practice of directing brokerage is not required by all advisers and we may be unable to achieve the most favorable execution of client transactions at all times. This practice may cost clients more money, however as a fiduciary, OAS endeavors to act in its clients’ best interests. OAS’ recommendation/requirement that clients maintain their assets in accounts at the Custodians may be based in part on the benefit to OAS or the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodians, which creates a conflict of interest. Clients are able to direct brokerage transactions to a 3<sup>rd</sup> party for certain types of securities. Directing brokerage may cost clients more money because, as an example, we will not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

### **Review of Accounts**

Your Advisor periodically reviews your account and contacts you at least annually. For further account review details, please see the OAS ADV Part 2A.

### **Client Referrals and Other Compensation**

As Program Sponsor, we receive a portion of the Account Fee as described in Item 4 above. For further details on compensation and other economic benefits that OAS receives, please see the OAS Form ADV Part 2A.

### **Financial Information**

This item is not applicable to the Firm. The Program does not allow, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We have no financial condition that might impair our ability to meet our contractual commitments to clients and have never been the subject of a bankruptcy proceeding.