



FORM ADV PART 2A  
FIRM BROCHURE  
MARCH 25, 2024

TALON PRIVATE WEALTH, LLC  
11974 COUNTY ROAD 101, SUITE 103  
THE VILLAGES, FL 32162  
(352) 751-3200  
EMAIL: [MIKELESTER@TALONWM.COM](mailto:MIKELESTER@TALONWM.COM)  
WEBSITE: [WWW.TALONWM.COM](http://WWW.TALONWM.COM)

This brochure provides information about the qualifications and business practices of Talon Private Wealth, LLC. If you have any question about the contents of this brochure, please contact us at (352) 751-3200. 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.

Talon Private Wealth, LLC is a registered investment Manager. Registration of an investment Manager does not imply any level of skill or training. Additional information about Talon Private Wealth, LLC is available on the SEC's website [www.Managerinfo.sec.gov](http://www.Managerinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Talon Private Wealth, LLC CRD number is 298714.

## ITEM 2 - MATERIAL CHANGES

This Disclosure Brochure is the annual amendment Brochure. It contains information regarding Talon's qualifications, business practices, nature of the advisory services we provide, as well as a description of potential conflicts of interest relating to our advisory business that could affect a client's account with us. You should rely on the information contained in this document or other information we have referred you to. We have not authorized anyone to provide you with information that is different. We encourage all current and prospective clients to read this Disclosure Brochure and discuss any questions you have with your advisor. Should you have any additional questions regarding our Firm or the contents of this Firm Brochure, please contact us at (352) 751-3200.

### Material Changes Since The Last Update

The following material changes have occurred since our annual amendment filing:

Item 4: The Chief Compliance Officer has been updated.

### Future Changes

Sometimes, we may amend this Disclosure Brochure to reflect changes in our business practices, regulations, and routine annual updates as required by the Securities and Exchange Commission. Either this complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Talon Private Wealth, LLC.

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 298714.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (352) 751-3200.

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## ITEM 4 – ADVISORY BUSINESS

### OWNERSHIP/ADVISORY HISTORY

Talon Private Wealth, LLC (“Talon”) is a Florida limited liability company formed in August 2018 by Robert M. Lester. We became registered with the Securities and Exchange Commission in February 2019. Mike Lester is the Managing Member and Dara Biederman is the Chief Compliance Officer.

### ADVISORY SERVICES OFFERED

#### FINANCIAL PLANNING AND CONSULTATION SERVICES

Talon furnishes investment advice through comprehensive financial planning and consultative services. Our financial planning service involves a review of the client’s financial situation, goals and risk tolerance. Through personal interviews and/or questionnaires, we will collect pertinent data, identify goals, objectives, financial problems, and potential solutions. With this information, we tailor the client’s financial plan and advice we give to the client. Our advice may cover any of the following topics: net worth statement; cash flow analysis, tax analysis, insurance and long-term care analysis; tax planning; retirement projection; 401k review; and/or other needs as identified during our meetings with the client. The client will receive a written financial plan after our meetings. This does not apply to or include fees charged by subadvisors. With our financial consulting services, we focus on a few individual topics as identified between us and the client. We do not provide a written financial plan for this service.

#### PORTFOLIO MANAGEMENT SERVICES

We offer portfolio management services that involve assisting with the ongoing management of a client’s investment accounts. We work with the client to understand his or her investment objectives, time frame, risk tolerance and other considerations. Once we have this information, we create an individualized portfolio based on our model portfolios. We regularly monitor the client’s portfolio and adjust it as determined by the financial markets, world events and client’s needs.

We may, from time to time and based upon information received from the client, utilize the services of a Sub-Advisor to manage some or all a client’s assets on a discretionary basis and in accordance with the client’s stated investment objectives. In these situations, we offer consulting and advisory services in overseeing such Sub-Advisors. We make recommendations regarding the use of a Sub-Advisor and its investment style based on, but not limited to, the client’s financial needs, long-term goals, and investment objectives.

Sub-Advisors selected by us offer multiple strategies. Once a Sub-Advisor is selected, we continue to monitor the chosen firm to ensure that it adheres to the philosophy and investment style for which it was selected and to ensure that its performance, portfolio strategies, and management remain aligned with the client’s overall investment goals and objectives. We will retain discretionary authority to hire and fire Sub-Advisors and reallocate the client’s assets to other Sub-Advisors, where such action is deemed in the best interest of the client. Our review includes

assessment of the Sub-Advisor's disclosure brochure, performance information, materials, personnel turnover, and regulatory events.

#### RETIREMENT PLAN CONSULTING

We provide the following Plan Consulting services designed to assist plan Sponsors and/or Trustees with plan design, selection of suitable investments, periodic monitoring of those investments, and general education to plan participants:

- Provide investment management services to plans.
- Advise, if necessary, plan Sponsors and/or Trustees about the need for a written investment policy statement.
- Advise plan Sponsors and/or Trustees of appropriate investment categories for client's retirement plan.
- Advise plan Sponsors and/or Trustees of mutual funds which are consistent with investment categories selected by plan Sponsors.
- Periodically monitor performance of the mutual fund choices of the plan Sponsors and/or Trustees and provide periodic advice regarding possible changes to the investment categories or mutual fund selections.
- Meet regularly with plan Sponsors and/or Trustees to discuss investment performance.
- Arrange for mutual fund prospectuses to be available to retirement plan participants.
- Provide plan Sponsors and/or Trustees with a quarterly report regarding:
  - performance (quarter, year, three-year, five-year) for each mutual fund selected by plan Sponsors;
  - performance of comparative benchmarks; and
  - value of assets in plan.
- Meet annually, at a time mutually agreed between Milestone and the Sponsor, in a plan participant group meeting.
- Conduct informational/educational group meetings, at the times mutually agreed between Milestone and the Sponsor, with Sponsor's retirement plan participants at initial installation of the plan regarding:
  - general investment concepts;
  - investment performance of selected funds; and
  - investment strategies appropriate to various investment profiles and objectives.

#### TAILORED SERVICES

The goals and objectives for each client are documented before any investment. Clients may impose restrictions on investing in certain securities or types of securities.

#### WRAP PROGRAM

Talon does not sponsor a wrap program. This section is not applicable.

#### CLIENT ASSETS MANAGED

As of December 31, 2023, Talon manages \$786,625,134 in client assets on a discretionary basis and \$56,661,717 on a non-discretionary basis.

### ITEM 5 – FEES AND COMPENSATION

#### FINANCIAL PLANNING SERVICES

We offer financial planning and consulting services on a fixed fee or hourly fee basis.

For our hourly fee, we charge a fee of \$250. The number of hours will vary depending on the time we spend collecting the client's information, analysis and researching the assorted topics, and presenting to our clients. The fee is negotiable. We collect half of the agreed upon fee upfront at the time of engagement and the remaining balance upon delivery of the service.

For our fixed fee, we charge a fee of \$1,500. The fixed fee range varies depending on the nature and complexity of each client's individual circumstances and the scope of services provided. The fee is negotiable. We collect half of the agreed upon fee upfront at the time of engagement and the remaining fee upon delivery of the financial plan.

A client may terminate any service for any reason within the first five (5) business days after signing an advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving ten (10) days' written notice. To cancel the agreement, the client must notify us in writing at Talon Private Wealth, LLC, 11974 County Road 101, Suite 103, The Villages, FL 32162. Upon receipt of written notice of termination, the client will receive a prorated refund of any unearned fees based on the percentage of work completed on the plan. For example, if one half of the plan was completed at termination, the client will receive a 50% refund. The refund will be paid by check and mailed to the last address of record.

#### PORTFOLIO MANAGEMENT

For these services we charge a management fee based on a percentage of assets under management in the client's account. The maximum annual management fee is 2.50%. The management fee is negotiable based on the size of the account. The client may aggregate accounts to negotiate a lower management fee. Advisor fees may be negotiable at the sole discretion of the Advisor. This does not apply to or include fees charged by subadvisors.

Our management fee is calculated and collected monthly in arrears, meaning the management fee is collected at the end of each calendar month. The initial month's management fee will be prorated for the number of days the account was managed during the quarter. Cash balances and investments in money market funds, demand deposit accounts, or certificates of deposit held in the account are included in the fee calculations.

The management fee will be deducted from the client's account. For accounts that we manage, the client will be asked to authorize us with the ability to instruct the account's custodian to

withdraw the fee directly from the client's account. In some instances, the Sub-Advisor can instruct the custodian to withdraw our management fee. The client may terminate these authorizations at any time.

Our management fee does not include the Sub-Advisors' management fees. These management fees vary with each Sub-Advisor. We disclose all Sub-Advisors' management fees in the investment management agreement. Also, we provide each client with all Sub-Advisors' Form ADV Part 2A, disclosure brochure, that details their management fees.

Our management fee does not include brokerage commissions, transaction fees, or other related costs and expenses normally incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to, our fee and we will not receive any portion of these commissions, fees, and costs. For more information about our brokerage practice please see Item 12.A.

A client may terminate any service for any reason within the first five (5) business days after signing an advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving ten (10) days' written notice. To cancel the agreement, the client must notify us in writing at Talon Private Wealth, LLC, 11974 County Road 101, Suite 103, The Villages, FL 32162.

#### Satisfaction Guarantee

Talon Private Wealth is committed to providing exceptional service to our clients. We understand that clients may have different expectations and preferences when it comes to financial advice. To ensure client satisfaction, we offer a Satisfaction Guarantee Policy that allows clients to request a refund of their advisory fees if they are not satisfied with the services provided within the first year of their account opening.

##### ➤ Eligibility:

This Satisfaction Guarantee Policy is effective May 23, 2023, and is applicable to all new clients who have opened an account and have paid advisory fees.

Clients must have maintained their account for at least one year from the date of account opening.

##### ➤ Request for Refund:

Clients who are not satisfied with the services provided by their advisor may request a refund of their advisory fees within 30 days after the first anniversary of their account opening.

The request for a refund must be made in writing at Talon Private Wealth, LLC, 11974 County Road 101, Suite 103, The Villages, FL 32162.

##### ➤ Refund Process:

Upon receipt of the refund request, the Firm will review the request to ensure it meets the eligibility criteria.

If the request is approved, the advisory fees paid by the client will be credited to their account within 30 days of submitting the request.

Once the refund has been processed, the client's relationship with Talon Private Wealth will be terminated, and they will no longer have access to advisory services. Account assets will need to be moved to another Investment Advisor.

➤ Termination of Relationship:

Upon receiving the refund, the client's relationship with Talon Private Wealth will be terminated.

Termination of the relationship means that the client will no longer have access to advisory services and any ongoing investment management or financial planning services provided by Talon Private Wealth. Account assets will need to be moved to another Investment Advisor.

➤ Exclusions:

This Satisfaction Guarantee Policy does not apply to any fees or charges incurred by the client apart from advisory fees charged by Talon Private Wealth. This does not apply to or include fees charged by subadvisors.

Clients who have engaged in fraudulent or unethical activities will not be eligible for a refund under this policy.

➤ Amendment and Termination:

Talon Private Wealth reserves the right to amend or terminate this Satisfaction Guarantee Policy at any time, at its sole discretion.

In case of changes or termination, Talon Private Wealth will provide advance notice to affected clients.

Please note that this policy is subject to the terms and conditions of the client agreement and any applicable laws and regulations.

RETIREMENT PLAN CONSULTING

We charge an annual fee based on a percentage of assets in the qualified retirement plan. Our annual fee ranges from 0.10% to 2.00% depending on the size of the plan and the services provided. Our fee is negotiable. The fee is generally collected monthly, in arrears. However, the collection schedule is subject to the plan provider or third-party administrator's collection schedule. The plan provider or third-party administrator calculates and collects our fee.

Our consulting fee does not include other third-party fees, such as transaction fees, recordkeeper fees or other related costs and expenses. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's



prospectus. Such charges, fees and commissions are exclusive of and in addition to, our fee and we will not receive any portion of these commissions, fees, and costs.

A client may terminate any service for any reason within the first five (5) business days after signing an advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving thirty (30) days' written notice. To cancel the agreement, the client must notify us in writing at Talon Private Wealth, LLC, 11974 County Road 101, Suite 103, The Villages, FL 32162.

#### OTHER SECURITIES COMPENSATION

We don't receive any other securities compensation.

#### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we recommend you rollover a retirement account for us to manage, this creates a financial incentive because we charge a fee for our services. We attempt to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by us.

#### ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or provide side by side management.

#### ITEM 7 – TYPES OF CLIENTS

We offer our services to individuals and high net worth individuals. We require a minimum balance of \$25,000. This may be waived at our discretion.

#### ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

##### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We use tactical asset allocation and technical analysis as our primary methods of analysis. Our investment strategies consist of a combination of long-term purchases, short-term purchases, trading, short sales, and options purchases and writing (including covered options, uncovered options, spreading strategies). We also use various securities such as stock, bonds, exchange traded funds and mutual funds. The following is a brief description of our methods of analysis and investment strategies along with associated risk.

Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved. The risk associated with tactical asset allocation is that each class has different levels of risk and return, so each will behave differently over time. There is no guarantee that moving additional assets into an asset class will grow a portfolio.

Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying future price movements.

Long-Term Purchases – We purchase securities with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. The risk associated with using a long-term purchase strategy is that it generally assumes the financial markets will go up in the long-term, which may not be the case. There is also the risk that the segment of the market that the client is invested in or perhaps just that client's particular investment will go down over time even if the overall financial markets advance. Purchasing long-term investments may create an opportunity cost - "locking-up" assets that may be better utilized in the short term in other investments.

Short-Term Purchases – We purchase securities with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. The risk associated with using a short-term purchase strategy is that it generally assumes that we can predict how financial markets will perform in the short-term, which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of time.

Options Risk – Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all the principal he/she invests in, and sometimes more. As an option holder, a person risks the entire amount of the premium he/she paid pay. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually require less capital than equivalent stock positions, a potential cash loss as an options investor is usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.

Margin Risk – Securities purchased on margin are the broker-dealer's collateral for the loan to the client. If the securities in the account decline in value, so does the value of the collateral supporting the loan, and, as a result, the broker-dealer can take action, such as issue a margin call and/or sell securities or other assets in any of the client's accounts held with the member, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- The client can lose more funds than deposited in the margin account.
- The broker-dealer can force the sale of securities or other assets in client's account(s).

- The broker-dealer can sell the client's securities or other assets without contacting the client.
- The Client is not entitled to choose which securities or other assets in the account(s) are liquidated or sold to meet a margin call.
- The broker-dealer can increase its "house" maintenance margin requirements at any time and is not required to provide the client advance written notice.
- The client is not entitled to an extension of time on a margin call.

Short Position Risk – A short position is a trading position of an investor who has sold a security that he or she does not yet own. An investor in a short position hopes to make a profit because he or she is expecting the price of the security to fall. A portfolio will incur a loss because of a short position if the price of the short position instrument increases in value between the date of the short position sale and the date on which an offsetting position is purchased. Short positions may be considered speculative transactions and involve special risks, including greater reliance on our ability to accurately anticipate the future value of a security or instrument. The portfolios' losses are potentially unlimited in a short position transaction.

#### INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear**. Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. To manage risk, we rebalance model portfolios on an as needed basis to bring the asset allocations back to their intended balances. The client should feel free to ask questions about risks they do not understand; we would be pleased to discuss them.

#### RECOMMENDED SECURITIES

We use several types of securities in client portfolios including, but not limited to, mutual funds, ETFs, stocks and bonds. Some of the risk associated with these securities include:

- **Credit Risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a client's assets.
- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition,

foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Stock Market Risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

#### ITEM 9 – DISCIPLINARY INFORMATION

Registered investment Managers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. We do not have information to disclose in this item.

#### ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

##### BROKER DEALER AFFILIATION

We are not affiliated with a broker dealer.

##### FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

##### OTHER INDUSTRY AFFILIATIONS

Our owner and associates are licensed independent insurance agents. They are also investment adviser representative with Brookstone Wealth Advisors, LLC, an SEC registered investment adviser. They may recommend these services to our clients. These services pay fees or commissions separate from those outlined in Item 5 above. This is a conflict of interest because these additional fees or commissions create a financial incentive to recommend the service. We, however, attempt to mitigate any conflicts of interest to the best of our ability by placing the client's interests ahead of our own and through the implementation of policies and procedures that address the conflicts. Additionally, the client is informed that they always have the right to choose whether to act on the recommendation and to purchase recommended services through any licensed agent or investment adviser representative.

Our owner, Robert Michael Lester, is a minority owner of Brookstone Capital Management, LLC. We currently recommend Brookstone Capital Management, LLC as a Sub-Advisor. This is a conflict of interest because he has a financial incentive to recommend Brookstone Capital Management, LLC's services. We, however, attempt to mitigate any conflicts of interest to the best of our ability by placing the client's interests ahead of our own and through the implementation of policies and procedures that address the conflicts. Additionally, the client is informed that he or she always has the right to choose whether to act on the recommendation to use Brookstone Capital Management, LLC as a Sub-Advisor and he or she has the right to purchase recommended services through any investment adviser representative.

Our owner, Robert Michael Lester, is also part owner Brookstone Wealth Advisors, LLC, Brookstone Insurance Group, LLC, Altruist Financial, LLC and Altruist, LLC. He is not involved in the day-to-day management of any of these companies. He does, however, attend regular board meetings for them.

#### RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISER

We recommend the services of a Third-Party Investment Advisors through our use of Sub-Advisors outlined in Item 5. We will ensure that the Sub-Advisors are properly registered or exempt from registration in the client's state of residence before making any recommendation. Depending on the Sub-Advisor, we may receive a portion of its management fee, which creates a financial incentive to recommend Sub-Advisors that pay a higher percentage of the management fee. We will provide the client with a disclosure statement that details our portion of the Sub-Advisors' fee when we receive it. We attempt to mitigate the conflict of interest to the best of our ability by placing the client's interest ahead of our own, through our fiduciary duty and by following our Code of Ethics that establishes ideals for ethical conduct.

### ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING

#### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons, and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

#### MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

#### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our owner and associates may buy or sell for their own accounts the same securities that they recommend to or purchase for client accounts. A conflict of interest may exist because they can trade ahead of client trades. We mitigate any conflict of interest in two ways. First, our Code of Ethics requires any person with access to trades to report personal securities transactions on at least a quarterly basis and provide us with a detailed summary of certain holdings (both initially upon commencement of employment and quarterly thereafter) in which employees have a direct or indirect beneficial interest. The reports are reviewed to ensure we do not trade ahead of client

accounts. Second, we require client transactions to be placed ahead of our access person's personal trades or our associates can place personal trades as part of a block trade (Please see Item 12.B for details on our block trading practices). The records of all access person's personal and client trading activities are reviewed and made available to regulators to review on the premises.

## ITEM 12 – BROKERAGE PRACTICES

### RECOMMENDATION CRITERIA

We currently recommend the clearing and custody services of Charles Schwab and Fidelity. Some of the primary considerations underlying this decision are: rates charged by other brokers that provide clearing or custody services for registered investment advisors; reputation and financial strength; breadth and depth of available products, with an important factor being the broker's no-transaction-fee mutual fund universe; accuracy with which transactions are processed; customer service responsiveness; availability of technology solutions interoperable with our systems and suitable for managing multiple accounts; as well as client satisfaction. We periodically evaluate the foregoing factors, and while we may conclude based on our review that commission rates paid by clients are reasonable, lower commissions may be available from other brokers or in conjunction with retail (non-advisory) accounts, and certain mutual funds that carry a transaction fee may be available on a no-transaction-fee basis from other brokers or directly from the fund company.

### RESEARCH AND SOFT DOLLARS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. We do not receive any soft dollars. However, we receive some benefits from our recommended custodians. Please see Item 14 for additional details about the benefits.

### BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

### DIRECTED BROKERAGE

Some clients may direct us to a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on those clients' transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the clients' accounts because we cannot negotiate favorable prices.

### TRADE AGGREGATION

We may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account will be deemed to have purchased or sold its proportionate share of the securities involved at the

average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client's accounts, the timing of the trades, the liquidity of the securities or the discretionary or non-discretionary nature of the trades. If we do 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 may cost clients more money.

## ITEM 13 – REVIEW OF ACCOUNTS

### PERIODIC REVIEWS

Our owner, Mr. Lester, will meet with clients either in person or by telephone to review their accounts annually.

### OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

### REPORTS

Portfolio management accounts receive at least a quarterly performance report from us and an account statement from the account's custodian. We provide a written plan to financial planning clients.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

### OTHER COMPENSATION

We do not pay nor receive compensation for referrals. However, we receive some benefits from our recommended custodians. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for executions and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. The recommended custodians may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by the recommended custodians through the program may benefit us but may not benefit its client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained by a recommended custodian. Other services made available by the recommended custodians are



intended to help us manage and further develop our business. The benefits received by us or our personnel do not depend on the amount of brokerage transactions direct to the recommended custodians. As part of our fiduciary duties to clients, we always endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendations for custody and brokerage services.

#### CLIENT REFERRALS

We do not pay for client referrals or use solicitors.

### ITEM 15 – CUSTODY

Talon Private Wealth, LLC does not maintain physical custody of customer funds or securities.

All client funds, securities and accounts are held by a qualified custodian. However, we have limited custody over some client assets. We ask the client to authorize us with the ability to instruct the custodian to deduct our management fee directly from the client's account. This authorization will apply to our management fee only. The client may terminate this authorization at any time. The client will receive at least quarterly statements from the qualified custodian that holds and maintains the client's assets. We urge each client to carefully review such statements.

We are also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. An independent qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities – We do not act as a custodian for any client. The client will receive at least quarterly statements from the qualified custodian that holds and maintains the client's assets. We urge each client to carefully review such statements.

When we assist some clients with the ability to move money from one account to another and when Talon has a client's password to an account (e.g., an employer 401k account). In these situations, you will sign standing letter of instruction ("SLOAs") with your custodian that grants us the ability to facilitate the transfer. When your money is transferred between accounts with different titles, this is considered a limited form of custody. In 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). We and your custodian follow the safeguards outlined in the letter. These safeguards include:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.



- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client can terminate or change the instruction to their qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instructions.

The Firm complies with SEC Rule 206(4)-2 regarding requirements to ensure third-party verification of such client assets on an annual basis.

#### ITEM 16 – INVESTMENT DISCRETION

We offer discretionary investment management services. The client will sign an investment management agreement to grant us discretionary power over his or her account. Our investment management agreement contains a limited power of attorney that allows us to select the security, the amount, and the time of the purchase or sale in the client's account. It also allows us to place each such trade without the client's prior approval. Finally, it allows us to hire and fire independent investment advisors to sub-advise on the account. In addition to our investment management agreement, the client's custodian may request the client to sign the custodian's limited power of attorney. This varies with each custodian. We discuss all limited powers of attorney with the client prior to their execution. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account, and any other investment policies, limitations or restrictions.

#### ITEM 17 – VOTING CLIENT SECURITIES

We do not vote proxy votes for any client. All proxy materials are mailed or emailed directly to the client from the custodian. Any proxy materials received by us will be forwarded to clients for response and voting. In the event the client has a question about a proxy solicitation, the client should feel free to contact us.

#### ITEM 18 – FINANCIAL INFORMATION

##### BALANCE SHEET

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service our clients.

BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.