

# Concorde Asset Management, LLC

## Form ADV –Appendix 1 Wrap Fee Brochure

March 29, 2019

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<https://concordeis.com/asset-management/>

This wrap fee program brochure (this “Brochure”) provides information about the qualifications and business practices of Concorde Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (248) 824-6710. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Registration of an adviser does not imply any level of skill or training. The oral or written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about us also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Summary of Material Changes

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This Item requires us to summarize any material changes to our Form ADV Part 2A Brochure. Since our most recent annual update on March 26, 2018, those changes are as follows:

- FDx Advisors, a platform provider for the Concorde Unified Managed Account and Guided Portfolio Solutions Programs, and certain back office services described in Item 10, was purchased by Envestnet, Inc. and all accounts on this platform and related back office services will be converting to the Envestnet platform in 2019.
- We updated Item 5 – Other Fees and Expenses and Item 10 - Other Financial Industry Activities and Affiliations to clarify custodial costs not included in the fee for our services. These Items were also updated to clarify mutual fund and variable annuity expenses and mutual fund share classes that can be charged. These charges are in addition to your advisory fees and are factors to consider when purchasing these products, including conflicts of interest that additional fees received by your representative can create and your ability to consider any additional fees when negotiating your advisory fee.
- In Item 5, Fees and Compensation, Concorde Unified Managed Account Fees, we increased the total maximum allowable fee that can be set by your representative to 3.0% annually. This fee may be higher than normally charged by other advisers for similar services and you may be able to obtain those services elsewhere at a lower cost.
- Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss was updated to provide additional disclosure regarding the risks of investing in closed-end Interval Funds (“Interval Funds”), particularly those focused on the real estate industry.

### **How to Obtain a Copy of Our Brochure**

You may request our full ADV Part 2A Brochure and the Concorde Strategic Portfolios Brochure free of charge by contacting our Chief Compliance Officer, Kimberlee E. Levy, at 248-824-6710 or by email at [klevy@concordeis.com](mailto:klevy@concordeis.com). You may also download a copy via the Internet from the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4: Services, Fees and Compensation

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### Introduction

In this brochure, references to “we,” “us,” “our,” or “our firm” refer to Concorde Asset Management, LLC (or “CAM”). Individuals who serve as our directors, officers, employees, and investment adviser representatives are referred to as our “representatives.” Our firm’s clients and prospective clients are referred to as “you,” “your,” or “our clients.”

Headquartered in Livonia, Michigan, we have been in business since September 2006. We are wholly owned by Concorde Holdings, LLC, whose principal owners include John Gakenheimer, Jason Kavanaugh, Mark Kosanke, Gregory Merritt, and Michael Wolf.

### Our Services

We sponsor the following four wrap fee programs (collectively, the “Programs”), each of which is designed to help you meet your investment objectives and goals and are more fully described later in this section. For non-discretionary investment management services, we offer the Concorde Advisor Program. For discretionary investment management, we offer the Concorde Professional Management Program, the Concorde Unified Management Program, and the Guided Portfolio Solutions Program. A wrap-fee program bundles various services together and charges a single, all-inclusive fee, named a “wrap fee” because it wraps around all the services rather than charging a separate fee for each service.

When you engage in our portfolio management services under our Programs, you will direct us to place all securities transactions for your account with our affiliated broker-dealer, Concorde Investment Services, LLC (“CIS”), through one of its two clearing and custodial broker-dealers, Pershing and RBC. This recommendation is based upon, among other things, the level of service and efficiency that is available by using our affiliated broker-dealer and the administrative convenience associated with using the same individuals in their different capacities as associated persons of CAM and CIS. However, a conflict of interest exists when you direct us to place brokerage services through CIS as CIS is limited in its ability to seek out brokers with different pricing structures or broader services, or to receive more favorable pricing on securities transactions. Therefore, by directing brokerage, clients may not receive best execution on transactions, though it is our aim to provide the most cost-effective executions based on prevailing conditions at the time of trade. Additionally, by giving a client this benefit of a single fee for brokerage and advisory services, both CAM and CIS seek to mitigate or remove the conflicts of interest created by the receipt of commissions in addition to an advisory fee. Please also see below Item 9, “Additional Information” regarding our use of affiliates, their related conflicts of interest and how we mitigate them.

We also offer other customized portfolio management services, including Financial Planning and Third-Party Asset Management Services. This disclosure brochure deals only with the four wrap fee Programs described above. We also sponsor a separate wrap fee program called, Concorde Strategic Portfolios, an innovative, technology-driven and automated investment management service, which is described in a separate Brochure available upon request. Descriptions of the services and fees for all of our other services can be found in a separate brochure, which is always available to you on request.

CAM receives a portion of the wrap fee, as does your investment adviser representative. Your investment adviser representative generally receives 25% to 80% of the annualized management fee, excluding any

platform fee and that is an incentive to recommend one of our Programs over other programs or services. However, we monitor trading frequency, and if we do not believe your account activity warrants the wrap-fee, we will request that you move your Program account to a CIS brokerage account. Our Programs provide clients with execution, clearing, and custodial services through CIS's two clearing firms, Pershing, LLC and RBC Capital Markets, LLC. The choice of the clearing firm used for your Program account is based primarily upon existing account relationships with these firms or on your representative's preference for the clearing firm's trading platform and user interface.

Our investment advisory services through our Programs are provided by and through our representatives who, depending on the Program you select, will serve as your individual portfolio manager or point of contact to provide investment advisory and brokerage services to your account. We do not have an investment committee that determines the investment advice or recommendations to be given to our clients. Instead, each of our investment adviser representatives exercises his or her own professional judgment to provide tailored investment advice, recommendations, and advisory services to you on behalf of our firm.

Prior to participating in our Programs, you will execute an investment management agreement with us setting forth the terms and conditions of our management of your investments within the Program. When you become a client, your representative will gather information through in-depth personal interviews with you. This may include one or more in-person meetings and/or telephone calls. We may gather information that includes, but is not limited to, your current financial position, future goals, attitudes toward risk, and your investment objectives. We ask you to fill out a client profile questionnaire or similar document that we will carefully review, along with all other documentation you supply. Because we only rely upon the information you provide us and do not independently verify it, you should provide us with accurate information. Based on the information you provide, we will assist you in selecting an appropriate Program and will develop a personalized portfolio designed to meet your investment goals and objectives through asset allocation, portfolio monitoring, consolidated reporting, and, most importantly, individualized portfolio management. Individualized portfolio management and a tailored investment strategy will help us choose among various kinds of investments available in the market. Investments may include equity securities (stocks), warrants, corporate debt securities (bonds and notes), certificates of deposit, municipal securities, investment company securities (mutual funds, including money market funds), exchange-traded funds, and United States government securities. If appropriate, we may allocate your investments in accordance with model portfolios we make available from many sources. A model portfolio is how we communicate to you what specific investments you should have in your portfolio at any given time.

We emphasize continuous personal client contact and interaction in providing our investment advisory services under our Programs. Based on your individual investment objectives, financial situation, and risk tolerance, we will recommend an initial portfolio allocation. As your financial situation, goals, objectives, or needs change, you must notify us promptly. In addition, if you chose discretionary portfolio management services (see below for more information), you will have the opportunity to place reasonable restrictions on the types of investments held in your portfolio.

#### Concorde Advisor Program – Non-Discretionary Investment Management Services

In the Concorde Advisor Program, we will manage your assets on a non-discretionary basis, which means that we will first consult with you and obtain your specific approval for buy or sell transactions before we can implement any investment decision on your behalf and any limitations stated in the Investor Profile. Under the Concorde Advisor program, we won't place trades or rebalance your account without your prior approval

of each proposed transaction. You should also understand that our having to obtain your prior approval for each transaction will often delay implementation of our recommendations until we reach you, which could result in different market conditions and prices than may be available for accounts managed on a discretionary basis.

#### Concorde Professional Management Program – Discretionary Investment Management Services

In our Professional Management program, your representative will provide portfolio management for your account on a discretionary basis, which means that we can buy or sell securities on your behalf without your prior permission for each specific transaction. However, the selection of securities or other investments will be in accordance with your investor profile, goals, and risk tolerance as described above in the section entitled, “Investment Management Services.” We will also accept and note investment restrictions you may impose on your account if they are reasonable and as long as they do not hinder our ability to execute our investment strategies on your behalf. If you do impose such restrictions (for example, if you instruct us not to purchase certain securities involved in businesses to which you object), you should be aware that such restrictions may result in your account not being as diversified as our other client accounts, which could cause your account to underperform or perform differently than other client accounts that are managed without such restrictions. If you chose our professional management of your account on a discretionary basis, we will obtain your prior written authorization in our agreement with you.

#### Unified Management Account Programs - Concorde UMA Program

We offer the Concorde UMA Program, which is our private labeled program currently using the platform of FolioDynamix Advisors (“FDx Advisors”). In 2018, FDx Advisors was purchased by Envestnet, Inc. and all accounts on this platform will be converting to the Envestnet platform this year. FDx Advisors offers investment models and advisory services through a select group of third-party investment advisers that act as Strategists and Managers for your account. Additionally, FDx Advisors provides related research to your representative regarding the investment discipline and/or approach used by the approved Strategists and Managers on the FDx Advisors’ platform to identify and select those who best fit your specific investment objectives and risk tolerance. In the Concorde UMA Program, we act as the Overlay Manager for your account on a discretionary basis and assume the responsibility for asset allocation, Strategist and Manager selection and termination, portfolio management, as well as communicating trading instructions to your custodian.

FDx Advisors and all related model portfolio managers are investment advisers registered with the U.S. Securities and Exchange Commission and you will be provided with any applicable disclosure documents, as required, prior to engaging their services.

Please refer to Item 9 for additional information on certain back office operations support services that CAM receives from FDx Advisors.

#### Unified Managed Account Programs - Guided Portfolio Solutions (GPS)

Designed for smaller accounts starting at \$10,000, we offer our private labeled program, Guided Portfolio Solutions (“GPS”) that utilizes a single diversified strategy in each client’s portfolio. Like the Concorde UMA above, the GPS Program currently uses the platform of FDx Advisors and makes available investment models and advisory services through a select group of third-party investment advisers that act as Strategists and Managers for your account. Additionally, FDx Advisors provides related research to your representative regarding the investment discipline and/or approach used by the approved Strategists and Managers on the FDx Advisors’ platform to identify and select a single diversified strategy that best fits your specific investment objectives and risk tolerance. In the GPS Program, we also act as the Overlay Manager for your account on a

discretionary basis and assume the responsibility for asset allocation, Strategist and Manager selection and termination, portfolio management, as well as communicating trading instructions to your custodian

Please refer to Item 9 for additional information on certain back office operations support services that CAM receives from FDX Advisors.

### Our Fees and Fee Comparison

In this section, we explain how we are compensated for the various advisory services we provide. Our fee includes such services as investment management, execution of securities, the custodian's monthly reports, account servicing, and continuous account management. Participation in our Programs may cost you more or less than purchasing these services separately. The portfolio size and amount, number of transactions made in your account, as well as the commissions charged for each transaction, will determine the relative cost of our Programs versus paying for executions on a per transaction basis and paying a separate fee for advisory services. You can receive services like those offered through our Programs from other investment advisers either separately or as part of a similar wrap fee program. These services or programs may cost more or less than our Programs, depending on the fees charged by the other service providers. Because we absorb all the transaction costs in our Programs, we have a financial incentive to infrequently trade our Program client accounts because infrequent trades will increase our net fee. To mitigate this conflict of interest in our Programs, we monitor the trading frequency. If you don't participate in our Programs, you may direct your brokerage to another unaffiliated broker-dealer. Although investment advisers may allow clients to direct their transactions to their own preferred broker-dealer, this is generally not done with wrap fee programs.

We want you to be aware of how we and our representatives are paid as well as any fees and compensation that we receive for the advisory services we provide. This information can be found in some or all the various documents:

- This ADV Wrap Fee brochure
- Your Investment Advisory Services Agreement
- Custodial or brokerage account agreements
- FDX Advisors Disclosure Brochure or similar document
- Mutual fund prospectuses and Statements of Additional Information

Your representative may also receive commissions or other compensation as registered representatives of our affiliated broker-dealer and/ or as insurance agents. This additional compensation is separate and distinct from our advisory compensation under our Programs. We discuss this in more detail later in this section.

Our Program advisory fees for discretionary and non-discretionary investment management services are negotiable. We will consider the nature and complexity of the services we are providing you, our relationship with you, the value of assets being managed, the value of other assets held in other accounts we manage or advise for you, the potential for additional business or clients, the amount of work anticipated, and the attention needed to manage your assets. The actual billing rate will be specified in the Investment Advisory Services Agreement we sign with you. For fee calculation purposes, we rely upon the market value of investments in your account as determined by your custodian's valuation, including any balances held in money market funds. Our advisory fees cover our investment advisory services, but do not cover certain other charges as described below.

Our advisory fees will be paid quarterly, in advance or in arrears, as set forth in our agreement with you. The quarterly structure may be based on a calendar quarter or the month the account was opened. For accounts opened or closed during a quarter, we will prorate the fee for the number of days our services were provided.

#### Other Fee Proration and Adjustments

We reserve the right to prorate our fees for large deposits to your account made during a billing cycle. No adjustments or refunds will be made for pre-paid fees based upon partial withdrawals from your account.

#### Direct Billing to Your Custodian

Unless otherwise agreed, you will authorize us to deduct our periodic advisory fees from your designated account. Your authorization is limited to our withdrawing our advisory fees as and when due. We will provide your custodian with your written fee deduction authorization. Your account custodian will, on a quarterly basis, provide you with an account statement indicating the advisory fees paid to us from your account. You may terminate your authorization at any time, in writing, but you will remain responsible for promptly paying us any advisory fees that remain due and unpaid.

If our direct fee deduction has been authorized, then our fees will be deducted from the cash balance in your account. If insufficient cash is available, then we will typically liquidate enough securities in your account to cover the balance due the following order: money market shares, mutual fund shares, and then other types of securities. For taxable accounts, a liquidation of securities may result in taxable income to you.

#### Other Fees and Expenses not included in Our Fees

Custodial costs not included in the fee for our Programs include but are not limited to: custodial IRA annual maintenance fees, custodial termination fees, SEC-activity assessment fees, federal funds wire transfer fees and over-night check delivery fees. You will also be responsible to pay any redemption fees such as mutual fund contingent deferred sales charges otherwise known as "back-end loads" that are imposed by a mutual fund company upon liquidation, if applicable. These charges will be netted from the applicable securities transactions or deducted from your account and will appear on your periodic account statements, as and when applicable. All such fees and expenses are disclosed to you in account opening documents and disclosure brochures of third-party managers as applicable.

#### Mutual Fund Expenses and Share Classes

Many mutual funds are offered with more than one type of fee structure, commonly known as "share classes". There are several factors to consider when selecting a mutual fund share class. For example, it is important to evaluate whether a share class involves payment of a commission at the time of purchase (commonly known as "front end loads"), at the time of liquidation ("back end loads"), continually while the investor owns the share class ("level loads") or no commission at all ("no-loads"). Share classes also differ in terms of what fees and expenses are deducted from the mutual fund's pooled investment assets, since these fees and expenses are usually not billed separately to each mutual fund shareholder. There a variety of fees investors encounter when purchasing a mutual fund; common fees or expenses include management fees paid to the fund's investment manager, operating expenses used to pay for the day-to-day costs of operating the mutual fund, and distribution fees (known as "12b-1" fees) used to promote, advertise, or compensate financial professionals for aiding in sales of a mutual fund. Consequently, for any type of mutual fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of fees to us.

Though not all mutual fund shares classes include each of the fees or expenses described above, what remains consistent is that a mutual fund's share class with a lower total annual expense as compared to another share class of the same fund can result in a significant difference in investment returns over time. It is typical for mutual funds to set certain eligibility requirements, such as minimum investment amounts, for an investor to qualify for purchasing a lower cost share class. You can learn more about a specific mutual fund's available share classes and the fees, loads, expenses, and eligibility requirements by reading the mutual fund's prospectus. In addition, we encourage you to ask your representative about the fees and expenses associated with mutual funds you currently own or those presented to you.

CIS is dependent upon Pershing and RBC, as its clearing firms, for having agreements in place with mutual fund distributors in order for CAM's investment advisory customers to have access to mutual funds. While Pershing and RBC have agreements in place with a large variety of mutual fund sponsors, not all mutual funds are available through them. Also, many mutual funds offer different share classes, often for the same fund, representing different fee and expense structures paid by shareholders of a fund. Certain classes of shares may not be available through Pershing or RBC, so CAM clients may not have access to a lower costing share class otherwise available to investors directly from the fund, a different clearing firm, or other financial intermediary. This limitation could result in our clients purchasing and/or holding a more expensive share class of a mutual fund that would reduce investment returns. Despite our reasonable efforts, there is no guarantee that you will always be in the most cost advantageous share class.

Pershing and RBC each sponsor a "No Transaction Fee" program (the "NTF Program") in which they do not charge CIS a transaction fee for purchase or sell orders CIS submits on a client's behalf for mutual funds or ETFs participating in the NTF Program. CAM and CIS both benefit from this cost savings, therefore creating a conflict in that there is an incentive to recommend or use the mutual funds participating in the NTF Program for advisory client accounts over those mutual funds that do charge CIS fees to buy and sell their shares. However, CIS does not influence, recommend, promote, advise, or otherwise direct CAM to select or give preference to mutual funds participating in the NTF Program over those funds that do not participate.

#### *Credit for Receipt of 12b-1 Fees*

With respect to funds that pay 12b-1 fees, our intent is to limit the use of such funds by opting to use a share class of the same fund that does not include 12b-1 fee payments wherever possible. However, in cases where CIS receives 12b-1 payments from a fund, CIS's policy is to credit the entire 12b-1 payment to Program clients' accounts holding the asset that generated the payment from the fund. These credits are intended to but cannot be guaranteed to have the same effect as investing into a non-12b-1 class. Credits to client accounts generally occur quarterly and represent the total 12b-1 fee payments credited during the preceding quarter.

#### *Variable Annuity Separate Account Expenses and Share Classes*

Variable annuity insurance companies charge various expense fees based on mortality rates and the cost of selected benefit riders against the assets in the subaccounts of their policy holders. These fees are in addition to the investment management fees under our Programs. Like mutual funds, many variable annuities offer share classes that pay shareholder servicing fees (12b-1 fees) to brokerage firms and their registered representatives in consideration of their services to the annuities' shareholders. Additionally, variable annuities typically offer various share classes of the same annuity that will have different levels of fees and expenses and depending on a variety of factors clients may be eligible to invest in them and pay lower fees. Like other types of investments, commissions are also paid for the purchase of variable annuities and there may be substantial surrender charges. Commission charges, surrender charges, and other expenses are

disclosed in the variable annuity prospectus. Generally, most variable annuities may be purchased directly, without using our services and without incurring our advisory fees; however, some insurance companies now offer share classes with no commissions specifically for use in advisory accounts. As with mutual fund fees noted above, it is important for you to understand that if you engage us to provide investment management services for the allocation of the variable annuity subaccounts, you are paying directly and indirectly two layers of advisory fees: one layer of fees at the subaccount level and one layer of advisory fees to us, both of which are in addition to the fees imposed by the variable annuity insurance company as described above.

Such fund and annuity charges, fees and commissions are exclusive of and in addition to our advisory fee, and, except as otherwise disclosed in this Brochure, we will not receive any portion of these commissions, fees, and costs. Despite our efforts to obtain the lowest cost share class for you, fund and annuity expenses can change over time; therefore, we cannot assure you that you will always be in the lowest expense share class. Under some circumstances, we can reduce our advisory fees because of the brokerage or other compensation that you pay for transactions. It is very important for clients to review both the fees charged by the funds and annuities, the applicable program fee charged by the Adviser, and any fees received by affiliates to fully understand the total amount of fees you will paid.

As noted below, our principals and certain representatives are also registered representatives of CIS, our affiliated broker-dealer, and therefore in that capacity will receive additional compensation with respect to clients who invest in these annuities and other securities. A conflict of interest exists as the Adviser and its investment adviser representatives may be motivated to sell products that generate higher fees. We have taken steps to minimize this conflict of interest, including by providing its IARs with training and guidance on this issue, as well as by conducting periodic reviews of client holdings in mutual fund investments to ensure the appropriateness of share class selections.

#### Fee Schedule Changes and Termination of Services

If we amend our fee schedule, we will send you notice in writing at least 30 days prior to the effective date. You may terminate our services if you do not accept the new fee schedule. Otherwise, the new fee schedule will be effective as of the next billing cycle.

You or we may terminate our services for any reason by providing seven business days' advance written notice from either party to the other. If you terminate an agreement with us, pre-paid and un-earned advisory fees will be promptly refunded, generally within 30 days. Fees paid in arrears will be charged through the date of termination. Regardless of when you terminate our services, you will remain responsible for all brokerage and custodial fees incurred for the benefit of your account.

#### Fee Changes for Changes in Services

Your representative may affect a change in your fees in the event of a change in the level of services provided to you. Because a maximum fee may be set, a conflict of interest exists where the representative can increase fees to their maximum rate. However, we seek to mitigate that conflict of interest by requiring a new advisory agreement to be signed by you and then reviewed and approved by our supervisory personnel prior to the fee change.

**Investment Management Services Fee – Concorde Advisor and Professional Management Programs**  
Generally, our fees for our non-discretionary Concorde Advisor Program and our discretionary Professional Management Program are based on a percentage of assets under management. Advisory fees do not include

platform fees and custodial expenses such as commissions, ticket charges, or asset-based custody charges. Fees are negotiable and fall generally within the tiered ranges as follows:

<b><u>Assets Under Management</u></b>	<b><u>Annualized Fee Range</u></b>
On the First \$500,000	0.5% - 2.00%
On the Next \$500,000	0.5% - 1.50%
On the Balance Above \$1,000,000	0.25 – 1.25%
Subject to a minimum fee of \$300 per quarter.	

Your specific advisory fees will be set forth in your Advisory Services Agreement. In negotiating fees with you, your representative takes several factors into consideration such as services you request, and the strategy selected. For example, an account having a portion of assets in a fixed income strategy, a portion in a growth strategy, and a portion in an aggressive strategy will have three different rates applied to each strategy resulting in a blended rate for billing purposes. Total fees to your representative typically range from 1% to 2% and can change should your representative exercise discretion to change managers within your selected platform offering, subject to the maximum fee established in your agreement with us. A conflict of interest exists when your representative can charge the highest fee in the range. We seek to mitigate that conflict by performing due diligence on suggested portfolio allocations to help ensure that you are receiving services corresponding to the fees charged and requiring customer consent to change programs. We also review and approve each management recommendation prior to changes in fees.

#### Platform Fees

Platform fee charges in addition to the fee schedule above. They will not be billed separately but will be included on the fees deducted for your account. If requested, they cover performance reporting, billing, and other account maintenance services such as rebalancing.

<b><u>Market Value of Assets in Account</u></b>	<b><u>Annualized Platform Fees</u></b>
On the first \$1,000,000	0.15%
On the next \$1,000,000	0.13%
On the next \$3,000,000	0.12%
On the next \$5,000,000	0.10%
Over \$10,000,000	0.10%

#### Concorde Unified Managed Account Fees

Fees for services through the Concorde UMA Programs are negotiable by each of our representatives based upon your needs and the complexity of your situation, including the composition of your account (e.g. equities vs. mutual funds), the potential for additional account deposits, and the other factors previously described above.

Based on the above negotiability factors, your representative can set the fee for services provided through the Concorde UMA Programs up to a maximum of 3.0% annually. The Concorde UMA Program fee structure, though wrapped as a single fee, has four components: the representative's fee, the subadvisor or model manager(s) fee, the Overlay Platform Fee, and the custodian fees, including commissions, ticket charges, or asset-based custody charges. This means that a portion is paid to your representative who oversees your account (generally, the range is 0.25% to 2.00% annually), a portion is paid to the subadvisor or model

manager(s) selected (the range is 0.15% to 1.0% annually), and a portion is paid to us for the Overlay Platform fee (the range is 0.15% to 0.25%). The model manager fees will vary depending on the type of strategy you employ. If you are utilizing more than one model manager in your account, your subadvisor fees will be assessed on the value of assets in each strategy. The annual fee will be specified in your Concorde UMA Program client agreement with us. Additionally, there is a \$100.00 minimum annual platform fee per account. The minimum account size is \$25,000 and we will adjust our management fees on a pro rata basis for deposits over \$20,000 that occurs anytime in your account other than on the last business day of each calendar quarter.

#### Concorde Guided Portfolio Solutions UMA Program

Fees for services through the Guided Portfolio Solutions Program are negotiable by each of our representatives based upon your needs and the complexity of your situation, including the composition of your account (e.g. equities vs. mutual funds), the potential for additional account deposits, and the other factors previously described in the section entitled, "Our Investment Management Fees."

Based on the above negotiability factors, your representative can set the fee for services provided through the Guided Portfolio Solutions Program up to a maximum of 3.0% annually. The Guided Portfolio Solutions Program fee structure has four components: the representative's fee, the subadvisor or model manager fee, the Overlay Platform Fee, and the custodian fees, including commissions, ticket charges, or asset-based custody charges. This means that a portion is paid to your representative who oversees your account (generally, the range is 0.25% to 2.00% annually), a portion is paid to the subadvisor or model manager selected (the range is 0.15% to 1.0% annually), and a portion is paid to us for the Overlay Platform fee (the range is 0.15% to 0.25%). The model manager fee will vary depending on the type of strategy you employ. The Guided Portfolio Solutions Program consists of a single sub-adviser strategy specially designated by us. Only one strategy per account is eligible in our Guided Portfolio Solutions Program. The annual fee will be specified in your Guided Portfolio Solutions Program client agreement with us. Additionally, there is a \$100 minimum annual platform fee per account. The minimum account size is \$10,000 and we will adjust our management fees on a pro rata basis for deposits over \$20,000 that occurs anytime in your account other than on the last business day of each calendar quarter.

#### Overlay Fees

Where Concorde Asset Management, LLC acts as the Overlay Manager for your account on a discretionary basis and assumes the responsibility for asset allocation, Strategist and Manager selection and termination, portfolio management, as well as communicating trading instructions to your custodian, the fees are as follows:

##### **Overlay Platform Fee Schedule Concorde UMA and Guided Portfolio Solutions**

<b><u>Account Value</u></b>	<b><u>Annualized Fee</u></b>
First \$500,000	0.25%
Next \$1,500,000	0.23%
Next \$3,000,000	0.20%
Assets Above \$5,000,000	0.15%

#### Other Compensation

We are affiliated with CIS, a securities broker-dealer, and Concorde Insurance Agency, Inc. Many of our representatives are also licensed to offer securities and insurance products through these firms. CIS and its

representatives may receive customary commissions and 12b-1 fees, as applicable, for the sale of such products should you decide to make purchases through CIS and its representative. While you are free to purchase such products from other providers than CIS and your representative, this compensation creates a conflict of interest with respect to your representative's recommendations for investments for which they receive transaction-related compensation. Your representative can recommend either no-load or load mutual funds for a client's account. However, we take steps to mitigate this conflict of interest. For example, if you purchase mutual funds, variable annuities, or other products that impose a sales charge or load as described above, we typically do not allow an asset based advisory fee to be paid for two years on investments that pay a sales charge to your representative. Additionally, the investments are supervised to ensure they are in your best interest and consistent with your investment objectives. Under some circumstances, we can reduce our advisory fees because of the brokerage or other compensation that you pay for transactions. It is very important for clients to review both the fees charged by the funds and annuities, the applicable program fee charged by the Adviser, and any fees received by affiliates to fully understand the total amount of fees you will paid. Representatives can also consider commissions and 12b-1 fees earned as a factor when negotiating asset-based fees.

## Item 5: Account Requirements and Types of Clients

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### Account Requirements

Minimum account size varies by the investment management program you select. Those minimums are described in the Programs above.

### Types of Clients

Concorde Investment Management

Our clients include individuals, businesses, trusts and estates, retirement plan sponsors and plan participants, foundations, endowments, and other charitable organizations.

## Item 6: Portfolio Manager Selection and Evaluation

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### Advisory Business

We are the sponsor of the Programs, and our investment advisory representatives act as the portfolio managers for each of the Programs. Please see Item 4 above for information about our Programs. As a firm, we maintain approval standards for investment advisory representatives who wish to participate in our Programs as portfolio managers. Each investment advisory representative candidate provides our firm with background information that includes, but is not limited, to the following items:

- Investment philosophy and management style.
- Years of industry experience.
- Educational background, including graduate and undergraduate degrees.
- Professional designations.
- Disciplinary history for 10 years.
- Credit history for 10 years.

We verify and evaluate the above-referenced information as part of our due diligence for accepting an investment advisory representative as a portfolio manager in the Programs.

In many instances, the investment advisory representative already has a successful advisory relationship with you as a client and utilizes our Programs as additional tools for managing client assets.

### Participation in Wrap Fee Programs

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to a client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

### 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 your assets).

### Methods of Analysis, Investment Strategies and Risk of Loss

#### Methods of Analysis

Our analysis begins with a review of your goals, time horizon, and risk tolerance through an interview process to determine a plan/portfolio that will best suit your needs. Consultations and a written questionnaire or similar document are often used to gather information. This information is used to determine what investment recommendations are appropriate. We rely on the information provided by you and do not verify the accuracy of information or reports you provide.

Our investment advisory services are provided by and through our representatives. We do not have a centralized investment committee that determines the investment advice or recommendations to be given to our clients. Instead, each of our investment adviser representatives exercises his or her professional judgment to provide our investment advice, recommendations, and advisory services on behalf of our firm.

Our representatives rely upon several methods of investment analysis in formulating investment advice. For example, when analyzing individual stocks, bonds, or other investments, our representatives may rely upon fundamental analysis, which is a technique that attempts to determine a security's value by focusing on the economic well-being of a company, as opposed to movements of its market price. When conducting fundamental analysis, various factors are evaluated including, but not limited to a review of a company's financial statements, determining whether the company's revenue is growing, if the company is profitable, if the company and its management is in a strong enough position to beat its competitors in the future, and if the company can repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the securities market price rises to its true value.

Our representatives may also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the movement of stock prices in the market, both individually and within an industry or sector of the economy. Technical analysis studies the supply and demand in the market to determine historical and future trends. Stock price movements, compared to indices and benchmarks, may be analyzed using historical charts and market-related empirical data. Notwithstanding favorable market price movements, a company's financial condition and other unique factors can adversely affect its value.

Representatives may also employ cyclical analysis which consists in considering whether a company's stock or the industry in which it operates is cyclical or not. Cyclical stocks or industries are affected by broad changes in our economy's business cycle. The value of cyclical stocks tends to move in the same direction as the economy, while the value of counter-cyclical stocks tends to move in the opposite direction.

As with any method of analysis, past performance does not assure future performance.

When analyzing and recommending mutual funds, our representatives generally apply fundamental analysis and review a broad range of information about each fund, including investment style, strategies, diversification, portfolio size, turnover, performance, and management team. We will also review investment and redemption terms, sales loads, as well as internal management fees and expenses. Most of this information comes from each mutual fund's prospectus. Depending on your age, risk tolerance, and time horizon, we take into consideration an appropriate allocation of investments among various types of mutual funds.

In addition to prospectuses, our representatives obtain information from several sources, both public and by purchase, including financial newspapers and magazines, inspection of corporate activities, research materials prepared by third-parties, corporate rating services, annual reports, reports filed with the SEC, and company press releases. While we do not guarantee the accuracy of these materials, these information resources are generally believed to be reliable and we reasonably rely upon them for making investment decisions.

### Investment Strategies

We may recommend one or more of the following investment strategies: long-term purchases (held at least a year), short term purchases (held less than a year), trading (sold within 30 days), margin transactions and option writing (selling an option).

Your representative may recommend implementing these strategies using stocks, bonds, mutual funds (held directly or held within sub accounts of variable annuities), municipal securities, option contracts, certificates of deposits and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic, international, or equities/bonds. Your representative may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in client needs, market conditions, or economic developments.

When we recommend one or more investment strategies, we seek to combine various risk categories that, when considered as a whole, have a blended risk/return characteristic that seeks to be consistent with your overall risk tolerance and investment return objectives (including anticipated time horizons for achieving those returns). From time to time, change in your investments will likely occur based on a variety of factors, including such things as your representative's assessment of the stock market, interest rates, the economy, recent developments affecting specific securities, and other considerations. We make changes to the composition of your portfolio or its investment weighting by purchasing or selling securities held in the account.

Your investment representative's investment decisions will be driven primarily by changes in his or her asset allocation recommendations for your account, rather than the timing of purchases or sales of any particular investment or how long you may have held an investment. Barring restrictions or instructions that you may impose to the contrary, your representative will purchase, sell, and hold investments in your portfolio without

specific consideration of other investments outside of our management and without regard to the specific tax consequences resulting from the purchase or sale of an investment.

Our customized approach helps your representatives to manage your account while allowing flexibility. For example, you may own some investments that you wish to hold for personal or other reasons or, for tax reasons, you may not desire to sell previously owned securities that we or our representatives would not have recommended. In such cases, you should be aware that we cannot be responsible for the suitability of investments that you made before or apart from our recommendation, regardless of whether you continue to hold them after we begin managing your account.

### Types of Investments and Risk of Loss

We provide investment advice with respect to a wide range of investments, including mutual funds, indexed funds, exchange traded funds (generically referred to as “funds”), unit investment trusts, stocks, bonds, variable life insurance and annuities. We may also recommend alternative investment securities such as Interval Funds and hedge funds, as well as interests in real estate investment trusts (REITs).

We also offer advice about separately managed accounts by unaffiliated investment advisors, mutual funds, exchange-traded funds, and variable annuities. Our representatives will answer any questions you may have about these kinds of investments and investment programs.

#### Mutual Funds

Our representatives often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic versus international, or equities versus bonds. They may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in your specific needs, general market conditions, or economic developments.

The different kinds of mutual funds used each have inherently different risk characteristics and should not necessarily be compared side by side. A bond fund with below-average risk, for example, should not be compared to a stock fund with below average risk. Even though both funds have low risk for their respective categories, stock funds overall have a higher risk/return potential than bond funds.

Of all the asset classes, cash investments (i.e. money markets) offer the greatest price stability but have yielded the lowest long-term returns. Bonds generally experience more short-term price swings and, in turn, have generated higher long-term returns than cash equivalents. However, stocks historically have been subject to the greatest short-term price fluctuations—and have provided the highest long-term returns, though past performance is no guarantee of future performance.

The risk in any given mutual fund depends on the investments it holds. For example, a bond fund has interest rate risk and income risk. Bond prices are inversely related to interest rates. If interest rates go up, bond prices will go down and vice versa. Bond income is also affected by a change in interest rates. Bond income (yields) is directly related to interest rate changes. If interest rates rise, bond yields rise and vice versa. Income risk is greater for a short-term bond fund than for a long-term bond fund. However, in a long-term bond fund, your principal is subject to higher principal risk.

Similarly, a sector stock fund (which invests in a single industry, such as biotechnology) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this industry related risk. However, while diversification across industries can help reduce your

risk of loss from investing in a single sector, it may limit your opportunity for a significant gain if a single industry or sector increases dramatically in value.

#### Exchange-Traded Funds

Exchange-traded funds ("ETFs") represent a fractional ownership interest in an underlying portfolio of securities or commodities. Many exchange-traded funds track a specific market index, and some are actively managed. Some invest in specific economic sectors, domestically or globally.

Most ETFs combine characteristics of an open-end mutual fund and a stock. However, unlike open-end mutual funds, ETFs are not bought and sold by the fund's sponsor at the daily net asset value, which means that individual investors do not purchase or redeem shares from the fund itself. Instead, like stocks, individuals buy and sell shares of ETFs on an exchange, including the American Stock Exchange, the New York Stock Exchange, and the Chicago Board Options Exchange. The trading dynamic is also a mixture of the two types of securities. That is, prices of ETFs fluctuate according to changes in their underlying portfolios and according to changes in market supply and demand for ETF shares themselves. ETFs offer investors a cost-effective opportunity to obtain portfolio diversification by buying or selling an interest in a portfolio of stock or bonds in a single transaction.

Expenses and other factors may affect the performance of an ETF so that the ETF's performance will not exactly match the performance of its respective underlying index. This risk is sometimes referred to as a "tracking error."

#### Alternative Investments

**Interval Funds.** Continuously offered, closed-end Interval Funds ("Interval Funds") do not restrict the number of shares the fund can offer and are generally offered on an on-going basis. While shares are priced daily, Interval Funds are not listed on any securities exchange and redemptions will occur through repurchase offers, normally on a quarterly basis at a maximum 5% of the outstanding shares at net asset value. Investors should consider their shares to have limited liquidity as there is no guarantee that shareholders will be able to sell all or some of the shares they desire in a quarterly repurchase offer. This limited liquidity could impact your advisor's ability to rebalance your account at any time. Additionally, published net asset value (NAV) is calculated by the sponsor firm and should be considered an approximation of value only. Interval Funds generally intend to make a dividend distribution of the net investment income after payment of operating expenses, and the dividend rate, dividend distribution, and redemption policies can be modified by the Fund's Board from time to time.

Interval Funds have different investment objectives, strategies and investment portfolios, and there are no assurances that a fund will achieve its investment objectives. They involve a high degree of credit, market and liquidity risks and should be considered a high-risk investment. Most interval funds invest in highly illiquid and speculative securities that are considered high risk. Currently, all Interval Funds offered by our firm concentrate their investments in real estate securities; their portfolios will be significantly impacted by the performance of the real estate market, may experience more volatility, and will be exposed to greater risk than a more diversified portfolio. In addition, the funds may invest in real estate equity or debt and therefore may be subject to risks similar to those associated with direct investment in real property. The value of the fund's shares will be affected by factors affecting the value of real estate and the earnings of companies engaged in the real estate industry. These factors include, among others: (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions,

overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates. Many real estate companies utilize leverage, which increases investment risk and could adversely affect a company's operations and market value in periods of rising interest rates. The value of securities of companies in the real estate industry will generally go through cycles of relative under-performance and over-performance in comparison to equity securities.

You should read the prospectuses for a full description of risks, fees, and investment objectives regarding particular funds held in your account. You should only invest in an interval fund if you can sustain a complete loss of your investment. If your account is managed on a discretionary basis, you should discuss with your advisor if you're willing to bear the risks of this investment.

**Hedge Funds.** Hedge funds are alternative investments using pooled funds that may use numerous kinds of investment strategies, including, but not limited, to, private equity, venture capital, derivatives, futures and other forms of leverage. The goal of using a hedge fund is to generate high returns. Like Interval Funds, hedge funds are highly speculative and illiquid. As a high-risk investment, you should only invest in a hedge fund if you can sustain a complete loss of your investment. Unlike Interval Funds, hedge funds are not public offerings and investors must meet certain income and net worth requirements under Regulation D. Most hedge funds involve substantial fees and commissions. You should read the private placement memorandum or offering document for a full description of risks, fees, and investment objectives before deciding to invest. CIS and our representative may receive separate and customary compensation for selling you a hedge fund. If your representative has received separate sales compensation for selling these products, he or she will not collect management fees on these products for two years following the sale. Our representatives can answer any questions you may have and will assist you in determining whether these investments are suitable and in your best interests to invest.

### Investment Risks and Rewards

Securities, mutual funds, fixed and variable annuities, and alternative investments all bear different types and levels of risk. These risks will be discussed with you in determining the investment objectives that will guide our investment advice for your account. Upon request, as part of our services, your representative can discuss the types of investments and investment strategies that have the potential to reduce these risks considering your specific circumstances and financial objectives.

Obtaining higher rates of return on investments typically entails accepting higher levels of risk. Based upon our discussion with you, your representative will attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. However, it is still your responsibility to ask questions if do not understand fully the risks associated with any investment or investment strategy.

We and our representatives strive to render our best judgment on behalf of our clients. Still, there can be no assurance that your investments will be profitable or that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor or guarantor of future performance. While our representatives will continuously strive to provide outstanding long-term investment performance for clients, many economic and market variables beyond our control can affect the performance of your investments.

There are many types of risks, which vary with the type of investment or strategy. Our representatives would be happy to discuss them. The following are some of the more common investment-related risks that may affect your investment portfolio:

- Business risks are associated with a particular company or industry. For example, start-up companies carry greater business risks than established companies. Companies developing new technologies carry greater business risks than manufacturers of well-established or widely used products and services.
- Financial risks are often associated with the ability of a company to raise capital or finance its operations, as well as its ability to repay indebtedness. Highly leveraged companies face greater financial risks than well-capitalized companies.
- Market risks are related to the effects of economic, political, natural disasters, or other events on the price of a publicly-traded stock, bond, exchange-traded fund, or other securities. This type of risk is typically affected by extrinsic factors that often are not related a particular company's financial condition, performance, or circumstances. For example, investment speculation can materially affect market prices.
- Liquidity risks are associated with an investor's ability to readily convert a security or other asset into cash. Generally, there is greater liquidity for securities that are publicly traded on stock exchanges or trading facilities that match buy and sell orders. Privately offered securities are typically highly illiquid because there is little or no trading or market activity.
- Concentration risks result from a lack of investment diversification, such as by geography, industry, or economic sector. For example, mutual funds typically invest in many different companies, typically lowering the risk that one or a small number of those companies experience a significant loss.
- Options are complex, derivative securities that involve special risks. Option contracts expire at a stated maturity date and have no further value. Unlike traditional securities, the value of an option and the return from holding an option varies with the value of the underlying security from which it derives and other factors.
- Interest-rate risks are associated with changes to investment prices due to increasing or decreasing interest rates. For example, when interest rates rise, yields on newly issued bonds become higher, making them more attractive than yields on already outstanding bonds, which may cause the market values of outstanding bonds to decline.
- Real estate investment trusts ("REITs") and real estate-related Interval Funds own, directly or indirectly, various types of real property interests and, therefore, bear real estate-related risks, among others. Most REITs and Interval Funds focus on particular types of commercial development, such as apartments or office buildings, exposing them to downturns in demand, occupancy, and prices for these kinds of real estate. Some REITs and Interval Fund bear risks associated with illiquidity, excessive debt, geographic concentration, and poor property management practices.
- Inflationary and deflationary risks are associated with the purchasing power of the dollar, which is affected by broad economic, monetary, governmental policies, and the balance of supply and demand for products and services.
- Reinvestment risks are typically related to fluctuations in the potential interest rate at which future investment proceeds may have to be invested. For example, reinvestment risks may increase during periods of falling interest rates. This risk primarily relates to bonds and other fixed income securities.

- Currency risks are primarily associated with foreign securities. For example, a company's earnings in a foreign country may be affected by fluctuations in the value of the dollar against that foreign currency. Similarly, the investment return of a foreign security may be affected by changes in currency exchange rates, accounting methods, as well as political and economic instability.

### Voting Client Securities

We will not vote the proxies for securities held in your accounts. Proxy materials will be forwarded to you for voting. If you have questions about a proxy solicitation, we would be happy to discuss it with you.

## Item 7: Client Information Provided to Portfolio Managers

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We are the sponsor of our Programs and our advisory representatives are the portfolio managers. You should notify your advisory representative promptly if your financial situation or investment objectives change. You may also contact us at the main office at (248) 824-6710.

## Item 8: Client Contact with Portfolio Managers

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You may contact us at (248) 824-6710. Our normal business hours are 8:30 a.m. to 5:00 p.m. Monday through Friday. You are always free to directly contact your advisory representative with any questions or concerns that you may have about your portfolio.

## Item 9: Additional Information

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### Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

### Other Financial Industry Activities and Affiliations

#### Relationships or Arrangements Material to our Advisory Business

As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to our advisory business or clients. We are also required to disclose if we receive cash or other economic benefits from a third-party regarding advising our clients.

### Our Affiliated Broker-Dealer

Through our parent firm, Concorde Holdings, Inc., we are under common control and ownership, and therefore affiliated with the registered broker-dealer, CIS, which is a member of FINRA and the SIPC. CIS acts as a fully-disclosed, introducing broker-dealer for Pershing and RBC, who hold client assets and execute transactions for client accounts. CIS is not affiliated with Pershing or RBC. Our advisory representatives who are registered representatives of CIS may earn commissions on securities transactions that they may have recommended if you have a brokerage account with CIS outside of our Programs. Because most of our investment adviser representatives are registered representatives of CIS, they can engage in most kinds of securities transactions on your behalf.

When persons associated with us effect securities transactions as registered representatives of CIS, CIS will receive separate and customary compensation for this activity. With respect to funds and annuities that pay 12b-1 fees, our intent is to limit the use of such funds by opting to use a share class of the same fund which does not include 12b-1 fee payments wherever possible. However, in cases where CIS receives 12b-1 payments from a fund, CIS's policy is to credit the entire 12b-1 payment to Program clients' accounts holding the asset that generated the payment from the fund. These credits are intended to, but do not guarantee the same effect as investing into a non-12b-1 class. Credits to client accounts generally occur quarterly and represent the total 12b-1 fee payments credited during the preceding quarter. Under some circumstances, we can reduce our advisory fees because of the brokerage or other compensation that you pay for transactions. It is very important for clients to review both the fees charged by the funds and annuities, the applicable program fee charged by the Adviser, and any fees received by affiliates to fully understand the total amount of fees you will paid. Representatives can also consider commissions and 12b-1 fees earned as a factor when negotiating asset-based fees. We recommend CIS to our clients for noncustodial brokerage services, which creates a potential conflict of interest. However, if you invest in one or more of our Wrap Fee Programs, we mitigate this conflict by offering our services on a wrap fee basis as you pay the one fee regardless of the number of transactions. We also seek to mitigate this conflict of interest by reviewing all transactions in commission-based products and services to help ensure each is made in the best interest of our clients.

### [Our Affiliated Insurance Agency](#)

Through our parent firm, Concorde Holdings, Inc., we are also under common control with Concorde Insurance Agency, a licensed insurance agency. Most of our representatives are also licensed insurance agents of various insurance companies and receive insurance commissions on insurance products that they may recommend. This additional compensation creates a conflict of interest, which you should consider before engaging our services or the services of our affiliated businesses. Our advisory fee offset policy, described in Item 4, Other Compensation above, is intended to mitigate those conflicts, as your Representatives can consider commissions and 12b-1 fees earned as a factor when negotiating asset-based fees. You may always choose a different insurance agent to implement our advice.

### [Our Affiliated Accounting and Tax Service](#)

Through our parent firm, Concorde Holdings, Inc., we are also under common control with Concorde Accounting and Tax Services, which provides professional accounting and tax services to businesses and individuals. These services are provided under a separate agreement and are separate and distinct from our services. You are welcome, but never obligated to utilize the accounting and tax services offered by Concorde Accounting and Tax Services.

### [Notice Regarding the Use of Our Affiliated Companies and Services](#)

You should understand that we have a conflict of interest related to our recommending that you use our affiliated broker-dealer or any of our affiliated companies. The main conflict of interest is the fact that we and our advisory representatives, most of whom are also representatives of one or more our affiliated companies, are incentivized to recommend that you use our affiliated companies because those companies, owners, employees, or representatives benefit financially by receiving additional compensation from providing products and services to you.

We seek to mitigate these conflicts of interest by disclosing to you the conflicts ahead of time in this Brochure and by seeking to keep your best interest as our focus through monitoring any such recommendations and

periodically reviewing them for appropriateness. Our advisory representatives are also obligated to employ a standard of care and comply with your investment guidelines and restrictions when recommending securities or strategies in the Program. You are also under no obligation to accept our recommendations with respect to using any of our affiliates for portfolio management, brokerage, insurance products, or accounting and tax services.

### Our Recommendation of Other Investment Advisers

If appropriate in your circumstances, we may recommend the use of other investment advisers outside of our Programs such as Sawtooth Solutions, LLC and FDx Advisors, who are part of the third-party investment advisory and sub-advisory services described in the “Advisory Business” section of our Form ADV Part 2A Firm Brochure, available upon request. We generally receive a share of the ongoing management fees in these programs as described in the “Fees and Compensation” section above. The fees for these programs are shared among us, the other program sponsors, and the specified third-party investment manager. This creates potential conflict of interest when our representatives choose among the third-party investment advisory services and our own investment management services where we retain more of the fees in our own advisory programs. We seek to mitigate this conflict by carefully reviewing your participation in one or more of the programs available and, in our judgment, recommending the program(s) that better match your needs, goals and objectives. Since these programs allow us to determine the standard advisory fees to our clients, we consider the total advisory fees you would incur and set our fees at competitive levels. Similar advisory services may, however, be available from other investment advisers at a lower cost.

### Our Other Financial Industry Activities

**Back Office Operations Agreements.** In addition to being sub-advisers to some of our clients’ accounts, we have entered into operations services agreements with Sawtooth Solutions, LLC and FDx Advisors to provide account performance evaluation reports, fee calculation, and other back office operational support services for some of our managed accounts. Thus, when one of our representatives makes a recommendation to use one of these sub-advisers, a conflict of interest exists because these sub-advisers also provide operations support services to us. To address this conflict, our supervisory personnel review the sub-advisory recommendation against the client’s suitability information.

**Trust Services Joint Marketing and Advisory Agreements.** We have also entered a joint marketing arrangement with FiPar, LLC (“FiPar”), a trust marketing company that is mostly owned and controlled by John Gakenheimer, one of our owners and Vice President of Business Development. The purpose of the arrangement is to market third-party trust services to our clients and prospective clients and to provide investment portfolio management services to independent, unaffiliated trust companies for their trust accounts. Currently, FiPar has entered a marketing referral arrangement with BOKF, NA, a nationally chartered bank and trust company. In consideration for this arrangement, FiPar receives a share in the ongoing trust administration service fees for trust business it refers to BOKF. BOKF may, in its sole discretion, accept or reject any referral trust business referred by FiPar. In addition, we have entered an agreement with BOKF to provide investment management services as BOKF’s agent for certain trust accounts. Under this arrangement, BOKF pays us an investment management fee on the market value of the assets held in trust accounts we advise.

Our joint marketing through FiPar of BOKF’s trust services and the compensation we receive from BOKF for our investment management services creates a conflict of interest for us and Mr.

Gakenheimer when clients choose to use the trust services of BOKF because we receive customary investment management fees and Mr. Gakenheimer, through FiPar, receives a share of the trust administrative fees.

To help mitigate these conflicts, we advise our clients that they are not required to use BOKF's trust services marketed by FiPar. We supervise dual employees of CAM and FiPar (currently, Mr. Gakenheimer is the only dual employee) to reasonably ensure compliance with client investment guidelines and applicable regulatory requirements. Additionally, the investment management fee that BOKF pays us is solely determined by BOKF and is disclosed to the trust account owner and/or beneficiary by BOKF. The trust referral fees paid by BOKF to FiPar do not result in any increase of fees above the published fee schedule associated with the trust account. The investment management fees paid by BOKF's trust clients to CAM are not higher than CAM's published fee schedule disclosed elsewhere in this brochure.

#### Outside Business Activities of Our Representatives

Some of our representatives' own companies that perform legal, insurance, real estate, investment advisory, and accounting services. These are not affiliated with, controlled by, or under common control with us. Their respective services are provided under a separate agreement and are unrelated, separate, and distinct from the services we provide. You are under no obligation to utilize these services relating to any of the services that we provide.

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

We have adopted a Code of Ethics (the "Code") describing the standards of business conduct we expect all our officers, directors, employees, and representatives to follow. The Code also describes certain personal securities transaction reporting requirements with which individuals associated with or employed by us must comply.

Our principals and representatives will often own the same securities recommended to our clients. Generally, these securities will be shares of open-ended mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for our clients. If we do recommend the purchase or sale of a thinly traded security to a client, we will ensure that representatives' personal transactions do not adversely affect clients nor improperly benefit our principals and representatives, typically by completing their transactions after all client transactions have been made. Neither our firm nor our representatives are permitted to benefit, directly or indirectly, from transactions made in your account.

Orders for clients may sometimes be aggregated or "batched" into one large order and will be fairly allocated among all participating accounts. The firm will aggregate where there is a benefit to the client.

We review the Code annually and update it as necessary. You may request a copy free of charge by contacting us at 248-824-6710.

#### Review of Accounts

You will receive reports at least quarterly from your account custodian. You may also receive written performance reports from your representative as often as agreed upon between you and your representative, but usually not more frequently than quarterly. Your portfolio is regularly reviewed by your representative as agreed upon by you and your representative. You or your representative may request more frequent reviews

if warranted by events triggered by material changes in your circumstances or material events in the market, political, or economic circumstances.

We conduct reviews to help ensure that the investments in your account are still consistent with your stated investment objectives and risk tolerance guidelines. We encourage you to compare the information on any account statement you receive from us with your custodial statements to determine whether there is any inconsistent information. Please note that our written performance reports may vary from official custodial statements based on differences in accounting procedures, reporting dates, or valuation methodologies of certain securities. Please call our main office or your custodian if there are any apparent inconsistencies or if you have any questions.

### Client Referrals and Compensation

From time to time, we engage solicitors to market our services. When we do so, you will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor, and the terms of that relationship. You will also receive a copy of this Form ADV, Part 2A, as our disclosure brochure. If a solicitor refers you to us, your total advisory fees will be based, in part, on the amount of the solicitation fee we pay to the solicitor. You may be paying more than our other clients for the same advisory services depending upon the amount of the advisory fees paid to the solicitor.

### Financial Information

We have no financial condition that impairs our ability to meet our contractual and fiduciary commitments to our clients, and we have not been the subject of a bankruptcy proceeding.

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