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**December 24, 2019**

**PART 2A - APPENDIX 1  
WRAP FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of Las Olas Capital Advisors, LLC. If you have any questions about the contents of this brochure, contact us at 954-289-4690. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Las Olas Capital Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Las Olas Capital Advisors' searchable CRD/IARD # is 175077.

Las Olas Capital Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

In this item, Las Olas Capital Advisors is required to discuss any material changes that have been made to the brochure since the last annual amendment.

Since the filing of our annual updating amendment dated March 28, 2018, we have made the following material changes to our Firm Brochure:

- We have made numerous updates to this Firm Brochure (Items 4, 5, 7, 8, 9) to distinguish our Portfolio Management Services (which are offered exclusively through the Wrap Fee Program) from our other advisory services. Clients engaging us for Portfolio Management Services receive our Wrap Brochure, which appears as Part 2A Appendix 1 of the Adviser's Form ADV. Clients engaging us for other advisory services, including Non-Transactional Advice, Investment Banking Advice, other Consulting Services and Private Fund Offerings, receive this Firm Brochure.
- Las Olas Capital Advisors has launched and closed fund-raising for the Las Olas Capital \* Real Estate Fund 1, LLC. The Firm has launched an addition private fund as disclosed in the ADV 2A Brochure, with plans to offer more private funds in the future. Las Olas Capital Advisors has updated Item 9 to amend the firm's disclosures related to principal transactions and participation and interest in client transactions.

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## Item 4 Services, Fees, and Compensation

### Description of Firm

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Las Olas Capital Advisors, LLC is a registered investment adviser based in Fort Lauderdale, Florida. We are organized as a limited liability company ("LLC") under the laws of the State of Florida. We have been providing investment advisory services since 2015. Las Olas Capital Advisors is owned by TCH II, LLC and Doris Investments, LLC. We are indirectly owned by Jodi Jeffreys and the Sembler Family Trust.

As used in this brochure, the words "we," "our," and "us" refer to Las Olas Capital Advisors, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person in this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services™ ("Schwab") or another broker-dealer that Las Olas Capital Advisors approves under the Program (collectively "Financial Institutions").

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Las Olas Capital Advisors assists its clients in developing an appropriate strategy for managing their assets. Clients' investment portfolios are generally managed on a discretionary or non-discretionary basis by Las Olas Capital Advisors. Las Olas Capital Advisors generally allocate clients' assets among the various investment products available under the Program, as described further in Item 6 (below).

#### Wealth Management Services

Las Olas Capital Advisors provides clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services, as well as, discretionary and/or non-discretionary management of investment portfolios.

Las Olas Capital Advisors primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options in accordance with their stated investment objectives. In addition, Las Olas Capital Advisors may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interested in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Adviser may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Las Olas Capital Advisors to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Las Olas Capital Advisors directs or

recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Las Olas Capital Advisors tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Las Olas Capital Advisors consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Las Olas Capital Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Las Olas Capital Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Adviser's management efforts.

#### Financial Planning and Consulting Services

Las Olas Capital Advisors offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

In performing these services, Las Olas Capital Advisors is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.,) and is expressly authorized to rely on such information. Clients are advised that a conflict of interest exists if clients engage Las Olas Capital Advisors or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Las Olas Capital Advisors under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Adviser of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Las Olas Capital Advisors' recommendations and/or services.

#### Selection of Other Advisors

Las Olas Capital Advisors may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, Las Olas Capital Advisors may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. Las Olas Capital Advisors will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

## Changes in Your Financial Circumstances

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In providing the contracted services, Las Olas Capital Advisors is not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

## The Program Fee

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We charge a "wrap-fee" for participation in the Program depending upon the market value of your assets under our management. You are not charged separate fees for the different components of the services provided by the Program. Our firm pays all trade expenses of trades placed on your behalf. Our Program fee includes the fee we pay to any portfolio manager for their management of your account and Schwab's transaction or execution costs. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, etc.).

Our annual fee for portfolio management services varies between 0.75% - 2.00% depending upon the market value of your assets under our management, the type and complexity of the asset management services provided, as well as the level of administration requested either directly or assumed by the client. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. Alternative investments or private funds (e.g. hedge funds, private equity, real estate, venture capital, etc.) are considered part of the relationship assets. Private funds where Las Olas Capital Advisors is the General Manager, Manager, Adviser or Subadviser to the fund(s), the value of the fund(s) will not be counted as part of the relationship assets for fee billing purposes.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

For the initial period of engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

The annual fee will be charged monthly, in advance, based upon the end of the period market value, except with respect to Assets invested in private equity funds and venture capital funds, where fees will be prorated and billed monthly, in advance, based (a) initially, on the amount of capital committed to such funds for the lesser of five years or the length of the investment period of each fund and (b) thereafter, on the market value of the Assets invested in such funds. Fees will be assessed gross of margin. Additionally, the advisory fee will be prorated for deposits and withdrawals made during the month. Any adjustments due to the prior months activity will be addressed accordingly during the next month's fee billing process.

Las Olas Capital Advisors will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

## **Fee Comparison**

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As referenced above, a portion of the fees paid to Las Olas Capital Advisors are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Therefore, the Adviser has an incentive to place less trades for clients in the Program since the Adviser incurs transaction expenses. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

## **Fee Discretion**

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Las Olas Capital Advisors may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

## **Termination of Advisory Relationship**

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You may terminate the wrap fee program agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at Schwab, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

## **Wrap Fee Program Disclosures**

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- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be

- charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
  - Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
  - Similar advisory services may be available from other registered investment advisers for lower fees.

## **Additional Fees And Expenses**

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The Program Fee includes the costs of commissions, transaction based fees and handling fees executed through Schwab (or a broker-dealer designated by Schwab) or asset-based fees, as applicable. The Program Fee does not include all fees, costs and charges provided in the Charles Schwab Pricing Guide (or a successor thereto) and any other applicable fees or compensation including the following:

- Fees for services provided by broker-dealers other than Schwab for transactions executed or effect by or through them that settle into or from Accounts, such as through Schwab's Prime Brokerage Services or its Trade Away Services. Assets in Accounts that are purchased or sold through other broker-dealers will be included in the assets on which asset-based fees, if applicable, are assessed.
- Fees and charges Schwab receives in addition to or other than commission or ABP Services Fees in lieu of commissions, such as, but not limited to, margin interest, electronic funds and wire transfer fees and other account activity fees, custody and setup fees for Alternative Investments, transfer taxes, odd-lot differentials, certificates of delivery fees, reorganization fees, fee required by law, and any other similar costs or charges.
- Fees charge by some mutual fund companies, unit investment trusts ("UITs"), closed-end funds and other collective investment vehicles, including, but not limited to, fees assessed by the fund but collected for the fund by Schwab such as sales loads (a portion of which are paid to Schwab) and/or charges and short-term redemption fees.
- Markups and markdowns, bid-ask spreads, selling concessions and the like received by Schwab in connection with transaction it executes as principal by selling or buying securities to or from Clients for its own account.

The Account will be responsible for these additional fees and expenses. The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

## **Use of Margin or Securities-Backed Lines of Credit**

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Las Olas Capital Advisors may trade client accounts on margin. Each client must sign a separate margin agreement before margin is extended to that client account. In these cases the fee payable will be assessed gross of margin, meaning the market value of the client's investment portfolio exclusive of



any loans, leans or borrows. This creates a conflict of interest where Las Olas Capital Advisors has an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Las Olas Capital Advisors may also recommend other borrowings such as, but not limited to, non-purpose loans. Las Olas Capital Advisors can accomplish this recommendation through multiple ways, including securities-back lines of credit or a margin loan, both have specific risks to consider. Las Olas Capital Advisors recommends such borrowings to achieve such clients personal goals. The Firm's fees are determined based upon the value of the assets being managed net of any margin or borrowing. The Firm will not, however, charge fees to accounts that, as a result of outstanding margin or borrowing, reflect a negative balance, unless otherwise agreed to in writing. Please refer to the *Additional Information* section for additional details on the use of margin and securities-backed lines of credit.

### **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Las Olas Capital Advisor's right to terminate an account. Additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to Las Olas Capital Advisors, subject to the usual and customary securities settlement procedures. However, the Adviser generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Las Olas Capital Advisors may consult with its clients about the options and implication of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

### **Brokerage Practices**

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If you participate in the Program, you will be required to establish an account with Schwab, member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer. If you do not direct our firm to execute transactions through Schwab, we reserve the right to not accept your account. Not all advisers require their clients to direct brokerage. Since you are required to use Schwab, we may be unable to achieve the most favorable execution of your transactions. Las Olas Capital Advisors believes that Schwab provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

### **Research and Other Soft Dollar Benefits**

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Las Olas Capital Advisors does not have any soft dollar arrangements.

### **Economic Benefits**

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As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-

making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

## **Charles Schwab & Co., Inc - Institutional**

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In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### Services that Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data; or facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount of up to \$4,250 on PortfolioCenter® software.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

## Compensation for Recommending the Program

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Las Olas Capital Advisors has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

## Mutual Fund Share Classes

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Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

## Item 5 Account Requirements and Types of Clients

Las Olas Capital Advisors offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### Minimum Account Value

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As a condition for starting and maintaining an investment management relationship, Las Olas Capital Advisors generally imposes a minimum portfolio value of \$1,000,000. Las Olas Capital Advisors may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. In such cases, the Adviser may impose a minimum annual fee of \$10,000, which may cause clients to incur an effective fee rate that is higher than the Adviser's stated fee schedule. Las Olas Capital Advisors only accepts clients with less than the minimum portfolio size if the Adviser determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Las Olas Capital Advisors may aggregate the portfolios of family members to meet the minimum portfolio size.

## Item 6 Portfolio Manager Selection and Evaluation

Las Olas Capital Advisors is the sponsor and sole portfolio manager for the Program. Refer to *Services, Fees, and Compensation* for additional disclosures on costs associated with your participation in the Program.

### Performance-Based Fees and Side-by-Side Management

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We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged

performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Methods of Analysis**

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Las Olas Capital Advisors utilizes a combination of fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Las Olas Capital Advisors, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Adviser's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Las Olas Capital Advisors will be able to accurately predict such a reoccurrence.

## **Investment Strategies**

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Investment strategies employed are varied are highly dependent upon the specific needs and investment objectives of each Las Olas Capital Advisors client. The Adviser will make use of an Investment Committee that will carefully examine both the risks and potential outcomes of each investment made on behalf of each client or client family.

Las Olas Capital Advisors will utilize traditional strategies using both traditional investment products such as stocks, bond, ETFs and mutual funds, but will also take advantage of the unique characteristics offered through alternative investments such as structured products, fund of funds and other products that present the opportunity to hedge client portfolios in down markets as well as make critical use of non-correlated asset classes.

Las Olas Capital Advisors will also provide a variety of investment models created with unique investment objective that will serve to meet clients' investment needs in ways that seek to both cost-effective and efficient to manage.

### **Long-Term Purchases**

Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy 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 you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

### Short-Term Purchases

Securities purchased 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. Using a short-term purchase strategy 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 times.

Securities-Back Lines of Credit ("SBLOCs") - A SBLOC is a loan that allows investors to borrow money using securities held in their investment accounts as collateral. An SBLOC requires investors to make monthly interest-only payments, and the loan remains outstanding until it is repaid.

Risk: If the value of the securities declines to an amount where it is no longer sufficient to support the line of credit, investors will receive a "maintenance call", a notification that the investor must post additional collateral or repay the loan within a specified period (typically two or three days). If the investor is unable to add additional collateral to the account or repay the loan with readily available cash, the firm can liquidate the securities satisfy the maintenance call, which may have potential unintended tax consequences and could have a significant impact on an investors long-term investment goals.

Margin Transactions or Margin Loans - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. A margin loan can be established on more than one account with the same ownership while maintaining a single margin relationship for regulatory purposes.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

### Option Writing

A securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

## **Tax Considerations**

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Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Risk of Loss**

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Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Market Risks**

Investing involves risk, including the potential loss of principal, and all investor should be guided accordingly. The profitability of a significant portion of Las Olas Capital Advisors' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Las Olas Capital Advisors will be able to predict those price movements accurately or capitalize on any such assumptions.

### **Mutual Funds and Exchange Traded Funds ("ETFs")**

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.



Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rate NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### Use of Private Investment Vehicles

Las Olas Capital Advisors recommends that certain clients invest in privately placed collective investment vehicles (e.g., alternative investments such as hedge funds, private equity & debt funds, venture capital, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Investments in private investment vehicles lack of liquidity as they are not listed on an exchange, traded in the secondary market and are generally not transferable.

Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

- a. Governance and standard of care can favor the sponsor. Most listed companies must have a majority of independent directors on their boards, but the general partner ("GP") of a Private Investment is only required to have independent directors on its audit committee. Also, Private Investments can opt for a lower standard of care (or duties owed by the GP's directors to the owners/investors) than the more stringent fiduciary standard generally owed to shareholders of corporations under state law. Lack of independence and lower standards of care are factors that could influence the decisions made by the GP's directors, possibly to the detriment of the limited partners of the Private Investment.
- b. Conflicts of Interest. The sponsor's relationship with the Private Investment and with the GP creates inherent conflicts of interest. These conflicts arise most frequently in transactions between the sponsor and the Private Investment, such as when the sponsor wants to sell assets to the Private Investment or if the sponsor decides to merge the Private Investment into the GP. If the GP opts for the lower standard of care discussed above, it may consider its own interests ahead of the interests of the Private Investment and its limited partners and resolve conflicts in a manner favorable to itself.
- c. Industry risk and concentrated exposure. As most Private Investments are focused on a single industry or industry segment, investors have concentrated exposure to the volatility of that industry or segment. Changes in the price of commodities in that industry could impact the returns or amount of income that a Private Investment may generate or the ability of the Private Investment to maintain or expand its portfolio.
- d. Market illiquidity. The Private Investment marketplace remains small and requires capital to be locked up for extended periods of time compared to other assets classes. Prospective investors should pay particular attention to the risks and is suitable only for the most sophisticated investors, requires the financial ability and willingness to accept

the high risks and lack of liquidity inherent in a private investment. No assurances can be given that the fund's investment objectives will be achieved or that investors will receive a return of their capital.

#### Master Limited Partnerships ("MLPs")

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rate share of the partnership taxes, regardless of the types of accounts where the interests are held. As with any investments, investors can lose their entire investment or experience lower-than-expected returns. Investors should also be aware of the risks associated with MLPs which include but are not limited to:

- *Governance and standard of care can favor the sponsor.* Most listed companies must have a majority of independent directors on their boards, but the general partner ("GP") of an MLP is only required to have independent directors on its audit committee. Also, MLPs can opt for a lower standard of care (or duties owed by the GP's directors to the owners/investors) than the more stringent fiduciary standard generally owed to shareholders of corporations under state law. Lack of independence and lower standards of care are factors that could influence the decisions made by the GP's directors, possibly to the detriment of the limited partners of the MLP.
- *Conflicts of Interest.* The sponsor's relationship with the MLP and with the GP creates inherent conflicts of interest. These conflicts arise most frequently in transactions between the sponsor and the MLP, such as when the sponsor wants to sell assets to the MLP or if the sponsor decides to merge the MLP into the GP. If the GP opts for the lower standard of care discussed above, it may consider its own interests ahead of the interests of the MLP and its limited partners and resolve conflicts in a manner favorable to itself.
- *Industry risk and concentrated exposure.* As most MLPs are focused on a single industry or industry segment, investors have concentrated exposure to the volatility of that industry or segment. Changes in the price of commodities in that industry could impact the amount of income that an MLP generates or the ability of the MLP to maintain or expand its operations. Because most MLPs are currently in the energy sector, particularly in the pipeline or energy storage industries, MLPs can be acutely sensitive to shifts in oil and gas prices, as noted above.
- *Market illiquidity.* The MLP marketplace remains small compared to domestic equities and bonds. Investors with larger portfolios may experience difficulty in efficiently selling and do not always offer the same liquidity prominent to stocks, mutual funds, and exchange traded funds.
- *Return volatility.* MLPs, particularly in times of market stress, can demonstrate equity-like volatility and drawdowns. The majority of MLPs continue to be held by retail investors who may react to negative news by selling their positions.

#### Real Estate Investment Trusts ("REITs")

Las Olas Capital Advisors may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that



experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

#### Exchange-Trade Notes ("ETNs")

Las Olas Capital Advisors may recommend an investment in, or allocate assets among, various exchange-traded notes ("ETNs"). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designated to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer's credit rating and/or an unwilling or inability of the issuer to perform its contractual obligations.

#### Structured Products

Las Olas Capital Advisors may recommend an investment in, or allocate assets among, various structured products. Structured products are unsecured obligations of an issuer with a return, generally paid at maturity, which is linked to the performance of an underlying asset. In addition to the risks that apply to all investments in securities, investing in structured products may involve different types of risk and possibly greater levels of risk. These risks include, but are not limited to the following:

- *Issuer credit risk.* A structured product is an unsecured obligation of the applicable issuer. Any payment on a structured product, including any repayment of principal, is subject to the creditworthiness of the issuer. If the issuer becomes bankrupt or is unable to pay its obligations as they come due, you may lose some or all of your investment.
- *Risk of loss.* Many structured products subject you to the downside market risk of the underlying asset. Depending on the product, you may lose some or all of your investment if the underlying asset declines in value. In addition, if we decide to sell a structured product before it matures, you may lose some or all of your investment, regardless of any market risk reduction feature the product may offer.
- *Potential returns may be limited.* Potential returns on a structured product may be limited. You may not participate in the growth potential of the underlying asset beyond a certain limit or at all.
- *Performance before maturity.* In addition to the performance of the underlying asset, structured product fees and market factors, such as fluctuations in interest rates, that influence the price of bonds and options generally will also affect the value of a structured product before it matures. Therefore, the value of a structured product before it matures may be more or less than its initial price and may be substantially different than the payment expected at maturity. A structured product must be held to maturity to receive the stated payout from the issuer, including any repayment of principal.
- *No guarantee of liquidity.* Structured products are generally not listed on any exchange. A secondary trading market for a structured product may not develop. Typically, any available liquidity is provided by the issuer as a service to investors, but the issuer is not obligated to provide a secondary market. As a result, we may not be able to sell the structured product before it matures. If we are able to sell a structured product to maturity.
- *Potential conflicts.* The issuer of a structured product and its affiliates may play a variety of roles in connections with the structured product, including acting as a calculation agent and hedging the issuer's obligations under the structured product. In performing these duties, the economic interests of the calculation agent and other affiliates of the issuer may be adverse to your interests as an investor in the structured product.
- *Taxation.* The tax treatment of a structured product may be very different than that of a

traditional investment or of the underlying asset. Significant aspects of the tax treatment of a structured product may be uncertain.

## **Other Risk Considerations**

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When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

### *Liquidity Risk*

The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

### *Credit Risk*

Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

### *Inflation and Interest Rate Risk*

Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

### *Horizon and Longevity Risk*

The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

## **Voting of Client Securities**

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Las Olas Capital Advisors may accept the authority to vote a client's securities (i.e., proxies) on their behalf. When Las Olas Capital Advisors accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-described in the Adviser's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Las Olas Capital Advisors' Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Las Olas Capital

Advisors to request information about how the Adviser voted proxies for that client's securities or to get a copy of Las Olas Capital Advisors' Proxy Voting Policies and Procedures. A brief summary of Las Olas Capital Advisors' Proxy Voting Policies and Procedures is as follows:

- Las Olas Capital Advisors has formed an Investment Committee, which will also be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Investment Committee will generally vote proxies according to Las Olas Capital Advisors' then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Adviser devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Las Olas Capital Advisors vote on a particular solicitation but can revoke the Adviser's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Las Olas Capital Advisors maintains with persons having an interest in the outcome of certain votes, the Adviser takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

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

In order to provide the Program services, Las Olas Capital Advisors will share your private information with your account custodian. We may also provide your private information to mutual fund companies and/or private managers as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account, including sharing information with our affiliated broker-dealer, Las Olas Capital Partners, LLC. We share your personal account data in accordance with our privacy policy.

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

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account. You should contact your advisory representative with respect to changes in your investment objectives, risk tolerance, or requested restrictions placed on the management of your Program assets.

## **Item 9 Additional Information**

### **Custody**

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As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any

of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

In our capacity as investment adviser to the Funds, we will have access to the Funds' funds and securities, and therefore have custody over such funds and securities. We provide each investor in the Funds with audited annual financial statements. If you are a Funds investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

### **Disciplinary Information**

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Las Olas Capital Advisors is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. While Las Olas Capital Advisors has not specifically been subject of any legal or disciplinary events, certain personnel of the firm's senior management was subject to customer disputes that have settled or that remain outstanding in the last 10 years. For further details, please refer to the Brochure Supplement.

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

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This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### ***Registrations with Broker-Dealer***

Persons providing investment advice on behalf of our firm are registered representatives with Las Olas Capital Partners, LLC, an affiliated securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

#### ***Arrangements with Affiliated Entities***

##### **Affiliated Broker/Dealer**

We are affiliated with Las Olas Capital Partners, LLC ("LOCP") through common control and ownership. LOCP is a securities broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). As disclosed above, Associated Persons of our firm may also be licensed as registered representatives to sell securities through LOCP. We will recommend that you use the brokerage services of LOCP if appropriate and suitable for your needs. You are under no obligation to engage LOCP for such services. Our advisory services and associated fees are separate and distinct from any compensation you pay to LOCP for brokerage and related services. Refer to the *Service, Fees and Compensation* section above and the *Brokerage Practices* section below for additional disclosures.

The referral arrangement we have with our affiliate presents a conflict of interest because we may have a financial incentive to recommend LOCP's services. While we believe that compensation charged by LOCP is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

#### *Affiliated Registered Investment Adviser*

We are affiliated with TCWP, LLC ("TCWP") through common control and ownership. TCWP is an SEC registered investment adviser owned by TCH II, LLC. No referral arrangements exist nor are expected between TCWP and Las Olas Capital Advisors. The overall operations of TCWP and Las Olas Capital Advisors are separate and independent of each other and of TruClarity's other customers; therefore, such conflict of interest has been mitigated accordingly. Please see below for more information related to TCH II, LLC's relationship with our Firm.

#### *Ownership - Conflict of Interest*

Senior management of Las Olas Capital Advisors maintain minority ownership through personal limited liability company in TCH II, LLC ("TruClarity"). TruClarity focuses its efforts on optimizing solutions for investment professionals leaving wire house firms to pursue business independence. TCH II, LLC ("TruClarity") maintains majority ownership in Las Olas Capital Advisors, LLC; thus creates a disclosable conflict. Since Las Olas Capital Advisors senior management maintains minority ownership through personal limited liability company in TCH II, LLC ("TruClarity"), overall operations of the Adviser are separate and independent of TruClarity's other customers; such conflict of interest has been mitigated accordingly.

Las Olas Capital Advisors has ownership interest through an investment, but not control, in an operating Company which is a Fund managed by the Firm. Specifically, Las Olas Capital Advisors owns less than 1% of 69th Regiment Brands, LLC, which gives our Firm a seat on the Board of the Directors. We are disclosing this conflict of interest and such disclosure has been made to the Fund's investors in the Fund's offering documents.

#### *Outside Business Activities - Venture Capital Funds*

Paul Tanner is an Associate Member of Las Olas VC I GP, LLC, a limited liability company organized under the laws of Delaware. Las Olas VC I GP, LLC serves as the Manager to several pooled investment vehicles ("LOVC Funds"), offered only by private placement memorandum and other offering documents to certain sophisticated investors meeting certain minimum financial requirements as summarized in the offering documents. Clients of Las Olas Capital Advisors are invested in the LOVC Funds, however, this vintage fund is closed to new investors. The activities Las Olas VC I GP, LLC and any related venture capital funds are conducted separate and independent of Las Olas Capital Advisors. As an Associate Member of Las Olas VC I GP, LLC, Mr. Tanner will receive additional compensation via this outside business activity, including but not limited to, carried interest for selling the fund; thus creating a conflict. Mr. Tanner's title as an Associate Member for Las Olas VC I GP, LLC is a passive investor role.

Paul Tanner serves as an Associate Member of Las Olas VC II GP, LLC. Las Olas Capital Partners, LLC ("LOCP"), an affiliated broker-dealer, is a placement agent for the private fund where Las Olas VC II GP, LLC serves as the Manager. As an Associate Member of Las Olas VC II GP, LLC, Mr. Tanner will receive additional compensation via this outside business activity, including but not limited to, carried interest for selling the fund. Additionally, Mr. Tanner will receive compensation for selling the fund as a register representative of LOVP; thus creating conflicts of interest. Mr. Tanner's title as an Associate Member for Las Olas VC II GP, LLC is a passive investor role.



### ***Recommendation of Other Advisers***

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s).

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

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Las Olas Capital Advisors does not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

#### ***Charles Schwab & Co., Inc - Institutional***

In addition, we receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above, see *Item 4 - Services, Fees, and Compensation*. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Code of Ethics**

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Las Olas Capital Advisors has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Associated Person. Las Olas Capital Advisors' Code of Ethics contains written policies reasonably designated to prevent certain unlawful practices such as the use of material non-public information by the Adviser or any of its Associated Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Las Olas Capital Advisors' personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Adviser's Associated Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Adviser's policies and procedures. Associated persons may invest in firm strategies, including private placements. As noted above, all private placements are required to be pre-approved. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Adviser is engaging in or considering a transaction in any security on behalf of a client, no Associated Person with access to this information may knowingly affect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction that security unless:

- the transaction has been completed;
- the transaction for the Associated Person is completed as part of an aggregated trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligation of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issues by mutual funds or money market funds; and (iv) shares issued by unity investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Las Olas Capital Advisors to request a copy of its Code of Ethics.

### **Participation or Interest in Client Transactions**

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We serve as the Adviser and Manager to private pooled investment vehicles (the "Funds", whether one or more). Persons associated with our firm may have significant investments in the Funds and other private funds affiliated with our firm. Additionally, Las Olas Capital Advisors has ownership in certain Companies that the Funds invests in, and is offered to clients creating an additional conflict of interest. Specifically, Las Olas Capital Advisors owns less than 1% of 69th Regiment Brands, LLC which gives our Firm a seat on the Board of the Directors. If you are an investor in the Funds, refer to the Fund's offering documents for detailed disclosures regarding the Funds. Please refer to the ADV 2A Brochure for additional information related to our involvement in the Funds.

### **Principal Transactions**

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As disclosed above, we serve as the Adviser and Manager to the Funds, private pooled investment vehicles. In limited circumstances, the Firm may purchase or be granted interests and/or shares in the Company or investment opportunity.

1. We will only trade as principal when we believe the transaction is in the best interest of our clients;
2. We believe the transaction fulfills our duty of best execution with respect to the particular transaction; and
3. Prior to the completion of such a trade we will shall make disclosures to our effected clients regarding:
  - a. the price of the security,
  - b. other best quoted prices,
  - c. any commission, mark-up, or mar-down; and
  - d. obtain our client's consent.

If you are an investor in any Fund, refer to the Fund's offering documents for detailed disclosures regarding the Firm's investments. Please refer to the ADV 2A Brochure for additional information related to our involvement in the Funds.

### **Aggregated Trades**

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We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Participants in this wrap program will not

pay any portion of the transaction costs in addition to the program fee. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment. We do not combine orders for non-discretionary accounts.

## **Account Reviews**

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Las Olas Capital Advisors monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted at least annually. Such reviews are conducted by the Adviser's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Las Olas Capital Advisors and to keep the Adviser informed of any changes thereto. The Adviser contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

## **Account Statements and General Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custody. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Las Olas Capital Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Las Olas Capital Advisors or an outside service provider. Reports provided by Las Olas Capital Advisors are for information purposes only and should not be relied upon to replace the statements provided by the client's custodian. Las Olas Capital Advisors does not maintain custody of clients' assets.

## **Trade Errors**

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In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

## **Class Action Lawsuits**

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We will assist you, in conjunction with your legal counsel or other professionals, in filing claims with the claims administrator to participate in any settlement proceeds related to class action settlements involving a security held in your portfolio. We may also work with your legal counsel to determine whether you are eligible to participate in class action litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held in your portfolio.

## **Financial Information**

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Las Olas Capital Advisors has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.



## IRA Rollover Considerations

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As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax

and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.

9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.

10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.