

Williams Jones Wealth Management, LLC

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Brochure

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Contact: Jeff Schweon, Chief Compliance
Officer

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This brochure provides information about the qualifications and business practices of Williams Jones Wealth Management, LLC (“We” “Us” “Our” or “Williams Jones”). If you have any questions about the contents of this brochure, please contact us at (212) 935-8750 or jschweon@williamsjones.com. 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 Williams Jones Wealth Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Williams Jones Wealth Management, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

This item of the Brochure discusses only material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes.

This is the initial filing of the Form ADV Part 2A by Williams Jones Wealth Management, LLC. Accordingly, there are no material changes to report.

Our Chief Compliance Officer, Jeff Schweon, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.

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Item 4 Advisory Business

- A. Williams Jones Wealth Management, LLC is acquiring the advisory business of Williams, Jones & Associates, LLC, which is a limited liability company that was formed on June 26, 2006 in the State of Delaware and which became registered as an investment adviser with the SEC in April 1988.

FOCUS FINANCIAL PARTNERS, LLC

Williams Jones is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, Williams Jones is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2018, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2018, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. (“KKR”) had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting, multifamily office and/or investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Williams Jones is managed by William P. Jones, Jr., Barbara A. Tarmy, John J. Eager, Malcolm L. Macpherson, Jr., Thomas H. MacCawatt, Maureen C. Tompkins, David A. Rosenfeld, John B. Cummings, Henry A. Wilmerding, III, Jeff Schweon, Hoa V. Le, J. Douglas Kelly, Jr. and Karen Y. Ma (the “Principals”) pursuant to a management agreement between WJMC, LLC and Williams Jones. The Principals serve as officers of Williams Jones and, in that capacity, are responsible for the management, supervision and oversight of Williams Jones.

B. INVESTMENT ADVISORY SERVICES

Portfolio Management

We provide portfolio management services on a *fee-only* basis to high net worth individuals, pooled investment vehicles, corporations, charitable organizations and pension and profit-sharing plans. We generally invest client assets in equity securities of individual companies, bonds, bond funds, master limited partnerships and alternative investments. Client holdings are typically concentrated in approximately 25 positions.

Financial Planning

When requested by the client, we will include basic financial planning services in the services we offer portfolio management clients. Among other things, we advise clients in preparing for retirement, funding educational goals, charitable giving, insurance and addressing their estate planning needs. Clients are responsible for notifying us of any changes to their financial situation or investment objectives so that we can assess whether any of our previous recommendations should be revised.

When providing financial planning services, we do not serve as an attorney, accountant, or licensed insurance agent, and no portion of our services should be construed as offering the same. Upon request, we may recommend the services of attorneys, accountants and other third-party professionals to assist with implementation of aspects of the financial plan or in connection with our provision of investment management services generally. The decision to engage any of these service providers rests solely with the client, and we disclaim any responsibility for the client's experience with the service provider or the quality of the services they provide.

Private Investment Funds

Certain of our investment advisory clients wish to allocate a portion of their portfolio to alternative investments. For clients who are interested and financially qualified, we sponsor investment vehicles that offer our clients access to investments in distressed debt, fixed income arbitrage, long-short equity and multi-strategy hedge funds, with a relatively low initial minimum investment.

We offer our clients the ability to make investments in single third-party investment managers. In most cases, the single manager investments are made through a series of the WJA Alternative Investment Strategies I, LLC ("*WJA Alternative Strategies*") (individually, a "Series Fund"). Each Series Fund pools client assets to invest in a single third-party investment manager.

We also have affiliates that act as the investment manager of two private investment funds. One affiliate is the investment manager for the WJA Housing Bond Fund, LLC, which seeks income that is exempt from federal income taxes by investing at least 80% of its assets in mortgage-related bonds. Another

affiliate is the investment manager for the WJA Value Equity Fund, LLC, which invests in equity securities traded primarily in the US market.

Advice to Retirement Account Clients

We are a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. We are also a fiduciary under the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners (collectively, “Retirement Account Clients”). As such, we are subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a “PTE”).

- B. Our investment advisory services are customized to the needs of each client. Prior to providing investment advisory services, a portfolio manager of ours will ascertain each client’s investment objectives and recommend that the client’s assets be invested in accordance with those investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on the investments in the client’s account; however, we reserve the right, in our sole discretion, to reject any such restrictions.
- C. We do not participate in wrap fee programs.
- D. As of December 31, 2018, we had \$6,828,957,938 in assets under management on a discretionary basis and \$160,810,194 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage us to provide discretionary or non-discretionary investment advisory services on a *fee-only* basis.

Investment Advisory Services

Our investment advisory fee generally is based upon a percentage of the market value and type of assets placed under our management, including cash and cash equivalents. Our annual investment advisory fee rate is no higher than 1% of the market value of the assets placed under our management, including cash and cash equivalents. For tax exempt municipal bond assets, our annual investment advisory fee rate is generally no higher than .50% of the market value of the municipal bond assets placed under our management. Varying our fee rates by asset class presents a potential conflict of interest and incentive for us to allocate more assets to other asset classes, where our advisory fee rates are higher, than to

municipal bonds, where our advisory fee rates are lower. However, we remain mindful that we have a fiduciary duty to invest client assets in a manner consistent with the client's best interest, and we mitigate the conflict further by fully disclosing it in this Brochure.

Our fees are negotiable from the maximum rates set forth above. Our fees will vary depending upon various objective and subjective factors, including, but not limited to: the amount of assets to be managed; account composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); and the outcome of negotiations with the client. As a result of these factors, similarly-situated clients could pay different fees.

Private Investment Funds

The Series Funds that certain of our clients invest in do not pay management fees to us; we instead charge our investment advisory fee to our advisory clients based on the total amount of assets invested with the Firm, including assets invested in the Series Funds. Please note that we rely on valuations provided by the underlying investment managers to value these investments, which values typically are provided on a delayed basis and so could differ from actual current values. In addition to our investment advisory fee, the Series Funds bear the fees and expenses, including management and performance fees charged by the third-party manager, of the underlying fund(s) in which they are invested.

The WJA Housing Bond Fund, LLC pays us a quarterly management fee, payable in advance, of approximately 0.125%, totaling .50% per year. We do not charge our advisory clients an additional fee for assets invested in the WJA Housing Bond Fund.

The WJA Value Equity Fund, LLC pays us a quarterly management fee, payable in advance, of approximately 0.25%, totaling 1% per year. We do not charge our advisory clients an additional advisory fee for assets invested in the WJA Value Equity Fund.

- B. With regard to the payment of advisory fees, in most cases, we deduct our advisory fees directly from the client's custodial account in accordance with the authorization the client has provided. In the circumstance where we bill the client directly, payment is due upon receipt of our invoice.

We generally deduct fees and bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. In addition to our investment advisory fees, clients are responsible for the fees and expenses associated with their investments. The custodians who hold client assets and the broker-dealers who execute securities transactions charge fees and expenses, such as brokerage commissions, transaction fees and custodial fees. Fees and expenses also may include account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third-party fees, deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts

and securities transactions. Certain custodian broker-dealers charge “trade away” fees for securities transactions executed at broker-dealers other than the custodian.

Third-party fees and expenses for which clients are responsible include the fees and expenses of third-party investment managers. Clients will incur, relative to any mutual fund and exchange-traded fund (“ETF”) purchases, charges imposed at the fund level, such as management fees and other fund expenses, that are described in the prospectus for the relevant fund. Clients are encouraged to read each such brochure and prospectus.

- D. Our annual investment advisory fee shall be prorated and paid quarterly based upon the market value of the assets on the last business day of the previous quarter. We generally require an aggregate minimum account asset level of \$1,000,000 for investment management services. However, in our sole discretion, we may reduce or waive this minimum account asset level requirement or charge a different investment management 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, or negotiations with the client.

The *Investment Management Agreement* between us and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Management Agreement*. Upon termination, we shall refund the pro-rated portion of any unearned advisory fee paid based upon the number of days remaining in the billing quarter.

- E. We do not accept compensation for the sale of securities or other investment products. We do obtain products and services provided by broker-dealers based on soft dollars earned in connection with client securities transactions. For additional information, please see our response to Item 12, below.

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

We do not accept performance-based fees.

Item 7 Types of Clients

Our clients generally include individuals, family groups, retirement plans, institutions, trusts, estates and not-for-profit organizations. We generally require a minimum account asset level of \$1,000,000 for investment management services. However, in our sole discretion, we may reduce or waive this minimum account asset level requirement or charge a different investment advisory 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, or negotiations with the client. **Please Note:** As result of the foregoing, similarly-situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Our Chief Compliance Officer, Jeff Schweon, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

- A. We allocate client investment assets primarily among various individual equity securities (stocks), fixed income securities (bonds and bond funds), mutual funds, ETFs and alternative investments (“hedge funds”) on a discretionary and non-discretionary basis in accordance with the client’s designated investment objectives.

Our investment approach generally focuses on long-term growth of client capital through proper asset allocation, growth and value equity management and active fixed-income management. We offer a blend of traditional and alternative investment products that are customized to meet client objectives. Most of our clients are high net worth individuals and related accounts. We review each client’s overall circumstances and investment objectives in determining an appropriate investment approach for that client.

Our investment process is composed of four main elements: asset allocation; equity management; fixed income management; and alternative investments. Our equity approach generally focuses on investing in mid-to-large cap businesses (over \$5 billion market cap) with market leadership, superior financial characteristics and strong management that sell at relatively low price-to-earnings (P/E) or cash flow multiples, known as the growth-at-a-reasonable-price (GARP) strategy. We may also utilize ETFs to gain diversification to specific areas, such as international and small cap equities. We customize portfolios in accordance with client objectives, while managing around low-cost holdings and considering tax efficiency.

Our fixed income strategy concentrates on constructing portfolios of high quality, investment grade, intermediate-term bonds, with the goal of superior risk-adjusted returns. We structure tax efficient portfolios tailored to client preferences and constraints. We capitalize on municipal bond market inefficiencies in an attempt to enhance clients’ returns.

For clients who are interested and financially qualified, we sponsor private investment funds which offer our clients access to investments in distressed debt, fixed income arbitrage, long-short equity and multi-strategy hedge funds with a relatively low initial minimum investment.

Please Note: Investment Risk. *Investing in securities incurs the risk of loss that clients should be prepared to bear.* It should not be assumed that the future performance of any specific investment or investment strategy we recommend will be profitable or that we will achieve any specific rate of performance.

- B. Equity risk: Investing in equity securities generally involves becoming an owner in the issuer company and participating fully in its economic risks. The value of

equity securities generally varies with the performance of the issuer and movements in the equity markets. As a result, clients may suffer losses if they invest in equity instruments of issuers whose performance diverges from the Firm's expectations or if equity markets generally move in a single direction.

Fixed income risk: An issuer of bonds has agreed to return the face value of the security to the holder at maturity. Most bonds pay investors a fixed rate of interest income. While bonds are generally considered more conservative than equity investments, they carry risks that include the risk that the issuer will default on payment of principal, fluctuation in interest rates, inflation and counterparties' inability to meet contractual obligations.

ETF risks: An ETF's risks include declines in the value of the securities held by the ETF, adverse developments in the industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark, and trading at a premium or discount, meaning the difference between the ETF's market price and net asset value (NAV). While ETFs may provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (*i.e.*, borrow money), or concentrate in a particular type of security rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values, and there is no guarantee this relationship will resolve itself. ETFs also are subject to the individual risks described in their prospectus.

Concentration risk: We generally invest client assets in a portfolio of approximately 25 securities. Although we strive to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, portfolio positions may be of sufficient size that a loss in a single position could comprise a significant loss to the client's portfolio. In addition, diversification is not always successful in reducing correlation among asset classes and does not eliminate the risk of loss.

Private Investment Funds:

Private investment funds generally involve various risk factors, including, but not limited to, the potential for complete loss of principal, risks associated with the use of leverage, and liquidity constraints. Unlike other, more liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing.

The Series Funds rely on the skill of the manager of the underlying fund in which they invest. The Firm will conduct due diligence of such managers, but such recommendations rely, to a great extent, on the independent managers' ability to successfully implement its investment strategy. In addition, we do not have the ability to supervise the independent managers on a day-to-day basis.

We urge clients to carefully review the complete discussion of risk factors set forth in the private offering memorandum for the relevant fund we recommend.

Master Limited Partnerships:

Investments in master limited partnerships (“MLP”) are generally subject to many of the risks that apply to investments in partnerships, such as limited control and limited voting rights and fewer corporate protections than afforded investors in a corporation. MLPs that concentrate in a particular industry or region are subject to risks associated with such industry or region. Investing in MLPs also involves certain risks related to investing in the underlying assets of the MLPs and risks associated with pooled investment vehicles, such as adverse economic conditions, an increase in the market price of the underlying commodity, higher taxes or other regulatory actions that increase costs, a shift in consumer demand, or conflicts of interest with the general partner. The benefit derived from the Fund’s investment in MLPs is largely dependent on the MLPs being treated as partnerships for federal income tax purposes, so any change to this status would adversely affect its value.

Cybersecurity

The computer systems, networks and devices used by Williams Jones and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9 Disciplinary Information

We have not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. We are not registered, nor do we have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. In addition to the information discussed in Item 8.C above, as noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because Williams Jones is an indirect, wholly-owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of Williams Jones. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business. Williams Jones does not believe the Focus Partnership presents a conflict of interest with our clients. Williams Jones has no business relationship with other Focus Partners that is material to its advisory business or to its clients.
- D. We do not receive compensation from any third-party investment advisors.

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

- A. In accordance with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, we have adopted a Code of Ethics requiring our firm and its employees to operate at the highest level of ethical standards, in keeping with their fiduciary duties and compliance with all applicable laws, and to address certain potential conflicts of interest. Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions for review by our Chief Compliance Officer. A copy of our Code of Ethics is available to any client or prospect upon request.
- B. As disclosed above, we recommend that certain clients invest a portion of their assets in private investment funds that we sponsor or manage. This is a potential conflict of interest; however, clients pay us only a single layer of fees, either at the advisory client level or at the fund level, when making such investments.

Our Chief Compliance Officer, Jeff Schweon, is available to address any questions regarding this potential conflict of interest.

- C. We permit our employees to invest in the same securities as clients. This practice may create a situation where our employees are in a position to benefit materially

from the sale or purchase of those securities. We address this potential conflict of interest by requiring our employees to place personal securities transactions through our firm's head trader. Our firm's head trader seeks to place employee securities transactions in a manner that will not disadvantage our firm's advisory clients. In addition, our Code of Ethics requires employees to report their personal securities transactions.

D. Please see our response to Item C., above.

Item 12 Brokerage Practices

- A. For us to provide portfolio management services to clients, clients must first engage a qualified custodian to hold their assets and give us discretionary or nondiscretionary authority to trade their assets. In the event that a client asks us for a recommendation, we typically recommend the services of *Charles Schwab, Fiduciary Trust, State Street, Morgan Stanley, or BNY Mellon Pershing*.

Factors that we consider in recommending the above-referenced entities (or in evaluating any other broker-dealer or custodian to clients) include their historical relationship with us, financial strength, reputation, execution capabilities, pricing, efficiency, technology, research and service.

A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission or transaction fee is reasonable. In evaluating broker execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, efficiency, technological capabilities, commission rates and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

1. Research and Additional Benefits; Soft Dollars. We have arrangements with certain broker-dealers (for example, *Cowen, Nomura, Schwab, Barclays Capital, Sanford Bernstein, Wells Fargo, Morgan Stanley, or ISI Securities*) under which we execute securities transactions through the broker-dealers, and in exchange the broker-dealers provide us with research products or services. These arrangements are generally referred to as "soft dollar" arrangements. Soft dollars are a benefit to us because we do not have to pay for the research services we receive through soft dollars. They present a potential conflict of interest because they incentivize us to select brokers who provide us with research rather than those who provide best execution to clients.

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor to money managers who pay more than the lowest possible commission for the execution of securities transactions to broker-dealers who provide research or brokerage services that provide lawful and appropriate assistance to the money manager in meeting its investment decision making responsibilities. In seeking best execution, the determinative factor is not the

lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates and responsiveness. Accordingly, although we will seek competitive rates, we will not necessarily pay the lowest possible rates for client account transactions.

The research we are provided through soft dollar arrangements may include, but is not limited to, analyses pertaining to specific securities, companies or sectors, market, financial and economic studies and forecasts, financial publications, portfolio management systems, and statistical and pricing services. Although the investment research products or services that may be obtained through soft dollars will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Schwab may also from time to time provide us with other services intended to help us manage and further develop our business enterprise, including assistance in the following areas: consulting; publications and presentations; information technology; business succession; and marketing. In addition, *Schwab* may make available or arrange or pay for these types of services provided by independent third parties, including regulatory compliance. For 2019, Schwab has provided us with a \$7,500 allocation to be used for eligible research, marketing, or compliance consulting expenses.

We participate in the institutional advisor program (the "*Program*") offered by *TD Ameritrade*. *TD Ameritrade* is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. *TD Ameritrade* offers independent investment advisers services that include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from *TD Ameritrade* through its participation in the Program. We participate in *TD Ameritrade*'s institutional customer program and we may recommend *TD Ameritrade* to clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice it gives to its clients, although we may receive economic benefits through our participation in the program that are typically not available to *TD Ameritrade* retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. *TD Ameritrade* may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by *TD Ameritrade* through the

program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. As part of our fiduciary duties to our clients, we endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of *TD Ameritrade* for custody and brokerage services.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer or custodian, we can receive from a broker-dealer or custodian, without cost or at a discount, support services or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by us may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance or practice management-related publications, discounted or gratis consulting services, discounted or gratis attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware and software and other products used by us in furtherance of our investment advisory business operations.

Certain of the above support services or products assist us in managing and administering client accounts. Others may not directly provide such assistance, but rather assist us in managing and further developing its business enterprise. There is no corresponding commitment made by us to these entities or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

Our Chief Compliance Officer, Jeff Schweon, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest that such arrangement may create.

2. Please see our response to Item 14.B below.
3. We do not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by us. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive

less favorable net prices, on transactions for the account than would otherwise be the case.

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

- B. When we believe it to be advantageous for clients, we may (but are not obligated to) combine or “bunch” orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day or time period, as appropriate. We will not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. Account reviews are conducted on a periodic basis. Portfolio managers are responsible for reviewing the portfolio(s) of each of their clients. All clients are advised that it remains their responsibility to advise us of any changes in their investment objectives or financial situation. All clients (in person or via telephone or e-mail) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with us on an annual basis.
- B. We may conduct account reviews on other than a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives or financial situation, market corrections, or client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer, custodian, or program sponsor for the client accounts. We may also provide written periodic reports summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As described in Item 12.A.1 above, we receive support services and other economic benefits from broker-dealers. There is no corresponding commitment made by us to any broker-dealer to invest any specific amount or percentage of

client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

- B. We have entered into arrangements with a number of third-party solicitors to compensate them for referring clients to us. Solicitation arrangements contain an inherent conflict of interest because the solicitor is receiving an economic benefit for the recommendation of investment advisory services. Rule 206(4)-3 of the Investment Advisers Act of 1940 (“Cash Solicitation Rule”) is designed to address these requirements. The Cash Solicitation Rule requires, among other things, that solicitation arrangements be subject to a written agreement. In addition, if the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, is required to disclose the nature of the solicitor relationship, and provide each prospective client with a copy of our written Brochure and a copy of the written disclosure statement from the solicitor to the client that describes the terms of the solicitation arrangement between us and the solicitor, including the compensation to be received by the solicitor.

Schwab Advisor Network®. We receive client referrals from Schwab through our participation in Schwab Advisor Network® (“the Service”). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for our management of clients’ portfolios or our other advice or services. We pay Schwab fees to receive client referrals through the Service. Our participation in the Service may raise potential conflicts of interest described below.

We pay Schwab a participation fee (the “Participation Fee”) on all referred clients’ accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by us is a percentage of the fees the client owes to us or a percentage of the value of the assets in the client’s account, subject to a minimum Participation Fee. We pay Schwab the Participation Fee for so long as the referred client’s account remains in custody at Schwab. The Participation Fee is billed to us quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by us and not by the client. **We have agreed not to charge clients referred through the Service fees or costs greater than the fees or costs we charge clients with similar portfolios who were not referred through the Service.**

We generally pay Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from, Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, we will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of our clients who were referred by Schwab and those referred clients’

family members living in the same household. Thus, we will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our fees directly from the accounts.

For accounts of our clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. We nevertheless acknowledge its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for our other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Williams Jones's parent company is Focus Financial Partners, LLC ("Focus LLC"). From time to time, Focus LLC holds partnership meetings and other industry and best-practices conferences, which typically include Williams Jones, other Focus Partners and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus Partners, including Williams Jones. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus Partners, including Williams Jones. Although the participation of Focus Partners' personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Williams Jones to focus on those conference sponsors in the course of its duties. Focus LLC attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Williams Jones. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement

The following entities have provided conference sponsorship to Focus LLC in the last year:

Charles Schwab & Co., Inc.
eMoney Advisors, LLC
Envestnet Financial Technologies, Inc.
Fidelity Brokerage Services, LLC
Fidelity Institutional Asset Management LLC
J.P. Morgan Asset Management
Orion Advisor Services, LLC

Item 15 Custody

We generally direct the client's custodian to debit our advisory fee from client accounts on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the custodian for the client accounts. We also provide written periodic reports summarizing account activity and performance.

To the extent that we provide clients with periodic account statements or reports, the client is urged to compare any statement or report we provide with the account statements received from the account custodian and to report any suspected errors to us and to the account custodian. The account custodian does not verify the accuracy of our advisory fee calculation.

We are deemed to have legal custody over the private investment funds we sponsor or manage. We obtain a financial statement audit for such funds, or if the fund is not capable of being audited, we will include such fund(s) in our annual surprise audit examinations discussed below.

Our portfolio managers serve as trustee for certain accounts of advisory clients and are deemed to have legal custody over such accounts. In addition, our accounts generally are subject to standing instructions at the client's account custodian that authorize us to effect transfers from the account without requiring the client's signature to authorize the transaction. We have engaged a certified public accountant to perform annual surprise examinations of said trust accounts on or prior to December 31 of each calendar year.

Item 16 Investment Discretion

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

Clients who engage us on a discretionary basis may, at any time, impose reasonable restrictions, **in writing**, on our discretionary authority (*i.e.*, limit the types or amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, or limit or proscribe our use of margin). However, we reserve the right, in our sole discretion, to reject any such restrictions.

Item 17 Voting Client Securities

- A. We do not generally vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other types of events pertaining to the client's investment assets. Notwithstanding the foregoing, for those clients who wish for us to vote their proxies, we have retained the services of Broadridge Information Security/ProxyEdge and ProxyTrust to assist with this effort. We bear the cost of such service.
- B. Clients will receive their proxies or other solicitations directly from their custodians. Clients may contact us to discuss any questions they may have with respect to a particular solicitation.

Class Action Litigation Filing Service. We have retained the services of Chicago Clearing Corporation ("CCC") to assist with the proliferation of securities class action litigation and the complexities of the claim filing process. CCC's sole business is securing class action claims. CCC monitors each claim that a client may have, collects the applicable trade history and documentation (beneficial owner name and tax identification), interprets the terms of each settlement, files the appropriate claim form, interacts with the administrators and distributes client's award on its behalf. CCC charges a contingency fee of 15%, which is subtracted from client's award when the award is paid. If a client chooses to participate in this service, the client will be required to provide private information to CCC to assist with the class action suit research, which information CCC is contractually obligated to keep confidential. Client may opt out of this service pursuant to the Firm's Investment Management Agreement, but, if client does so, neither we nor CCC will monitor any class action suits from which the client may be entitled to awards or process any claim forms on the client's behalf.

Item 18 Financial Information

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

Our Chief Compliance Officer, Jeff Schweon, is available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.