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**FORM ADV PART 2A.  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Altfest Personal Wealth Management. If you have any questions about the contents of this brochure, please contact us at 212-406-0850. 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 Altfest Personal Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Altfest Personal Wealth Management is 18320.**

**Altfest Personal Wealth Management 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.**

***Material Changes***

Form ADV Part 2A, Item 2

Since the last annual filing, dated January 17, 2017, there have been no material changes.

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## ***Advisory Business***

Form ADV Part 2A, Item 4

Altfest Personal Wealth Management's registration was granted by the U.S. Securities and Exchange Commission on February 2, 1983. Lewis Jay Altfest (CRD Number 4029) is President of the firm. Mr. Altfest is beneficial majority owner of the firm. The firm is not publicly owned or traded. As of December 18, 2017, the firm managed, on a discretionary basis, \$1,327,463,743, which represented 2,889 accounts and managed on a nondiscretionary basis \$9,837,633 which represented 70 accounts. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap programs. The firm, on an infrequent basis, effects crossed trades in bonds.

### **Types of Advisory Services**

#### ***Investment Management***

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

#### ***Management of Pooled Investment Vehicles***

Altfest' affiliate Altfest Management, LLC, is the managing member of Altfest Alternative Value Funds, LLC (the "Fund"). The Fund is a Delaware LLC organized in part to facilitate investment in private offerings. Interests in the Fund are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. The Fund currently relies on an exemption from registration under the Investment Company Act of 1940, as amended. Altfest' affiliate has discretionary authority. Altfest does not receive any compensation (outside of its management fee as set forth in the Fund offering agreement) if a client invests in the Fund.

While the Fund is generally Altfest' client, the term "client(s)" sometimes refers to the investors in the Fund. All relevant information, terms and conditions relative to the Fund, including suitability, risk factors and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum, Investor Agreement, and Subscription Agreement (together, the "Offering Documents"), which each investor is required to receive and/or execute prior to being accepted as an investor in the Fund.

Altfest will devote its best efforts with respect to its management of both the Fund and its wealth management and portfolio management client accounts. Given the above discussion relative to the objectives, suitability, risk factors and qualifications for participation in the Fund, Altfest may give advice or take action with respect to the Fund that differs from that it gives for wealth management or portfolio management client accounts that are not invested in the Fund.

### ***Financial Planning***

We provide financial planning services on topics such as retirement planning, cash flow and debt management, work benefits, and estate planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern and will take the below approximate time to complete. A client may select only the areas they wish to cover, they do not have to choose all of the below services:

**College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren, if appropriate.

**Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

**Estate Planning:** This usually provides for ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

**Financial Goals:** Helps clients identifying their financial goals, and planning on how to reach them. Identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how you budget for your goal.

**Investment Analysis:** This may involve providing information on the types of investment vehicles available, employee stock options, investment analysis and strategies, asset selection and portfolio design. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

## *Fees and Compensation*

Form ADV Part 2A, Item 5

The firm's fee structure for new investment management clients are based on client assets are as follows:

- 1% on the first \$3,000,000 annually
- 3/4 of 1% on amounts between \$3,000,001 and \$6,000,000
- 1/2 of 1% on amounts over \$6,000,000

Fees are billed quarterly at one-quarter (1/4) of the above annual rate, payable at the beginning of each quarter. Contracts may be cancelled in writing any time and a pro-rata refund will be made of any unearned or unapplied fees. Firm has a minimum portfolio size of \$1,000,000. Clients may not negotiate fees. For deposits of \$50,000.00 or more received after quarter end, fees are charged a pay rate in accordance with the Firm's stated advisory fee schedule on the subsequent quarter's statement. Withdrawals of \$50,000.00 or more during a quarter are credited to the next quarter's fees. Advisory agreements contain a five (5) day penalty-free right of rescission.

For investment management clients who elect to have assets managed and reported on through account aggregation software, the maximum fee will be 1% per annum.

The fee for pooled investment vehicles managed by Altfest is described in the fund offering documents.

The method of compensation generally arises from continuing management of portfolios as opposed to reviews or investment advice at a fixed point in time or other forms of investment and or financial advice that is rendered.

**For Select Investment Review Clients:** The firm's fee charged currently is \$500 per hour, but may adjust up to \$800 per hour depending on various factors. If the client requests specific investment recommendations, there is a minimum fee of \$3,500. Typically the client pays 50% of the projected fee before service commences and 50% when the recommendations are presented. Services may be terminated at any time and the client billed only for the hours worked to that point.

For clients that are "young professionals", we charge 1.00% on assets with a minimum quarterly fee of \$625.00 for the 1<sup>st</sup> year, then 1.00% on assets with a minimum quarterly fee of \$375.00 after the 1<sup>st</sup> year. This service includes cash flow analysis, investment analysis, investment management, and 401(k) recommendations. If the client wishes to engage Altfest in additional financial planning services, they will be billed at the hourly rate of \$250.00.

We may include mutual funds, exchange traded funds, and private funds in our investment strategies. These securities charge expense ratios/internal management fees, and may charge commissions as well. These charges are in addition to our fee, and we do not receive any portion of these charges. This is called layering of fees.

When a client invests in a private fund where we are the adviser, we do bill the client an advisory fee

in addition to the investment management fee we receive from the fund.

- <sup>1</sup> Years ago, the firm's fee structure for new investment management clients who had established an investment advisory relationship with the firm were based on client assets as follows:

1% on the first \$2,000,000 annually  
3/4 of 1% on amounts between \$2,000,001 and \$5,000,000  
1/2 of 1% on amounts over \$5,000,000

### *Performance-Based Fees and Side-By-Side Management*

Form ADV Part 2A, Item 6

None.

### *Types of Clients*

Form ADV Part 2A, Item 7

Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations, private funds, and other business entities.

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

Form ADV Part 2A, Item 8

#### *Methods of Analysis*

Our primary methods of investment analysis are fundamental, technical, and cyclical analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

## *Investment Strategies*

Investment strategies would be long term purchases and short term purchases.

## *Material Risks Involved*

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investments or securities. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Credit Risk:** An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

**Liquidity Risk:** The risk that a given security or asset cannot be traded quickly enough in the market



to prevent a loss (or make the required profit).

### *Risks Associated with Securities*

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Foreign Securities** typically involves more risks than investing in U.S. securities, and includes risks associated with: political and economic developments - the political, economic and social structures of some foreign countries may be less stable and more volatile than those in the U.S.; trading practices - government supervision and regulation of foreign securities and currency markets, trading systems and brokers may be less than in the U.S.; availability of information - foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; limited markets - the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and currency exchange rate fluctuations and policies. The risks of foreign investments may be greater in developing or emerging market countries.

**High-Yield Debt Securities** Issuers of lower-rated or "high-yield" debt securities are not as strong financially as those issuing higher credit quality debt securities. These issuers are more likely to encounter financial difficulties and are more vulnerable to changes in the relevant economy, such as a recession or a sustained period of rising interest rates, that could affect their ability to make interest and principal payments when due. The prices of high-yield debt securities generally fluctuate more than those of higher credit quality. High-yield debt securities are generally more illiquid (harder to sell) and harder to value.

**Mutual Funds** involve risk, including loss of some or all principal. An investor should consider the investment objectives, risks, charges and expenses of the Mutual Fund carefully before investing. The prospectuses for the Mutual Funds may be downloaded from the SEC's website.

**Private Funds** carry market risk along with liquidity risks. You should not invest in a Private Fund unless you have no need for liquidity with respect to the investment, you are fully able to bear the financial risks of the investment for an indefinite period of time and you are fully able to sustain the possible loss of the entire investment. You should consider an investment in a Private Fund as a long-term investment that is appropriate only for a portion of your overall portfolio. The decision to invest is at the sole discretion of the client.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

No disciplinary information on file.

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

Form ADV Part 2A, Item 10

We serve as the investment manager to the Altfest Alternative Value Fund I, LLC and our affiliate, Altfest Management, LLC, serves as the Managing Member of the Fund. The Fund invests primarily in other private funds (including private equity funds and hedge funds) that focus on alternative asset classes and alternative investment strategies that the Investment Manager believes offer attractive risk-adjusted returns, and publicly traded securities that the managing member of the fund views as opportunistic. The Fund may also allocate assets to other investment managers employing investment strategies which it believes are attractive. This Fund may invest in strategies similar to those offered by Altfest Personal Wealth Management, however it may invest in strategies and securities not available to all clients. Some of Altfest Personal Wealth Management employees and owner might choose to have an investment interest in the Fund and if so we take steps to avoid or mitigate these potential conflicts.

Altfest will devote its best efforts with respect to its management of both the Fund and its wealth management and portfolio management client accounts. Given the above discussion relative to the objectives, suitability, risk factors and qualifications for participation in the Fund, Altfest may give advice or take action with respect to the Fund that differs from that it gives for wealth management or portfolio management client accounts that are not invested in the Fund. To the extent that a particular investment is suitable for both the Fund and certain wealth management and/or portfolio management accounts, Altfest will allocate such investments between the Fund and the wealth management and/or portfolio management accounts pro rata based on the assets under management or in some other manner which Altfest determines is fair and equitable under the circumstances to all of its clients.

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

Form ADV Part 2A, Item 11

The firm has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and required compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request. Firm or a related person thereof may buy or sell for itself, himself or herself securities that are also recommended to clients. Full disclosure would be made of any conflict of interest situation.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

Seeking best execution is an important aspect of every trade that we place in a client account. In choosing brokers and dealers, we are not required to consider any particular criteria. We will seek to obtain the best combination of brokerage expenses and execution quality for client transactions, but, we are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. In evaluating "execution quality," historical net prices (after markups, markdowns or other transaction related compensation) on other transactions will usually be a principal factor, but other factors will also be relevant, including the execution, clearance, and settlement and error correction capabilities of the broker or dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker's or dealer's willingness to commit capital; its reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; and the market for the security.

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

We do not receive benefits from broker/dealers that are often referred to in the industry as soft dollar benefits. When a firm uses client brokerage commissions to obtain these benefits, it is receiving an added benefit in that it does not need to produce or pay for the benefits that it receives. This leads an Adviser to have an incentive to select or recommend a broker-dealer based on our interest in receiving those benefits, rather than on our client's receiving most favorable execution.

Firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an unaffiliated SEC-registered broker-dealer and FINRA a member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Firm receives some benefits from TD Ameritrade through its participation in the program.

Firm participates in Charles Schwab & Co.'s Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if Firm did not give investment advice to clients. 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 advisor participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Firm may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc., a registered broker-dealer, Member SIPC/NYSE/NFA, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides Firm

with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the Firm's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investments. Schwab Institutional also makes available to Firm other products and services that benefit Firm but may not benefit its clients' accounts. Some of these other products and services assist Firm in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Firm's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Firm's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Firm with other services intended to help Firm manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Firm by independent third-parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Firm. The availability to Firm of the foregoing products and services is not contingent upon Firm committing to Schwab Institutional any specific amount of business (assets in custody or trading). Clients should be aware, however, that the receipt of economic benefits by Firm [or its related person] in and of itself creates a potential conflict of interest and may indirectly influence Firm's choice of Charles Schwab & Co. for custody and brokerage services.

The benefits received through participation in the SI program do not depend upon the amount of transactions directed to Charles Schwab & Co., Inc.

As disclosed, Firm participates in TD Ameritrade's institutional customer program and Firm may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Firm's participation in the program and the investment advice it gives to its clients, although Firm receives economic benefits through its participation in the program that are not typically 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 advisor 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, technology, and practice management products or services provided to Firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Firm but may not benefit its Client accounts. These products or services may assist Firm in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Firm manage and

further develop its business enterprise. These benefits received by Firm [or its related persons] do not depend on the amount of brokerage transactions directed to TD Ameritrade.

The Firm believes that TD Ameritrade provides favorable execution, pricing, and other benefits for clients. Clients should be aware, however, that the receipt of economic benefits by Firm [or its related person] in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of TD Ameritrade for custody and brokerage services.

In selecting TD Ameritrade as the broker and custodian for certain of its current and future client accounts, Firm takes into consideration its arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade's automatic portfolio rebalancing service for advisors known as "iRebal". The standard iRebal annual license fee applicable to Firm is \$20,000. That fee is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the TD Ameritrade platform will bring fee reduction of up to \$20,000 per year for each of as many as three years or more.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute "plan assets" of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If Firm does not maintain the relevant level of taxable assets on the TD Ameritrade platform, Firm may be required to make a penalty fee payment to TD Ameritrade calculated on the basis of the shortfall.

Although Firm believes that the products and services offered by TD Ameritrade are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect Firm's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for client accounts.

### ***Review of Accounts***

Form ADV Part 2A, Item 13

With respect to investment supervisory service activity, ongoing and continuous monitoring of client portfolios shall be undertaken. Ongoing reviews to ensure portfolios are aligned with targets established for a client shall be conducted by various professionals at the firm assigned to individual clients. Portfolio rebalancing software is also utilized towards this end. Investment selection/elimination is made by the firm's investment committee.

With respect to advisory clients who have received a financial plan, in many cases an annual review shall be encouraged. Such review is typically provided by Lewis Altfest, Paul Palazzo or a senior member of the staff. Performance reports are sent to fee paying clients quarterly. Performance is also reviewed in client meetings.

## *Client Referrals and Other Compensation*

Form ADV Part 2A, Item 14

Advisor may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect (the “referral program”). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between them. TD Ameritrade has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor’s management of client portfolios or Advisor’s other advice or services. Advisor pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Advisor (“Solicitation Fee”). Advisor will also pay TD AMERITRADE the Solicitation Fee on any advisory fees received by Advisor from any of a referred client’s family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Advisor on the recommendation of such referred client. Advisor will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Advisor’s participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Advisor has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Advisor’s participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

We have referral fee arrangements with unaffiliated persons that comply with Rule 206(4)-3 and Rule 206(4)-5 requirements under the Investment Advisers Act of 1940.

Associates of the firm are compensated for business development.



### *Custody*

Form ADV Part 2A, Item 15

We have authority to debit fees directly from client accounts. Our client assets are held with broker/dealers, banks, or other qualified custodians. Clients should receive at least quarterly statements from their qualified custodian. We urge clients to carefully review such statements and compare the official custodial records to the account statements that we may provide to them. The information in our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Private Funds**

We are deemed to have custody of the funds and securities of Private Funds in which we serve as Investment Manager when our affiliate serves as a managing member. We and our affiliates do not physically hold the funds or securities of such Private Funds; and the funds and securities of such Private Funds are not held or registered in our name or in the name of any of our affiliates.

We undertake to deliver to the investors/participants in such Private Funds, within 180 days after the end of the fiscal year of the relevant Fund, financial statements that are prepared in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and such financial statements are audited by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

### *Investment Discretion*

Form ADV Part 2A, Item 16

Firm has limited discretionary authority provided to it by advisory clients through the signing of a "Limited Power of Attorney".

### *Voting Client Securities*

Form ADV Part 2A, Item 17

The general policy of the firm is to not vote proxy statements on behalf of clients.

### *Financial Information*

Form ADV Part 2A, Item 18

The firm does not receive fees more than six months in advance.