

Form ADV Part IIA

NWF Advisory Services, Inc.

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This brochure provides information about the qualifications and business practices of NWF Advisory Services, Inc. If you have any questions about the contents of this brochure, please contact us at (310) 475-5854. 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 NWF Advisory Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

There were no material changes since our last annual amendment, dated March 2010, other than changes made to conform to the new disclosure requirements required under the new Part 2A of Form ADV.

ITEM 3 TABLE OF CONTENTS

ITEM 1: COVER PAGE.....	1
ITEM 2: MATERIAL CHANGES.....	2
ITEM 3 TABLE OF CONTENTS	3
ITEM 4: ADVISORY BUSINESS.....	4
VISION2020 ADVISOR PROGRAM	4
MANAGED ASSETS PROGRAM	4
THIRD PARTY ADVISORY SERVICES	5
RETIREMENT PLAN CONSULTING SERVICES.....	6
RASA 044 ACCOUNTS	6
FLEX ACCOUNTS	6
FINANCIAL PLANNING	7
ITEM 5: FEES AND COMPENSATION	7
VISION2020 ADVISOR PROGRAM	7
MANAGED ASSETS PROGRAM	8
RETIREMENT PLAN CONSULTING SERVICES.....	8
RASA 044 ACCOUNTS	9
FLEX ACCOUNTS	9
THIRD PARTY ADVISORY SERVICES	10
FINANCIAL PLANNING	10
ADDITIONAL FEES AND EXPENSES	11
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	12
ITEM 7: TYPES OF CLIENTS	12
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	13
METHODS OF ANALYSIS.....	13
INVESTMENT STRATEGIES	14
ASSOCIATED RISKS	14
ITEM 9: DISCIPLINARY INFORMATION	16
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	16
ITEM 11: CODE OF ETHICS.....	17
ITEM 12: BROKERAGE PRACTICES	17
ITEM 13: REVIEW OF ACCOUNTS	18
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....	18
ITEM 15: CUSTODY	19
ITEM 16: INVESTMENT DISCRETION	19
ITEM 17: VOTING CLIENT SECURITIES	20
ITEM 18: FINANCIAL INFORMATION	20
ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	20

ITEM 4: ADVISORY BUSINESS

NWF Advisory Services, Inc. (“we”, “our”, “us”) has been an independent registered investment advisor since 1986. We have built a strong reputation within the Financial Services Industry through our open-architecture model and commitment to technology and service.

We are registered as an Investment Adviser with the Securities and Exchange Commission (“SEC”), SEC File No. 801-55681, in order to offer investment advisory products and services to our advisory clients (“you”). Such services are offered through certain Financial Advisers (“FAs”) who have registered as our Investment Adviser Representatives (“Advisory Representative”).

We have been an SEC registered Investment Adviser since 1998 and manage, as of 12/31/10 \$191,906,535 of assets on a discretionary basis and \$67,524,335 on a non-discretionary basis.

We are owned by Shehab Mohammad.

Each of our Advisory Representatives may offer all or any combination of the advisory programs described below to our clients (“you”).

VISION2020 ADVISOR PROGRAM

We offer the VISION2020 Advisor Program (“V2A”) which provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing.

V2A provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire (“Questionnaire”) and/or discussions that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, and/or variable annuity sub-accounts (certain restrictions may apply) or other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further V2A details, please see the V2A Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in V2A. Please read it thoroughly before investing.

MANAGED ASSETS PROGRAM

The Managed Assets Program (“MAP Program”) is an investment management program that provides you with access to multiple managers who provide investment advice to you on portfolios consisting of individual stocks, bonds, exchange traded and mutual funds.

You can choose a variety of investment managers across asset classes and investment styles for a complete asset allocation strategy or seek an investment manager for a single asset class. More specifically, you will generally choose from the following three options:

- The Single Asset Category Proposal allows you to select investments in a single asset class either by asset class (e.g. US Large Cap Equity) or by investment style (e.g. US Large Cap Growth Equity).
- The Asset Allocation Proposal which allows you to allocate your investments across multiple asset classes and investment styles using multiple brokerage accounts.
- The Diversified Multi-Strategy Portfolio Proposal which allows you to allocate your investments across multiple asset classes and investment styles using a single brokerage account.

In addition, you have the opportunity to place reasonable restrictions on investments held within your MAP Program account.

For further MAP Program details, please see the MAP Program Wrap Fee Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.

THIRD PARTY ADVISORY SERVICES

We offer our clients the services of various third party investment advisors ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

In connection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: i) our assessment of a particular Third-Party Advisory Service; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Advisory Service and us for our participation in the investment programs. However, when using the services of Third-Party Advisory Services directly, you do not receive our expertise in developing an investment strategy, selecting a Third-Party Advisory Service, monitoring the performance of your account and changing a Third-Party Advisory Service provider when appropriate.

RETIREMENT PLAN CONSULTING SERVICES

We offer retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor (the “Company”) in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following:

1. Strategic Planning and Investment Policy Development/Review.
2. Plan Review.
3. Plan Fee and Cost Review.
4. Acting As Third Party Service Provider Liaison.
5. Assessment of Plan Investments and Investment Options.
6. Plan Participant Education and Communication.

The Company may also engage us to provide the following additional services, for separate compensation:

1. Review of Executive Benefits.
2. Assist With Plan Conversion.
3. Merger and Acquisition Assistance.
4. Assist With Corrective Actions to Comply With Applicable Regulations.
5. Coordination with Other Advisers.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a fiduciary capacity with respect to some of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

RASA 044 ACCOUNTS

We offer RASA 044 Accounts (“RASA”) as a non-commissionable advisory account where we can purchase load waived and no-load mutual funds and other equity, debt and option securities for you. Our Advisory Representative will obtain the relevant financial data from you and assist you in the selection of suitable investments. We will base our investment strategy on your specific goals and situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your RASA account.

FLEX ACCOUNTS

We offer Flex Accounts (“Flex”) as a non-commissionable advisory account where we can purchase load waived and no-load mutual funds and other equity, debt and option securities

for you. Our Advisory Representative will obtain the relevant financial data from you and assist you in the selection of suitable investments. We will base our investment strategy on your specific goals and situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your Flex account.

FINANCIAL PLANNING

We provide a variety of financial planning services to you regarding the management of your financial resources, based upon an analysis of your needs. Generally, such financial planning services will involve preparing a financial program for you based on your financial circumstances and objectives. This information typically covers present and anticipated assets and liabilities, including insurance, savings, investments and anticipated retirement or other employee benefits.

In addition to modular planning, we offer three (3) levels of financial plan designs to you. These levels are differentiated according to the scope of study and analyses contained therein and are intended to effectively address your situation. The BASIC design is a computerized study focusing on strategies for saving, asset accumulation and risk management planning in the early and/or intermediate stages of financial growth. The INTERMEDIATE design is broader in scope and includes more extensive analysis and recommendations in the areas of estate, insurance, tax, and investment planning. The ADVANCED design, which is suitable for the most complex situations, enlarges the scope of the INTERMEDIATE study to include planning for business interests as well as tax and investment planning for clients with higher income and/or more substantial holdings.

Our financial planning typically includes general recommendations for a course of activity or specific actions that you should take. For example, recommendations may be made that the Clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or to invest funds in certain securities.

Other financial planning services that we may provide include ongoing financial counseling, account review, securities research and other advisory services related to investments.

Financial planning services to be provided to you will be outlined on the client agreement that you sign with us.

ITEM 5: FEES AND COMPENSATION

VISION2020 ADVISOR PROGRAM

We offer V2A as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see the V2A Wrap Fee Program Brochure for a complete list of transaction charges.

We also offer V2A as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Each of our Advisory Representatives negotiates their own account fee schedule. Additional, ancillary V2A fees may apply. For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the V2A Wrap Fee Program Brochure.

MANAGED ASSETS PROGRAM

We offer the MAP Program as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Each of our Advisory Representatives negotiates their own account fee schedule. Additional, ancillary MAP fees may apply. For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the MAP Program Wrap Fee Brochure.

RETIREMENT PLAN CONSULTING SERVICES

Each of our Advisory Representatives will determine whether to bill the Company for Retirement Plan Consulting Services at a pre-determined rate, a fixed fee or based upon a percentage of the Plan assets. The exact fee is negotiated in advance of services rendered and is disclosed in the executed written agreement that we sign with the Company. Fees may be billed quarterly in advance or in arrears. In special circumstances other fee paying arrangements may be negotiated.

The Company may terminate the written agreement they signed with us within five days of the execution date without penalty. Thereafter, the written agreement may be terminated by us or the Company at any time upon 60 days' prior written notice. Upon termination, we will deliver a final billing statement for unbilled work performed prior to termination, and the Company will have a period of 30 days within which to deliver payment. If termination occurs after the first five days, our fee will be credited back to the Company on a pro-rata basis for the unused portion of the billing period. When we calculate the credit, we will subtract any unbilled work we performed for the Company prior to termination.

Each of our Advisory Representatives negotiates their own fee schedule based on the fee schedules outlined below:

- **Fixed Fee:** Based on the scope of services agreed upon in engagement, reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors.
Range: \$5,000 - \$100,000
- **Hourly Fee:** Based on estimate of hours needed as provided in engagement (Company must approve in writing hours above original engagement); reasonable in light of geographical location, complexity of engagement, size of Plan, and other relevant factors.
Range: \$50 - \$300 per hour
- **Basis Points:** Based on specific asset levels in Plan at dates provided in the engagement.

Range:	\$0 to \$20,000,000	10-100 bps of AUM
	\$20,000,001 to \$40,000,000	5-50 bps of AUM
	\$40,000,001 and above	3-25 bps of AUM

RASA 044 ACCOUNTS

We offer RASA as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see your client agreement for a complete list of transaction charges.

You will pay a quarterly account fee, in advance or in arrears depending on what you agree to with the Advisory Representative, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

The maximum advisory fee allowed is 2.50%. Each of our Advisory Representatives negotiates their own fee schedule based on the fee schedules outlined below:

<u>Portfolio Value</u>	<u>Advisory Fee (Sample Schedule)</u>
From \$ 0 - \$ 250,000	1.75%
Next \$250,001 - \$500,000	1.50%
Next \$ 500,001 - \$750,000	1.25%
Next \$ 750,001 - \$1,000,000	1.10%
Next \$ 1,000,001 +	1.00%

FLEX ACCOUNTS

We offer Flex as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see your client agreement for a complete list of transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your

account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

The maximum advisory fee allowed is 2.50%. Each of our Advisory Representatives negotiates their own fee schedule based on the fee schedules outlined below:

<u>Portfolio Value</u>	<u>Advisory Fee (Sample Schedule)</u>
From \$ 0 - \$ 250,000	1.75%
Next \$250,001 - \$500,000	1.50%
Next \$ 500,001 - \$750,000	1.25%
Next \$ 750,001 - \$1,000,000	1.10%
Next \$ 1,000,001 +	1.00%

THIRD PARTY ADVISORY SERVICES

Compensation in connection with Third Party Advisory Services generally consists of five elements: i) management fees paid to Third Party Advisory Services; ii) management fees paid to us as outlined below; iii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iv) custody fees; v) revenue sharing compensation paid to Royal Alliance Associates, Inc. (“Royal Alliance”) the securities broker-dealer to which members of our Firm are associated with; and vi) fees paid to Royal Alliance for administrative and supervisory services.

For more complete fee details, please see the applicable Third Party Advisory Service’s disclosure brochures, investment advisory contracts, and account opening documents.

Each of our Advisory Representatives negotiates their own management fee schedule; however management fees charged by the Third Party Advisory Service in connection with their services may not be negotiable. Please see below for our sample fee schedule:

Sample Schedule of Third Party Advisory Services Fees

<u>Portfolio Value</u>	<u>Advisory Fee</u>
From \$ 0 - \$ 249,999	2.00%
Next \$ 250,000- \$499,999	1.90%
Next \$ 500,000 - \$999,999	1.75%
Next \$ 1,000,000 - 1,999,999	1.50%
Next \$ 2,000,000 +	1.25%

FINANCIAL PLANNING

Financial planning services may be charged on an hourly or fixed fee arrangement based upon the fee schedules below and as agreed upon between you and our advisory representative. Fees are negotiable and will vary depending upon the complexity of your situation and services to be provided. Similar financial planning services may be available elsewhere at lower cost to you.

- Fixed or flat fees for a financial plan will range from \$500 - \$1,500 for the BASIC Plan, \$1,500 - \$3,000 for the INTERMEDIATE Plan and start at \$3,000 for the ADVANCED

Plan, depending on the nature and complexity of your circumstances. Fixed fees are payable fifty percent (50%) by client check upon the signing of your Client Agreement and the balance is due upon delivery of the financial plan, unless other terms are agreed to in advance in writing.

- Hourly Fees will range from \$150 - \$350 per hour, depending on the nature and complexity of your circumstances. Hourly fees are payable fifty percent (50%) by client check upon the signing of your Client Agreement and the balance is due upon delivery of the financial plan, unless other terms are agreed to in advance in writing.

The client may terminate the financial plan at any time and a refund of the unearned fees will be made based on the time and effort expended by the Advisory Representative before termination with the exception that a full refund of any fees will be made if the contract is terminated within five (5) business days of the date of the Client Agreement.

When you receive financial planning services you may also purchase securities or insurance products offered through Royal Alliance pursuant to the plan or consultation. Members of our Firm may receive commissions as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our Firm receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Additional Fees and Expenses:

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Regarding Non-Wrap Accounts that we offer you, in addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

Regarding Wrap Accounts that we offer you, you will be charged an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as

disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not applicable. We do not charge performance-based fees.

ITEM 7: TYPES OF CLIENTS

Our Advisory Representatives provide investment advisory services to:

- individuals
- pension and profit sharing plans
- trusts
- estates or charitable organizations
- corporations
- other business entities

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Our minimum account size requirements for opening an account with us are as follows:

Program	Requirements
RASA 044 Accounts	\$50,000
Flex Accounts	\$50,000
VISION2020 Advisor Program	\$50,000 (Non-wrap) \$100,000 (Wrap)
Managed Assets Program	\$100,000 (Single Asset Category) \$100,000 (Diversified Multi-Strategy) \$300,000 (Asset Allocation)
Third Party Advisory Services	Each Third Party Advisory Service that we offer has their own account minimum. Their account minimums are disclosed to you through their own Form ADV and associated paperwork that will be presented to you.
Financial Planning	no minimum
Retirement Plan Consulting	no minimum

All account minimums may be waived in the sole discretion of the Program Sponsor

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our Advisory Representatives may rely on various types of tools and methods to assist in recommending or selecting investment strategies to you, including asset allocation and various types of software. You should note that our advisory services are generally designed for strategic long-term investing. However, short-term tactical investment strategies may also be made available to accommodate certain circumstances. Investment returns are highly dependent on the value of underlying securities which are impacted by trends in the various investment markets. Under the Third Party Advisory Services Program, each third party asset manager will have its own methods of analysis, investment strategies and unique investment risks that should also be reviewed and considered.

Methods of Analysis:

When analyzing investments that may be right for you, we use Fundamental and/or Technical Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and

unemployment may be used to predict the direction of the economy and therefore the stock market. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole. Under the Third Party Advisory Services Program, each third party asset manager will have its own methods of analysis, investment strategies and unique investment risks that should also be reviewed and considered.

Investment Strategies:

Subject to suitability requirements, we generally advise the long-term purchase of stocks, bonds, and mutual funds to our clients. Long-term purchases are typically defined as the purchase of securities held for at least a 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.

However, short-term tactical investment strategies may also be made available to accommodate certain circumstances. 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. There are many factors that can effect 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.

In addition, margin transactions can be utilized. Using margin involves the use of leverage by borrowing money to purchase securities. If the price of the purchased security decreases, you risk losing significantly more money than your initial investment. Further risks are disclosed in the margin agreement you will sign before we engage your account in this activity.

Associated Risks:

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we can not guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

When pursuing our long-term purchases strategy, we are assuming 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. In addition, purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

We generally recommend stocks, bonds, and mutual funds to you.

Investing in **stocks** involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in **bonds** involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Investing in **mutual funds** involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss that you should be prepared to bear.

ITEM 9: DISCIPLINARY INFORMATION

Not applicable. There are no legal or disciplinary events.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

All of our Advisory Representatives that provide advice to you are associated with Royal Alliance as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

In addition to our association with Royal Alliance, we have a Related Persons which is an insurance agency, New World Financial and Insurance Services, Inc ("New World Financial"). Related Persons are defined as entities that we control or control us or are under common control with us. There is no conflict of interest.

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ITEM 11: CODE OF ETHICS

We have adopted a Code of Ethics (the “Code”) to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. To mitigate this conflict, our firm policy prohibits us from receiving a better price on our order, if you and us invest in the same security on the same side of the market on the same day.

ITEM 12: BROKERAGE PRACTICES

We do not engage in any soft dollar practice.

As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance’s clearing relationships with Pershing LLC (“Pershing”). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing’s blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not

consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

ITEM 13: REVIEW OF ACCOUNTS

Each security purchase or sale affected by our Advisory Representative in your Account is monitored for suitability by an appointed supervisor. In addition, our Advisory Representatives periodically review your accounts as needed, but no less than annually. Such review and consultation typically contain, when warranted, advice regarding recommended changes to your investments and recommendations for implementation of proposed changes.

You will receive monthly and/or quarterly account statements and may receive, depending on the advisory program we offer, a quarterly performance report ("QPR"). The QPR will show your accounts performance since inception, as well as, the diversification of the account. The QPR will be provided for Vision2020 Advisor Program, RASA 044 Accounts, and Flex Accounts. The QPR for third party money managers will be sent to you by the third party money manager.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Certain Third Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, Royal Alliance will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee

then we would otherwise charge you in an effort to recoup from you the transaction charges Royal Alliance charges us. We may also have incentive to trade your account less often to lessen our transaction fees or to trade your account with certain securities where Royal Alliance reduces or eliminates the transaction charges (such as the Focus Elite and FundVest Programs mentioned below) to us even if such trading strategies may not always be suitable for your account.

Our Advisory Representatives participate in the Focus Elite and FundVest Programs, provided by Royal Alliance. In these programs, transaction charges for purchasing securities that participate in these programs may be reduced or waived. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

Royal Alliance has provided some of our Advisory Representatives with funding in the form of loans as incentive to establish, maintain or expand our broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of our practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for us to offer advisory services and programs to you that may not be suitable in an effort to achieve specific production levels.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

ITEM 15: CUSTODY

Not applicable, we do not maintain custody of your assets. Your account assets are maintained at Pershing, LLC.

ITEM 16: INVESTMENT DISCRETION

We may manage your accounts on a discretionary or non-discretionary basis. We will only manage your account on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

The following programs may be offered on a discretionary basis: RASA 044 Accounts, Flex Accounts, and Vision 2020 Advisor Program. Upon agreement with the Advisory Representative you can have a RASA 044 Accounts, Flex Accounts, or Vision 2020 Advisor Program account managed on a non-discretionary basis. All accounts with third party advisory services are managed on a non-discretionary basis.

ITEM 17: VOTING CLIENT SECURITIES

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

ITEM 18: FINANCIAL INFORMATION

In certain circumstances our Advisory Representatives may use investment discretion in your account, subject to your approval. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable. We are an SEC registered investment adviser.