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DISCLOSURE BROCHURE (FORM ADV-PART 2A)

3/23/2012

This Disclosure Brochure ("Brochure") provides information about the qualifications and business practices of Aegis Capital, LLC ("Aegis Capital" or the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at 704-895-6133 or 877-771-7325.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Aegis Capital is an investment adviser registered with the SEC. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Aegis Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Aegis Capital's Brochure is a firm disclosure document prepared according to the SEC's new updated Form ADV Part 2 requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous disclosure brochure did not require. This Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

Under new and updated SEC Rules, we will provide and deliver to you a summary of any material changes to this and subsequent Brochures. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with an updated Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting our Compliance Department at 704-895-6133.

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ITEM 4 – ADVISORY BUSINESS**Page 1**

Aegis Capital, LLC ("Aegis Capital", "Advisor" or the "Firm") is an investment adviser providing investment supervisory services and advisory services (the "Services") to individuals and institutions. As of December 2011, Aegis Capital, LLC was involved in a transaction under which John R. Lakian ("Lakian") acquired 100% of the ownership interests of Aegis Capital. Consequently, Lakian the sole controlling owner. Mr. Lakian controls a number of other operating entities whose activities cover different business areas that include asset management and private funds. Following the transaction, Aegis Capital continues to operate as a separate investment advisory firm maintaining all existing investment processes, controls, policies and procedures as well as retaining key staff members.

The Firm, depending upon the engagement, may offer its services on a fee basis which is charged based upon assets under management, fixed fees as agreed to by the Firm and the client, and commissions. Prior to engaging the Firm to provide any of the foregoing Services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its Services (collectively the "Agreement"). Also, the Firm provides both asset allocation and financial planning services. In addition, the Firm may provide its clients with other consultative services (which may include non-securities related matters such as estate planning, variable insurance products, employer sponsored retirement accounts and insurance needs). Aegis Capital offers a wide range of investment advisory services to its Clients. Advice and services are tailored to the suitable investment objectives of our Clients. Except as otherwise instructed, the Client grants Advisor ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Client's investment goals, without the Client's prior approval of each specific transaction. Under this authority, Client shall allow Advisor to purchase and sell securities and instruments in their account, select and retain sub-advisors/separate account managers and act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets. Unless specifically directed otherwise in writing by the Client, Advisor will not receive security issuer's annual reports or vote proxies on issues pertaining to securities held in the account. All transactions in the account shall be made in accordance with the Agreement between the Advisor and the Client as well as any investment guidelines and restrictions provided to the Advisor by the Client. Client will execute instructions regarding Advisor's trading authority as required by each custodian.

In some circumstances, a Client may grant Advisor nondiscretionary authority to execute its investment recommendations. Nondiscretionary authority requires the Advisor to obtain Client's prior approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of subadvisors/separate account managers to the account.

The Firm shall recommend asset allocation strategies to its clients by utilizing certain third party independent investment managers ("Third Party Managers"). The allocation among certain Third Party managers shall be based on each client's own financial situation including stated investment objectives and overall risk tolerance. The terms of the engagement shall be defined by the Agreement between the client and the Firm, and the client and the Third Party Manager. In this type of engagement, the Firm will be receiving a fee (as described below) for continuous monitoring and review of the client accounts. The Firm shall conduct a due diligence review on each Third Party Manager prior to recommending that manager to clients. The due diligence review may include a review of the experience of the managers, performance results, research capabilities, financial strength, regulatory history and management style. Additionally, each recommendation of a Third Party Manager shall be based upon the client's investment objectives.

The Firm offers advice on each type of investment or strategy described in this ADV-Part 2-Brochure (Item 8). However, the Firm intends to primarily provide asset allocation services based on the client's overall financial situation, and in accordance with the investment objectives of the client. Those asset allocation services shall be implemented by recommended Third Party Managers as described above. The Firm does not recommend specific custodian services, and shall not maintain custody of any client assets. Clients are responsible for choosing their independent custodian.

The Firm may only implement its investment supervisory services and/or recommendations after the client has arranged for and furnished the Firm with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, any broker-dealer recommended by the Firm, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "Financial Institution(s)"). The Firm may also provide advice about exchange traded funds (ETFs), Unit Investment Trusts (UITs) and any other type of investment held in a client's portfolio at the beginning of the advisory relationship.

The Firm's clients are advised to promptly notify the Firm if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services. Neither the Firm nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of the Firm shall not be considered an assignment. A copy of the Firm's privacy policy notice and a written disclosure statement that meets the requirements of Rule 2043 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), shall be provided to each client prior to or contemporaneously with the execution of the Agreement. Any client who has not received a copy of the Firm's written disclosure statement at least forty eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate the Firm's services without penalty.

Firm's authority shall not include any responsibilities, duties or obligations relating to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client accounts may be invested from time to time, and Client hereby retains all responsibilities, duties and obligations relating thereto, unless provided otherwise to the Adviser in writing by the Client. Further, the Firm will not be responsible for making any determination regarding any class action lawsuit with respect to the issuers of securities in which the Client may be invested from time to time. The Firm will forward any information it receives regarding a class action suit to the Client.

Advisor will use its best judgment and good faith efforts in rendering services to each Client. Advisor cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Not every investment decision or recommendation made by Advisor will be profitable. Client assumes all market risks involved in the investment of account assets under the Agreement and understands that investment decisions made by the Advisor for the Client's account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, Advisor will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Advisor with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Advisor's adherence to Client's instructions; or (c) any act or failure to act by a custodian of Client's account. The disclosures in this

Form ADV or in any Agreement are not intended to relieve the Advisor of any responsibility or liability Advisor may have under state or federal statutes.

Advisor does not have custody of the assets in the account and shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a brokerdealer.

Assets Under Management/AUM

As of March 23, 2012, Aegis Capital managed approximately \$2.8 million in total AUM.

ITEM 5 – FEES AND COMPENSATION

Aegis Capital, depending upon the engagement, may offer its services on a fee basis which is charged based upon assets under management, fixed fees as agreed to by Aegis Capital and the client, and commissions. Prior to engaging Aegis Capital to provide any of the foregoing Services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and

conditions under which the Firm shall render its Services (collectively the "Agreement"). Compensation to Advisor for its services will be calculated in accordance with the provisions of the Agreement, which may be amended from time to time by Advisor upon 30 days prior written notice to Client. Such fees may be paid directly to Advisor from the account by the custodian upon submission of a report to custodian showing the amount of fees, the value of the Client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account.

In consideration of the Advisor's services, the Client will pay the Advisor a fee quarterly in advance, with payment due within a specified number of days from the date of the invoice. The fee will be equal to the agreed upon rate per annum, times the market value of the account, divided by the number of days in the agreed upon year and multiplied by the number of days in the quarter. The market value will be construed to equal the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of an IMA will be billed or refunded on a prorated basis contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

Standard Fee Schedule (for investment management services):

2.0% on assets up to \$1,000,000

1.5% on assets over \$1,000,000 and up to \$5,000,000

1.0% on assets over \$5,000,000 and up to \$10,000,000

Fees on assets in excess of \$10,000,000 are negotiated.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing "bid" and "asked" prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by the Advisor whose determination shall be conclusive.

Advisor's fees are for investment management services only and may be negotiated under certain circumstances. The Client may also pay execution, custodial and other fees to third parties in connection with transactions in the accounts. These other fees are independent of, and not negotiated by the Advisor except as noted in Item 12(A)(4). All brokerage commissions, stock transfer fees, mutual fund fees and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to Advisor. The Client bears responsibility for verifying the accuracy of fee calculations.

Generally, most clients will experience additional costs when purchasing securities through custodians as follows:

Mutual fund transaction fees: Onetime charge to buy or sell a transactionfee mutual fund – charged by custodian.

Mutual fund operating expenses: Ongoing management fee charged by a mutual fund deducted from client income on that mutual fund.

Prime broker or trade away fees: One time charge to buy or sell a fixed income security through an “executing broker” to be delivered to the custodian for a client’s account.

Managed account advisory fees: Ongoing quarterly advisory fee charged by a separate account manager assigned to manager client assets.

The Firm's financial planning services are generally charged a fixed fee, of which those fees are negotiable, at the Firm's sole discretion. The financial planning fees generally range from \$1,000 to \$5,000 depending on the level and complexity of the financial plan and the client's financial situation. The Firm's asset allocation services are generally billed on a fee basis. If engaged, the Firm shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Firm. The Firm's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. In some cases, as discussed below, the Firm may receive a portion of these commissions, fees, and costs. The Firm's annual fee shall be prorated and charged monthly, in arrears, based upon the market value of the assets on the last day of the previous month. The annual fee shall be 1.5%.

The Third Party Managers and their independent custodians may charge the client fees that are in addition to, and exclusive of the management fee received by the Firm as described above. The Firm shall ensure that each client, prior to receiving a recommendation to invest with a Third Party Manager, shall receive a Disclosure Brochure or Form ADV2 for each manager.

Clients may incur certain charges imposed by the Financial Institution(s) and other third parties such as custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee. The Firm's Agreement and/or the separate agreement with the Financial Institution(s) may authorize the Financial Institution(s) to debit the client's account for the amount of the Firm's fee and to directly remit that management fee to the Firm in accordance with applicable custody rules. The Financial Institution(s), if recommended by the Firm, shall send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Firm.

The client may make additions to and withdrawals from the account at any time, subject to the Firm's right to terminate an account. Clients may withdraw account assets on notice to the Firm, subject to the usual and customary securities settlement procedures. However, the Firm designs its asset allocations strategies as longterm investments and assets withdrawals may impair the achievement of a client's investment objectives. For the initial month of investment supervisory services, the first month's fees shall be calculated on a pro rata basis. The Agreement between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Firm's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner. The Firm may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. Advisor does not have custody of the assets in the account and shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

The Firm, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria, i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, preexisting client, account retention, pro bono activities, etc.

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

Aegis Capital does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

ITEM 7 – TYPES OF CLIENTS

Aegis Capital serves mostly individuals as clients along with a limited number of institutional clients, including:

- Individuals and HNW (HighNetWorth)/Sophisticated Individuals
- Trusts, Estates, and Charitable Organizations
- Corporations and other Business Entities
- Pooled Investment Funds or Vehicles
- Pension and profit sharing plans

Minimum Account Size

Aegis Capital does not generally require or impose a minimum dollar value of assets or other conditions for starting or maintaining an account.

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

For those clients to whom Aegis Capital provides investment supervisory services, each client's asset allocation is developed in a client interview and after careful consideration of the client's risk tolerance, time horizon, liquidity needs and any social/ethical preferences. The Firm monitors client portfolios as part of an ongoing process while regular account reviews are conducted on a monthly basis. Aegis Capital may also recommend asset allocation strategies using independent Third Party Managers that the Firm has chosen as discussed above under Item 4.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment managers are required to disclose all material facts regarding any disciplinary or legal events that would be material to your evaluation of the firm or the integrity of firm's management. Aegis Capital is not currently, and has never been, a party to any legal disciplinary or regulatory action or proceeding, except as disclosed under Item 11.E (4) and its related disclosure reporting page in our current Form ADV-Part 1 (which is publicly available online at www.adviserinfo.sec.gov).

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain individuals affiliated with the Firm may also be affiliated with other broker/dealers and/or insurance companies. The Firm has a relationship with Capital Guardian, LLC, a Charlotte, North Carolina-based broker/dealer registered with FINRA, the SEC and various State Regulatory Agencies. Individuals who are both registered with the Firm and Capital Guardian may sell or recommend investment related products for which they receive a commission. If these investment products fall under the client account at the Firm, the individual making the recommendation may receive both a commission on the sale as well as a portion of the management fee.

Certain individuals affiliated with the Firm may also be affiliated with insurance companies. The Firm has a relationship with Huffman & Associates, an Orlando, Florida-based full services insurance company. Individuals who are registered or affiliated with Huffman & Associates and also with the Firm have the ability

to market and sell life insurance products to Firm clients. Clients should be aware that any purchase/sale of insurance products through individuals registered with the Firm may result in that individual receiving a commission in addition to a portion of the management fee.

Clients must understand that any individual affiliated with the Firm and an outside broker/dealer or insurance company may have a conflict of interest in recommending transactions or strategies. Please consult with your investment advisor representative if you have a concern about a conflict. You may also contact the Firm's compliance department at any time to discuss conflicts of interest.

In addition, Advisor offers Clients the opportunity to invest in three affiliated private funds, each of which is managed fully or partially by an affiliated firm as investment manager and is also exempt from registration under the Investment Company Act of 1940, as amended (the "Act") pursuant to Section 3(c)(1) of the Act: Aegis Capital Fund, LLC ("ACF"), the Aegis Diversified Real Estate Fund, LLC ("ARF") and Aegis Special Opportunities Fund, LLC ("SOF"). The ACF and SOF are managed by Aegis Funds Management, LLC. The ARF is managed by Aegis Real Estate Management LLC, of which Aegis Funds Management, LLC has a 50% ownership interest. In order to invest in these funds, a Client must be an "accredited investor" as defined under the Securities Act of 1933, as amended. Investors may meet the definition by achieving any one of several criteria, including business type (i.e. bank, private business development company, etc.), ownership of assets (i.e. trusts with greater than \$5 million in total assets, individuals with net worth's over \$1 million), income level (i.e. individuals and married couples with incomes of \$200,000 and \$300,000, respectively) or other miscellaneous criteria (i.e. knowledgeable employees of the Advisor and entities whose owners are accredited investors). Advisor will ensure that each of the funds' investors is eligible to invest in the funds. The funds' offering documents specify periods in which investors may exit the funds, and procedures exist to document the process in which capital is returned to exiting investors.

Some fund companies have 30 to 90 day holding periods and will charge a redemption fee if a sell signal is issued within the required holding period. While Aegis Capital attempts to inform the Client's financial representative of mutual funds and variable annuities that charge early redemption fees, it is the responsibility of the Client and their financial representative to determine if early redemptions fees may occur and to attempt to prevent them. Aegis Capital shall have no responsibility for early redemption fees that occur from the normal management of Client's account. Aegis Capital sales representatives are furnished with specific mutual fund restrictions upon request. The Advisor provides no guarantee of exchange execution on the signal receipt date. While the Advisor attempts to move all Clients within 24 hours of a signal, a delay of up to five business days could occur because of factors beyond the control of the Advisor. Such a delay may significantly affect a Client account performance. Aegis Capital assumes no responsibility for losses resulting from such delays. In addition, if a mutual fund places any new restrictions on Client accounts, both the Client and sales representative will be notified.

Aegis Capital has agreements with other investment advisers or institutional/high net worth clients, whereby Aegis Capital sells its advisory services, as consultation services, to the investment advisers or institutional/high net worth clients. Aegis Capital does not execute any exchanges under these agreements. Upon issuing new advisory recommendations, Aegis Capital notifies the investment adviser or institutional/high net worth client of the new recommendations. Aegis Capital also has sub-advisory agreements with other investment advisers to use our advisory programs on a custodial platform. Aegis Capital fees are negotiable under these consultation and sub-advisory agreements.

PLEASE NOTE: Under certain circumstances, Aegis Capital may agree to charge clients of certain sales representatives and/or broker/dealers less than its Standard Fee Schedule or customary rate because of the volume of business referred to, or promised to be referred to Aegis Capital by such sales representatives or broker/dealers. Finally, fees charged to pension plans, retirement plans, and institutional clients may be negotiable. Aegis Capital reserves the right to negotiate fees where there are multiple accounts for one Client or within the same household which may, when consolidated, amount to over a breakpoint. As a concession to their clients, some thirdparty solicitors may offer Aegis Capital advisory services for a reduced representative fee. Such reduction does not impact the fees payable to Aegis Capital by the Client. In addition, Aegis Capital may have agreements with certain broker/dealers or registered investment advisors to manage Client accounts through the broker/dealers' or registered investment advisors custodian at a reduced advisory fee.

Nevertheless, the fees charged by Aegis Capital may be higher than that normally charged in the industry and it is possible that the same, similar or significantly more extensive services may be available from other advisors at lower rates. Clients may purchase fund shares directly without using the Advisor's Programs or other services.

Clients interested in investing in any of the abovereferenced Programs sponsored by or made available through Aegis Capital or a related or unrelated thirdparty can request from Aegis Capital a copy of the investment program brochure or the private fund memorandum, as the case may be, which provides more detailed information on each of the investment programs described herein. Clients are encouraged to review this information before investing.

Affiliations: Potential/Actual Conflicts of Interest

Principals, members/owners, directors or employees of the Adviser are also members/owners, directors or employees of Aegis Capital Funds Management, LLC ("AFM"), which is the fund Manager for the Aegis Capital Fund, LLC and Aegis Special Opportunities Fund, LLC. AFM is a 50% owner of Aegis Real Estate Management LLC, which is the manager of the Aegis Diversified Real Estate Fund, LLC. Some investment advisory representatives are registered representatives of FINRA broker/dealer firms or licensed insurance agents. Approximately 50% of such individuals' time is spent on these other activities.

Some investment advisory representatives (IAREps or "IARs") of the Adviser are also Registered Representatives of FINRA-registered brokerdealer firm, Capital Guardian, LLC (CRD# 137919). These persons may recommend to the Adviser's Clients financial products distributed or managed by this broker-dealer.

As disclosed above, officers, members, directors or employees of the Adviser are also officers, members/owners, directors or employees of AFM. In order to invest in funds sponsored or managed by this company, a Client must be an "accredited investor" as defined under the Securities Act of 1933. Clients of Advisor are solicited to invest in either one of the aforementioned funds based on the suitability of the fund to Client taking into account the Client's investment goals and objectives. Please see "Other Business Activities" above regarding AFM, AFP, and Pangea.

Advisor, employees or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for its Clients. In all instances, where appropriate the Advisor will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for his own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's Clients.

When the Advisor is newly engaged by an investment advisory Client for whom it expects to recommend securities in which Advisor or its principal holds a position, Advisor will notify the new Client of its policies in respect to officers trading for their own account.

Advisor will disclose to advisory Clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Advisor may execute transactions with broker-dealers that pay a portion of fees to Advisor's principals. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the "best execution" discussed below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

For a discussion of additional related disclosures, please refer to Items 12 and 14 below.

ITEM 11 – CODE OF ETHICS

Aegis Capital has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Reporting of internal violations is mandatory. Pursuant to the Code, all employees are required to pre-clear personal securities transactions, observe the holding period and other restrictions stipulated in the Code. All employees are also required to ensure that the Adviser receives duplicate personal securities accounts statements and confirmations with respect to all accounts held with external broker-dealers. The Advisor's chief compliance officer regularly evaluates employee performance to ensure compliance with the code of ethics.

A copy of the code of ethics is available to any client or prospective client upon verbal or written request.

ITEM 12 – BROKERAGE PRACTICES

Except to the extent that the Client directs otherwise, the Advisor may use its discretion in recommending a broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. In recommending broker-dealers, Advisor will generally seek “best execution.” In recommending a broker-dealer, the Advisor will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as (a) price, (b) the broker-dealer’s facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, (d) the research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors the Advisor considers to be relevant.

Recommending a broker dealer can create a conflict of interest. Accordingly Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1 A Director, officer, associated person, or employee of Advisor shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public or reasonable inquiry. No person of Advisor shall prefer his or her own interest to that of the advisory Client;
- 2 Advisor maintains a list of all securities holdings for itself and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Advisor;
- 3 Advisor emphasizes the unrestricted right of the Client to decline to implement any advice rendered, except in situations where Advisor has been granted discretionary authority over the Client’s account;
- 4 Advisor emphasizes the unrestricted right of the Client to select and choose any broker or dealer, and/or insurance company he/she wishes; and
- 5 Advisor requires that all associated individuals act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

Directed Brokerage

Certain clients may direct Aegis Capital to use specified brokers for executing transactions in their accounts. To the extent brokerage transactions are placed with particular brokers as directed by a client or under the terms of third-party wrap programs, Aegis Capital’s ability to negotiate commissions, aggregate client orders and seek execution of transactions as efficiently as possible and at the best price, may be limited or eliminated. Clients who direct Aegis Capital to use particular brokers may pay

higher commissions than those who do not. Aegis Capital does not use brokerage from another client account to pay for a product or service purchased under these client-directed brokerage arrangements. To the extent that Aegis Capital's clients' directed brokerage is not available to support soft dollar arrangements, clients who give Aegis Capital brokerage discretion will support a disproportionate share of Aegis Capital's soft dollar arrangements.

For a discussion of additional related disclosures, please refer to Items 10 above and Item 14 below.

ITEM 13 – REVIEW OF ACCOUNTS

For those clients to whom the Firm provides investment supervisory services, each client's asset allocation is developed in a client interview and after careful consideration of the client's risk tolerance, time horizon, liquidity needs and any social/ethical preferences. The Firm monitors client portfolios as part of an ongoing process while regular account reviews are conducted on a monthly basis.

Reviews are conducted by the Firm's compliance staff based on criteria outlined in the Firm's Policies and Procedures. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Firm and to keep the Firm informed of any changes thereto. The Firm shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the independent custodian holding the assets for the client accounts. Those clients to whom the Firm provides investment supervisory services may also receive a report from the Firm that may include such relevant account and/or market-related information such as portfolio attribute reports including an inventory of account holdings and account performance on a monthly or quarterly basis.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Aegis Capital may enter into arrangements with persons whereby Aegis Capital would pay a portion of the advisory fees received from clients to the persons responsible for soliciting the clients' business. The clients will be informed of the amount of solicitation fees to be paid and will be provided with all disclosures required pursuant to the regulations under the Advisers Act and governing SEC rules.

Pursuant to Rule 206(4)3 of the Investment Adviser Act of 1940, Advisor has agreements in place with

some independent contractors to solicit, find and refer clients to Advisor, which the solicitor deems to be suitable and appropriate to services rendered by the Advisor. As compensation for these solicitation services, the solicitor is paid a percentage of investment advisory fees received by the Advisor from any referred Client. The Advisor requires all solicitors to perform their responsibilities in accordance with the instructions of the Act, including Rule 206(4)3. Agreements between the Advisor and Solicitor can be terminated by either party upon written notice or upon mutual agreement. Specific terms and fees are disclosed in the Advisor's Client Advisory Agreement and/or in a separate written notice or statement.

Additionally, Advisor may execute transactions with broker-dealers that provide research and execution services. Such transactions are typically called "soft dollar arrangements." In compliance with the "safe harbor" provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended, Advisor may pay broker-dealer commissions for security transactions in excess of the amount of commissions charged by other broker-dealers for similar services in recognition of their research, execution or other services.

But for soft dollar arrangements, Advisor would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services, Advisor has an incentive to continue to place client trades through broker-dealers that offer soft dollar arrangements. This interest conflicts with the clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the "best execution" (described above) that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

Advisor may execute transactions with broker-dealers that provide research, seminars and execution services. Subject to Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), Advisor may pay broker-dealer commissions for agency transactions that are in excess of the amount of commissions charged by other broker-dealers in recognition of their research, seminar and execution services. But for soft dollar arrangements, Advisor would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, Advisor has an incentive to continue to place Client trades through broker-dealers that offer soft dollar arrangements. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the "best execution" policy stated above that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

Upon a Client's request, Advisor will make available a description of what the Advisor obtained through soft dollar arrangements the names of the broker-dealers providing those fees, products or services, the amount of commissions generated for the requesting Client's account, and other information regarding the use of the particular broker-dealer.

Also, the Advisor may receive referral fees, rebates and other payments from brokers and investment advisory firms for investing Clients' assets with the particular broker or investment advisory firm. Advisor has entered into a solicitors agreement with Cox Springer Financial Advisors, a Texas based registered investment advisor which compensates Advisor up to 4% per year of fees Cox Springer Financial Advisors collects from client accounts directed to them by Advisor. Advisor has a solicitor's agreement with Summit Global, LP. Advisor is compensated 20% of fees Summit Global, LP collects from client accounts directed to them by the Advisor. The Advisor will promptly disclose to Clients whose assets are transferred of any such arrangements and, if changes occur, provide additional disclosures regarding the arrangements. Advisor has a solicitor agreement with Clark Capital Management Group LLC, whereby the Advisor, as solicitor, may provide referrals to Clark Capital, an SEC Registered Investment Advisor. Clark Capital acts as the primary investment advisor and overlay manager for Navigator Unified Solutions, a privately managed private equity fund. The amount of solicitor fees is related to the net asset value of the account. For accounts with assets less than \$1million, solicitor typically charges from .30% to 1.25%. For accounts with assets between \$1 million and \$3 million, the range of fees is .25% to 1.00%. For accounts with assets valued above \$3 million, the range of fees is .25% to .75%. All solicitor fees charged are in addition to those fees charged by Clark Capital and all this fee is disclosed to the Client at the inception of the relationship.

For discussion of additional related disclosures, please refer to Items 10 and 12 above.

ITEM 15 – CUSTODY

Aegis Capital has no custody of its clients' assets. Aegis Capital's HNWI/individual clients and institutional clients customarily select and engage their own custodians independent of Aegis Capital.

ITEM 16 – INVESTMENT DISCRETION

Aegis Capital generally receives discretionary authority from the client at the outset of an advisory relationship pursuant to a governing investment management agreement to manage such clients assets. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives, guidelines, and restrictions for such client account. Investment guidelines and restrictions must be provided to Aegis Capital by our clients in writing. For discussion of additional related disclosures, please refer to Items 12 above.

ITEM 17 – VOTING CLIENT SECURITIES

Unless specifically directed otherwise in writing by the Client, Advisor will not receive security issuer's

annual reports or vote proxies on issues pertaining to securities held in the account. Under the Aegis Capital Proxy Voting Policy and Procedures, unless Aegis Capital expressly agrees in writing, Aegis Capital will not assume responsibility or authority for proxy voting (or to give any advice about how to vote) on behalf of its advisory clients. In those limited instances where Aegis Capital has accepted the responsibility of proxy voting, Aegis Capital may utilize an unaffiliated thirdparty service provider to make proxy voting decisions and vote the proxies on behalf of such advisory clients and their advisory accounts, as appropriate, and to help ensure that such decisions are made in accordance with Aegis Capital's fiduciary obligations to its clients. Notwithstanding such proxy voting policies and procedures, Aegis Capital's actual proxy voting decisions may have the effect of favoring the interests of other clients or businesses of other divisions or units of Aegis Capital and/or its affiliates, provided that Aegis Capital reasonably believes that such voting decisions to be in accordance with its fiduciary obligations. Requests for Aegis Capital's proxy voting policies should be directed to Aegis Capital, LLC, Attn: Chief Compliance Officer at the address on page 1 of this ADVPart 2.

ITEM 18 – FINANCIAL INFORMATION

Aegis Capital has no financial commitment or adverse financial condition that impairs its ability to meet its investment management contractual and fiduciary commitments to its clients, and has not been the subject of a bankruptcy proceeding.

ITEM 19 – MISCELLANEOUS ITEMS

PRIVACY & CONFIDENTIALITY POLICY SUMMARY

The SEC adopted Regulation SP, a comprehensive set of rules intended to implement privacy requirements aimed at preventing financial institutions from disclosing various types of nonpublic personal information gathered from individual clients to certain unaffiliated entities. Aegis Capital has implemented Regulation SP according to the securities laws, which requires investment advisers to protect the records and information of individual clients by adopting policies and procedures that are reasonably designed to: ensure the security and confidentiality of individual client and consumer records and information; protect against any anticipated threats or hazards to the security or integrity of client and consumer records; and protect against any unauthorized access to client and consumer records or information that could result in substantial harm or inconvenience to any individual client and consumer.

In order to comply with the requirements of Regulation SP and safeguard individual client and consumer information, Aegis Capital has implemented reasonable procedures to safeguard individual client and customer information. Aegis Capital also sends (1) an initial privacy notice to each individual client and consumer at the point when information is sought from the client or a consumer, and (2) an

annual privacy notice. We do not disclose nonpublic personal information to nonaffiliated parties except as permitted under applicable laws and regulations. Such Regulation SP privacy policies, notices and practices only cover individual clients and do not extend to our institutional or pension clients.