

# ***Loretta Nolan Associates, LLC***

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*This disclosure brochure provides clients with information about the qualifications and business practices of Loretta Nolan Associates, LLC, an independent investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services Loretta Nolan Associates, LLC provides as well as background information on those individuals who provide investment advisory services on behalf of Loretta Nolan Associates, LLC. Please contact Loretta Nolan, President and Chief Compliance Officer of Loretta Nolan Associates, LLC at 203-637-1402 if you have any questions about the contents of this disclosure brochure.*

*The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that Loretta Nolan Associates, LLC or any individual providing investment advisory services on behalf of Loretta Nolan Associates, LLC possess a certain level of skill or training. Additional information about Loretta Nolan Associates, LLC is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Loretta Nolan Associates, LLC is 126468.*

Table of Contents

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<b>ADVISORY BUSINESS .....</b>	<b>1</b>
Company	
Services	
Assets Under Management	
<b>FEES AND COMPENSATION .....</b>	<b>4</b>
Portfolio Management Services Fees	
Financial Planning and Consulting Services Fees	
Income Tax Planning and Preparation	
Important Additional Information	
<b>PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>6</b>
<b>TYPES OF CLIENTS .....</b>	<b>6</b>
Engaging the Services of the Company	
Conditions for Managing Accounts	
<b>METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>7</b>
Overview	
Types of Investments	
Investment Strategies	
Security Analysis	
Sources of Information	
Risk	
Cash Management	
<b>DISCIPLINARY INFORMATION .....</b>	<b>9</b>
<b>OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>	<b>9</b>
<b>CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>9</b>
Code of Ethics	
Participation or Interest in Client Transactions	

Table of Contents

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<b>BROKERAGE PRACTICES .....</b>	<b>10</b>
Brokerage Selection	
Directed Brokerage	
Trade Aggregation/Allocation	
<b>REVIEW OF ACCOUNTS .....</b>	<b>13</b>
Portfolio Management	
Financial Planning	
Consulting	
<b>CLIENT REFERRALS AND OTHER COMPENSATION .....</b>	<b>14</b>
<b>CUSTODY .....</b>	<b>14</b>
<b>INVESTMENT DISCRETION .....</b>	<b>14</b>
<b>VOTING CLIENT SECURITIES .....</b>	<b>15</b>
Proxy Voting	
Class Actions	
<b>FINANCIAL INFORMATION .....</b>	<b>15</b>
Payment of Fees	
Financial Condition	
Bankruptcy	
<b>PRIVACY NOTICE .....</b>	<b>15</b>
<b>COMPLAINTS .....</b>	<b>16</b>

## **ADVISORY BUSINESS**

### **Company**

Loretta Nolan Associates, LLC is a privately-held Connecticut limited liability company that has been providing investment advisory services as an SEC-registered investment adviser since June 2007. Throughout this disclosure brochure the company is referred to as "LNA".

The principal owner of LNA is Loretta C. Nolan.

### **Services**

LNA provides the following investment advisory services:

#### Portfolio Management Services

LNA provides personalized portfolio management services which consists of giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions, during which a client's goals and objectives are established, LNA and the client determine the client's risk profile and investment guidelines. LNA will then create and manage a customized portfolio based on that risk profile. LNA will allocate the client's assets among various investments based on the client's risk tolerance. LNA's management of the client's account will be based on the client's investment objective.

LNA will create a portfolio principally comprised of individual equities, bonds, ETFs, no-load and load-waived mutual funds and other investment vehicles. LNA will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances.

When appropriate to the needs of the client, LNA may recommend the use of option writing. Because this investment strategy involves a certain degrees of additional risk, it will only be recommended when consistent with the client's stated tolerance for risk.

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

LNA will manage advisory accounts on a non-discretionary basis only.

## Financial Planning Services

LNA also provides advice in the form of a financial plan. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern:

### ***Personal***

Family records, budgeting, personal liability, estate information and financial goals.

### ***Tax & Cash Flow***

Income tax and spending analysis and planning for past, current and future years. LNA will illustrate the impact of various investments on a client's current income tax and future tax liability.

### ***Death & Disability***

Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

### ***Retirement***

Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

### ***Investments***

Analysis of investment alternatives and their effect on a client's portfolio.

Financial planning is primarily an analytical process designed to organize financial data, identify needs and opportunities and evaluate alternative courses of action; it may include analysis of current net worth, income taxes, cash flow and budgeting, investments and asset allocation, retirement planning, employee benefit plan analysis, estate and gift tax planning, education pre-funding and risk management focusing on life, health and disability coverage.

In general, LNA gathers required information through personal interviews. LNA will meet with the client to conduct an evaluation of the client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are reviewed, including a questionnaire the client completes that provides relevant information and authorizations. LNA conducts a financial analysis and prepares a written plan that describes the client's current situation, identifies needs and opportunities and makes suggestions designed to help the client achieve stated goals.

While financial analyses may include investment advice concerning mutual funds and securities, it may also include investment advice with respect to products that may or may not constitute “securities,” such as life insurance and annuities. It also takes into consideration estate tax planning issues that may not constitute “investment” advice. Should a client choose to implement the suggestions contained in the analysis, LNA suggests the client work closely with his or her attorney, accountant, insurance agent, and/or other financial advisor (e.g., stockbroker). Implementation of financial analysis suggestions is entirely at the client's discretion. Financial analysis suggestions are not limited to any specific product or service offered by a broker-dealer or insurance company. In performing its services, LNA shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. If requested by the client, LNA may suggest the services of other professionals for implementation services, but the client is under no obligation to engage the services of any suggested professional. In addition, each client is advised that it remains their responsibility to promptly notify LNA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising LNA's previous recommendations and/or services.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Typically the financial plan will be presented to the client within 120 days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the client.

### Consulting

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. LNA also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, LNA provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### Income Tax Preparation And Planning

LNA also offers income tax preparation as a separate service if requested by the client.

## **Assets Under Management**

As of December 31, 2010, the total amount of client assets managed by LNA is approximately \$54,000,000. All of these assets are managed on a non-discretionary basis.

## **FEES AND COMPENSATION**

### **Portfolio Management Fees**

The annual fee for Portfolio Management Services will be charged as a fixed fee that ranges from \$4,000 to \$14,000 based on the size of the client's account and complexity of the client's circumstances. Fees for Portfolio Management Services will be invoiced in advance at the beginning of each calendar quarter.

LNA will quote an exact fee based on the nature and total dollar amount of the account.

### **Financial Planning and Consulting Fees**

Financial Planning and/or Consulting Services fees will be charged in one of two ways:

1. For ongoing Financial Planning Services, clients will be charged an annual fixed fee, typically ranging from \$3,000 to \$14,000, depending on the nature and complexity of each client's circumstances. Fees for ongoing Financial Planning and Consulting Services will be billed quarterly in advance; or
2. On an hourly basis calculated ranging from \$50 to \$300 per hour, depending on the nature and complexity of the individual client's personal circumstances. The length of time it will take to complete the financial planning or consulting service will depend on the nature and complexity of the individual client's personal circumstances. Hourly fees are due and payable upon completion of the financial plan or consulting service. An estimate for total hours will be determined at the start of the advisory relationship.

All fees are agreed upon prior to entering into a contract with the client. There is no minimum financial planning/consulting fee. A retainer may be requested upon completion of LNA's fact-finding session; provided, however, that advance payment will never exceed \$500 for work that will not be completed within 6 months.

### **Income Tax Planning and Preparation**

LNA's income tax planning and preparation fees will be charged in one of two ways:

1. As a fixed fee, typically ranging from \$500 to \$5,000, depending on the nature and complexity of each client's circumstances.

2. On an hourly basis ranging from \$50 to \$300 per hour, depending on the nature and complexity of each client's circumstances.

Income tax planning and preparation fees are due and payable upon the completion of the service. A retainer may be requested upon completion of LNA's fact-finding session, provided, however, that advance payment will never exceed \$500 for work that will not be completed within 6 months.

## **Important Additional Information**

### Fees Only

LNA is compensated solely by fees paid by its clients and does not accept commissions or compensation from any other source (i.e., mutual funds, insurance products or any other investment product).

### Fees Negotiable

LNA retains the right to modify fees, including minimum account sizes, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided. LNA may combine related household accounts for fee calculation and minimum annual fee purposes.

### Termination of Client Relationship

A client agreement may be canceled at any time, by either party, for any reason upon five (5) days prior written notice to the other party. Upon termination of any account, any earned, unpaid fees will be due and payable and any prepaid fees will be refunded within thirty (30) days of the termination of the agreement.

### Mutual Fund Fees

All fees paid to LNA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of LNA. In that case, the client would not receive the services provided by LNA which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by LNA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.



### Trading and Other Costs

All fees paid to LNA for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled “Brokerage Practices” on page 10 of this disclosure brochure for additional information on brokerage and other transaction costs.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

LNA does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client’s account).

## **TYPES OF CLIENTS**

LNA provides investment advisory services to individuals (including high net worth individuals), trusts, estates, charitable organizations, corporations and other types of business entities.

### **Engaging the Services of LNA**

All clients wishing to engage LNA for investment advisory services must first complete the applicable investment advisory agreement as well as any other document or questionnaire provided by LNA. The investment advisory agreement describes the services and responsibilities of LNA to the client. It also outlines LNA’s fee in detail. In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of all these documents, LNA will be considered engaged by the client. Clients are responsible for ensuring that LNA is informed in a timely manner of changes in their investment objectives and risk tolerance.

### **Conditions for Managing Accounts**

#### Portfolio Management Services

LNA requires a minimum account size of \$750,000 for new advisory clients, but may reduce or waive this minimum at its sole discretion based on individual client circumstances. Accounts of less than \$750,000 may be set up when the client and LNA anticipate the client will add additional funds to the accounts bringing the total to \$750,000 within a reasonable time.

#### Financial Planning and Consulting Services

There is no minimum annual fee requirement for Financial Planning and Consulting Services.

### Income Tax Planning and Preparation Services

There is no minimum annual fee requirement for Income Tax Planning and Preparation Services.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Types of Investments**

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic and foreign equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal and United States government securities, mutual funds, variable life insurance, variable annuities, options and real estate investment trusts (REITS).

### **Investment Strategies**

LNA may utilize different investment strategies, based upon the needs of the client, including long-term purchases, short-term purchases and option writing. From time to time, LNA may recommend specific trading strategies to take advantage of income tax planning opportunities. Such strategies may include end of the year swaps or sales to recognize gain or losses for income tax purposes, as client's situations dictate. Recommendations for short-term needs will generally be limited to cash equivalents such as money market funds. LNA emphasizes, however, that its strategy is primarily long-term in nature.

### **Security Analysis**

The security analysis method employed by LNA is fundamental analysis.

### **Sources of Information**

In conducting security analysis, LNA may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases. LNA may also utilize other sources of information such as Morningstar, ValueLine, periodicals and journals, as well as company-generated data to perform security analysis.

### **Risk**

#### In General

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's

price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability. Depending upon the client need and investment mandate, LNA will attempt to thoroughly explain the applicable risks.

### Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

### Real Estate Investment Trusts (REITS)

As with all stocks, there are market risks associated with REITs. The value of shares in publicly traded REITs can fluctuate. As investor who sells shares in a REIT could receive more, or less, than the original purchase price. Factors that can influence market risk include general level of real estate property values, which tend to rise and fall with current market conditions. As with any active business, a factor in successful performance lies with management skill. Another risk is dependant on interest rates. Shares of REITs, especially mortgage REITs, are sensitive to changes in the general level of interest rates. Mortgage REITs respond much like bonds, generally increasing in value as interest rates fall and decreasing in value if interest rates rise.

### **Cash Management**

Cash in client accounts is typically held in a Schwab money market fund although when deemed advisable, a portion of the client's cash balance may be held in a short-term bond fund. Because LNA considers the management of cash balances as an integral part of its investment management strategy, LNA includes any such cash balances when calculating its asset-based fees. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus.

## **DISCIPLINARY HISTORY**

LNA has never been disciplined by a regulatory agency.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither LNA nor any of its supervised persons engage in any other financial industry activities or have any other financial industry affiliations.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

LNA has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that LNA and its employees owe a fiduciary duty to its clients. Accordingly, LNA expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. LNA and its employees are required to adhere to the Code of Ethics. At all times, LNA and its employees must (i) place client interests ahead of LNA's; (ii) engage in personal investing that is in full compliance with LNA's Code of Ethics; and (iii) avoid taking advantage of their position. Clients and prospective clients may request a copy of LNA's Code of Ethics by contacting Loretta Nolan, President of LNA, at 203-637-1402.

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

LNA or individuals associated with LNA may buy or sell securities identical to or different from those recommended to clients for their personal accounts. As this situation may represent a conflict of interest, LNA has established the following restrictions in order to ensure its fiduciary responsibilities:

1. It is the express policy of LNA that no person employed by LNA may purchase or sell any security prior to transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.
2. A member or employee of LNA shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his/her employment unless the information is also available to the investing public upon reasonable inquiry. No person of LNA shall prefer his/her own interest to that of the advisory client.
3. LNA maintains a list of all securities holdings for itself and anyone associated with this advisory practice with the access to advisory

recommendations. These holdings are reviewed on a regular basis by Loretta Nolan, President of LNA.

4. LNA emphasizes the unrestricted right of the client to decline to implement any advice rendered.
5. LNA requires that all individuals must act in accordance with all applicable federal & state regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

## **BROKERAGE PRACTICES**

### **Broker Selection**

#### Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while LNA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

#### Broker Analysis

LNA evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving LNA.

Also in consideration is such broker-dealers’ provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if LNA determines in good faith that the amount of trading

costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

LNA's President and Chief Compliance Officer is responsible for continuously monitoring and evaluation the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, LNA periodically reviews its transaction costs in light of current market circumstances and other relevant information.

#### Research/Soft Dollar Benefits

LNA uses Charles Schwab & Co.'s, Schwab Institutional (Schwab Institutional) service. There is no direct link between LNA's use of Schwab Institutional and the investment advice it gives to its clients, although LNA receives economic benefits through its participation in the program that are typically not available to Schwab Institutional retail investors.

As a user of Schwab Institutional, Schwab makes available to LNA other products and services that benefit LNA, but may not benefit its clients' accounts. Some of these other products and services assist LNA in managing and administering clients' accounts, including:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk serving Schwab Institutional participants exclusively;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Ability to have investment advisory fees deducted directly from client account;
- Access, for a fee, to an electronic communication network for client order entry and account information;
- Receipt of compliance publications; and
- Access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Schwab Institutional also makes available to LNA other services intended to help LNA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab Institutional may make available, arrange and/or pay for these types of services rendered to LNA by independent third parties.

Additional benefits received because of LNA's use of Schwab Institutional may depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. LNA is required to maintain a minimum level of client assets with Schwab Institutional to avoid a quarterly service fee. While as a fiduciary LNA endeavors to act in its clients' best interests, LNA's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to LNA of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by Schwab which may create a conflict of interest.

## **Directed Brokerage**

### LNA Directed Brokerage

LNA does not have the discretionary authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Charles Schwab & Co., Inc. Institutional Services Group ("Schwab") recommended to them. While there is no direct linkage between the investment advice given and usage of Schwab, economic benefits are received which would not be received if LNA did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section directly above). LNA does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. LNA is required to disclose that by directing brokerage, LNA may not be able to achieve most favorable execution of client transactions and this practice may cost clients more money.

### Client Directed Brokerage

Certain clients may direct LNA to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, LNA is required to disclose that LNA may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates LNA might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money. LNA reserves the right to decline acceptance of any client account that directs the use of a broker dealer if LNA believes that the broker dealer would adversely affect LNA's fiduciary duty to the client and/or ability to effectively service the client portfolio.

As a general rule, LNA encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

## **Trade Aggregation/Allocation**

### **Portfolio Management Services**

It is the objective of LNA to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients' accounts with substantially similar investment objectives and policies, LNA may often seek to purchase or sell a particular security in each account. LNA will aggregate orders only when such aggregation is consistent with LNA's duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All transaction costs will be allocated pro rata based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

### **Financial Planning Services**

LNA's Financial Planning Services practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of consulting recommendations. LNA may recommend any one of several brokers. LNA's clients must independently evaluate these brokers before opening an account. The factors considered by LNA when making this recommendation are set forth above. LNA's financial planning and consulting clients may use any broker or dealer of their choice.

## **REVIEW OF ACCOUNTS**

### **Portfolio Management Services**

#### **Reviews**

While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed no less frequently than annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines, ensuring that the structure of the portfolio is coordinated with these objectives. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

The person reviewing the accounts is Loretta Nolan, President of LNA.



## Reports

In addition to monthly statements and confirmation of transactions that Portfolio Management Services clients will receive directly from their broker-dealer/custodian, LNA will provide clients with written memos, executive summaries or reports as a function of the nature and scope of the engagement.

## **Financial Planning Services**

Financial Planning clients will receive a completed financial plan. Revisions and updates to the financial plan will be provided if requested by the client in conjunction with a new engagement to update the plan.

## **Consulting**

Due to the nature of this service, LNA will not typically provide reports unless contracted for at the inception of the advisory relationship.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

LNA does not receive any economic benefits (e.g., sales incentives, prizes) from non-clients for providing investment advice. LNA does not compensate any person for client referrals.

## **CUSTODY**

Custody of client assets will be maintained with the independent custodian selected by the client. LNA will not have physical custody of any assets in the client's account except as permitted for payment of advisory fees. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize LNA to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. *Clients are urged to carefully review the account statement sent by the broker-dealer/custodian and to compare the account statement provided by the broker-dealer/custodian with any statements provided by LNA.*

## **INVESTMENT DISCRETION**

LNA does not have investment discretion over client accounts. All transactions in client accounts must be approved by the client (or their representative).

## **VOTING CLIENT SECURITIES**

### **Proxy Voting**

LNA does not vote proxies on behalf of its clients. Therefore, although LNA may provide investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. LNA and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact Loretta Nolan, President of LNA, at 203-637-1402 if they have questions regarding a particular solicitation.

### **Class Action Settlements**

Although LNA may have discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

## **FINANCIAL INFORMATION**

### **Prepayment of Fees**

Because LNA does not require or accept prepayment of more than \$500 in fees six months or more in advance, LNA is not required include a balance sheet with this disclosure brochure.

### **Financial Condition**

LNA does not have any adverse financial conditions to disclose.

### **Bankruptcy**

LNA has never been the subject of a bankruptcy petition.

## **PRIVACY NOTICE**

LNA views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. LNA does not disclose any nonpublic personal information about its clients

or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, LNA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. LNA restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for LNA. As emphasized above, it has always been and will always be LNA's policy never to sell information about current or former clients or their accounts to anyone. It is also LNA's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of LNA's Privacy Policy, please contact Loretta Nolan, President of LNA, at 203-637-1402.

## **CLIENT COMPLAINTS**

Clients may contact Loretta Nolan, President of LNA, at 203-637-1402 to submit a complaint. Written complaints should be sent to Loretta Nolan Associates, LLC, 13 Arcadia Road, Suite 10, Old Greenwich, CT 06870.