

DISCLOSURE BROCHURE

THE INVESTMENT ADVISORS ACT OF 1940 RULE 204-3
FORM ADV PART 2A

MUGARIAN INVESTMENT GROUP, LLC

REGISTERED INVESTMENT ADVISOR

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This Disclosure Brochure provides information about the qualifications and business practices of Mugarian Investment Group, LLC, which should be considered before becoming a client. Please contact Mr. John M. Mugarian if you have any questions about the contents of this brochure. Additional information about Mugarian Investment Group, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

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BROCHURE
DATED

1
MARCH
2012



MATERIAL CHANGES

ITEM 2

There have been no material changes made to this document since the last revision date indicated on the cover of this Disclosure Brochure.



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ADVISORY BUSINESS

Who We Are

Mugarian Investment Group, LLC (hereinafter referred to as “the Company”, “we”, “us” and “our”) is a registered investment advisor¹ organized in October 2000 as a Florida Limited Liability Company.

Owners

The Company is controlled by the following person:

Name	Title	CRD #
John Michael Mugarian	Managing Member	1983612

Assets Under Management

As of October 1, 2010, our assets under management totaled:

Client Discretionary Managed Accounts	\$29,254,366.00
Client Non-Discretionary Managed Accounts	\$15,479,214.00

Mission and Objective

As your trusted fiduciary, our mission is to hold in trust your financial goals as if they were our own and to always act in your best interest so that you can pursue success in both your financial and personal life.

What We Do

We offer wealth management services designed to assist you, our client², achieve success and fulfillment in both your personal and financial life. Our services stress fiscal responsibility and disciplined economic decision-making ultimately designed to protect your monetary needs for today, tomorrow, and in the future.

Our central duty is to manage your wealth and assist you in making intelligent, informed decisions on the complex financial options available in today’s economic environment. We provide this service through:

- ❖ Investment management tactics designed to take advantage of the current economic environment.
- ❖ Risk management strategies that reduce the fluctuations and volatility of investment returns based on your risk tolerance level.
- ❖ Monitoring the investment performance of such management strategies.

¹ The term “registered investment advisor” is not intended to imply that Mugarian Investment Group, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the United States Securities & Exchange Commission - and with such other regulatory agencies that may have limited regulatory jurisdiction over our business practices.

² A client could be an individual, a corporation and/or small business, another fiduciary, a trust, an estate, a charitable organization and/or any other type of entity structure to which we choose to give investment advice.



How We Get to Know You

We get to know you through one-on-one consultations to discuss issues such as your current income and expenses, career, personal goals, investment return expectations and prior investment experience. In addition, we have you complete a Goal Planning Questionnaire³ to provide us a picture of your financial needs. With the complexity of today's marketplace, it is critical for us to understand who you are and what you want to accomplish financially. We must have a clear picture of your unique financial composition and risk tolerance so that we can develop a successful investment plan and tailored asset allocation guideline.

Our meetings with you to discuss your finances will help to eliminate much of the guesswork in achieving the security and independence you desire and simplify your financial alternatives. In return, we will have:

- ❖ Defined and narrowed objectives and investment options;
- ❖ Identified areas of greatest distress;
- ❖ Developed a strategy for addressing concerns about the future;
- ❖ Cultivated peace of mind; and,
- ❖ Created a unique picture of your overall economic personality.

Once your financial parameters have been identified, we will prepare a tailored asset allocation guideline that outlines what asset mix is most suitable for your unique investment expectations and risk tolerance. This asset allocation guideline will direct us in the management of your account(s), and as a standard against which to measure future results and to make modifications where necessary.

FEES & COMPENSATION

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Portfolio Management

Portfolio management is provided on an asset-based fee arrangement. Our management fee is calculated based on the aggregate market value of your account on the last business day of the previous calendar quarter multiplied by one-fourth of the corresponding annual percentage rate (i.e., $2.25\% \div 4 = 0.5625\%$).

Generally, fee breaks will occur as assets in your portfolio increase past the following tiers:

ACCOUNT BALANCE	ANNUAL FEE RATES
Up to \$199,999	2.25%
\$200,000 to \$499,999.....	2.00%
\$500,000 to \$999,999.....	1.75%
\$1,000,000 to \$1,999,999.....	1.50%
\$2,000,000 to \$4,999,999.....	1.25%
\$5,000,000 and up	Negotiable

³ The Goal Planning Questionnaire we use is an important tool in gathering information about your investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If you elect not to answer the questionnaire or chooses to respond with limited input, it is possible that we could operate in a handicapped capacity contrary to your investment needs. Therefore, if you desire the most effective and accurate recommendations regarding your managed account(s), you should make every effort to provide us with your detailed personal needs and objectives, along with detailed financial and tax information.



We retain discretion to negotiate the management fee under 2.25% on a client-to-client basis depending on the size, complexity, and nature of the portfolio managed.

Every account may be subject to a minimum annual fee charge of \$1,000 for portfolio management services. Consequently those accounts with assets less than \$45,000, the annual fee rates do **not** apply. What this means is, the further an account value falls below \$45,000 the higher the costs (e.g., a managed account of \$30,000 with the minimum annual fee charge of \$1,000, will translate into an annual fee rate of 3.34%). Therefore if your managed account is below \$45,000, you might be able to contract for similar services with another investment advisor at lower costs.

The portfolio management fee will be fully disclosed to you in an Investment Advisory Agreement prior to conducting any investment management services.

Protocols for Investment Services

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) deposits and withdrawals in/from your account(s); (iii) your bill for investment services; (iv) other fees charged to your account(s); and, (iv) termination.

Discretion

Unless otherwise negated by you, we will establish discretionary trading authority on your management accounts to execute securities transactions at anytime without your prior consent or advice.

Billing

Your account will be billed quarterly in advance based on the aggregate fair market portfolio value of the assets in your account on the last day of the previous quarter. For the first billing quarter, if the management account was not opened at the beginning/end of the quarter, the fee will be based upon a pro-rata calculation of the fair market value of your assets to be managed for the period.

Advisory fees will be taken first from free credit balances or from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

Deposits and Withdrawals

Assets deposited by you into your management account between billing cycles will not result in additional management fees being billed to you unless such deposits exceed \$25,000. Such deposits of this amount or greater, in most cases, will require modifications and adjustments to your investment allocation. Therefore, a pro-rata fee based upon the number of days remaining in the current quarterly period may be assessed to you for deposits exceeding the above amount.

For assets you may withdrawal, we do not make partial refunds of your management fees. Just as with deposits, withdraws may require modifications and adjustments to be made in the account to correct the allocation of your assets.



Fee Exclusions

The above fees for all our management services are exclusive of any charges imposed by the custodial firm, such as: (i) any Exchange/SEC fees; (ii) service or account charges, including, debit balances or postage/handling fees; and/or, (iii) transaction fees earned by the custodial firm for securities transactions.

In addition, all fees paid to us for management services are separate from any fees and expenses charged to shareholders of mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as: 12b-1 fees, redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

Termination of Investment Services

To terminate investment advisory services, either party (you or us) by written notification to the other party, may terminate the Investment Advisory Agreement at any time, provided such written notification is received at least 15 days prior to the date of termination. Such notification should include the date the termination will go into affect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

We do **not** refund management fees. Therefore, if you terminate your account on any day other than the last/first day of a calendar quarter, you will **not** be refunded any of the prepaid quarterly management fees.

Once the termination of investment advisory services has been implemented, neither party has any obligation to the other - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

Portfolio Monitoring

If you want the services of a third-party money manager ("Portfolio Manager") to manage your account, we will recommend Portfolio Managers for you to choose whose investment disciplines most closely resemble your investment objectives, time horizon, and risk tolerance.

We will perform any initial qualifying analysis that may be required by the Portfolio Manager(s) including any professional, administrative and clerical duties prior to opening any accounts and any follow-up thereafter. The Portfolio Manager(s) may have little or no direct contact with you.

Monitoring Fee

Portfolio monitoring fee is provided on an asset-based fee arrangement. Our monitoring fee is calculated based on the aggregate market value of your account on the last business day of the previous calendar quarter multiplied by one-fourth of the corresponding annual percentage rate (i.e., $1.75\% \div 4 = 0.4375\%$). The monitoring fee applies to all assets that you wants us to monitor.



Generally, fee breaks will occur as assets in your portfolio monitored account increase past the following tiers:

ACCOUNT BALANCE	ANNUAL FEE RATES
Up to \$199,999	1.75%
\$200,000 to \$499,999.....	1.50%
\$500,000 and up.....	1.25%

Portfolio monitoring accounts may be subject to a minimum annual fee charge of \$750 for portfolio monitoring services. Consequently those accounts with assets less than \$45,000, the annual fee rates do **not** apply. What this means is, the further an account value falls below \$45,000 the higher the costs (e.g., a managed account of \$30,000 with the minimum annual fee charge of \$750, will translate into an annual fee rate of 2.50%). Therefore if your managed account is below \$45,000, you might be able to contract for similar services with another investment advisor at lower costs.

Billing, deposits and withdrawals, fee exclusions, and termination follow the same protocols as disclosed above under “**Protocols for Investment Services**”.

Portfolio Managers Fee Structure

The Portfolio Managers who will be used to manage your account(s) will disclose their fees for management services in their Disclosure Brochures (the Portfolio Manager’s ADV Part 2A: Firm Brochure or Part 2A Appendix 1: Wrap Fee Program Brochure), which we will provide you prior to opening an account. The fees that will be charged to your account(s) will include:

1. The Portfolio Manager’s management fee (generally not to exceed an annual fee of 0.75%) will be billed separately from our Monitoring Fees; and,
2. Trading commissions and/or account charges, depending on if the Portfolio Manager is “wrapping” all the fees, which may be imposed by the custodian or broker/dealer used to custody your account(s).

The Portfolio Manager’s Disclosure Brochure contains all pertinent disclosures relating to their management services, fee structure for such services, and their termination provisions - **you are encouraged to carefully review these disclosures.**

General Consulting

General consulting services are independent of our portfolio management and/or portfolio monitoring services. Such consulting may include, but are not limited to:

- ❖ General and/or specific advice on investment selection
- ❖ Construction of an asset allocation guideline
- ❖ Financial and estate planning
- ❖ Insurance planning

Our investment consulting fee will not exceed \$250.00 per hour.

We do not provide any on-going portfolio management or monitoring of your account under our general consulting service. However, for example, if we developed an asset allocation guideline for you, you can contact us to set-up a quarterly review of your account to determine



how the account is performing. We will review the account at the agreed upon hourly rate and make any recommendation, if necessary, to rebalance the account.

In addition, should you contract us for general consulting, you acknowledge in advance, that you only desire consultation in regard to a specific financial area agreed upon to be reviewed and/or analyzed. Furthermore, you agree to hold us harmless from any liability arising out of any area(s) that we have **not** reviewed, analyzed, or offered advice.

Billing

Consulting fees will be based on the size, complexity, and nature of your personal and financial situation and the amount of time it will take to perform the service you desire.

Depending on the type of general consulting service performed, fees will be itemized in a billing statement. For the initial consultation, the fee will be due at the end of the session. Thereafter we will bill you, at the agreed upon hourly rate, should we be contacted by you for future reviews and financial advice.

Termination

General consulting services can be terminated at any time.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “**Who We Are**” in the Advisory Business section. We do not require a minimum account size for portfolio management.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Our portfolio management services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance, as disclosed to us during the “get-to-know-you” process. Your portfolio is then tailored to these unique investment parameters using primarily investment company products (mutual funds), debt instruments (bonds), equities (stocks), and Exchange Traded Funds (“ETFs”), to design your unique investment strategy.

In addition, depending on your risk tolerance, we may also recommend using the following investment vehicles to achieve your desired investment objective: leveraged index funds,



closed-end funds, hedge funds, derivatives, private placements and other publicly traded securities. However, these investment vehicles bring on a whole different risk dynamic. If we recommend investment in one of these securities, we will discuss with you the limitations of such security and the potential risk factors to your portfolio.

Methods of Analysis

In analyzing mutual funds, bonds, stocks, and ETF investments, we will use both a fundamental and technical approach to gathering information and to guide us in our allocation decisions.

Fundamental Analysis

Fundamental analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit timing strategies. Coupling cyclical analysis with technical analysis helps to ensure the most favorable buy/sell signal.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while technical analysis is short-term focusing on the statistics generated by market activity. Cyclical analysis provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

Investment Strategy

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio except for how such strategy might affect the risk tolerance levels we pre-defined for you during the getting-to-know-you process as well as in your Investment Policy Statement. However, our investment strategies generally incorporate these methodologies:

Modern Portfolio Theory

Modern Portfolio Theory ("MPT")⁴ is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk then construct a portfolio that maximizes your expected return for that given level of risk. Our investment methodology follows five (5) basic premises, each of which is derived from MPT.

⁴ Modern Portfolio Theory was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance*.



1. You, as with all clients, are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that you are willing to accept, there is a rate of return that should be targeted.
5. Portfolio diversification is not so much a function of how many issues are involved, but more a function of the relationships and proportions of each asset to its correlating asset.

Asset Allocation

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this there are more narrow and aggressive Asset Allocation derivatives that we may use.

We have developed five model portfolio structures that are used as Asset Allocation guideline models in designing your investment portfolio. Each model consists of a different “target” Asset Allocation comprised of different asset classes⁵ - spreading money among a variety of investments as opposed to investing in just one - creating a more prudent approach to managing risk. The investment mix is uniquely designed to achieve your desired investment return. The selected stocks, bonds, and other investment vehicles in your investment portfolio are diversified to reflect their risk profile.

ASSET ALLOCATION MODEL	PERCENTAGE OF		
	STOCKS	BONDS	CASH
Aggressive	90% - 100%	0%	0%
Growth	70% - 80%	10% - 20%	0% - 10%
Balanced	40% - 60%	20% - 40%	0% - 10%
Conservative	30% - 50%	20% - 40%	10% - 20%
Income	10% - 30%	30% - 50%	10% - 20%

Such allocation guidelines are a representation of a typical account composition but should not be construed as absolute. Ultimately, the exact composition makeup and allocation of securities are determined by the client's investment parameters, which can compose a more detailed and/or complex structure.

Dollar-Cost Averaging

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

DISCIPLINARY INFORMATION

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There are no legal or disciplinary events to report at this time that are material to your evaluation of our advisory business.

⁵ The different asset classes are: Large-Cap U.S. Value Stocks; Large-Cap U.S. Growth Stocks; Mid-Cap U.S. Value Stocks; Mid-Cap U.S. Growth Stocks; Small-Cap U.S. Value Stocks; Small-Cap U.S. Growth Stocks; International Stocks; Commodity Funds; Fixed Income, Partnerships, REITS, and Cash.



OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Insurance Company or Agency Affiliation

Independent Insurance Agent

Mr. John M. Mugarian is licensed as resident life, health, and fixed annuity insurance agent by the State of Florida and may be licensed as a non-resident agent in other states. Mr. Mugarian is licensed to sell insurance-related products and earn commissions from the sale of these products.

More information about our Mr. Mugarian's affiliations can be found in his individual "Brochure Supplement" attached at the end of this Disclosure Brochure.

Selection of Portfolio Managers

We will make available a select group of Portfolio Managers from which you may choose to manage your account(s). We will assist you in determining which will provide the most effective financial growth based upon your stated investment objectives and risk tolerance level.

We are not compensated directly or indirectly by any of the Portfolio Managers to whom we may advise you to have manage your portfolio. We bill you independently from the Portfolio Managers (See "Portfolio Monitoring" under Fees & Compensation for our billing structure.).

While we have exercised our best efforts evaluating the investment performance and cost of service offered by these Portfolio Managers, we make no representation that the Portfolio Manager in which we refer you has the best investment performance or has the lowest portfolio management costs. In addition, your selection of such Portfolio Managers will be limited to those with whom we have entered into service agreements. Therefore, it is possible that you might be able to contract for similar services elsewhere or separately, with higher performance at lower cost.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, the Company has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. The Company's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.



- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for Mr. John M. Mugarian or any of our employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by Mr. Mugarian, and such investment is not in violation of any SEC and/or State rules and regulations.

Trading Allocation

Since we use primarily open-end mutual funds, these trading allocation policies are directed to transactions in stocks, ETFs, and other exchange traded securities.

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee’s account. In these situations we have implemented the following guidelines in order to ensure our fiduciary integrity:



1. No employee acting as an Investment Advisor Representative, or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Mr. Mugarian reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See “Trading Allocation” above) may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by Mr. Mugarian to ensure that such activities do not impact upon your security or create conflicts of interest.

Class Action Policy

The Company, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with you.

Insider Trading

The Company is in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. The Company does not share any non-public information with anyone who does not need to know and has set-up internal controls to guard your personal information.

BROKERAGE PRACTICES

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Fidelity and TD Ameritrade

The Company maintains a custodial relationship with Fidelity Investments (“Fidelity”), through their division Fidelity Investments Institutional Wealth Services; and, TD Ameritrade, Inc. (“TD Ameritrade”), through their division TD Ameritrade Institutional for investment advisors.

We have selected Fidelity and TD Ameritrade as the custodians of choice based on their competitive transaction charges, our familiarity with their trading platforms, and on-line services for account administration and operational support, including electronic trading, account forms and applications, trading authorization, accounting and reporting, and other relevant administration and support services for us.

In addition, we may receive research products and services from Fidelity and TD Ameritrade that may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. Such



research products and services are provided to all investment advisers that utilize Fidelity and/or TD Ameritrade and are not considered to be paid for with soft dollars. The services we receive from Fidelity and TD Ameritrade are all hard-dollar - we don't receive any soft dollar benefits in the management of your account.

Since we do not recommend, suggest or make available a selection of custodians, other than Fidelity or TD Ameritrade for you to choose to custody your account(s), best execution may not always be achieved and you may pay higher transaction fees. There will be no attempt by us to recommend either of these custodians solely on the lowest commission rates available. Your investment needs, general reputation, trading capabilities, investment inventory, the financial strength, and our personal experience working with Fidelity and TD Ameritrade has been considered, among other items, in suggesting them to you.

We are not a subsidiary of, or affiliated with Fidelity or TD Ameritrade in any manner. We have sole responsibility for investment advice rendered, and advisory services are provided separately and independently from Fidelity and TD Ameritrade.

REVIEW OF ACCOUNTS

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Portfolio Management Accounts

Each account is reviewed on an ongoing basis by Mr. John M. Mugarian to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your asset allocation objectives, investment expectations, and risk tolerance. Cash needs will be adjusted as necessary.

Portfolio Monitored Accounts

Should your account be managed by a third-party money manager ("Portfolio Manager"), Mr. Mugarian will continuously evaluate their performance. We understand your goals and tolerance for risk may change over time; therefore, even though we are not involved in any way with the day to day management of your assets maintained with a Portfolio Manager(s), Mr. Mugarian will supervise your portfolio and will make recommendations to you regarding the Portfolio Manager(s) as market factors and your personal goals dictate.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We may directly compensate persons/firms for client referrals, provided that those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if you were referred to us by a solicitor, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should you choose to open an account. In no case will the fee that you pay be higher than it would be if you had dealt directly with us.



CUSTODY

ITEM 15

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within in your portfolio and trade your account based on stated investment objectives and guidelines. Possession and custody of your funds and/or securities shall be maintained with Fidelity and TD Ameritrade as indicated above under “**Brokerage Practices**”.

Fidelity and TD Ameritrade will send, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. You are encouraged to verify the transaction activities disclosed to you in your brokerage statement with our invoice we send you each quarter showing how are management fee is calculated and the amount withdrawn from your account.

INVESTMENT DISCRETION

ITEM 16

Securities and Amount Bought or Sold

We execute an Investment Advisory Agreement with you, which set forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

VOTING CLIENT SECURITIES

ITEM 17

We are hereby expressly precluded from voting proxies. You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations received by the custodian will be immediately forwarded to you for your evaluation and decision.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

END OF DISCLOSURE BROCHURE