



**Item 1      COVER PAGE**

**Long-Term Solutions, LLC**

SEC File Number: 801 – 56865

**Part 2A Brochure**

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This brochure provides information about the qualifications and business practices of Long-Term Solutions, LLC (“LTS”). If you have any questions about the contents of this brochure, please contact us at (415) 321-2950 or [nramsdn@longtermsolutions.org](mailto:nramsdn@longtermsolutions.org). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. SEC registration does not carry with it requirements regarding skill or training.

Additional information about Long-Term Solutions, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 MATERIAL CHANGES**

Not Applicable

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#### **Item 4      ADVISORY BUSINESS**

A. Long-Term Solutions, LLC (“LTS” or “Firm”) is a limited liability company formed in 2005 in the state of Delaware and registered as an SEC Investment Adviser in April, 2006. LTS is a single member LLC owned by the Richard & Roberta Intrater Revocable Trust dated December 28, 2007.

B. LTS is engaged in the business of providing family office, wealth management and financial planning services to multiple generations of ultra high net worth families and other individuals of significant wealth. In addition, LTS is the general partner/manager to LTS Capital Partners I, LP and LTS Capital Partners II, LLC, both of which are private limited partnerships/limited liability company investments and are discussed further in Item 10 C, below. LTS’ clients may choose one service without any obligation to engage LTS for any other.

#### **Wealth Management Services**

LTS’ investment advisory client accounts are generally managed on a fully discretionary basis. This means that the client grants LTS the discretion and authority to supervise, invest and trade client assets placed under its management in a manner consistent with established client objectives and guidelines. LTS’ services are fully described in the written Wealth and Investment Services Agreement, setting forth the terms and conditions under which LTS shall manage the client's assets as signed by the client.

LTS generally recommends that its clients allocate their investment assets among various mutual funds, exchange traded funds, separate accounts, and alternative investments as may be appropriate depending on the objectives and the risk profile of the client. Generally, LTS does not recommend individual stocks or bonds. Prior to rendering investment advisory services, LTS ascertains, in consultation with the client, the client’s financial situation, risk tolerance, and investment objective(s) as well as other pertinent information.

As part of our investment advisory services, we make available to clients certain investment benefits that may not otherwise be available to a retail investor. Such benefits include:

- Access to institutional share classes (i.e. lower cost share classes) of certain fund families;
- Access to certain fund families whose substantial minimums would normally preclude retail client investment;
- Access to sophisticated investment research not available to the public.

In general, LTS’ Investment Management Services to its clients are implemented via the Schwab Institutional Custody platform. As a condition of having LTS provide investment advisory services via the Schwab Institutional Custody platform, clients will enter into the appropriate written account agreements with Charles Schwab &

Co., Inc. (“Schwab”). The fees charged by Schwab may be higher or lower than those charged by other custodians.

### **Investment Oversight Services**

As part of its Wealth Management Services, LTS may oversee assets for a client that are managed independently of LTS. If the client chooses to have these assets under LTS’ oversight, and taken into account with respect to asset allocation decisions, they will be included in wealth management fee calculations.

### **Private Investment Funds**

LTS may provide investment advice regarding private investment funds. These Private Investment Funds may be ones that LTS recommends and/or ones that the client already owns or wishes to consider. LTS’ role relative to the private investment funds is limited to its initial and ongoing due diligence and investment monitoring services. If a client decides to become a private fund investor, the amount of assets invested in the funds are included as part of “AUM” for purposes of LTS calculating its investment advisory fee, except if the investment is in LTS Capital Partners series. (LTS Capital Partners series is explained below in Item 10.) LTS’ clients are under no obligation to consider or make an investment in a private investment fund. If the client invests in any private investment fund other than the LTS Capital Partners funds, LTS will not receive any referral fee, commission or other compensation for any such purchase. LTS may or may not include a non-recommended, non-selected Private Investment in its AUM for its fee calculation, depending on whether or not LTS provides ongoing due diligence and investment monitoring services. However, as discussed below in Item 10 C, for those of its clients who invest in LTS’ proprietary private equity, the value of this investment is never included in calculating its advisory fee.

### **Financial Planning and Consulting Services**

LTS can provide specific and focused financial planning and/or consulting services (including investment and non-investment related matters, estate planning, insurance planning, tax planning etc.) on a stand-alone separate fee basis. Prior to engaging LTS to provide planning or consulting services, clients are generally required to enter into a written Financial Planning or Consulting Agreement.

### **Family Office Services**

Clients may retain LTS to render certain Family Office Services on an ongoing basis. Such services could include general ledger accounting, preparation of financial statements, bill paying, wealth transfer and tax strategies, foundation oversight, family governance and risk management amongst other services.

### **Third Party Professionals**

To the extent requested by a client, LTS may recommend the services of other professionals for certain non-investment purposes (e.g., attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. LTS receives no fee or other benefit for these referrals.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

### **No Tax or Legal Advice**

Neither LTS, nor any of its employees, serves LTS' clients as an accountant, attorney or licensed insurance agent, and no portion of LTS' services should be considered as such service.

### **Client Obligations and Responsibilities**

- LTS offers its clients a selection of services. Clients who engage LTS for one of the services it provides are under no obligation to engage any of LTS other services.
- LTS shall not be required to verify any information received from the client or from the client's other professionals, and the Wealth and Investment Services Agreement expressly authorizes LTS to rely on information provided.
- It remains the client's responsibility to promptly notify LTS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising LTS' previous recommendations and/or services.

### **Disclosure Statement**

As of April 1, 2011 a copy of this written brochure, known as Part 2A of form ADV shall be provided to each new client prior to, or contemporaneously with, the execution of the Wealth and Investment Services Agreement or Financial Planning and Consulting Agreement. A copy of Part 2A will be mailed to all existing clients by May 30, 2011. By July 30, 2011 new clients will also receive a supplemental brochure known as Part 2B of form ADV which describes the background and experience of each LTS employee who serves on its Investment Committee and/or provides the client with direct Investment Advice. Existing clients will receive their copy of Part 2B by September 30, 2011.

- A. LTS' clients may impose reasonable restrictions regarding their investments.
- B. LTS does not participate in a wrap fee program.
- C. As of December 31, 2010, assets under supervision were valued at over \$400 million.

## **Item 5 FEES AND COMPENSATION**

The fees charged by LTS for its Investment Advisory, Investment Oversight, Financial Planning and Consulting, and Family Office services are set forth in LTS' written Wealth and Investment Services Agreement which is signed by its clients. LTS believes its fees are competitive with those charged by other advisors for

comparable services. LTS, in its sole discretion, may reduce its fees, and/or waive or reduce its minimum asset requirements, depending on the individual client's circumstances.

A client may choose to have fees deducted from the investment account in accordance with SEC accepted procedures. Alternatively, a client may choose to pay for these services directly.

The Wealth and Investment Services Agreement between LTS and the client will continue in effect until terminated by either party by written notice in accordance with the terms of that Agreement. Upon termination, LTS shall refund on a pro-rated basis, any unearned portion of the advisory fee which has been paid in advance.

### **Wealth Management and Oversight Fees**

Fee's for wealth management is paid by those clients for whom LTS provides portfolio management services. In general, the fee is an annual percentage of the value of the AUM and covers a range up to 100 basis points and may be based on complexity. This fee may also be tiered so that at specified AUM breakpoints, the basis points charged decrease. These fees are based upon the then current market value of all marketable securities as of the last day of the applicable calendar quarter and are generally deducted from the client's accounts in advance in accordance with procedures acceptable to the SEC. As stated above, fees for illiquid assets are based upon the most recent available valuation from the investment manager. The initial quarterly fee for a new client is pro-rated from the effective contract date. On occasion, LTS may also pro rate fees when net inflows and outflows exceed a certain amount.

The LTS Wealth and Investment Services Agreement provides that each quarter, LTS will deduct its Investment Advisory fees directly from the client's account. LTS' clients receive account statements directly from their qualified custodian no less than quarterly. LTS also sends its clients quarterly account statements that it has prepared and which urge the client to compare the LTS statement with the client's custodial statement. LTS' reports also notify the client that it is their responsibility to verify the accuracy of the LTS fee and that the custodian does not perform this function. LTS performs periodic testing to ensure that its fees are charged in accordance with the client's Agreement.

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

Fees for Financial Planning and Consulting services will depend on the nature of the services to be rendered, the amount of time required and the professionals providing the services. The amount and payment schedule for these fees will be as set forth on the Agreement.

### **Family Office Services Fees**

LTS offers family office services that are necessarily unique for each client. LTS charges an annual retainer based upon the complexities of the client's current financial condition, current investment structures, the multi-generational structures to be managed and the breadth of family office services required. The Family Office Services Fee can range from between \$50,000 to more than \$1,000,000 per annum. The annual retainer fee is billed quarterly, in advance and, depending on the Client's preference, could be automatically deducted or invoiced.

### **Custodial Fees**

As discussed below, unless the client directs otherwise or due to an individual client's circumstances, LTS generally recommends that Schwab serve as the custodian for its client's investment management assets. Schwab does not charge LTS' clients custodial fees. However, should other custodians charge such fees, then those custodial fees are in addition to and separate from the advisory fee charged by LTS.

### **Product Fees**

Product Managers generally incur operating expenses and pass some or all of these expenses through to their individual investors in the form of management fees. These may vary from product to product. LTS generally provides its clients with access to institutional products with low relative fees. In addition, LTS has negotiated price breaks based on the size of the investment.

The custodian will provide each client a prospectus for each fund in which they invest (The prospectus is not provided through LTS). This prospectus will provide a complete disclosure of a fund's management and fee structure. All such product fees are in addition to and separate from the advisory fee charged by LTS.

Client performance is calculated net of all the above fees.

## **Item 6      PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

LTS does not generally engage in side-by-side management. LTS does receive performance based fees in conjunction with its proprietary LTS Capital Partners, once the partners invested capital has been returned in full. Please see Item 10 below, Private Equity.

## **Item 7      TYPES OF CLIENTS**

As stated above, LTS' clients include ultra high net worth individuals, multiple generations of ultra high net worth families, and private foundations. LTS generally requires a minimum asset level for investment advisory and/or investment oversight services of ten million in investable assets. For its Family Office clients, LTS

generally requires a minimum of 50 million of AUM. Depending on the circumstances, LTS may modify these minimum requirements.

## **Item 8        METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

LTS employs a disciplined approach to investing and constructing a portfolio which takes into account the client's goals and objectives, time horizon, and risk tolerance. The ensuing portfolio aims to be broadly diversified across asset classes, sectors, and geographies, so as to achieve the risk adjusted returns suitable to the client's stated objectives. LTS uses a variety of vehicles including mutual funds, ETFs, separate accounts, and limited partnerships. Clients are given access to a fund's institutional share class, when available, which carries the lowest fees. In arriving at the appropriate mix of investments, LTS may develop shorter-term tactical investment views which are typically structured around a long-term strategic allocation. Using broad-market and sector analysis, LTS may overweight or underweight each asset class based upon relative attractiveness for the short-to-medium term. LTS will monitor the portfolio and adjust these weights as the market changes. In evaluating fund managers, LTS, has periodic conference calls to assess various quantitative and qualitative factors. LTS may rebalance the portfolio as the percentages of the various asset classes fluctuate from their stated targets. Where appropriate, LTS will also sell certain investments in order to take advantage of tax-losses that may have occurred in a client's portfolio.

LTS employs outside consultants at its own expense, as appropriate, to provide an additional layer of expertise and rigor in selecting and monitoring managers. The purpose of such an outside consultant is to assist and augment LTS' own research and analysis, which will assist LTS in its manager selection and evaluation process.

While all clients portfolios are customized to their particular circumstances, LTS develops a range of 'model' strategic portfolio's that progress from 'preservation' to 'aggressive' strategies which serve as a starting point for the creation of individual portfolios. Each model strategy is based on historical and projected capital market assumptions, mean-variance relationships, correlation data, probability analysis and optimized into distinct portfolio's with various asset class weightings based on risk/return trade-offs. The results provide 'expected' (but not guaranteed) returns for different levels of risk (defined by standard deviation). Actual returns vary significantly from these theoretical models because of market conditions, customization and tactical management.

LTS also believes that portfolios should be structured to meet goals first with secondary consideration to absolute returns.



**Please Note: Risk.** All investments carry risk, which varies according to investment type. Investments or investment strategies are not guaranteed to adhere to any predefined level of performance. Significant losses of capital are possible. Although diversification minimizes this risk, diversification itself does not prevent losses from occurring, nor does it guarantee profitable results. The managers of the funds selected for the portfolio and their associated strategies present additional risk which varies within and across market sectors. LTS aims to minimize this additional risk by picking managers with long track records of consistent performance, sound investment philosophy and team, and diversifying across managers within each asset class.

## **Item 9      DISCIPLINARY INFORMATION**

LTS has not been the subject of any disciplinary actions.

## **Item 10      OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS**

A. Neither LTS nor its employees are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither LTS nor its employees are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

### **C.      Private Equity**

LTS is the general partner or managing member of LTS Capital Partners I and II. These partnerships make private equity investments in specified privately held companies on behalf of qualified investors. LTS provides administrative, advisory and management services to these partnerships. In order to participate in these investments, an investor must meet certain qualifying requirements as stipulated by the SEC.

These partnership investments may be available to its clients, employees, and select outside investors. Risks including conflicts of interest are described in the written private placement memorandums and subscription agreements. There is absolutely no obligation for any client to purchase any interest in LTS' Private Equity. However, some but not all of LTS' clients have made an investment and are limited partners and/or members of these private equity offerings.

### **Private Equity Management Fees**

In its capacity as Company Manager or General Partner, LTS charges each of the private equity entities a management fee equal to 1% of the total Capital Contributions committed. This Management Fee is billed annually in advance to each of the series of LTS Capital Partners II, LLC. For LTS Capital Partners I, LP, the Management Fee is accrued annually and payments of the Management Fee will be

paid from future distributions by the partnership. For those advisory clients who have invested in LTS' private equity, LTS does not include the value of these investments when calculating its Investment Advisory fee.

### **Private Equity Costs and Expenses**

Under the terms of the Partnership/Operating Agreements, LTS may receive reimbursement for certain expenses of LTS incurred such as legal, accounting, filing, tax and other expenses.

### **Private Equity Carried Interest**

LTS is entitled to receive, from each private equity offering, a participating distribution equal to 20% of the remaining proceeds and/or net income, attributable to any portfolio investment, AFTER payment of accrued management fees and expense reimbursements and 100% return of capital to the limited partners/members.

### **Valuation**

It is very difficult to value Private Equity. For this reason, LTS has made a policy decision to value private investments on the basis of contributed capital. It is possible that such value could be significantly more or less than the original purchase price.

### **Conflict of Interest**

As discussed above, LTS will receive management fees, expense reimbursement and a participating distribution from its proprietary Private Equity investments. LTS is aware of its fiduciary responsibility to its clients and makes certain that all Private Equity investor clients are advised and informed of the risks inherent in such an investment. LTS also makes certain that all clients know that investment in its proprietary Private Equity is entirely voluntary and that a client's decision not to participate does not have any effect on the other services that the client may be receiving.

## **Item 11      CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Please see the response to Item 10 with respect to LTS' participation and interest in its Private Equity offerings.

LTS has adopted a Code of Ethics, which serves to establish a standard of business conduct for all of LTS' employees that is based upon fundamental principles of openness, integrity, honesty and trust. A copy of LTS' Code of Ethics is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, LTS also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by LTS or its employees.

As a part of its Code of Ethics, LTS has implemented a Personal Securities Transaction Policy to review and monitor the personal securities transactions and securities holdings of LTS' employees. Each quarter, all LTS employees must submit a record of their personal securities transactions to the Chief Compliance Officer for her review. In addition, LTS' Securities Transaction Policy requires that all employees provide the Chief Compliance Officer with a written report of their current securities holdings within ten (10) days after becoming an employee. Additionally, all employees must provide the Chief Compliance Officer with a written report of their current securities holdings at least once each twelve (12) month period.

LTS has developed a formal privacy policy to protect its Client's personal confidential information. This policy is available upon request.

A copy of LTS' code of ethics and policies related to employee personal trading are made available to any requesting client or prospective client.

### **Conflict of Interest**

LTS' Chief Compliance Officer acts as the Chief Compliance Officer for other registered Investment Advisors. This presents potential conflicts of interest. The Chief Compliance Officer has access to each company's confidential information and is in a position to reveal this information inappropriately. Each Company is aware of this possibility and has decided to trust that she would not disclose any such confidential information. In the unlikely event of a dispute, between these parties, the Chief Compliance Officer would be placed in a difficult position. To avoid such a conflict the Chief Compliance Officer has informed each firm that she will refrain from acting on behalf of either party.

## **Item 12      BROKERAGE PRACTICES**

### **Schwab Relationship**

While LTS maintains numerous custodial relationships, the preponderance of client assets are custodied at Schwab Institutional ("Schwab"). The client is required to enter into a separate custodial/clearing agreement with the custodian of their choice. The client will pay the custodian certain transaction fees, described below, and these fees are in addition to the fees the client will pay to LTS.

Factors that LTS considers in recommending Schwab include historical relationship with LTS, financial strength, reputation, execution capabilities, pricing, and service.

### **Trading Practices**

Internal trading (as opposed to trading done in client's separate accounts) is done at the client's chosen custodian. Trading is generally executed through online trading platforms with the relevant custodian.

### **Transaction Fees**

LTS strives to reduce its client's transaction fees. When advantageous, LTS may employ asset based fees. In many other instances, LTS has been able to negotiate reduced execution costs based on its relationship with the custodian.

### **Best Execution**

All fees paid by LTS' clients shall comply with LTS' duty to obtain best execution. However, on rare occasion, a client may pay fees that are higher than another qualified custodian might charge to effect the same transaction. In seeking best execution, the determinative factor for LTS is not the lowest possible transaction cost, but whether the transaction represents the best overall qualitative execution, taking into consideration the full range of custodial services, including execution capability, market impact cost, commission rates, financial strength and responsiveness. In other words, is the fee reasonable in relation to the value of the services received? Accordingly, although LTS will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

Although not a material consideration in LTS' decision to utilize the services of Schwab, LTS may receive, without cost (and/or at a discount) support services and/or products, certain of which assist LTS to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by LTS may be pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by LTS in furtherance of its investment advisory business operations. Schwab may provide LTS with minimal investment related research which is immaterial to LTS' decision to use Schwab as a broker.

As indicated above, certain of the support services and/or products that may be received may assist LTS in managing and administering client accounts. Others do not directly provide such assistance, but rather assist LTS to manage its business.

LTS' clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by LTS to Schwab or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

### **Soft Dollars and Payment of Referral Fees**

LTS does not accept any soft dollar arrangements, nor compensate any broker/dealer/custodian for client referrals.

### **Directed Brokerage**

LTS does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer/custodian). In the instance when a client chooses to maintain a relationship with another custodian, the client will negotiate terms and arrangements for their account with that custodian, and LTS will not seek better execution services or prices from other broker-dealers/custodians. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. However, LTS will oversee any such outside relationships and may make recommendations to the client. These outside accounts may or may not be included in our assets under supervision fee depending on the level of LTS required oversight.

## **Item 13      REVIEW OF ACCOUNTS**

A. For those clients to whom LTS provides investment supervisory services, LTS provides a quarterly report. The report includes current holdings as of the report date (end of the calendar quarter), historical performance of the client portfolio versus applicable benchmarks and a custom blended benchmark, the management fee invoice, and a disclosure page. In addition, the year end or 12/31 quarterly reports also include realized gain-loss, income, and expense reports for each account as applicable.

B. All clients (in person or via telephone) are encouraged to review with LTS financial planning issues (to the extent applicable), investment objectives and account performance together with any personal or financial changes at least on an annual basis. LTS may also conduct account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, mutual fund management changes and client requests.

C. Clients are also provided monthly or quarterly statements directly from their custodian that summarizes the beginning and ending values of the assets as well as all transaction activity during the month. In addition to the custodial statements, clients get trade confirmations from the custodian whenever trades are executed in their accounts.

## **Item 14      CLIENT REFERRALS AND OTHER COMPENSATION**

A. As referenced in Item 12 above, LTS may receive an indirect economic benefit from Schwab without cost (and/or at a discount), such as support services and/or products from Schwab.

LTS' clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by LTS to Schwab or any other any entity to invest any specific

amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

B. LTS does not have any solicitor arrangements.

## **Item 15 CUSTODY**

On occasion, LTS may agree to pay bills for certain of its clients and/or act as a Trustee for a client. LTS Capital Partners I and II utilize pooled investment vehicles for investors in its Private Equity. For each such account, LTS is deemed to have “custody” of its client’s assets and will submit each such account for a required annual surprise audit.

## **Item 16 INVESTMENT DISCRETION**

### **Discretionary and Non-Discretionary Management**

As discussed above in Item 4, LTS’ clients may choose to engage LTS on a discretionary or non-discretionary basis. In either case, the client will sign a Wealth and Investment Services Agreement which specifies which kind of service that LTS will render.

### **Discretionary**

Generally, LTS client accounts are managed on a fully discretionary basis wherein the client grants LTS the discretion and authority to supervise, invest and trade client assets placed under its management in a manner consistent with established client objectives and guidelines. Prior to LTS assuming discretionary authority over a client’s account, the client shall be required to execute a Wealth and Investment Services Agreement, naming LTS as the client’s attorney and agent in fact, granting LTS full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client’s name found in the discretionary account. When engaged on a discretionary basis, LTS may change the basic client approved equity/fixed income ratio, the sub asset allocations and the investment funds in the client’s account without client approval.

### **Non-discretionary**

With respect to its non-discretionary asset consulting services, LTS generally maintains ongoing responsibility to make recommendations, based upon the needs of the client. If such recommendations are accepted by the client, LTS is responsible for arranging or effecting the purchase or sale. For non-discretionary clients, LTS may not make changes.

## **Item 17      VOTING CLIENT SECURITIES**

A.      As stated in its Wealth and Investment Services Agreement, LTS does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

B.      Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact LTS to discuss any questions they may have with a particular solicitation.

## **Item 18      FINANCIAL INFORMATION**

A.      LTS is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

B.      LTS has not been the subject of a bankruptcy petition.

ANY QUESTIONS: LTS' Chief Compliance Officer, Naomi Ramsden Esq., remains available to address any questions that a client or prospective client may have regarding the above disclosures, conflicts of interest and other arrangements.