

**Firm Brochure**  
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Ariston Services Group, LLC. If you have any questions about the contents of this brochure, please contact us at: (619)241-2326, or by email at: [peter@aristonservicesgroup.com](mailto:peter@aristonservicesgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about the Adviser is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

No material changes.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (619)241-2326 or by email at: [peter@aristonservicesgroup.com](mailto:peter@aristonservicesgroup.com).

## Advisory Business

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### Firm Description

Ariston Services Group, LLC, hereinafter (“the Adviser”) was founded in 2008 and is an SEC registered investment adviser.

Ariston Services Group, LLC is an investment adviser providing financial planning, consulting, and investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. The Adviser, depending upon the engagement, offers its services on a fee basis which may include hourly and/or fixed fees as well as fees based upon assets under management. Prior to engaging the Adviser to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Adviser setting forth the terms and conditions under which the Adviser shall render its services (collectively the “Agreement”). The Adviser does not sell securities on a commission basis.

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### Principal Owner

Peter E. Shen as is a 100% owner.

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### Types of Advisory Services

The Adviser provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations. On more than an occasional basis, the Adviser furnishes advice to clients on matters not involving securities.

The Adviser may only implement its investment management recommendations after the client has arranged for and furnished the Adviser with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, Schwab, any other broker-dealer recommended by the Adviser, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “Financial Institution(s)").

Prior to engaging the Adviser to provide financial planning and/or consulting services, the client will generally be required to enter into a written agreement with the Adviser setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to the Adviser commencing services. Generally, the Adviser requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event the client

terminates the Adviser's financial planning and/or consulting services, the balance of the Adviser's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client shall be entitled to a full refund.

In performing its services, the Adviser shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Adviser may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Adviser recommends its own services. The client is under no obligation to act upon any of the recommendations made by the Adviser under a financial planning / consulting engagement and/or engage the services of any such recommended professional, including the Adviser itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Adviser's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Adviser if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Adviser's previous recommendations and/or services.

As of December 31, 2017, the Adviser manages approximately \$430,453,000 in assets for approximately 63 clients. Approximately \$428,145,000 is managed on a discretionary basis, and \$2,308,000 is managed on a non-discretionary basis.

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## Types of Agreements

Agreements may not be assigned without client consent.

The following agreements define the typical client relationship:

### Financial Planning Agreement

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. The financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Adviser. The Adviser does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

### Investment Management Agreement

As part of the investment management service, all aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client which often includes an annual meeting with the client.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

#### Hourly Planning Engagements

The Adviser provides hourly planning services for clients who need advice on a limited scope of work.

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### Asset Management

Investments include: equities (stocks), warrants, corporate debt securities, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, and interests in partnerships, exchange traded funds.

Alternative Investment Strategies, include private equity strategies in oil & gas exploration/production, growth equity, real estate & mezzanine, multi-strategy hedge & closed-end master limited partnership funds, shipping, & high yielding debit securities.

The Adviser may also provide advice about exchange traded funds (ETFs), alternative investments and any type of investment held in a client's portfolio at the beginning of the advisory relationship.

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### Termination of Agreement

A Client shall have (5) business days from the date of execution of the aforementioned agreements to terminate services. The Agreement will continue to be in effect from the date of execution and may be terminated at any time upon the receipt of written notice. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

It should be noted that the Adviser reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in

the Adviser's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

## **Fees and Compensation**

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### **Investment Management**

The Adviser bases its fees on a percentage of assets under management, hourly charges, and fixed fees (not including subscription fees). The client or the investment manager may terminate an Agreement by written notice to the other party.

In the event the client determines to engage the Adviser to provide investment management services, the Adviser shall do so on a fee basis. If engaged, the Adviser shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Adviser in accordance with a tiered blended rate fee schedule. The annual management fee is calculated by applying different rates to different portions of the portfolio (See Schedule and Sample below.)

The Adviser's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Adviser shall not receive any portion of these commissions, fees, and costs. The Adviser's annual fee shall be prorated and charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The annual fee shall vary (between 0.40% and 1.50%) depending upon the market value of the assets under management and the type of investment management services to be rendered, as follows:

<b>Schedule of Investment Management Fees</b>	
<b>Tiers</b>	<b>Annual Percentage Fee</b>
On amount \$500,000 and below	1.50%
On amount above \$500,000 to \$1 million	1.00%
On amount above \$1 million to \$2 million	.75%
On amount above \$2 million to \$5 million	.50%
On amount over \$5 million	.40%



Sample Calculation of Management Fee:					
<b>Ending Value: \$5,100,000</b>					
\$0.00	-	\$500,000.00	=	(\$500,000.00 x 0.015)	= \$7,500.00
\$500,000.01	-	\$1,000,000.00	=	(\$500,000.00 x 0.010)	= \$5,000.00
\$1,000,000.01	-	\$2,000,000.00	=	(\$1,000,000.00 x 0.0075)	= \$7,500.00
\$2,000,000.01	-	\$5,000,000.00	=	(\$3,000,000.00 x 0.0050)	= \$15,000.00
\$5,000,000.01	-	\$5,100,000.00	=	(\$100,000.00 x 0.0040)	= \$400.00
<b>Gross Annual Fee:</b>					<b>\$35,400.00</b>

The Adviser at its discretion may on occasion discount the fee in the above fee schedule. The Adviser intends to primarily allocate its client's investment management assets, on a discretionary and/or a non-discretionary basis among Independent Managers (as defined below), mutual funds, and exchange traded funds in accordance with the investment objectives of the client.

Clients may incur certain charges imposed by the Financial Institution(s) and other third parties such as fees charged by Independent Managers (as defined below), custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee.

The Adviser's Agreement and/or the separate agreement with the Financial Institution(s) may authorize the Adviser through the Financial Institution(s) to debit the client's account for the amount of the Adviser's fee and to directly remit that management fee to the Adviser in accordance with applicable custody rules. The Financial Institution(s) recommended by the Adviser have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Adviser.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Adviser in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Adviser will not be increased.

The Adviser may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) either directly or through a wrap fee program ("Independent Manager(s)"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Manager(s) shall be set forth in separate written agreements between (1) the client and the Adviser and (2) the client and the designated Independent Manager(s) and/or

wrap fee program sponsor. The Adviser shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which the Adviser shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s). Factors that the Adviser shall consider in recommending Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, the Adviser's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by the Adviser, the designated Independent Manager(s), wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

In addition to the Adviser's written disclosure statement, the client shall also receive the written disclosure statement of the designated Independent Manager(s) and wrap fee program sponsor (if applicable). Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than the Adviser. In such instances, the Adviser may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap fee program sponsor.

If the Adviser refers a client to certain Independent Manager(s) where the Adviser's compensation is included in the advisory fee charged by such Independent Manager(s) and the client engages those Independent Manager(s), the Adviser shall be compensated for its services by receipt of a fee to be paid directly by the Independent Manager(s) to the Adviser in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee shall be paid solely from the Independent Manager(s) investment management fee or the program fee of the wrap fee program (as appropriate), and shall not result in any additional charge to the client.

The Adviser also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer sponsored retirement plans. In so doing, the Adviser either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

The client may make additions to and withdrawals from the account at any time, subject to the Adviser's right to terminate an account. If assets are deposited into, or withdrawn from, an account after the inception of a quarter that exceed \$10,000, the fee payable with respect to such assets will be prorated based on the number of days

remaining in the quarter. Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. However, the Adviser designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between the Adviser and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Adviser's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

The Adviser's clients are advised to promptly notify the Adviser if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Adviser's management services.

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## Financial Planning Fees

The Adviser may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). The Adviser will charge a fixed fee and/or hourly fee for these services. The Adviser's financial planning and consulting fees are negotiable, but generally range from \$500 to \$25,000 on a fixed fee basis and/or from \$250 to \$350 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Adviser for additional investment advisory services, the Adviser may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

## Performance Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities. The Adviser does not use a performance-based fee structure.

## **Types of Clients**

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### **Description**

The Adviser generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations or business entities. Client relationships vary in scope and length of service.

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### **Account Minimums**

The Adviser does not currently require account minimums. Certain Independent Manager(s) may, however, impose more restrictive account requirements and varying billing practices than the Adviser. In such instances, the Adviser may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap fee program sponsor.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis and technical analysis.

The main sources of information include financial newspapers and magazines, internal research, research materials prepared by others, corporate rating services, annual reports, prospectuses and filings with the Securities and Exchange Commission.

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### **Investment Strategies**

As mentioned above, strategies may include long-term purchases, short-term purchases, and margin transactions.

The Adviser may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Manager(s), based upon the stated investment objectives of the client. The Adviser shall continue to render services to the client relative to the discretionary selection of Independent Manager(s) as well as the monitoring and review of account performance and client investment objectives. Portfolios may be globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations.

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## Market, Security and Regulatory Risks

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain general risks that are borne by the investor which are described below:

### Market Risks:

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Ariston Services Group, LLC's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits. Additionally, specific investments under the Adviser's strategy may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting the Adviser to reinvestment risk. Likewise, the investment strategy of the Adviser is partially dependent on its ability to correctly identify and assess technology's impact on a company's business. As a result of the nature of the Adviser's investing activities, it is possible that its financial performance may fluctuate substantially over time and from period to period.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes

seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

Small Companies. The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Adviser may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volume of smaller company securities.

Volatility of Currency Prices. The profitability of the Adviser's portfolios depends, in part, upon the Adviser correctly assessing the future price movements of currencies. However, price movements of currencies are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. The Adviser cannot guarantee that it will be successful in accurately predicting currency price and interest rate movements.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Maturity Risk. In certain situations, the Adviser may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Adviser will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the Adviser could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Adviser does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the Adviser's prime broker and custodian were to become insolvent or file for bankruptcy, the Adviser could suffer significant losses with respect to any securities held by such firm.

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## Regulatory Risks

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

**Tax Risk.** The tax aspects of an investment in the Adviser are complicated and each investor should have them reviewed by professional advisers familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles as applicable.

**Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations.** The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

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## Security Specific Risks

**Liquidity:** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

**Currency:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Limited Liquidity of Interests.** An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

## Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.



## **Other Financial Industry Activities and Affiliations**

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### **Brokerage Affiliations**

The Adviser does not have any other financial industry affiliations at this time.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Compliance Officer of the Adviser.

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

The Adviser and persons associated with the Adviser ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with the Adviser's policies and procedures.

The Adviser has adopted a code of ethics as mentioned above sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Adviser or any of its associated persons. The Code of Ethics also requires that certain of the Advisers' personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients may contact the Adviser to request a copy of its Code of Ethics.

When the Adviser is purchasing any security on behalf of a client, no Access Person may effect a transaction in that security on the same day. Similarly, when the Adviser

is selling any security on behalf of a client, no Access Person may effect a transaction in that security on the same day. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

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## Personal Trading

The Chief Compliance Officer of the Adviser is Peter E. Shenass. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## Brokerage Practices

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### Brokerage Selection, Soft Dollars and Best Execution

The Adviser does not have the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. However, the Adviser may recommend brokerage firms as qualified custodians and for trade execution.

The Adviser has generally recommended that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("Schwab") for investment management accounts.

Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by Schwab or any other designated broker-dealer are exclusive of and in addition to the Adviser's fee. Factors which the Adviser considers in recommending Schwab or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. Schwab enables the Adviser to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other broker-dealers.

The commissions paid by the Adviser's clients shall comply with the Adviser's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Adviser determines, in good faith, that the commission is reasonable in relation to the

value of the brokerage and research services received. 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 the Adviser will seek competitive rates, it may not necessarily obtain the lowest price.

If the client requests the Adviser to arrange for the execution of securities brokerage transactions for the client's account, the Adviser shall direct such transactions through broker-dealers that the Adviser reasonably believes will provide best execution. The Adviser shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

The client may direct the Adviser in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by the Adviser. As a result, the 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. Subject to its duty of best execution, the Adviser may decline a client's request to direct brokerage if, in the Adviser's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. The Adviser may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Adviser's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Adviser's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Adviser determines to aggregate client orders for the purchase or sale of securities, including securities in which the Adviser's Advisory Affiliate(s) may invest, the Adviser shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Adviser determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position

or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Adviser may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist the Adviser in its investment decision-making process. Such research generally will be used to service all of the Adviser's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

The Adviser may receive from Schwab, without cost to the Adviser, computer software and related systems support, which allow the Adviser to better monitor client accounts maintained at Schwab. The Adviser may receive the software and related support without cost because the Adviser renders investment management services to clients that maintain assets at Schwab. The software and related systems support may benefit the Adviser, but not its clients directly. In fulfilling its duties to its clients, the Adviser endeavors at all times to put the interests of its clients first. Clients should be aware; however, that the Adviser's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Adviser's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, the Adviser may receive the following benefits from Schwab through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

In the process of performing due diligence on prospective third party money managers or custodians, on occasion, The Adviser may receive meals, travel and lodging from a money manager or custodian.

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## Order Aggregation

From time to time the Adviser may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, the Adviser may also aggregate the same transaction in the same securities for many Clients for whom the Adviser has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Adviser is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Adviser will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- The Adviser must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Adviser's written agreements.
- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.
- Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No Client/investor, account or fund will be favored over any other Client/investor, account or fund as a result of the allocation.

- Pre-allocation statement(s) specifying the participating Client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Adviser.

## **Review of Accounts**

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### **Periodic Reviews**

For those clients to whom the Adviser provides investment management services, the Adviser's CCO monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis or as needed. For those clients to whom the Adviser provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of the Adviser's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Adviser and to keep the Adviser informed of any changes thereto. The Adviser shall contact ongoing investment advisory clients at least annually to schedule a review of its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Unless otherwise requested, those clients to whom the Adviser provides investment advisory services will also receive a report from the Adviser that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance at least annually.

Those clients to whom the Adviser provides financial planning and/or consulting services will receive reports from the Adviser summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Adviser. A financial update will generally occur with respect to certain personal life events, such as marriage, divorce, or death of a family member.

Account reviews are performed no less than annually by Peter E. Shenan, Chief Investment Officer. He will consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

## **Client Referrals and Other Compensation**

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### **Incoming Client Referrals**

The Adviser receives client referrals which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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#### Referrals to Third Parties

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Custody**

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#### Custody Policy

As a result of our ability to affect Standing Letters of Authorization of third-party money movement we are deemed to have, under certain circumstances, a limited custody of client cash balances and have met all SEC conditions and requirements. The Adviser does not obtain custody of client securities, act as trustee, and have password access to control account activity or any other form of controlling client assets.

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#### Account Statements

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

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#### Performance Reports

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to compare the information set forth in any reports provided by the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

### **Investment Discretion**

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#### Discretionary Authority for Trading

The Adviser may contract for limited discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted by the Adviser's investment management agreement. Should the client agreement grant authority; the Adviser will determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

## **Voting Client Securities**

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### **Proxy Votes**

The Adviser may vote proxies on behalf of its clients. When the Adviser accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in the Adviser's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in the Adviser's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. At any time, clients may contact the Adviser to request information about how The Adviser voted proxies for that client's securities or to get a copy of the Adviser's Proxy Voting Policies and Procedures. A brief summary of the Adviser's Proxy Voting Policies and Procedures is as follows:

The Adviser will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner. The Adviser will generally vote proxies according to the Adviser's then current Proxy Voting Guidelines.

Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Adviser shall devote an appropriate amount of time and resources to monitor these changes.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that the Adviser maintains with persons having an interest in the outcome of certain votes, the Adviser will take appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.



## **Financial Information**

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### **Financial Condition**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

## **Business Continuity Plan**

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### **Summary of Business Continuity Plan**

The Adviser has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people that may occur as a result of a natural or man-made disaster. A summary of the business continuity plan is available upon request to the Adviser's Chief Compliance Officer.

### **Alternate Offices**

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Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## Information Security Program

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### Privacy Policy

Below is a summary of the Adviser's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Compliance Officer of the Adviser.

Ariston Services Group, LLC:

- a) Collects non-public personal information about its clients from the following sources:
  - Information received from clients on applications or other forms;
  - Information about clients' transactions with the Adviser, its affiliates and others;
  - Information received from our correspondent clearing broker with respect to client accounts;
  - Information received from service bureaus or other third parties.
- b) The Adviser will not share such information with any affiliated or nonaffiliated third party except:
  - When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - When required to maintain or service a customer account;
  - To resolve customer disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the customer;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
  - In connection with a sale or merger of The Adviser's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;
  - In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the customer's instruction or consent.

- c) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- d) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

## **ADV Part 2B Brochure Supplement**

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### Education and Business Standards

Ariston Services Group, LLC requires that advisors have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning.

Examples of acceptable coursework may include: an MBA, a CFP, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

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### Peter E. Shenias

#### Educational Background:

- Date of birth: 1963
- University of California at Los Angeles. – 1987, Bachelors of Arts, Political Science
- CFP - Certified Financial Planner Practitioner, 2003
- Certified Investment Management Analyst, 2005

#### Business Experience:

- Ariston Services Group, LLC, Managing Member, 2008-Present
- Smith Barney, First Vice President Wealth Management, 1990-2008
- Thomas Green San Diego Securities, Account Executive 1987-1990

Other Business Activities: None

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None