

Malaga Cove Capital, LLC

425 Via Corta
Suite 203
Palos Verdes Estates, CA 90274
310-421-2141
www.MalagaCoveCapital.com

Form ADV, Part 2A Brochure

February 2, 2017

This brochure provides information about the qualifications and business practices of Malaga Cove Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 310-421-2141. 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.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Malaga Cove Capital, LLC or any person associated with Malaga Cove Capital, LLC has achieved a certain level of skill or training.

Additional information about Malaga Cove Capital, LLC (IARD#146959) is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

The purpose of this page is to inform you of any material changes since the previous version of this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

In accordance with amendment requirements, the firm is filing an updated Form ADV Part 1.

This update is in accordance with the required annual update for Registered Investment Advisors. Since the last update filed on March 17, 2016, the following has been updated:

- Item 4 has been updated to disclose our client assets under management as of December 31, 2016.

Malaga Cove Capital, LLC reviews and updates the brochure at least annually to make sure that it is still current.

ITEM 3- TABLE OF CONTENTS

ITEM 1 - COVER PAGE.....	1
ITEM 2 - MATERIAL CHANGES.....	2
ITEM 3- TABLE OF CONTENTS	i
ITEM 4 - ADVISORY BUSINESS.....	1
Description of Advisory Firm	1
Advisory Services Offered.....	1
Investment Management Services.....	1
ERISA Plan Services.....	2
Limitations on Investments.....	4
Tailored Services and Client Imposed Restrictions.....	5
Wrap Fee Programs	5
Assets Under Management	5
ITEM 5 - FEES AND COMPENSATION	5
Fee Schedule.....	5
Investment Management Services.....	5
ERISA PLAN SERVICES	5
Billing Method	6
Investment Management Services.....	6
Other Fees and Expenses.....	6
Termination	7
Other Compensation	7
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	7
ITEM 7 - TYPES OF CLIENTS	7
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	7
Methods of Analysis and Investment Strategies	7
Methods of Analysis for Selecting Securities	8
Investing Involves Risk.....	8
Specific Security Risks	8
General Risks of Owning Securities.....	8
Equity Securities	9

Debt Securities (Bonds)	9
Municipal Bonds.....	10
Municipal Bonds of a Particular State	11
Real Estate Investment Trusts.....	11
American Depository Receipts (ADRs)	11
ITEM 9 - DISCIPLINARY INFORMATION.....	12
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	12
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	12
Code of Ethics	12
Participation or Interest in Client Transactions	12
Personal Trading Practices	13
De minimis Policy	13
Aggregation with Client Orders.....	13
ITEM 12 - BROKERAGE PRACTICES	13
How We Select Brokers/Custodians.....	14
Your Brokerage and Custody Costs	14
Products and Services Available to Us from Schwab	14
Brokerage for Client Referrals.....	16
Directed Brokerage	16
Aggregation and Allocation of Transactions.....	16
ITEM 13 - REVIEW OF ACCOUNTS.....	16
Managed Account Reviews	16
Account Reporting	17
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION	17
Schwab Support Products and Services	17
Professional Referrals.....	17
ITEM 15 - CUSTODY	18
ITEM 16 - INVESTMENT DISCRETION	18
ITEM 17 - VOTING CLIENT SECURITIES.....	18
Class Actions.....	19
ITEM 18 - FINANCIAL INFORMATION	19

Form ADV, Part 2B Brochure Supplement	A
Alfred (“Al”) Charles Walsh III.....	B
ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE	B
ITEM 3 - DISCIPLINARY INFORMATION.....	B
ITEM 4 - OTHER BUSINESS ACTIVITIES	B
ITEM 5 - ADDITIONAL COMPENSATION.....	B
ITEM 6 - SUPERVISION.....	B
Mark Wade Choate	C
ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE	C
ITEM 3 - DISCIPLINARY INFORMATION.....	C
ITEM 4 - OTHER BUSINESS ACTIVITIES	C
ITEM 5 - ADDITIONAL COMPENSATION.....	C
ITEM 6 - SUPERVISION.....	C
PRIVACY POLICY NOTICE	i

ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Malaga Cove Capital, LLC (“Malaga,” “we,” “our,” or “us”) is a privately owned Limited Liability Company headquartered in Palos Verdes Estates, California. Malaga is a registered investment adviser with the U.S. Securities and Exchange Commission.

Malaga was founded in May of 2008 by Alfred (“Al”) C. Walsh, III and Mark Choate. Al Walsh is a Principal and Managing Member at Malaga. Mark Choate is Chief Executive Officer at Malaga.

Al Walsh and Mark Choate both serve as portfolio managers providing individuals and high net worth individuals with wealth management services. Our services include investment analysis, and direct, full time investment execution and monitoring of clients’ assets.

Advisory Services Offered

Malaga offers the following services to advisory clients:

Investment Management Services

Malaga provides continuous and regular investment supervisory services on a discretionary basis. Al Walsh and Mark Choate, Principal, work with clients and have the ongoing responsibility to select and/or make recommendations, based upon the objectives of the client, as to specific securities or other investments that they purchase or sell in client accounts.

Malaga may offer investment advice on any investment held by the client at the start of the advisory relationship. Recommendations for new investments will typically include equity securities, including stocks and foreign securities listed on US exchanges (ADRs) or foreign exchanges (ordinaries). For clients in need of capital preservation Malaga may recommend fixed income securities, including corporate and government bonds, commercial paper, and certificates of deposit (CDs), money market funds and cash.

Malaga may offer advice on other investments held in a client’s portfolio at the beginning a relationship with Malaga. There may also be additional types of investments that Malaga will provide advice on if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry.

We discuss our discretionary authority below under **Item 16 - Investment Discretion**. For more information about the restrictions clients can put on their accounts, see **Tailored Services and Client Imposed Restrictions** in this item below.

We describe the Fees charged for investment management services below under **Item 5 - Fees and Compensation**.

ERISA Plan Services

Malaga provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. Malaga may act as either a 3(21) or 3(38) advisor:

Limited Scope ERISA 3(21) Fiduciary. Malaga typically acts as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor registered under the Securities Act of Washington and other applicable state securities laws, Malaga has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Malaga can help mitigate that plan sponsor's liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. Advisor acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the Advisor's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Advisor is not providing fiduciary advice as defined by ERISA to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.

- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Advisor may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. The Advisor has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

1. Employer securities;
2. Real estate (except for real estate funds or publicly traded REITs);
3. Stock brokerage accounts or mutual fund windows;
4. Participant loans;
5. Non-publicly traded partnership interests;
6. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
7. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Advisor under this Agreement.

3(38) Investment Manager. Malaga can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. Malaga would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

1. Fiduciary Services are:

- Adviser has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives. Adviser acknowledges that it is a fiduciary as defined under ERISA.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the Adviser's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the Adviser is not providing fiduciary advice as defined by ERISA to the Plan participants. Adviser will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Adviser may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Adviser and Client.

3. The Adviser has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- a. Employer securities;
- b. Real estate (except for real estate funds or publicly traded REITs);
- c. Stock brokerage accounts or mutual fund windows;
- d. Participant loans;
- e. Non-publicly traded partnership interests;
- f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Adviser under this Agreement.

Limitations on Investments

In some circumstances, Malaga's advice may be limited to certain types of securities.

Limitation by Plan Sponsor/Employer

In the event Malaga is managing assets within a retirement plan such as 401(k), or other employer plan, Malaga will abide by the investment criteria established in the plan. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options. Therefore, Malaga can only make recommendations to the client from among the available options, and will not recommend or invest the client's account in other securities, even if there may be better options elsewhere.

Malaga may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this Item below.

Non-managed Assets

With respect to investment management services, Malaga will only be responsible for the supervision and management of securities we recommend. Malaga will not be responsible for the supervision or management of non-managed assets. Non-managed assets may include securities held in a client's account that is under management with Malaga that were:

1. Delivered into the account by the client;
2. Purchased by the client;
3. Purchased by Malaga at the request of the client as an accommodation; or
4. Designated by the client to be non-managed securities by written notification.

Tailored Services and Client Imposed Restrictions

Malaga generally seeks clients whose financial objectives are capital growth and appreciation. For details see Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our recommendations may be limited if the client does not provide us with accurate and complete information. It is the client's responsibility to keep Malaga informed of any changes to their investment objectives.

Malaga reserves the right to not accept and/or terminate management of a client's account if we feel that the client objectives are not in line with our investment strategies of capital growth and appreciation.

Wrap Fee Programs

Malaga does not manage accounts as part of a wrap or bundled fee program.

Assets Under Management

Malaga manages client assets in both discretionary and non-discretionary accounts on a continuous and regular basis. As of December 31, 2016 Malaga had \$167,573,121 assets under management on a discretionary basis and currently no assets under management on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Fee Schedule

Investment Management Services

Malaga charges advisory fees for investment management services. Malaga's advisory fees are charged based on a percentage of the client's total assets under management and range from 1.00% to 2.00%, annually. The advisory agreement between Malaga and the client will state the client's annual fee. Our standard fee schedule may be negotiable based on a number of factors, which include but are not limited to "grandfathered" accounts, related accounts, and other structures that we may consider in special situations. We also manage some family and related accounts at a discount or without charge.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The initial fee will be based on the market value of the Plan assets as calculated by the custodian or record keeper of the Included Assets on the first business day of the initial fee period and will be due on the first business day of the fee period. If the services to be provided start any time other than the first day of a

quarter, the fee will be prorated based on the number of days remaining in the initial fee period. Thereafter, the fee will be based on the market value of the Plan assets on the last business day of the previous fee period (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) and will be due the following business day. If this Agreement is terminated prior to the end of the fee period, Malaga shall be entitled to a prorated fee based on the number of days during the fee period services were provided. Any unearned fees shall be refunded to the Plan or Plan Sponsor.

The compensation of Malaga for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Malaga does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Malaga will disclose this compensation, the services rendered, and the payer of compensation. Malaga will offset the compensation against the fees agreed upon under this Agreement.

Billing Method

Investment Management Services

Malaga's advisory fees are payable quarterly in advance at the beginning of each calendar quarter. We charge one fourth of the annual fee each quarter based on the market value of the client's portfolio as of the last day of the prior calendar quarter. The formula used for the calculation is as follows: $(Annual\ Rate) \times (Total\ Assets\ Under\ Management\ at\ Quarter-End) / 4$. At our discretion, we may make pro-rations for additions or withdrawals during a quarter. The client's quarterly fee calculation will reflect any pro-rated additions and/or reductions.

For new client accounts, the first payment is a pro-rata calculation payable at the beginning of the first full quarter under management. The calculation will take into consideration the number of days remaining in the quarter and the initial value of the portfolio. The formula used to calculate the initial advisory fee for the partial quarter would be as follows: $(Result\ of\ Quarterly\ Calculation) \times (Days\ Remaining\ in\ Quarter) / (Total\ Number\ of\ Days\ in\ Quarter)$.

It is up to the client whether they wish to have the advisory fees withdrawn directly from their custodian account or pay by check. With client authorization, Malaga will automatically withdraw Malaga's advisory fee from the client's account held by an independent custodian. Typically, the custodian withdraws advisory fees from the client's account during the first month of each quarter based on Malaga's instruction. All clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account. Clients who choose to not to have advisory fees withdrawn directly from their custodian account are expected to pay Malaga upon receipt of the invoice. The invoice will include the fee calculation and amount due.

Other Fees and Expenses

Malaga's fees do not include custodian fees. Clients pay all brokerage commissions, stock transfer fees, and/or other similar charges incurred in connection with transactions in accounts from the assets in the

account, which are in addition to the fees client pays to Malaga. See **Item 12 - Brokerage Practices** below for more information.

Termination

Either party may terminate the advisory agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time by writing Malaga at our office.

Malaga will refund any prepaid, unearned advisory fees. Upon termination of the agreement the client will receive a prorated refund of unearned advisory fees which will be calculated based on the date Malaga receives notification of the cancellation using the following formula: $(Fees\ Paid) \times (Days\ Remaining\ in\ Quarter) / (Total\ Number\ of\ Days\ in\ Quarter)$.

Other Compensation

Malaga does not accept compensation for the sale of securities or other investment products. Malaga's only compensation is the advisory fees clients pay to Malaga.

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

Malaga does not charge performance based fees. Performance based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

ITEM 7 - TYPES OF CLIENTS

Malaga offers discretionary investment advisory services to individuals, high net worth individuals, trusts and estates, and individual participants of retirement plans. In addition, we offer advisory services to charitable organizations and businesses.

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

Methods of Analysis and Investment Strategies

Malaga generally seeks clients whose financial objectives are capital growth and appreciation. Typically Malaga's clients' risk attitude will fall in the medium to high volatility range. Clients understand that their investments may come with additional risk. Clients that do not seek these types of investments will be referred to other advisors. Clients established prior to Malaga making the decision to only manage accounts with the objective of capital growth and appreciation will be grandfathered in to continue receiving services. Malaga utilizes primarily equity securities when developing a client's portfolio.

Client portfolios with a similar investment objectives and asset allocation goals may own different securities. Timing and tax factors also influence Malaga's investment decisions. Clients who buy or sell securities on the same day may receive different prices.

Methods of Analysis for Selecting Securities

Malaga may use fundamental and/or technical analysis in the selection of individual securities.

Fundamental Analysis

Malaga may use a buy and hold investment strategy, utilizing fundamental analysis to make individual security recommendations.

Technical Analysis

Malaga offers active portfolio management, utilizing technical analysis, in an effort to determine market trends, support and resistance levels, logical profit objectives and exit points.

Long-Term Holdings

Malaga's strategy consists of purchasing, holding, and rebalancing a diversified portfolio of publicly traded equities and periodically bonds. Malaga typically intends to hold these investments for over a year except when sales are necessary to rebalance the portfolio or to fund replacement acquisitions. When selecting publicly traded equities, Malaga may focus on the potential for income and/or growth, depending on the client's investment objectives.

Malaga does not attempt to time the market nor do we attempt to capture short-term gains. Short term buying and selling of securities is limited to those cases where a purchase has resulted in an unanticipated gain or loss in which we believe that a subsequent sale is in the best interest of the client.

Investing Involves Risk

Investing in securities involves risk of loss, and clients should be prepared to bear that risk.

Prior to entering into an agreement with Malaga, the client should carefully consider:

1. That investing in securities involves risk of loss which clients should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time the client's assets may fluctuate and at any time be worth more or less than the amount invested; and
4. That clients should only commit assets that they feel are currently unneeded and available to Malaga for investment on a long-term basis. This is typically a minimum of five to seven years.

Specific Security Risks

General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

Equity Securities

Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for particular equity securities, which may adversely affect Malaga's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

Money Market Funds

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. corporations, and state and local governments. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds.

Debt Securities (Bonds)

Periodically, Malaga will recommend debt securities. Debt securities are used by issuers to borrow money and generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Some debt securities, such as zero coupon bonds, do not pay current interest, but are purchased at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Certain additional risk factors relating to debt securities include:

Reinvestment Risk

When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.

Inflation Risk

Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.

Inflation-indexed securities such as Treasury Inflation Protection Securities (TIPS) are structured to remove inflation risk.

Interest Rate And Market Risk

Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Periods of economic change and uncertainty also can be expected to result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

Credit Risk

If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.

Liquidity and Valuation Risk

There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

Malaga attempts to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that we will be successful in doing so. Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes. There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

Municipal Bonds

Periodically, Malaga will recommend municipal bonds. Municipal bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk. Investing in municipal bonds carries risk unique to these types of bonds, which may include:

Legislative Risk

The risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

Tax-Bracket Changes

Municipal bonds generate tax-free income, and therefore pay lower interest rates than taxable bonds. Investors who anticipate a significant drop in their marginal income-tax rate may be better served by the higher yield available from taxable bonds.

Liquidity Risk

The risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Municipal bonds may be less liquid than other bonds.

Credit Risk

The risk that a borrower will be unable to make interest or principal payments when they are due and therefore default. To reduce investor concern, many municipal bonds are backed by insurance policies guaranteeing repayment in the event of default.

Municipal Bonds of a Particular State

Municipal bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Because the fund invests in securities issued by California municipalities, the fund is more susceptible to factors adversely affecting issuers of California securities than a comparable municipal bond mutual fund that does not concentrate its investments in a single state. For example, in the past, California voters have passed amendments to the state's constitution and other measures that limit the taxing and spending authority of California governmental entities, and future voter initiatives may adversely affect California municipal bonds.

Real Estate Investment Trusts

Periodically, Malaga will recommend clients invest in securities issued by real estate investment trusts (REITs), which primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. The values of REITs may be affected by changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws and regulatory requirements, such as those relating to the environment. Both types of REITs are dependent upon management skill and the cash flows generated by their holdings, the real estate market in general and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exceptive status afforded under relevant laws.

American Depositary Receipts (ADRs)

Periodically, Malaga will recommend clients ADRs. An ADR is a stock that trades in the United States but represents a specified number of shares in a foreign corporation. ADRs are bought and sold on American markets just like regular stocks, and are issued/sponsored in the U.S. by a bank or brokerage. ADRs are subject to risks of investing in foreign securities, including, but not limited to, less complete financial information available about foreign issuers, less market liquidity, more market volatility and political

instability. In addition, currency exchange-rate fluctuations affect the U.S. dollar-value of foreign holdings. Dividends may be paid on some ADRs and ordinary shares of foreign securities and many foreign countries impose dividend withholding taxes up to 30%. Depending on a custodian's ability to reclaim any withheld foreign taxes on dividends, taxable accounts may be able to recoup a portion of these taxes by use of the foreign tax credit. However, tax-exempt accounts, to the extent they pay any foreign withholding taxes, may not be able to utilize the foreign tax credit and, therefore, may be unable to recover any foreign taxes withheld on dividends of foreign securities or ADRs.

ITEM 9 - DISCIPLINARY INFORMATION

Malaga does not have any disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Malaga does not offer any other services or have any affiliates in the financial industry.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Malaga believes that we owe clients the highest level of trust and fair dealing. Further, as part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Malaga's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Malaga's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Malaga's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, and adherence to applicable state and federal securities laws. All personnel receive a copy of each amendment of the Code of Ethics, which they acknowledge in writing. Additionally, individuals who make securities recommendations to clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities are subject to personal trading policies governed by the Code of Ethics. The personal trading policies are summarized below under *Personal Trading Practices*.

Malaga will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

The following items represent situations where a conflict of interest may exist between the client and Malaga (including Malaga's "related persons"). A "related person" includes our managing members and employees (excluding those performing only clerical functions).

Personal Trading Practices

Malaga or our personnel may invest in securities that we also recommend to clients. When Malaga is purchasing or considering to purchase any security on behalf of a client, no employee of Malaga may effect a transaction in that security prior to the completion of the purchase, until a decision has been made not to purchase such security, or unless the purchase is of *de minimis* value as outlined the firm's Code of Ethics. Similarly, when Malaga is selling or considering the sale of any security on behalf of a client, no employee may effect a transaction in that security prior to the completion of the sale, until a decision has been made not to sell such security, or unless the purchase is of *de minimis* value as outlined the firm's Code of Ethics. The Code of Ethics includes reporting requirements for Malaga's employees to report their personnel securities transactions and holdings.

De minimis Policy

If Malaga is purchasing/selling or considering for purchase/sale any security in a client account, Malaga nor its personnel is allowed to effect a transaction in that security prior to the client purchase/sale having been completed or until a decision has been made not to purchase/sell the security in the client's account, except when the transaction meets one of the following conditions:

- A purchase or sale of \$20,000 or less of any common or preferred stock per day of any issuer that has a market capitalization of over \$5 billion and the security trades on the NYSE or other domestic exchange/financial market, including NASDAQ (excluding all options).
- When an aggregated trade includes both client and our personnel's trades and the trade is conducted in compliance with Malaga's written aggregation and allocation policies and procedures. See **Aggregation with Client Orders** below.

Ban on Short-Term Trading Profits

All personal and proprietary transactions are subject to a 30-day ban on short-term trading profits.

Participation or Interest in Client Transactions and Personal Trading

Aggregation with Client Orders

1. Advisor may aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Advisor. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. .

ITEM 12 - BROKERAGE PRACTICES

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Schwab Advisor Services™ a division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold your assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for your account)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to us and our other clients
10. Availability of other products and services that benefit us, as discussed below (see ***Products and Services Available to Us From Schwab***)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services. However, Schwab receives compensation by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see ***How We Select Brokers/Custodians***).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Malaga and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10

million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200.

Following is a more detailed description of Schwab's support services:

Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not

contingent upon us committing any specific amount of business to Schwab in trading commissions. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients.

Additionally, Schwab has provided Malaga a loan to assist its business operations, and Al Walsh, Principal of Malaga, guarantees the loan. The terms of the loan require that management fees to Malaga be paid to an account at Schwab for deduction of interest and principal payments pursuant to the loan before Malaga may have access to that fee payment. The loan agreement contains various representations by Malaga, including that it will maintain \$75 million in assets under management, and various events of default, including that Malaga will comply with all laws, contracts, licenses and permits. In the event of an unheeded default under the terms of the loan agreement, Schwab may terminate and/or accelerate the loan, which may have a material adverse effect on Malaga's ability to perform services for its clients.

As part of our fiduciary duty to clients, Malaga endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by Malaga or our related persons in and of itself creates a potential conflict of interest and may indirectly influence Malaga's recommendation of Schwab for custody and brokerage services. Malaga primarily support our selection of Schwab by the scope, quality, and price of Schwab's services (see ***How We Select Brokers/Custodians***, above) and not Schwab's services that benefit only us.

Brokerage for Client Referrals

Malaga does not receive client referrals from any broker-dealer or third party in exchange for using that broker-dealer or third party.

Directed Brokerage

In the event that a client directs Malaga to use a particular broker-dealer for all trading, it should be understood that under these circumstances best execution may not be achieved. As Malaga will not have authority to negotiate commissions, obtain volume discounts. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

Aggregation and Allocation of Transactions

We describe our aggregation practices in detail under ***Item 11 - Aggregation with Client Orders*** above.

ITEM 13 - REVIEW OF ACCOUNTS

Managed Account Reviews

We manage portfolios on a continuous basis and generally review all positions in client accounts at least quarterly. We offer account reviews to clients on an annual basis. Clients may choose to receive reviews

in person, by telephone, or in writing. Al Walsh and/or Mark Choate, who are both Principals at Malaga, conduct reviews based on a variety of factors. These factors may include but are not limited to stated investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts.

In addition, we may conduct a special review of an account based one or more of the following:

1. A change in the client's financial objectives, guidelines and/or financial situation
2. Changes in diversification
3. Tax considerations
4. Material cash deposits or withdrawals

Account Reporting

Each client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. Malaga may also provide additional reporting, such as portfolio holdings and performance, as agreed upon by Malaga and the client on a case-by-case basis.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Schwab Support Products and Services

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab's products and services to us.

Professional Referrals

Malaga may refer clients to unaffiliated professionals for specific needs, such as insurance planning, mortgage brokerage, real estate sales, and estate planning. In turn, these professionals may refer clients to Malaga for investment management needs. At Malaga, we do not have any agreements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. However, it could be concluded that Malaga is receiving an indirect economic benefit from the arrangement, as the relationships are mutually beneficial.

Malaga only refers clients to professionals we believe are competent and qualified in their field. It is ultimately the client's responsibility to evaluate the provider. We will generally provide the client with a list of professionals that the client can contact, and it is solely the client's decision whether or not to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and Malaga has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by Malaga.

If the client desires, Malaga will work with these professionals or the client's other advisers (such as an accountant and/or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. Malaga will never share information with an unaffiliated professional unless first authorized by the client.

ITEM 15 - CUSTODY

Malaga has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from your qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of Malaga's fee. Clients should carefully review the account statements you receive from your qualified custodian. When clients receive statements from Malaga as well as from the qualified custodian, clients should compare these two reports carefully. Clients with any questions about your statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive their statement from your qualified custodian at least quarterly should also notify us.

ITEM 16 - INVESTMENT DISCRETION

Malaga has full discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts. Malaga will not contact clients before placing trades in their account, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority over their accounts when they sign the custodian paperwork.

However, certain client-imposed conditions may limit Malaga's discretionary authority, such as where the client prohibits transactions in specific security types or directs Malaga to execute transactions through specific broker-dealers. See also **Item 4 - Tailored Services and Client Imposed Restrictions** and **Item – 12 Brokerage Practices**, above.

ITEM 17 - VOTING CLIENT SECURITIES

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

Malaga maintains written proxy voting guidelines in an effort to ensure we vote shares in the best interest of clients and the value of the investment. Malaga, in some cases, may vote a proxy contrary to our

guidelines we determine that such action is in the best interests of clients. In addition, Malaga has subscribed to the services of an unaffiliated third party proxy vendor to provide us with in-depth analysis of shareholder meeting agendas, vote recommendations and/or administrative assistance concerning proxy voting.

If Malaga is aware of any type of potential or actual conflict of interest relating to a proxy proposal, Malaga will handle the conflict(s) in a number of ways depending on the type and materiality. The method selected by Malaga will depend upon the facts and circumstances of each situation and the requirements of applicable laws. Clients should be aware that Malaga will always handle conflicts with the client's best interest in mind.

Malaga may also choose not to vote proxies in certain situations or for certain accounts. For example, Malaga may not vote proxies if a client retains the right to vote proxies or if Malaga receives a proxy for a terminated client account.

A complete copy of Malaga's current Proxy Voting Policies & Procedures is available upon request. Clients may obtain information on how their proxies were voted by contacting Malaga's office indicated on page 1 of this form. Clients should include in their request, their name, the account number and security for which they are making the request.

Class Actions

Malaga does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Malaga does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, and does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Form ADV, Part 2B Brochure Supplement

Individuals covered by this supplement include:

**Alfred (“Al”) Charles Walsh, III
and
Mark Wade Choate**

Malaga Cove Capital, LLC

425 Via Corta

Suite 203

Palos Verdes Estates, CA 90274

310-421-2141

www.MalagaCoveCapital.com

February 2, 2017

This brochure supplement provides information about Alfred (“Al”) Charles Walsh, III and Mark Wade Choate that supplements the Malaga Cove Capital, LLC’s brochure. You should have already received a copy of that brochure. Please contact Al Walsh if you did not receive our brochure or if you have any questions about the contents of this supplement.

Additional information about Alfred (“Al”) Charles Walsh, III (CRD#2530231) and Mark Wade Choate (CRD#46027) is available on the SEC’s website at www.adviserinfo.sec.gov.

Alfred (“Al”) Charles Walsh III

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Alfred (“Al”) Charles Walsh, III; Managing Member, Principal and Portfolio Manager, b. 1966

Education:

Oregon Institute of Technology – 1989, BS, Manufacturing Engineering

Business Background:

Malaga Cove Capital, LLC – Managing Member, Principal and Portfolio Manager, May 2008 to Present
Smith Barney – Senior Vice President and Portfolio Manager, July 1994 to May 2008

ITEM 3 - DISCIPLINARY INFORMATION

Al Walsh has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Al Walsh’s only business is providing investment advice through Malaga Cove Capital, LLC.

ITEM 5 - ADDITIONAL COMPENSATION

Al Walsh’s compensation comes from their regular salary and ownership of Malaga Cove Capital, LLC.

ITEM 6 - SUPERVISION

Al Walsh is a Managing Member and Principal at Malaga Cove Capital, LLC and is not supervised by any other individual.

Mark Wade Choate

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mark Choate; Chief Executive Officer and Portfolio Manager, b. 1945

Education:

The University of Texas – 1966, BA

Business Background:

Malaga Cove Capital, LLC – Chief Executive Officer and Portfolio Manager, May 2008 to Present

Smith Barney – Senior Vice President and Senior Portfolio Manager, June 1974 to June 2007

ITEM 3 - DISCIPLINARY INFORMATION

Mark Choate has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Mark Choate's only business is providing investment advice through Malaga Cove Capital, LLC.

ITEM 5 - ADDITIONAL COMPENSATION

Mark Choate's only compensation comes from their regular salary of Malaga Cove Capital, LLC.

ITEM 6 - SUPERVISION

Mark Choate is a Principal at Malaga Cove Capital, LLC and is not supervised by any other individual.

PRIVACY POLICY NOTICE

Malaga Cove Capital, LLC has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

WHAT INFORMATION WE COLLECT

We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (such as purchases, sales, account balances, inquiries, etc.).

WHAT INFORMATION WE DISCLOSE

We do not disclose the nonpublic personal information we collect about our customers to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g., professional licensing authorities, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law. We are permitted by law to disclose the nonpublic personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

SECURITY OF YOUR INFORMATION

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

CHANGES TO OUR PRIVACY POLICY OR RELATIONSHIP WITH YOU

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change to this policy before we implement the change.