



## Item 1 – Cover Page

JT Stratford, LLC  
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July 2015

This Brochure provides information about our qualifications and business practices of JT Stratford, LLC (“JT Stratford”, “us”, “we”, “our”). If you (“clients”, “your”) have any questions about the contents of this brochure, please contact us at (770) 534-6046. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. JT Stratford’s IARD firm number is 155629.

We are a registered investment adviser. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about JT Stratford, LLC also

is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

We have the following material changes to report to our Form ADV Part 2 or “Disclosure Brochure” since our last annual filing dated March 2015:

1. We are now eligible to register with the SEC.
2. We changed our name to JT Stratford, LLC.
3. Disclosure of our website.
4. Disclosure of an affiliated insurance agency.
5. We have enhanced our disclosures to Items 4, 5 and 10.

Pursuant to amendments made to rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the form formerly known as Form ADV Part II, this document was developed in response to new requirements adopted and imposed by the SEC under the Advisers Act.

1. The revised Disclosure Brochure will be available since our last delivery or posting of this Disclosure Brochure on the SEC’s public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or you may contact our Chief Compliance Officer, D. Todd Ferguson at (770) 534-6046 or [tferguson@jtstratford.com](mailto:tferguson@jtstratford.com) to obtain a copy.
2. When an update is made to this Disclosure Brochure we will send a copy to you with the summary of material changes, or a summary of material changes that includes an offer to send you a copy [either by electronic means (email) or in hard copy form].

### Item 3 – Table of Contents

Item 1 – Cover Page .....	
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	7
Item 6 – Performance-Based Fees and Side-By-Side Management.....	14
Item 7 – Types of Clients.....	15
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	16
Item 9 – Disciplinary Information .....	17
Item 10 – Other Financial Industry Activities and Affiliations .....	18
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	21
Item 12 – Brokerage Practices .....	24
Item 13 – Review of Accounts.....	26
Item 14 – Client Referrals and Other Compensation.....	27
Item 15 – Custody .....	29
Item 16 – Investment Discretion.....	30
Item 17 – Voting Client Securities (i.e., Proxy Voting) .....	31
Item 18 – Financial Information .....	32
Item 19 – Requirements for State-Registered Advisers .....	33

## Item 4 – Advisory Business

JT Stratford, LLC (“JT Stratford”, “us”, “we”, “our”) is a limited liability company organized under the laws of the State of Georgia on June 28, 2010, and wholly owned by D. Todd Ferguson. We were registered as an investment adviser with the Georgia Secretary of State, in order to provide the investment advisory products and services described within this document from February 22, 2011, until our effective date with the SEC. Additionally, we have also notice filed with the States of Florida, Georgia, Louisiana, North Carolina, Texas, and Virginia. As of June 15, 2015, our assets under management on a discretionary basis are \$100,200,000.

We offer investment advisory services to individuals, pension and profit sharing plans, charitable organizations, and corporations. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact D. Todd Ferguson, Chief Compliance Officer, if you have any questions about this Brochure.

Individuals associated with us will provide our investment advisory services. These individuals are appropriately licensed and qualified to provide advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs).

Below is a description of the investment advisory and financial planning services we offer. For more detail on any product or service please reference the advisory agreement, wrap brochure (if applicable) or speak with your JT Stratford IAR.

### **Investment Advisory Services**

Our IARs provide continuous and regular investment advisory services on a discretionary or non-discretionary basis to you in connection with establishing and monitoring of your investment objectives, risk tolerance, asset allocation goals and time horizon. In addition, our IARs may provide information and research about investment products and strategies, and review portfolio performance reports. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

We offer investment advisory services primarily through “Advisor Managed Fee Based Accounts” and “Third Party Managed Accounts”, which include private managed accounts, affected through Triad Advisors, Inc. (“Triad”), a registered broker-dealer. For these programs, trades are generally cleared through National Financial Services, LLC (“NFS”), pursuant to Triad’s clearing agreement with NFS. Custody of funds and securities are generally maintained by NFS, not by us. However, certain third party money managers may not clear through NFS, and our policy is not to maintain custody of client funds or securities. However, we may also use other custodians for certain client assets that are not managed under the Triad platforms.

Services provided under some or all of these options may be available from other providers for lesser fees. In addition, you may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of certain programs without incurring the program fees.

### **Fee-Based Advisor Managed Accounts**

We have the ability to offer certain investment advisory services through various accounts established by Triad. The Triad Platform offers various account structures that allow IARs to effectively meet your investment needs and preferences. Based on consultations with you, the IAR determines your investment goals and risk tolerance. The Advisory-Managed accounts give IARs the ability to customize asset allocation, investment selection, and investment strategies to meet your individual financial situation and investment objectives. Several factors may influence the IARs’ selection of your account structure including but not limited to: 1) your preference for a “wrap” vs. transaction charges per trade on certain or all securities, 2) account size, 3) anticipated trading frequency, 4) anticipated securities to be traded, and/or 5) management style. In each account structure, the IAR may manage and provide advice on mutual funds, stocks, bonds, Exchange Traded Funds (ETFs), Limited Partnerships (LPs), and options.

#### **1. Crown Account**

The Crown Account is potentially suitable for clients who prefer to experience transaction charges on a per trade basis, for smaller accounts and/or those in which the IAR anticipates very low trading activity annually.

#### **2. Apex Account**

The Apex Account is potentially suitable for clients who prefer to experience transaction charges on a per trade basis, for smaller accounts and/or those in which the IAR anticipates very low trading activity annually.

### 3. Summit Account

The Summit Account is potentially suitable for clients who, after consultation with their IAR, anticipate primarily investing in mutual funds, and/or for clients that do not wish to experience transaction charges for mutual fund trades.

### 4. Pinnacle Account

The Pinnacle Account is a Wrap Account sponsored by Triad and may be suitable for clients that would prefer not to experience transaction charges for any trade and/or in which IAR anticipates placing more than a moderate number of non-mutual funds trades annually.

## **Third-Party Managed Accounts**

### **Private Managed Account (“PMA”) Programs**

The PMA programs provide access to a number of non-affiliated third party money managers, in addition to Triad’s affiliated money managers (i.e., Ladenburg Asset Management Program), with various specialties and investment strategies (i.e., fixed-income, small cap, international, etc), as well as asset allocation or asset management services. A PMA is an investment portfolio that is managed on a discretionary basis by a third party money management firm primarily through individual stocks, bonds, ETFs, or mutual funds. The duties of our IARs will include assisting the client in choosing investment objectives and appropriate investment managers, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering client questions. Furthermore, we review the performance of third party advisers on at least an annual basis and prior to introducing you to the non-affiliated investment advisers.

Triad, as sponsor of the PMA programs, has established contractual relationships with third party money management firms to enable you access to discretionary investment management and advisory services.

Currently, we offer access to the following PMA Accounts:

1. Third Party Manager – City National Rochdale Investment Management, an SEC registered investment advisor  
Investment Focus – Customized Multi-Discipline Portfolios: Large Cap Core/Growth/Value; Mid/Small Core/Growth/Value; Dividend and Income; International; Taxable/Tax Exempt Fixed Income  
Custodian – NFS

2. Third Party Manager – Ladenburg Thalmann Asset Management Inc., an SEC registered investment advisor  
Investment Focus - Mutual Fund and ETF Investment Allocations  
Custodian – NFS
3. Third Party Manager – Capstone Asset Management Company, an SEC registered investment advisor  
Investment Focus – Individual equity, fixed income and option management  
Custodian – NFS

4. Odyssey Account

In addition to Privately Managed Accounts described above, Triad (the “Investment Manager”) and Rochdale Investment Management (the “Sub-Manager”) provide the Odyssey account. This is a wrap fee account, whereby the client selects a recommended asset allocation for its assets.

The Odyssey Account is designed primarily to assist Triad in providing investment management services such as risk profiling, target asset class allocation, customization and implementation of asset allocation, and management through periodic and/or event driven rebalancing.

**Furnishes Advice to Clients on Matters Not Involving Securities**

We offer financial plans encompassing, but not limited to, the following:

- Personal Financial Planning;
- Insurance and Estate Planning;
- Capital Need Analysis;
- Tax & Cash Flow;
- Retirement Planning;
- Investment Analysis and Planning;
- Education Planning;
- Business Planning; and
- Performance Reports

Financial planning information will be obtained through personal interviews concerning your current financial status, future goals and attitudes towards risk. Related documents that you supplied are carefully reviewed, along with data gathered from you, and a written report is issued.



## **Pension Consulting Services**

Pension Consulting consists of reviewing the Plan's investment options; recommending a portfolio structure; recommending appropriate changes in portfolio holdings (investment options) consistent with the Plan Sponsor Company 401(k) Plan's ("Plan"), pursuant to Section 401(a) of the Internal Revenue Code of 1986, Investment Policy Statement ("Investment Policy"); and advising the Plan Sponsor in support of the Plan Sponsor's fiduciary role under the Plan. However in non-fiduciary capacity, our role will be limited to acting as the asset manager/advisor to the Plan. We will also provide to the Plan Sponsor guidance and investment weightings for asset allocation portfolios ("Portfolios") offered under the Plan. Initially, we will establish Portfolios each with a different investment horizon and risk and reward criteria; additional Portfolios may be established at a later date. We will construct and monitor the Portfolios consistent with the policies and criteria set forth in the Investment Policy. Our services shall include:

- a. Portfolio review and performance analysis;
- b. Fund weightings for each asset allocation model;
- c. Managed models for employees electing to give JT Stratford discretionary authority.
- d. Periodic discussion of changes in the weightings from previous asset allocations;
- e. Review of timing of asset allocation model rebalancing;
- f. Review of each mutual fund's historical returns;
- g. Anticipated returns for each asset class that is represented by a mutual fund;; and
- h. Such additional services as the parties may agree to from time to time.

The Plan Sponsor will appoint an independent corporate trustee or custodian (the "Custodian") to take and maintain possession of all of the assets in the Plan. Neither we nor any of our "affiliates" will act as Custodian.

## **Sub-Advisory Arrangement**

We have entered into a sub-advisory agreement with an unaffiliated registered investment advisor ("sub-advisor") whereby the sub-advisor will manage certain designated assets in client portfolios (each a "Designated Portfolio" and collectively, the "Designated Portfolios"). Any recommendations made by the sub-advisor shall be made on a discretionary or non-discretionary basis subject only to the investment objectives

and restrictions we imposed by written notice to the sub-advisor. Prior to engaging the services of the sub-advisor, we will consult with you and determine your financial situation and individual needs, including, without limitation, your investment objectives and restrictions. It is your obligation to notify the sub-advisor in writing of any changes in your financial situation. A complete description of the third-party investment advisor's services and compensation relating to this arrangement will be disclosed in the sub-advisor's Form ADV Part 2 which will be provided to you at the time an agreement for services is executed and an account is established.

Your IAR will be available to answer questions you may have regarding the portion of your account managed by the sub-advisor and will act as the communication conduit between you and the sub-advisor. The sub-advisor may take discretionary authority to determine the securities to be purchased and sold for your account. However, we will direct the sub-advisor of the custodian in which to effect all transactions.

## Item 5 – Fees and Compensation

### **General Account Characteristics**

Described below are general characteristics regarding “other” fees incurred, discretionary authority, payment of fees, and termination of contracts that will affect your account(s). Following these disclosures are descriptions of the accounts or services that we offer, the basic management fee structures and any unique characteristics. For a more complete discussion and disclosure regarding any Account’s services or fee structure, we will provide a detailed advisory agreement and/or the third party investment manager’s Disclosure Brochure and the Form ADV Part 2A, Appendix 1 (wrap fee brochure), as applicable.

### **Other Fees**

Generally, fees for investment advisory accounts are based on a percentage of the market value of assets under management including cash. However, the advisory fee does not cover charges imposed by third parties for investments held in the Account, such as contingent deferred sales charges or 12b-1 trails on mutual funds. In addition, each mutual fund or third party money manager charges asset management fees, which are in addition to the advisory fees charged by us. The fees charged by such funds or managers are disclosed in each fund’s prospectus or Manager’s Disclosure Brochure. The advisory fee also does not cover debit balances or related margin interest or SEC fees or other fees or taxes required by law. In addition, certain Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement.

### **Payment of Fees**

For the majority of accounts, fees are payable quarterly in advance, and automatically deducted from the account pursuant to the advisory agreement. If an account is opened in the first or second month of a quarter, it will be charged one fee during its first billing cycle, which will occur during the first full month after the account is established. The fee is prorated for the number of days the account was open based on the start date through the end of the quarter. Our fee will be based on the average daily balance of the account during the first partial month. If an account is opened in the third month of a quarter, it will be charged two fees in its first billing cycle. The first will be for its partial quarter. The second will be for the upcoming full quarter. The fees will be charged on the 15th business day of the first full month, or the first month of the next quarter. Going forward, our fees are calculated at the end of the quarter and charged during the first

month of the quarter based on the average daily balance of the account, for the last month of the preceding quarter. Additional deposits of funds and/or securities will be subjected to the same billing procedures.

Certain accounts fees are payable monthly in advance and automatically deducted from the account pursuant to the advisory agreement. The account will be billed for the first partial month and the first full month during the first full month. Our fees are calculated based on the average daily balance during the first partial month. Going forward, all monthly fees will be charged in the current month based on the prior month's average daily balance.

Certain third party managers may calculate their fees based on quarter ending balances or some other method which will be disclosed in the applicable Disclosure Brochure, Wrap Brochure, and advisory agreement provided to the client.

Certain client assets that are not managed under the Triad platforms, the fee for investment management will be based on the ending value of the account on the last day of the previous quarter and is payable quarterly in advance. The first advisory fee is based on the value of the account on the first day of management by Adviser and is payable within one month after execution of the agreement. The first advisory fee will be assessed on pro-rata basis taking into account the time for which the account was not managed by Adviser and the time left in the quarter.

#### Termination of Contracts

The advisory agreement may be terminated by either party at any time by written notice. Fees paid in advance will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.

We provide applicable disclosure brochure(s) or the Form ADV Part 2 to you and prospective clients more than 48 hours prior to entering into an advisory contract. In the event the disclosure brochure is not delivered until entry into the contract, you may terminate the contract with no penalty within five business days after entering into the contract.

Thereafter, certain accounts may impose an early termination fee, which will be identified in the applicable advisory agreement. If the account is closed after five business days, but within the first year, you may be charged an early termination fee to cover the administrative costs of establishing the account. The fee will be based on the number of trades placed on behalf of the account the quarter in which the account is closed. If the account is closed during the first quarter, the termination fee will be \$25 multiplied by the number of transactions in the account. If the account is closed during

the second quarter, the termination fee will be \$20 multiplied by the number of transactions in the account. If the account is closed during the third quarter, the termination fee will be \$15 multiplied by the number of transactions in the account. If the account is closed in the fourth quarter, the termination fee will be \$10 multiplied by the number of transactions in the account. A termination fee will not be charged if no services were rendered or no trades were placed.

Detailed information on the termination terms and fees can be found in the applicable advisory agreement.

### **Fee-Based Advisor Managed Accounts**

#### **1. Crown Account**

The Crown Account has no minimum account size and advisory fees are negotiable. The basic asset based fee schedule for the Crown Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$150,000	2.50%
\$150,001 - \$500,000	2.15%
\$500,001 +	1.75%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. All transactions are subject to postage and handling fees. Equity, ETF, and Bond transaction charges are based on a combination of a flat rate plus a percentage of the principal amount of the trade. The current Crown transaction schedule is detailed in the Crown Advisory Agreement.

#### **5. Apex Account**

The Apex Account has no minimum account size and advisory fees are negotiable. The basic asset based fee schedule for the Apex Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 750,000	2.25%
\$ 750,001 - \$2,000,000	1.75%
\$2,000,001 +	1.50%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. All transactions are subject to postage and

handling fees. Transaction charges are reduced and simplified (as compared to the Crown Account). The current Apex transaction schedule is detailed in the Apex Advisory Agreement.

### 3. Summit Account

The Summit Account has a negotiable \$50,000 minimum account size and advisory fees are negotiable. Advisory fees may be slightly higher as compared to a Crown or Apex account of similar size and complexity.

The basic asset based fee schedule for the Summit Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 500,000	2.25%
\$ 500,001 - \$1,000,000	1.75%
\$1,000,001 +	1.50%

In addition to the advisory fee, accounts may be assessed transaction charges. IARs may buy or sell a variety of mutual funds without transaction charges to the client for those trades. When appropriate, IARs may purchase non-mutual fund securities at discounted transaction charges. These transaction charges may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. The current Summit transaction schedule is detailed in the Summit Advisory Agreement. An early termination fee, as described previously, will be charged for accounts open less than one (1) year.

### 4. Pinnacle Account

The Pinnacle Account has a negotiable \$150,000 account size minimum and advisory fees are negotiable. Advisory Fees may be slightly higher as compared to a Crown, Apex, or Summit account of similar size and complexity.

The basic asset based fee schedule for the Pinnacle Account is as follows:

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$ 250,000	2.75%
\$ 250,001 - \$ 750,000	2.25%
\$ 750,001 - \$2,000,000	1.75%
\$2,000,001 +	1.50%

There are no transaction charges assessed to the client in the Pinnacle Account. An early termination fee, as described previously, will be charged for accounts open less

than one (1) year. For more detail on the Pinnacle Account please reference its Wrap Brochure.

### **Third-Party Managed Accounts**

#### **Private Managed Account (“PMA”) Programs**

You pay us a quarterly fee for its services based on a percentage of the value of your account. The fee will be tiered based upon the value of your account. The RIA fee for each type of account is negotiable; however, the third party manager’s fee may or may not be negotiated. In addition, minimum account balances may be required by the third party manager. Specific account information regarding these fees and other possible restrictions are disclosed in the PMA agreement, and applicable Wrap Brochure. The basic PMA fees schedule is as follows (it should be noted that this schedule identifies the range of possible fees and it would be unusual for an account to be charged the maximum fee in each category):

Range of Fees	Portfolio Management (Annual Fee)
RIA Fee	.0% - 1.80%
3 <sup>rd</sup> Party Money Manager Fee	.10% - 1.50%
Brokerage/Clearing/Custody Fee	.03% - .35%
Total Fee Range	.13% - 2.75%

Due to the administrative complexity of these types of accounts, an early termination fee may be charged, as previously described, if an account is closed within one (1) year.

Any minimum account sizes are disclosed in the applicable PMA agreement and Wrap Brochure.

Currently, we offer access to the following PMA Accounts:

#### **1. Odyssey Account**

There is a \$25,000 minimum account size (cash or assets) for the Odyssey Account and fees are negotiable. The basic asset based fee schedule is described below.

<b><u>Portfolio Value</u></b>	<b><u>Annual Fee</u></b>
\$ 0 - \$ 250,000	2.75%
\$250,001 - \$ 750,000	2.25%
\$750,001 - \$2,000,000	1.75%
\$2,000,000 +	1.50%

Fees include the Investment Manager fee of 0.15% and Sub-Manager fee of 0.20%. Clearing and trading fees are paid through the Investment Manager’s portion of the fee.

There are no transaction charges assessed to you in the Odyssey Account. Please refer to the Wrap Brochure for more details of its service descriptions and fee structure.

### **Furnishes Advice to Clients on Matters Not Involving Securities**

For a full written financial plan, we may charge a flat fee up to \$3,000 unless agreed upon between us, which will be quoted prior to the contract being executed. The fee for this service will be determined according to the complexity of the plan as well as the extent of service you desire. An estimated fee will be given upon contracting with you. Fees may be negotiable. Fees may also be charged on an hourly rate up to \$250 per hour.

Fees are paid upon completion of the plan or the services unless agreed upon the between us. The contract may be terminated by either party upon 30 days written notice. We will, upon your written request, refund fees prorated to the amount of work completed. If you terminate the contract within 5 business days of signing the contract shall be provided a full refund.

A conflict of interest may exist between us. You are under no obligation to act on our IARs' recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transactions through our associated person when such person is employed as an agent of Triad, a licensed broker dealer.

### **Pension Consulting Services**

#### Asset Based Fee (Tiered)

Annual Rate on the first \$1,000,000:	.....	1.25%
\$1,000,000 - \$5,000,000:	.....	1.00%
\$5,000,001 - \$10,000,000:	.....	0.80%
Above \$10,000,000:	.....	0.60%

Fees are negotiable and deducted quarterly at 25% of the annual rate paid arrears.

The Third Party Administrator (TPA) will state the amount of the fee for the quarter in question and the manner in which the fee was calculated. The TPA will send a copy of the amount of the fee and calculation to JT Stratford to verify and approve the disbursement amount per the fee arrangement. The Custodian has agreed (or the Plan Sponsor will obtain such agreement from the Custodian) to send to the Plan Sponsor at least quarterly a statement indicating all amounts disbursed from the Plan, including the amount of fees paid directly to us, if any.



The term of this agreement shall be for one (1) year and shall be automatically renewed for an additional one (1) year term unless terminated by either party. The agreement may be terminated by the Plan Sponsor at any time immediately upon written notice to us. We may terminate the agreement upon thirty (30) days written notice to the Plan Sponsor.

### **Sub-Advisory Arrangement**

We will pay a portion of the advisory fee that you pay to us to the sub-advisor until the Sub-Advisory Agreement remains in effect. The sub-advisory fee will be a minimum annual fee of 0.20% but not greater than 1.00%. A quarterly fee for the services the sub-advisor provides is paid in advance and shall be calculated on a per account basis using the ending market values for the proceeding calendar quarter. We will pay the sub-advisory fees to the sub-advisor on or before the 15th day following the beginning of the quarter for which the fee applies. If the Sub-Advisory Agreement is terminated prior to the end of the quarter, the sub-advisory fee shall be prorated up to the date of termination for the period in which investment advisory services were provided by the sub-advisor. Either party may terminate the Sub-Advisory Agreement upon 30 days written notice to the other.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance based fees). Our compensation structure is disclosed in detail in Item 5 above.

## Item 7 – Types of Clients

We provide investment advisory services to individuals including high net worth individuals, pension and profit sharing plans, charitable organizations, and corporations. Although we do not impose a minimum account value, the third party money managers may require a minimum account size based on the product selected.

- I. Summit Account: \$50,000
- II. Pinnacle Account: \$150,000
- III. Odyssey Account: \$25,000

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

As described in Item 4 above, our investment strategies may include long term and short-term buy and hold, short sales, margin transactions, and option strategies. Our IARs may actively trade option contracts or on margin for client's accounts, which could result in a high portfolio turnover ratio. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved.

In determining the investment advice to give to you, we may utilize charting to determine trends and project future values. In a fundamental analysis, we analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets the clients' needs and objectives. We will take into consideration when making investment decisions the stages of the business during a given point in time. We may also perform a security analysis discipline, known as a technical analysis, in forecasting the direction of prices through the study of past market data, primarily price and volume.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

## Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

## Item 10 – Other Financial Industry Activities and Affiliations

Neither JT Stratford nor any of our management persons (except as disclosed below) are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities.

In addition, neither JT Stratford nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that JT Stratford or any of our management persons have with an affiliated person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Pension consultant,
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

The Stratford Group, Inc. is an affiliate of JT Stratford and is licensed as an insurance agency with the Georgia Department of Insurance to sell accident & sickness, casualty, life, property, and variable insurance products. Certain IARs are licensed to sell such insurance products through various companies. Appropriately licensed IARs will receive compensation for the sale of such products. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where you desire.

However, D. Todd Ferguson and several of our IARs are registered representatives of Triad, a FINRA registered broker dealer and various regulatory agencies. We may also recommend other advisers to manage your assets. Any compensation arrangements or other business relationships between the advisory firms are described in detail in items 4 and 5 above.

Triad is also a licensed SEC investment adviser. Activities listed and commissions earned are independent from and in addition to those of JT Stratford.

Triad is a wholly owned subsidiary of Ladenburg Thalmann Financial Services (LTFS). Ladenburg Thalmann Asset Management and Investacorp Advisory Services are SEC registered investment advisors and are wholly owned subsidiaries of LTFS. Triad is also affiliated with Ladenburg Thalmann & Co. ("LTCL"), and Investacorp, Inc. full service broker-dealers registered with the SEC, FINRA and various state regulatory agencies.

Certain of our associated persons are also licensed to sell life and annuity insurance products through various companies. See below for additional details.

The above affiliation may be considered material; however, we are not affiliated with Triad Advisors, Inc.

Certain IARs are licensed to sell life and annuity insurance products through Triad Insurance, Inc. (a wholly owned subsidiary of Triad), and various other companies. Triad Insurance, Inc., as well as the appropriately licensed IARs, will receive compensation for the sale of such products. The client is under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where the client desires.

We, through our relationship with Triad, have entered into an arrangement with Ash Brokerage, LLC ("Ash"), who is in the business of brokering transactions, (such transactions hereinafter referred to as "Life Settlements"), involving the sale of existing life insurance policies by the policy owner (hereinafter referred to as "Seller") to a funding entity. Ash will give Triad access to its Life Settlement methods practices, procedures, and materials related to its business. Triad desires to solicit applications for Life Settlements from prospective Sellers identified and contacted by Triad.

We shall refer to Ash Applicants who are interested in entering into Life Settlements. Each Applicant we refer, regarding Life Settlement services, shall complete and execute such documents as Ash may from time to time require for the purpose of facilitating Life Settlements. Further, in performing our obligations under this agreement, we shall comply with all rules, regulations, instructions, procedures and guidelines (collectively, the "Instructions") as may be amended from time to time in writing by Ash.

We shall (a) solicit the purchase of existing life insurance policies ("Policies") from appropriate Sellers, (b) with respect to any policy presented to Ash hereunder, promptly complete and deliver to Ash an application for brokerage of a Life Settlement (in the form prescribed by Ash) ("Application"), medical records, authorizations and such other information as Ash may require in connection with evaluating the Seller, his or her Policy and terms of a Life Settlement transaction, and (c) comply with the Instructions and complete such reasonable educational requirements as may be promulgated by Ash from time to time.

We will receive compensation for policies sold by Ash for each client exclusively referred by us to Ash. Commissions shall be earned only after a sale is closed, client receives his/her settlement payment, and all applicable rescission periods have expired.

We have entered into a sub-advisor relationship with an unaffiliated registered investment adviser. In the Sub-Advisory Agreement, we agreed to provide discretionary investment management services for certain designated assets in client portfolios. Refer to Items 4 and 5 above for details of our business relationship and the compensation we receive.



## Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 (as amended—the Advisers Act) and in compliance with state regulations. All employees of JT Stratford are deemed by the Advisers Act to be supervised persons<sup>1</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, JT Stratford and all of our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to our Chief Compliance Officer. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable period of time at the current address of record.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of JT Stratford might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of our clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose

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<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all Access Persons<sup>2</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients from upon request by contacting us during regular business hours. We will furnish a copy within a reasonable period of time to you at your current address of record.

If the client so chooses, they may implement investment advisory recommendations by utilizing the IAR's status as registered representatives of Triad. As registered representatives, our associated persons can sell securities to any client for commissions. This could present a potential conflict of interest as the associated persons could receive fees and commissions if the client chooses to implement recommendations of the associated persons in their capacity as registered representatives.

Our IARs may buy or sell for their own accounts, securities that are also held by their clients. Conversely, they may buy and sell securities for client accounts which they themselves may own. Such transactions are permitted if in compliance with our Policy on Personal Securities Transactions. Your transactions will always take precedence over our own or any related persons' transactions. Records will also be maintained of all securities products bought or sold by us, the related persons or related entities. Such records will be available for inspection upon request. Reports of personal transactions in securities by our IARs are reviewed by the firm's Compliance Department quarterly or more frequently if required.

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<sup>2</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

We do not nor does a related person recommend to you, or buy or sell for your accounts, securities in which we (or a related person) have a material financial interest.

Neither we, nor a related person, invest in the same securities that we (or a related person) recommend to you. Additionally, we do not, nor does a related person, recommend securities to you, or buy or sell securities for your accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account.

We do not execute transactions on a principal or agency cross basis.

We and the sub-advisor agree that all non-public records, information, and data relating to the business of the other, clients or Designated Portfolios (including, without limitation, any and all non-public, personal information regarding clients) that are exchanged or negotiated pursuant to the Sub-Advisory Agreement or in carrying out the agreement are, and shall remain, confidential and will not be disclosed to any third party without our consent.

## Item 12 – Brokerage Practices

We do not select broker-dealers for client transactions. However, we primarily recommend and use TD Ameritrade as the custodian for our clients. Depending on your circumstances and needs, we may recommend other broker-dealers (e.g., National Financial Services). Factors we consider when making any recommendations include the broker-dealers ability to provide professional services, our experience with the brokerage firm(s), the broker-dealer(s) reputation, and the firms' quality of execution services and costs for such services, among other factors. You are under no obligation to accept any of our recommendations and are free to select any broker-dealer you may choose. We do not warrant or represent that commissions for transactions implemented through such brokers will be lower than commission rates available if you use another brokerage firm.

Despite the reasoning for favorable execution, we may be willing to use a different broker-dealer at the client's direction. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by us after effecting trades for other clients. In the event that a client directs us to use a particular broker or dealer, we may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

We do not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits") that we would consider a factor in utilizing a particular broker-dealer. However, through our relationship with any custodian, we may receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist with our investment management process.

We do not consider whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers to our clients.

We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be “batched” for ease of execution. Since there may be several prices at which the securities transactions are executed and the orders were entered as one order for all accounts, it is our practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of “batched” trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account.

#### **TD Ameritrade Additional Services Program**

We participate in the TD Ameritrade Additional Services program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

## Item 13 – Review of Accounts

**REVIEWS:** Accounts are reviewed at least annually. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Any third party money manager to whom the IAR recommends for advisory services provides regular quarterly account report to you and the IAR. Reviews also consist of covering account holdings, transactions, charges, and performance as provided on such statements and other account reports. Also if you receive financial planning advice reviews are made on the same schedule. Reviews cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by you. In either type of review, accounts will also be reviewed upon notice of changes in your circumstances.

**REVIEWERS:** Accounts are primarily reviewed by your IAR. In addition, our compliance program includes the periodic review of a sample of customer accounts for consistency with your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Our compliance department consists of two employees who assist in these reviews. There is no minimum number of accounts assigned for the reviewer.

You are provided with written monthly or quarterly account statements from the custodian, depending on the activity in the account. Reports include details of your holdings, asset allocation, and other transaction information. Comparisons to market indices and account performance may be used to evaluate account performance in review with you.

## Item 14 – Client Referrals and Other Compensation

We have an arrangement with a non-affiliated investment adviser (“solicitor”) in which we may provide compensation for bringing a client to us. We may also act as the solicitor in which compensation may be received for client referral. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940 and any applicable corresponding state securities law requirements. Such referral fee shall be paid on an ongoing basis as earned which is 20% of the management fee, and shall not result in any additional charge to you greater than the fees or costs we charge to our advisory clients who were not introduced by the solicitor, and have similar portfolios under management with us. If the client is introduced to us by the unaffiliated solicitor, the solicitor at the time of the solicitation, shall disclose the nature of its solicitor relationship, and shall provide each prospective client with a copy of our written disclosure brochure, together with a copy of the written disclosure brochure from the solicitor to the client disclosing the terms of the solicitation arrangement between us and the solicitor, including the compensation to be received by the solicitor from. For more information on solicitation arrangements refer to our Service and Compensation Agreement.

We will determine that any unaffiliated solicitor, with which we contract, is properly registered in those states where investment advice is provided to residents of that state.

Our associated persons, in their capacity as registered representatives of Triad, may receive commissions earned on securities transactions directed through same. Any such fee arrangements shall be fully disclosed to clients. In connection with the placement of client funds into investment companies, compensation may take the form of front-end sales charges, redemption fees and 12(b)-1 fees or a combination thereof. The prospectus for the investment company will give explicit detail as to the method and form of compensation.

### **TD Ameritrade Additional Services Program**

As disclosed under Item 12 above, we receive from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment advisors participating in the program. We may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program. Specifically, the Additional Services with Orion includes the following products and

services (provided without cost or at a discount): research related products and tools, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts), research, technology, and practice management products or services provided to us by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. These benefits received by us, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

TD Ameritrade provides the Additional Services to us in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. We and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Our receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to its clients that the assets under management by us be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Our receipt of Additional Services does not diminish its duty to act in the best interests of our clients, including to seek best execution of trades for client accounts.



## Item 15 – Custody

We do not have custody of client funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The custodian will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us. You should compare the account statements you receive from the qualified custodian with those you receive from us.

## Item 16 – Investment Discretion

As described in details in Item 4 above, in certain cases, you may give a third party money manager discretionary authority to more actively manage your assets. This authority is disclosed in the applicable advisory agreement. Our IAR will have discretionary or non-discretionary authority to manage your assets.

Upon receiving written authorization from you, our IARs may occasionally accept trading authority when it is necessary to assist you in implementing your investment strategy. Types of securities, as well as dollar size of transactions, the broker dealer to be used, and the commission rates to be paid are specifically noted in the written client agreement. You will have the right to place reasonable restrictions on such authority. Any restrictions must be submitted in writing to us.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

We do not have, nor will we accept authorization to vote client securities. You will receive proxies or other solicitations directly from your custodian or a transfer agent. You should contact your custodian or a transfer agent with questions about a particular solicitation.

## **Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit prepayment of more than \$1,200 in fees per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.

## **Item 19 – Requirements for State-Registered Advisers**

JT Stratford is an SEC-registered investment adviser so this section is not applicable.