

**Item 1: Cover Page**  
**Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure**  
**January 2018**



**433 South Main Street, Suite 322**  
**West Hartford, CT 06110**  
**[www.NorthstarWealthPartners.com](http://www.NorthstarWealthPartners.com)**

**Firm Contact:**  
**Jeffrey Sargent**  
**Chief Compliance Officer**

**This wrap fee brochure provides information about the qualifications and business practices of Northstar Wealth Partners LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 888-886-7737 or email [jsargent@nstarwp.com](mailto:jsargent@nstarwp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Northstar Wealth Partners LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Please note that the use of the term "registered investment adviser" and description of Northstar Wealth Partners LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.**

## **Item 2 : Material Changes to Part 2A Appendix 1 (Wrap Fee Program Brochure) of Our Form ADV**

Northstar Wealth Partners LLC is required to advise you of any material changes to the Firm Brochure ("Brochure") from our last annual update on March 29, 2017. Although there have been no material changes, since our last annual amendment filing, the following updates have been made:

- Jeffrey Sargent has assumed the role of Chief Compliance Officer. He can be reached at 888-886-7737 or [jsargent@nstarwp.com](mailto:jsargent@nstarwp.com)

## **Item 3 : Table of Contents**

Item 1 Cover Page	Page 1
Item 2 : Material Changes to Part 2A Appendix 1 (Wrap Fee Program Brochure) of Our Form ADV	Page 2
Item 3 : Table of Contents	Page 3
Item 4 : Services, Fees & Compensation	Page 4
Item 5 : Account Requirements & Types of Clients	Page 6
Item 6 : Portfolio Manager Selection & Evaluation	Page 6
Item 7 : Client Information Provided to Portfolio Manager(s)	Page 12
Item 8 : Client Contact with Portfolio Manager(s)	Page 13
Item 9 : Additional Information	Page 13

## **Item 4 : Services, Fees & Compensation**

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice concerning selection of other advisers, and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Types of Advisory Services We Offer**

#### **Wrap Asset Management:**

Our Asset Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

#### **Fee Schedule**

The maximum annual fee charged will not exceed 3.00%. The annual fee shall vary depending upon the market value of assets under management and shall be based upon the level and scope of the overall investment advisory services to be rendered, which is based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under our management, the complexity of the engagement, and negotiations with the client. (See Fee Differentials below). The fee assessed each account will be outlined in the advisory agreement to be signed by the client. Fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Fees will be adjusted for deposits and withdrawals made during the quarter and will be deducted from your managed account. In rare cases, we will agree to directly bill clients. As part of this process, clients understand the following:

- a. LPL Financial, LLC ("LPL") as the client's custodian sends statements at least quarterly showing all account disbursements, including the amount of the advisory fees paid to us;
- b. Clients provide authorization permitting LPL to deduct these fees;

- c. LPL calculates the advisory fees for all flat fee schedules and deducts them from the client's account.

**Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the "Act").

**Fee Differentials:** In certain circumstances, we, in our sole discretion, may charge a different wrap fee (higher or lower) based upon certain criteria (i.e., complexity of the engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition and negotiations with client etc.).

### **Miscellaneous:**

**Client Responsibilities:** In performing any of its services, we shall not be required to verify any information received from the client or from the client's other professionals, and we are expressly authorized to rely thereon. Furthermore, unless the client indicates to the contrary in the client's Investment Objective Confirmation letter, we shall assume that there are no restrictions on our services, other than to manage the account in accordance with the client's designated investment objective. Moreover, it remains each client's responsibility to promptly notify us if there is ever any change in their financial situation or investment objectives for the purpose of revising our previous recommendations or services.

**Please Note: Investment Performance:** As a condition to participating in the Wrap Fee Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by us) may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

### **Other Types of Fes & Expenses**

You may pay custodial fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

Depending upon the percentage wrap-fee charged, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if we were to negotiate transaction fees and seek best price and execution of transactions for the client's account.

### **Wrap Fee Recommendations**

We may recommend or offer the wrap program services of other providers. Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you

would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

## **Item 5 : Account Requirements & Types of Clients**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Retirement Plans; and
- Corporations, Limited Liability Companies and/or Other Business Types

We do not have requirements for opening and maintaining accounts or otherwise engaging us except as set forth in our ADV Part 2A.

## **Item 6 : Portfolio Manager Selection & Evaluation**

Our firm and its related persons act as portfolio manager(s) for this wrap fee program. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program. This is because we have chosen not to utilize outside portfolio managers.

We may allocate a portion of a client's Wrap Fee Program assets among independent managers in accordance with the client's designated investment objective(s). In such situations, the independent managers shall have day-to-day responsibility for the active discretionary management of the allocated Wrap Fee Program assets. We shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which we consider in recommending independent managers include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

### **Advisory Business (Form ADV Part 2A, Item 4.B)**

#### **Asset Management:**

Our Asset Management service encompasses asset management as well as financial planning/financial consulting to clients on a wrap or non-wrap fee basis. It is designed to assist clients in meeting their financial goals through the use of financial investments. We initially meet with clients in order to understand their financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds ("ETFs"), mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on an ongoing basis. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

We may utilize Independent Money Managers, where we design an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm.

## **Financial Planning & Consulting:**

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

## **Retirement Plan Consulting:**

We provide consulting services to retirement plans and plan sponsors on a one-time or ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

All retirement consulting services shall be in compliance with the applicable state law(s) regulating retirement consulting services. This applies to client accounts that are employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Retirement Plan Consulting Agreement).

## **LPL Sponsored Advisory Programs:**

Our firm may provide advisory services through certain programs sponsored by LPL Financial, LLC ("LPL"), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to our firm. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Form ADV Part 2A or the applicable program's Appendix 1 (Wrap Fee Program Brochure), available [here](#) and the applicable client agreement. The following advisory services are made available through LPL:



- **Manager Access Select (MAS)**
- **Model Wealth Portfolios Program (MWP)**
- **Optimum Market Portfolios Program (OMP)**
- **Personal Wealth Portfolios Program (PWP)**
- **Strategic Wealth Management Program II (SWM II)**

### **Third Party Money Managers:**

We may utilize third party professional Portfolio Managers for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third party money managers to clients. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client may also directly contact the third party money manager managing the account or sponsoring the program.

### **Miscellaneous**

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by the client, we may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. We do not serve as a law firm or accounting firm, and no portion of our services should be construed as legal or accounting services. Accordingly, we do not prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of the firm in their separate individual capacities as representatives of LPL, an SEC registered and FINRA member broker-dealer and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the firm and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by our representative that a client purchase a securities or insurance commission product through our representative in his/her separate and individual capacity as a registered representative of LPL and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by us through other, non-affiliated broker-dealers and/or insurance agencies. Our Chief Compliance Officer, Jeffrey Sargent, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll



over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommends that a client roll over their retirement plan assets into an account that we will manage, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account that we will manage. Our Chief Compliance Officer, Jeffrey Sargent, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

**Non-Discretionary Service Limitations.** Clients that determine to engage us on a non-discretionary investment advisory basis must be willing to accept that we cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that we would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, we will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Use of Mutual Funds.** While we may recommend allocating investment assets to mutual funds that are not available directly to the public, we may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging us as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging us as an investment adviser, the client or prospective client would not receive the benefit of our initial and ongoing investment advisory services.

**Independent Managers.** We may allocate a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. We will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The factors we consider in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

**Client Obligations.** In performing its services, we shall not be required to verify any information received from the client or from the client's other designated professionals, and we are expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify us if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Disclosure Statement.** A copy of our written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement, Financial Planning and Consulting Agreement, or Retirement Plan Consulting Agreement.

**Advisory Business (Form ADV Part 2A, Item 4.C)**

We offer individualized investment advice to clients utilizing our Asset Management service. Additionally, we offer general investment advice to clients utilizing our Financial Planning & Consulting, Retirement Plan Consulting, LPL Sponsored Advisory Programs and Third Party Money Managers services.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management service. We may not manage assets through our other services.

#### **Advisory Business (Form ADV Part 2A, Item 4.D)**

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

#### **Performance-Based Fees & Side-By-Side Management (Form ADV Part 2A, Item 6)**

We do not charge performance fees to our clients.

#### **Methods of Analysis, Investment Strategies & Risk of Loss (Form ADV Part 2A, Item 8.A)**

##### **Methods of Analysis:**

We may use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Charting:** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.
- **Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.
- **Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- **Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

##### **Investment Strategies We Use:**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

- **Long Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Typically we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

- **Short Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We may do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs and/or unintended tax consequences when compared to a longer term investment strategy.
- **Trading:** We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.
- **Short Sales:** We may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We may engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.
- **Margin Transactions:** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.
- **Option Writing, including Covered Options, Uncovered Options or Spreading Strategies:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts: A call gives us the right to buy an asset at a certain price within a specific period of time. We may buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We may buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

**Model Portfolios:**

Our firm may allocate client assets into a number of different proprietary model portfolios. These models maintain a certain amount of global and sector diversification, balance risk versus reward and may consider changing market conditions. The models will employ a range of diverse investment securities including but not limited to individual stocks, mutual funds and ETF's. The models may be considered suitable for different clients based on a variety of factors that may include investment objectives, risk appetite, time horizon (short, medium and long term) and overall financial needs. Depending on our clients' differing needs, we may choose a range of different investment strategies for a client. To help create and maintain the investment models over time, a combination of fundamental and technical analysis will be utilized. This analysis will be generated by Northstar Wealth Partners as well as provided by nationally recognized leading investment firms. The firm has an investment committee made up of the firm's management team and certain advisors at Northstar Wealth Partners. The Investment Committee meets on a regular basis and provides additional input into the investment process. Each model has a different strategy and investment objective that may be suitable for different clients at different times.

**Risk of Loss:**

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

**Voting Client Securities (Form ADV Part 2A, Item 17)**

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

**Item 7 : Client Information Provided to Portfolio Manager(s)**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

## **Item 8 : Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

## **Item 9 : Additional Information**

### **Disciplinary Information (Form ADV Part 2A, Item 9)**

There are no legal or disciplinary events that are material the evaluation of our advisory business or the integrity of our management.

### **Financial Industry Activities & Affiliations (Form ADV Part 2A, Item 10)**

Representatives of our firm are registered representatives of LPL, member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest is present as these commissionable securities sales create an incentive to recommend products based on the compensation they may earn.

Neither our firm, nor any representatives of our firm, are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest is present as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn.

The recommendation that a client purchase a securities or insurance product presents a conflict of interest. No client is under any obligation to purchase any commission product. Clients are reminded that they may purchase commission products through other broker-dealers or insurance agents. Our Chief Compliance Officer remains available to address any questions that client or prospect may have regarding this conflict of interest.

The compensation paid to us by third party managers may vary, and thus, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Our firm's fees are not higher than they would have been had our client obtained services directly from the third party money manager. Prior to referring clients to third party advisors, we will ensure that third party advisors are licensed or notice filed with the respective authorities. A conflict of interest is present in utilizing third party advisors since we have an incentive in selecting a particular advisor over another in the form of fees or services. In order to minimize this, conflict our firm will make our selections in the best interest of our clients.

### **Code of Ethics, Participation or Interest in Client Transactions & Personal Trading (Form ADV Part 2A, Item 11)**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>[1]</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.



Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Furthermore, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 24 hours prior to buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

#### **Review of Accounts (Form ADV Part 2A, Item 13)**

We review accounts on an ongoing basis for our clients subscribing to our Wrap Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Wrap Asset Management service.

#### **Client Referrals & Other Compensation (Form ADV Part 2A, Item 14)**

##### **Investment or Brokerage Discretion**

We provide discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of each client. Accordingly, we are authorized to perform various functions, at the client's expense, without further approval from the

client. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. We do not have discretionary authority over the broker or dealer to be used.

### **Suggestion of Brokers to Clients**

We shall recommend LPL. LPL is the broker-dealer with which our representatives are also associated. As a result of the individual association of our representatives with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts. Our general policies relative to the execution of client securities brokerage transactions are as follows:

#### **Execution of Brokerage Transactions (when applicable)**

In seeking "best execution", the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. LPL also takes into consideration the full range of a broker-dealer's services including execution capability, commission rates, and responsiveness. Although LPL will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for all account transactions.

Over-the-Counter (OTC) securities transactions are generally effected based on two (2) separate broker-dealers: (1) a "dealer" or "principal" acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client may also incur the transaction fee imposed by the executing broker-dealer. We do not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.

Transactions for each client account will be effected independently. We individually review each client's account and place trades accordingly. Despite being purchased or sold at approximately the same time all clients' transactions will incur individual transaction fees.

### **Additional Compensation**

We may receive from LPL or a mutual fund company, without cost and/or at a discount non soft-dollar support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

We also receive an economic benefit from LPL in the form of a loan, which is forgiven if we meet certain conditions in terms of maintaining a relationship with LPL. Please see detailed discussion of the conditions and potential conflicts of interest in the firm's Form ADV Part 2A.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no commitment made by us to LPL or any other institution as a result of the above arrangement.

### **Referral Fees**

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.



### **Financial Information (Form ADV Part 2A, Item 18)**

We are not required to provide financial information in this Brochure because we do not require the prepayment of more than \$1,200 in fees and six or more months in advance, we do not take custody of client funds or securities and we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.

*[1] For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.*