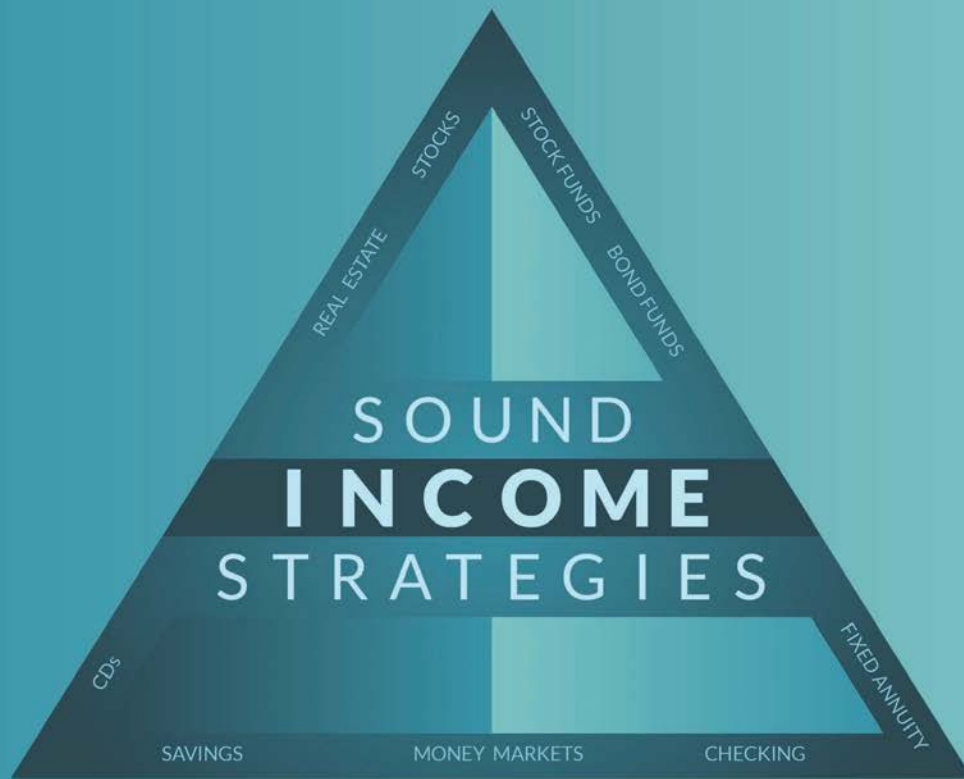


# DISCLOSURE BROCHURE

PREPARED IN COMPLIANCE WITH THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)



# DISCLOSURE BROCHURE

PREPARED IN COMPLIANCE WITH  
THE INVESTMENT ADVISORS ACT OF 1940 RULE 204-3(A)

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This brochure provides information about the qualifications and business practices of Sound Income Strategies, LLC ("SIS"). Being registered as a registered investment advisor does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 1-888-492-0505. 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.

Additional information about Sound Income Strategies, LLC (CRD #173272) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**AUGUST 17, 2018**

## **Item 2: Material Changes**

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### **Annual Update**

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

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

This update is in accordance with the required annual update for Registered Investment Advisors.

Sound Income Strategies, LLC has the following material changes to report. This list summarizes changes to policies, practices, or conflicts of interests only.

- Replacing the CCO to Charles Radlauer
- Replacing the COO Mike Tuma to the Operations Officer Steve Cox
- Updating the Assets under management, accounts and advisors

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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

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## **Item 4: Advisory Business**

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### **Firm Description**

Sound Income Strategies, LLC ("SIS") was founded in 2014.

SIS is a fee based financial planning and investment management firm. The firm's managing member also sells insurance commissioned products.

SIS does not act as a custodian of client assets.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. Conflicts of interest will be disclosed to the client in the event they should occur.

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### **Types of Advisory Services**

#### **ASSET MANAGEMENT**

SIS offers discretionary and non-discretionary direct asset management services to advisory clients. SIS will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize SIS discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

SIS is constantly searching for securities that have an improving credit story and as we find these opportunities, we will "swap" out of some current holdings into newer securities. We look for at least one of the following conditions before making a swap: lowering duration, lowering interest rate risk, increasing yield or lowering credit risk.

#### **ERISA PLAN SERVICES**

SIS provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. SIS may act as either:

1. *Limited Scope 3(21) Fiduciary.* SIS typically acts as a limited scope 3(21) fiduciary that can advise, help, and assist plan sponsors with their investment decisions. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using SIS can help mitigate that plan sponsor's liability by following a diligent process.
2. *3(38) Investment Manager.* SIS can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. SIS would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

#### **FINANCIAL PLANNING AND CONSULTING**

If financial planning services are applicable, the client will compensate SIS on an per plan fee basis described in detail under "Fees and Compensation" section of this brochure. In a financial plan, the advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The advisor may employ several different strategies, including: long-term purchases, short-term purchases and short-term trading. All of these strategies may be used at various times as a possible hedge against market movement, which may adversely affect the client's portfolio.

The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of the client or any risk deemed unacceptable for the client's risk tolerance.

Representatives of SIS may also provide general non-securities advice on topics including estate planning, retirement planning, and mortgage consulting. Fees are billed at an hourly rate, negotiated in advance and paid as services are rendered. The non-securities financial planning will not exceed 50% of the firm's billings.

#### Educational Workshops

SIS provides educational workshops to all clients. These workshops will cover topics such as social security, where they cover benefits and any regulatory change. SIS will also discuss estate planning and explain the different options. If needed, SIS will also refer clients to an attorney.

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#### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

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#### **Recommendations or Selections of Other Investment Advisors**

SIS may enter into agreements with third party investment advisers specializing in mutual fund or Exchange Traded Fund (ETF) management. SIS refers clients to such third-party advisers in return for a portion of the advisory fee paid by the client. The programs may not be available to all clients because of account minimums, client objectives and manager restrictions. SIS's services include assisting a client in selecting a third-party investment adviser whose investment styles and strategies suit the client's individual needs and financial objectives. The investments managed in these accounts are usually limited to mutual funds and exchange-traded funds. With most programs, SIS's role is usually limited to making the referral. In others, SIS assists the client in completing an investment planning questionnaire to help guide the third-party adviser's investment decisions for the client. SIS may also assist clients in making investment and portfolio allocation decisions for these accounts. Depending on the program selected by the client, the third-party adviser may or may not have discretionary power to purchase or sell investments in the client's account. SIS Advisors are available to their clients to discuss the selected manager's performance. Also, clients may or may not pay a sales load for mutual funds or annuities, or commissions on other investments placed within the client's account.

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#### **Client Assets under Management**

As of August 17, 2018, SIS had \$562,588,349 on a discretionary basis and \$50,458,149 on a non-discretionary basis.



## **Item 5: Fees and Compensation**

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### **Method of Compensation and Fee Schedule**

#### **ASSET MANAGEMENT**

SIS offers discretionary asset management services to advisory clients. The fees for these services will be based on an annual fee of up to 1.75% of Assets Under Management.

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed monthly in arrears based on the value of the assets under management at the end of each month. Clients may terminate their account within five business days of signing the Investment Advisory Agreement with no obligation. SIS will be entitled to a pro rata fee for the days that service was provided in the final month. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

#### **ERISA PLAN SERVICES**

The annual fees are based on the market value of the Included Assets and will not exceed 1% of the value. The fee is charged in arrears and the initial fee will be based on the market value of the Plan assets as calculated by the custodian or record keeper of the Included Assets on the first business day of the initial fee period and will be due on the first business day of the fee period. For services started any time other than the first day of a billing cycle, the fee will be prorated based on the number of days remaining in the initial fee period. Thereafter, the fee will be based on the market value of the Plan assets on the last business day of the previous fee period (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) and will be due within ten (10) business days. If this Agreement is terminated prior to the end of the fee period, SIS shall be entitled to a prorated fee based on the number of days during the fee period services were provided. Any unearned fees shall be refunded to the Plan or Plan Sponsor.

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

### FINANCIAL PLANNING and CONSULTING FEES

SIS intends to be compensated for its financial planning services by charging hourly fees with a minimum of \$300 per plan or consulting agreement. The fee will be negotiated in advance and will be set-out in each client's advisory contract. Clients may terminate their advisory contract with SIS within five (5) business days with no obligation. After the initial five (5) business days, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Plans will be completed within ninety (90) days.

### THIRD PARTY MANAGER FEES

Fees for third party money managers will be charged to the client by the third-party manager according to their agreement with the client. The client should review the third party ADV Brochure for further information.

### EDUCATIONAL WORKSHOP FEES

SIS does not charge for the educational workshops they offer. Some workshops may incur a fee imposed by the venue, although the vast majority do not.

### ADDITIONAL CLIENT FEES CHARGED

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, exchange-traded funds and any fees for individual fixed income securities. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

SIS, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

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## **Item 6: Performance-Based Fees and Side-by-Side Management**

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

SIS does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

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## **Item 7: Types of Clients**

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### **Description**

SIS generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

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### **Account Minimums**

SIS require a minimum \$25,000 to open an account, which may be waived, based on the needs of the client and the complexity of the situation.

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

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### **Methods of Analysis**

Security analysis methods typically will involve fixed income analysis. Fixed income analysis is the valuation of fixed income or debt securities, and the analysis of their interest rate risk, credit risk, and likely price behavior in hedging portfolios. This includes analyzing bonds issued by the same entity for different maturities.

Regarding equity securities, these methods may also include fundamental analysis and technical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a security using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume.

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

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### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a document stating their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases and trading.

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk.

Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with SIS:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

The firm and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

The firm and its management have not been involved in administrative enforcement proceedings.

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**Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in legal or disciplinary events related to investment clients within the past ten years.

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**Item 10: Other Financial Industry Activities and Affiliations**

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**Broker-Dealer or Representative Registration**

Currently, SIS does not have any representatives registered with a Broker/Dealer.

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**Futures or Commodity Registration**

Neither SIS nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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**Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Approximately 20% of SIS Advisors time is spent on advisory services if the Advisor is registered as an investment advisor representative for SIS. SIS will also provide account management services for other Registered Investment Advisors. The advisors registered with SIS and the advisors for the other independent Registered Investment Advisors are generally insurance licensed and will provide recommendations to clients for insurance products. When SIS advisors make recommendations for the purchase of insurance they also receive customary commissions as insurance salespersons. The receipt of commissions in return for insurance product purchases creates a conflict of interest for advisors when they recommend the purchase of such products to clients. David Scranton, managing member of SIS consults with advisors on insurance products and advisors may place the insurance product transaction through Advisors' Academy along with other various entities. Mr. Scranton also acts as a consultant to Advisors' Academy. Thus, when offering insurance products, both compensation and related-issuer conflicts exist. There is an incentive to offer the insurance products of these companies. SIS offers internal managed programs. These internal programs result in SIS receiving more compensation as there are no fees going to an outside manager. This revenue incentive causes a conflict of interest for SIS. At all times, SIS and its advisors strive to make recommendations that are in the best interest of their clients.

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**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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**Code of Ethics Description**

The employees of SIS have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of SIS employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of SIS. The Code reflects SIS and its supervised persons' responsibility to act in the best interest of their client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow

any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

SIS policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of SIS may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

SIS' Code is based on the guiding principle that the interests of the client are our top priority. SIS' officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

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

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

SIS and its employees do not recommend to clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

SIS and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide SIS with copies of their brokerage statements.

The Chief Compliance Officer of SIS is Charles Radlauer. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

SIS does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide SIS with copies of their brokerage statements.

## Item 12: Brokerage Practices

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### Factors Used to Select Broker-Dealers for Client Transactions

SIS may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. SIS will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. SIS relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by SIS.

- *Directed Brokerage*

In circumstances where a client directs SIS to use a certain broker-dealer, SIS still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: SIS' inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. SIS does not receive any portion of the trading fees.

- *Trade Errors*

Trade errors occasionally happen in client accounts. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of our clients. In cases where the error was caused by the client, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and the firm will absorb any loss. If the trade error is caused by the broker-dealer, the broker-dealer will cover all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by SIS from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, SIS receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of SIS. These benefits include both proprietary research from the broker and other research written by third parties. A conflict of interest exists when SIS receives soft

dollars. This conflict is mitigated by the fact that SIS has a fiduciary responsibility to act in the best interest of its clients and the services received are beneficial to all clients.

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### **Participation in the Institutional Advisor Program providing Soft Dollar Benefits**

SIS participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14 below.)

Generally, in addition to a broker’s ability to provide “best execution,” we may also consider the value of “research” or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with “soft dollars.” Because many of the services or products could be considered to provide a benefit to the firm, and because the “soft dollars” used to acquire them are client assets, they could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm’s use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a “safe harbor” for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making the determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.



In addition, “research” products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services (e.g., computer services and equipment, including hardware, software and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Consistent with Section 28€, brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions and perform functions incidental to transaction execution. We generally use such products and services in the conduct of our investment decision-making generally, not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

Other Uses and Products. The firm may use some products or services not only as “research” and as brokerage (i.e., to assist in making investment decisions for clients or to perform functions incidental to transaction execution) but for our administrative and other purposes as well. In these instances, we make a reasonable allocation of the cost of the products and services so that only the portion of the cost that is attributable making investment decisions and executing transactions is paid with commission dollars and we bear the cost of the balance. Our interest in making such an allocation differs from client’s interest, in that we have an incentive to designate as much as possible of the cost as research and brokerage in order to minimize the portion that the firm must pay directly.

Mutual Fund Transaction. Although shares of no-load mutual funds can be purchased and redeemed without payment of transactions fees, we may, consistent with our duty of best execution, determine to cause client accounts to pay transaction fees that may be higher than those obtainable from other broker-dealers when purchasing shares of certain no-load mutual funds through TD Ameritrade in order to obtain “research”. This research may not be used for the exclusive benefit of the clients who pay transaction fees in purchasing mutual fund shares.

Amount and Manner of Payment. A broker-dealer through which the firm wishes to use soft dollars may establish “credits” arising out of brokerage business done in the past, which may be used to pay, or reimburse the firm for, specified expenses. In other cases, a broker-dealer may provide or pay for the service or product and suggest a level of future business that would fully compensate it. The actual level of transactional business the firm does with a particular broker-dealer during any period may be less than such a suggested level, but may exceed that level and may generate unused soft dollar “credits.” We do not exclude a broker-dealer from receiving business simply because the broker-dealer has not been identified as providing soft dollar research products and services, although we may not be willing to pay the same commission to such broker-dealer as we would have paid had the broker-dealer provided such products and services.

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### **Aggregating Securities Transactions for Client Accounts**

SIS may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If block

trades cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, a partial fill will generally be filled pro-rata among participating accounts. Prior to entry of a block trade, a written pre-allocation will be generated which identifies the group of client accounts participating in the order.

Changes in allocation prior to final allocation may be made for good cause provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation must be provided to and approved by the Compliance Officer no later than the morning following the execution of the trade. If the change in the allocation is the result of a condition that exists or a change in the client's account outside of the portfolio manager's control, then approval by the Compliance Officer is not required.

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### **Item 13: Review of Accounts**

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#### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed at least annually by Investment Advisor Representatives of SIS. Account reviews are performed more frequently when market conditions dictate or when the client or advisor deems appropriate. Financial planning relationships with clients are monitored on an ongoing basis to ensure the recommendations made are within the scope of the plan remain suitable.

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#### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

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#### **Content of Client Provided Reports and Frequency**

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

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### **Item 14: Client Referrals and Other Compensation**

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#### **Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. This is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then

allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts' access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

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**Advisory Firm Payments for Client Referrals**

SIS may, from time to time, enter into agreements with individuals and organizations, which may be affiliated or unaffiliated with SIS, that refer clients to SIS in exchange for compensation. All such agreements will be in writing and comply with the requirements of Federal or State regulation. If a client is introduced to SIS by a solicitor, SIS may pay that solicitor a fee. While the specific terms of each agreement may differ, generally, the compensation will be based upon SIS engagement of new clients and is calculated using a varying percentage of the fees paid to SIS by such clients. Any such fee shall be paid solely from SIS investment management fee, and shall not result in any additional charge to the client.

Each prospective client who is referred to SIS under such an arrangement will receive a copy of this brochure and a separate written disclosure document disclosing the nature of the relationship between the solicitor and SIS and the amount of compensation that will be paid by SIS to the solicitor. The solicitor is required to obtain the client's signature acknowledging receipt of SIS's disclosure brochure and the solicitor's written disclosure statement.

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**Item 15: Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by SIS.

SIS is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of SIS.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

SIS accepts discretionary authority to manage securities accounts on behalf of clients. SIS has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The client will authorize SIS discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement. If the client does not grant discretionary authority to SIS, SIS will consult with the client prior to each trade to obtain authorization.

The client approves the custodian to be used and the commission rates paid to the custodian. SIS does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

SIS does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, SIS will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because SIS does not serve as a custodian for client funds or securities and SIS does not require prepayment of fees of more than \$1200 per client and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

SIS has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **Bankruptcy Petitions during the Past Ten Years**

Neither SIS nor its management has had any bankruptcy petitions in the last ten years.

***This brochure supplement provides information about Charles Radlauer that supplements the Sound Income Strategies, LLC brochure. You should have received a copy of that brochure. Please contact Charles Radlauer if you did not receive Sound Income Strategies, LLC's brochure or if you have any questions about the contents of this supplement.***

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

# **Sound Income Strategies, LLC**

## **Form ADV Part 2B – Individual Disclosure Brochure**

*for*

**CHARLES RADLAUER**

Personal CRD Number: 2895611

Sound Income Strategies, LLC  
6550 N Federal Highway Suite 510 Ft  
Lauderdale, FL 33308  
954-487-1860  
[cradlauer@soundincomestrategies.com](mailto:cradlauer@soundincomestrategies.com)

Updated 8/17/18

## **Item 2: Educational Background and Business Experience**

**Name:** CHARLES RADLAUER **Born:** 1968

### **Educational Background and Professional Designations:**

#### **Education:**

Bachelor of Science Florida State University 1991

#### **Business Background:**

02/2017 - Present

11/2016-5/2018 Newbridge Securities Corp.

12/2014-10/2015 Kovack Securities Inc.

6/2007-12/2014 Quest Capital Strategies

10/2003 - 5/2007 Kovack Securities Inc.

## **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

## **Item 4: Other Business Activities**

Charles Radlauer is currently the President and owner of Star Asset Management, Mr. Radlauer also works for Business Valuation Systems/CPA Ron Patella and holds a state of Florida Life and Variable Annuity license. Mr. Radlauer does not participate in any investment-related business or occupation (other than this advisory firm).

## **Item 5: Additional Compensation**

Charles Radlauer does not receive any economic benefit from any person, company, or organization, other than Sound Income Strategies, LLC in exchange for providing clients advisory services through Sound Income Strategies, LLC.

## **Item 6: Supervision**

As the Chief Compliance Officer of Sound Income Strategies, LLC, Charles Radlauer supervises all activities of the firm. Charles Radlauer's contact information is on the cover page of this disclosure document. Charles Radlauer adheres to applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual.