

# **Coastal Capital Group, Inc.**

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## **PART 2A - APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of Coastal Capital Group, Inc. If you have any questions about the contents of this brochure, contact us at (978) 777-3116. 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 Coastal Capital Group, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Coastal Capital Group, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV 2A - Appendix 1 ("Wrap Fee Program Brochure") provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses wrap fee program offered by the Advisor.

### **Material Changes**

There have been no material changes to our Wrap Fee Program Brochure since the last annual update filed on February 9, 2017.

### **Future Changes**

From time to time, we may amend this Wrap Fee Program Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete Coastal Capital Disclosure Brochure) or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Coastal Capital.

At any time, you may view the current Disclosure Brochure including this Wrap Fee Program Brochure online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our firm CRD# 186511. You may also request a copy of this Wrap Fee Program Brochure at any time, by contacting us at (978) 777-3116.

## **Item 3 Table of Contents**

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Services, Fees, and Compensation	Page 4
Item 5 Account Requirements and Types of Clients	Page 5
Item 6 Portfolio Manager Selection and Evaluation	Page 5
Item 7 Client Information Provided to Portfolio Managers	Page 6
Item 8 Client Contact with Portfolio Managers	Page 6
Item 9 Additional Information	Page 7

## Item 4 Services, Fees, and Compensation

### A. Services

Coastal Capital provides customized wealth advisory services for its Clients through a wrap-fee program. We are the sponsor and investment adviser for The Coastal Capital Wrap Fee Program (the "Wrap Fee Program"). A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. The fee schedule is as follows:

#### Annual Fee Schedule

Assets Under Management	Annual Fee
Up to \$499,999	1.25%
\$500,000 to \$999,999	1.15%
\$1,000,000 to \$1,999,999	1.00%
\$2,000,000 to \$3,499,999	0.85%
\$3,500,000 to \$4,999,999	0.75%
Over \$5,000,000	Negotiable

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the preceding quarter. Fees may be negotiable at our sole discretion.

The Wrap Fee Program is not a different investment approach or service offering from our traditional fee structure. **Please see Item 4 - Advisory Services of the Disclosure Brochure for details on Coastal Capital's investment philosophy and related services.**

### B. Program Costs

Services provided under this Wrap Fee Program may cost the Client more or less than paying for investment management services and transaction costs separately. The Frequency of trading, size of accounts and the securities used to construct a portfolio are factors that drive the overall cost of managing a portfolio.

Coastal Capital does not charge clients higher advisory fees based on their trading activity, but clients should be aware that Coastal Capital may have an incentive to limit trading activities in client accounts because Coastal Capital will be charged for executed trades.

## **C. Fees**

Coastal Capital provides the Wrap Fee Program in order to charge a single fee that includes investment management and all standard securities transactions costs associated with Coastal Capital's investment strategies. The Wrap Fee Program includes typical securities trading costs incurred in connection with the discretionary investment management services provided by Coastal Capital. There are other fees charged by unaffiliated third parties that Clients should fully understand.

The Client 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, other fees and taxes on brokerage accounts and securities transactions, and fees for trades executed away from the Custodian. These fees are not included within the wrap-fee and are charged by Coastal Capital.

Additional information regarding fees is included in Item 5 of Form ADV Part 2A - Disclosure Brochure.

## **D. Compensation**

Coastal Capital is the sponsor and portfolio manager of this Wrap Fee Program. Coastal Capital receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

## **Item 5 Account Requirements and Types of Clients**

Coastal Capital offers investment advisory services to individuals, high net worth individuals, trusts, estates, foundations and endowments, businesses and retirement plans.

Coastal Capital generally does not impose a minimum account size for establishing a relationship. However, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

## **Item 6 Portfolio Manager Selection and Evaluation**

### **A. Portfolio Manager Selection**

Coastal Capital serves as sponsor and as portfolio manager for the services under this Wrap Fee Program; however, Coastal Capital may recommend or select other portfolio managers to manage a client's account in the Wrap Fee Program. Portfolio managers for each account are selected to align with the client's investment objectives and goals based on the portfolio manager's experience, tenure, and performance according to industry standards.

Each portfolio manager's performance is reviewed on a quarterly basis to evaluate whether the client's financial objectives and goals are being met.

## **B. Related Persons**

Coastal Capital does not have any related persons who act as a portfolio manager for the Wrap Fee Program. Coastal Capital does not serve as a portfolio manager for any third party wrap fee programs.

## **C. Supervised Persons**

Coastal Capital supervised persons serve as portfolio managers for the Wrap Fee Program. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

## **Performance-Based Fees**

Coastal Capital does not charge performance-based fees.

## **Methods of Analysis and Risk of Loss**

Please see Item 8 of the Disclosure Brochure (Form ADV Part 2A) for details on the research and analysis methods employed by the Advisor. Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

## **Proxy Voting**

Coastal Capital does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 7 Client Information Provided to Portfolio Managers**

Coastal Capital is required to describe the type and frequency of the information it communicates to any external managers that may be involved in managing its Clients' investment portfolios. Portfolio Managers who will manage a client's account through the Wrap Fee Program will be provided with the client's account application which includes information such as the Client's name, address, account number, social security number or taxpayer identification number, whether the account is taxable or non-taxable, the name of the IAR, investment strategy selected, and amount invested. We will also provide any restrictions requested by the Client.

Client information will be provided to the portfolio manager upon commencement of the relationship and will be updated at any point at which the information becomes materially inaccurate.

## **Item 8 Client Contact with Portfolio Managers**

There is no restriction on the Client's ability to contact Coastal Capital or the selected Portfolio Manager regarding their accounts in the Wrap Fee Program.

## Item 9 Additional Information

### A. Disciplinary Information and Other Financial Industry Activities and Affiliations

#### Disciplinary Information

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices.

***There are no legal, civil or disciplinary events to disclose.***

#### Other Financial Activities and Affiliations

Please see Items 10 and 14 of the Coastal Capital Disclosure Brochure as well as Items 4 and 5 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure).

### B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information

#### Code of Ethics

Coastal Capital has implemented a Code of Ethics that defines our fiduciary commitment to each Client. Details of this Code of Ethics and related practices are included in item 11 of the Disclosure Brochure.

#### Review of Accounts

Securities in Client accounts are monitored on a regular and continuous basis by a Managing Director and/or the Relationship Manager. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client. Details of the review policies and practices are provided in Item 13 of the Disclosure Brochure.

#### Other Compensation

Coastal Capital does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Coastal Capital may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Coastal Capital may receive referrals of new Clients from a third-party.

#### Broker-Dealer Affiliation

Certain Advisory Persons of Coastal Capital are also registered representatives of Purshe Kaplan Sterling Investments ("PKS"). In their separate capacity as registered representatives, Advisory Persons will receive commissions for the implementation of recommendations for commissionable transactions. Additional details are included in Item 10 above.

#### Insurance Agency Affiliations

Certain Advisory Persons of Coastal Capital are also licensed insurance professionals. As insurance professionals, Advisory Persons may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Additional details are included in Item 10 above.

#### Economic Benefit

Coastal Capital does receive an economic benefit from Schwab in the form of the support products and services it makes available to Coastal Capital and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit Coastal

Capital, and the related conflicts of interest are described in Item 12 of the Disclosure Brochure. The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

**Financial Information**

Neither Coastal Capital, nor its management has any adverse financial situations that would reasonably impair the ability of Coastal Capital to meet all obligations to its Clients. Neither Coastal Capital, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Coastal Capital is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance. Please see Item 18 of the Disclosure Brochure.