



## **FORM ADV PART 2A FIRM BROCHURE**

### **Girard Securities, Inc.**

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May 30, 2015

This brochure provides information about the qualifications and business practices of Girard Securities, Inc. If you have any questions about the contents of this brochure, please contact us at 858-622-2140 or by email at: [mail@girardsecurities.com](mailto:mail@girardsecurities.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 Girard Securities, Inc. is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 18697.

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

This Firm Brochure, dated May 30 , 2015, is our updated disclosure document prepared according to the SEC's requirements and rules.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our firm's fiscal year. You can always request a full copy of any of our current disclosure brochure by calling 858-622-2140.

Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The Material changes that have been made to our Form ADV disclosure brochures since our annual amendment in June 2014 are summarized below:

- **Ownership Change**

On March 18, 2015, Girard Securities, Inc. was acquired by RCS Capital Holdings, LLC. Girard Securities is a San Diego-based financial services company and is now a member of Cetera Financial Group, RCS Capital Corporation's (NYSE: RCAP) retail advice platform. While the ownership of Girard Securities has changed, the management structure and all associated personnel have remained the same.

- **New Advisory Programs**

Girard Securities is in the process of developing new advisory programs. Detailed information about each of our advisory programs that are currently offered is included in the appropriate disclosure brochure. If you would like information about an advisory program that is not included in this brochure, please speak to your financial advisor.

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## Item 4

### Advisory Business

Girard Securities, Inc. is an SEC-registered investment advisor with its principal place of business located in California. Girard Securities, Inc. began conducting investment advisor business in 2002. Girard Securities was acquired on March 18, 2015 by RCS Capital Holdings, LLC. This ownership change will not result in any change to the officers, senior management or supervisory personnel of Girard Securities. Girard's business activities and business model will not change.

Listed below are the firm's principal shareholders:

*(individuals or entities controlling 25% or more of this company)*

- RCS Capital Holdings, LLC

RCS Capital Holdings, LLC is a wholly owned subsidiary of RCS Capital Corporation ("RCAP"). RCAP is a public reporting company listed on the NYSE. RCAP indirectly owns several other holding companies that own broker/dealers and other directly owned broker/dealer firms or registered investment advisory firms registered with the SEC and/or FINRA . These firms include the following:

Cetera Financial Group:

1. Cetera Advisor Networks, LLC
2. Cetera Advisors, LLC
3. Cetera Financial Specialists, LLC
4. Cetera Investment Services, LLC

First Allied Holdings

1. First Allied Securities, LLC
2. Legend Equities Corporation

Other FINRA broker/dealers:

1. Hatteras Capital Distributors, LLC
2. Summit Brokerage Services, Inc.
3. Investors Capital Corporation
4. Realty Capital Securities, LLC
5. J.P. Turner & Company, LLC
6. Strategic Capital Distributors, LLC
7. VSR Financial Services, Inc./VSR Advisory Services.

**Girard Securities, Inc. offers the following advisory services to our clients:**

**Girard Asset Management Account (GAMA)**

GAMA is Girard Securities, Inc.'s fee based managed account offering. The GAMA offering consists of two types of management options. The options are GAMA Choice and GAMA Premier. Explanations of each account type are as follows:

**INDIVIDUAL PORTFOLIO MANAGEMENT - GAMA CHOICE**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States Government and Agency bonds
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **MODEL PORTFOLIO MANAGEMENT - GAMA CHOICE**

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable for the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients acquire individual ownership of all securities.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. At least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. Be reasonably available to consult with the client; and
3. Maintain client suitability information in each client's file.

## **MANAGER SELECTION PROGRAMS - GAMA PREMIER**

We also offer advisory management services to our clients through the Manager Selection Programs (hereinafter, "Programs").

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Personal Investment Policy Statement ("PIPS").

Based on the client's individual circumstances and needs (as exhibited in the client's PIPS) we will then select an approved manager from various unaffiliated registered investment advisors to identify which registered investment advisor's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment advisor. Girard will provide clients the Form ADV of the third party and the registered investment advisor's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, at least annually, or as determined by the client, to review the account.

Once we determine the most suitable investment advisor(s) for the client, we provide the selected advisor(s) with the client's PIPS. The advisor(s) then creates and manages the client's portfolio based on the client's individual needs as exhibited in the PIPS.

We monitor the performance of the selected registered investment advisor(s). If we determine that a particular selected registered investment advisor(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's PIPS, we may suggest that the client contract with a different registered investment advisor and/or program sponsor. Under this scenario, our firm assists the client in selecting a new registered investment advisor and/or program. However, any move to a new registered investment advisor and/or program is ultimately the client's decision.

## **MODEL PORTFOLIO MANAGEMENT – SELECTONE**

Our firm provides portfolio management services to clients using model asset allocation portfolios within the SelectOne platform. Each model portfolio is designed to meet a particular investment goal. The SelectOne platform consists of several models, including Tactical Yield which is managed by an individual associated with Girard Securities, Inc.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable for the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients acquire individual ownership of all securities.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. At least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. Be reasonably available to consult with the client; and
3. Maintain client suitability information in each client's file.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **CASH FLOW:** We analyze the spending and planning for past, current and future years; then illustrate the impact of various investments
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

We review documents supplied by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we urge the client work closely with his/her attorney, accountant, insurance agent, and/or financial services professional. Implementation of financial plan recommendations is up to the client.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Facts regarding the client's needs will be considered in determining the fee schedule. These include the complexity of the client's portfolio and individual circumstances, assets to be placed under management, net worth, anticipated future additional assets, related accounts, portfolio style, account composition, and reports requested or required for the client, among other factors. The specific fee schedule will be identified in the contract between the advisor and each client.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

## **ADVISORY REFERRAL SERVICES**

Girard Securities, Inc. acts as a solicitor on behalf of various independent registered investment advisors. Based on a client's individual circumstances and needs, we will assist the client in determining which independent advisor's portfolio management services are appropriate for that client. Factors considered in making this determination, include account size, risk tolerance, and a client's investment experience.



## **CONSULTING SERVICES**

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

## **AMOUNT OF MANAGED ASSETS**

As of March 31, 2015, Girard Securities, Inc. was actively managing \$562,857,248 of clients' assets on a discretionary basis in addition to actively managing \$ 89,555,164 of clients' assets on a non-discretionary basis.

## **Item 5**

### **Fees and Compensation**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT FEES - GAMA CHOICE**

Annual fees for portfolio management are based upon a percentage of assets under management and generally range from 1.50% to 2.50% and will be charged as a percentage of assets under management.

Fees are billed quarterly, in advance or in arrears (as determined at the time the account is opened), at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be deducted from the account in accordance with the client authorization in the Client Services Agreement.

***Negotiability of Advisory Fees:*** Girard Securities, Inc. has discretion to negotiate alternative fees on a client-by-client basis. Facts regarding the client's needs will be considered in determining the fee schedule. These include the complexity of the client's portfolio and individual circumstances, assets to be placed under management, net worth, anticipated future additional assets, related accounts, portfolio style, account composition, and reports requested or required for the client, among other factors. The specific annual fee schedule will be identified in the contract between the advisor and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts may be offered to associated persons of our firm and their family members.

## **MODEL PORTFOLIO MANAGEMENT FEES - GAMA CHOICE**

Annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from 1.50% to 2.50% and will be charged as a percentage of assets under management.

Fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be deducted from the account in accordance with the client authorization in the Client Services Agreement.

***Negotiability of Advisory Fees:*** Girard Securities, Inc. has discretion to negotiate alternative fees on a client-by-client basis. Facts regarding client's needs will be considered in determining the fee schedule. These include the complexity of the client's portfolio and circumstances, assets to be placed under management, net worth, anticipated future additional assets, related accounts, portfolio style, account composition, reports requested or required by the client, among other factors. The specific annual fee schedule will be identified in the contract between the advisor and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts may be offered to associated persons of our firm and their family members.

## **MANAGER SELECTION PROGRAMS - GAMA PREMIER FEES**

Annual fees for Manager Selection Programs - GAMA Premier fees are based upon a percentage of assets under management and generally range from 1.50% to 2.50%.

## **MANAGER SELECTION PROGRAMS – SELECTONE FEES**

Annual fees for Manager Selection Programs – SelectOne fees are based upon a percentage of assets under management and generally range from 1.50% to 2.50%.

## **ADVISORY REFERRAL SERVICES FEES**

We do not charge a fee to any client for referrals to other advisors. We typically receive 1% of the advisory management fee paid by the client to the other advisors. Fees for such referrals are paid by other the advisors as a percentage of the fees the other advisors receive from the client. Client advisory fees are not increased as a result of our referral of any clients to other advisors.

Clients will receive a separate disclosure document describing the fee paid to us by the other Advisors. Clients should refer to the other advisors' disclosure document for information

regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

## **FINANCIAL PLANNING FEES**

Girard Securities, Inc.'s Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with a client.

Our Financial Planning fees are charged on an hourly or calculated on a fixed fee basis or other negotiated arrangement. Financial Planning fees may be a one-time charge or ongoing, depending on the nature of the plan developed. The specific fee schedule for your financial plan will be identified in the contract between the advisor and each client.

Girard Securities, Inc. has discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client's portfolio and circumstances, assets to be placed under management, net worth, anticipated future additional assets, related accounts, portfolio style, account composition, reports requested or required by client, among other factors. The specific fee schedule will be identified in the contract between the advisor and each client.

Girard Securities, Inc. will provide an audited balance sheet showing the advisor's assets and liabilities at the end of its most recent fiscal year, if the Firm requires or solicits pre-payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Any unused portion of the prepayment will be refunded to the client.

We may request a retainer upon completion of our initial fact-finding session with the client; advance retainer is equal to half of the estimated total fee upon signing contract. The balance is due upon completion of the plan.

## **CONSULTING SERVICES FEES**

Girard Securities, Inc.'s Consulting Services fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees are on an hourly or a fixed fee basis or other negotiated arrangement. If hourly, an estimate for the total hours is determined at the start of the advisory relationship. Clients who will be charged a fixed fee or other negotiated arrangement will receive an estimate for the total fee for the services at the start of the advisory relationship.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 15 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Girard Securities, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the third party advisors, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV Part 2A for additional information.

Management personnel and associated persons of our firm are licensed as registered

representatives of Girard Securities, Inc. as broker-dealer and/or licensed as insurance agents or brokers. In their separate capacities, these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the associated person. Clients are not under any obligation to engage these associated persons when considering implementation of advisory recommendations.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

**Verification of Fees:** You are always responsible for verifying that the fee you are charged is accurate. The custodian will not determine whether the fee is properly calculated. Should you find an error, please contact your Advisor immediately. If you are not satisfied with the action your Advisor takes, you may contact us at the number on the cover of this document.

## **Item 6**

### **Performance-Based Fees**

Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of the assets in an account. Your Advisor is not permitted to charge performance-based fees. Girard Securities, Inc. does not charge performance-based fees.

## **Item 7**

### **Types of Clients**

Girard Securities, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- Trusts

## Item 8

### Methods of Analysis, Investment Strategies and Risk of Loss

#### METHODS OF ANALYSIS

We may use one or more of 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 or how long the trend may last and when that trend might reverse.

**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.

**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.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if

there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We may use one or more of the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Asset Allocation** – Establishing a suitable base investment mix and periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation. Risk is dependent on concentration of asset classes and time horizon.

**Buy and Hold** – Intending to buy and hold securities for a long period of time, regardless of fluctuations in the market; not concerned with short-term price movements or technical indicators. A risk to this strategy is that one may miss out on short term opportunities or retain a position that declines over time.

**Dollar Cost Averaging** – Designed to potentially reduce volatility in which securities, typically mutual funds, are purchased in fixed dollar amounts at regular intervals; regardless of what direction the market is moving. Risk is that purchase prices will vary over time which may not be as profitable but reduces downside risk.

**Hedging** – Investing with the goal to reduce the risk of adverse price movements in a security or securities by taking an offsetting position in a related security, such as options, short sales or being long in an offsetting position (may require additional forms and approval). This strategy is risky as market conditions may not be favorable and each investment may not perform to offset the other.



**Liquidations** – Converting securities into cash or equivalents by selling them. The risk may be that the investment may not be at the ideal time to sell due to market conditions.

**Non-Correlated Asset Investing** – Purchasing assets that tend to change in value, independent of the core financial markets such as stocks and bonds. Alternative investments and precious metals are examples. Alternative investments carry varying degrees of risk and may be illiquid at times.

## **RISK OF LOSS**

**Types of Risk** -Various types of risk are involved when investing in securities. Economic risk, market risk, currency risk, inflation risk, liquidity risk, and credit risk are examples of the types of risks to which your account may be subject.

**Assessing Risk** - While some types of risk can be mitigated by investment strategies, these risks cannot be eliminated completely. Your Advisor will work with you to make sure that you are comfortable with the risks associated with the type of investments that are in your account.

**Risk of Loss** - You should know that all types of securities investing involve risk, sometimes substantial risk. Your account value can both increase and decrease over time. You should not invest in any product if you are not prepared to bear a potential loss. Past performance does not guarantee future results. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9**

### **Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business. The information in this section may impact your decision to do business with us.

In December, 2013 Girard Securities, without admitting or denying the allegations, entered into an Acceptance, Waiver and Consent that was accepted by FINRA, whereby Girard Securities accepted FINRA's findings that the Firm did not establish and maintain systems and procedures reasonably designed to prevent fraudulent third party wire transfers. The Firm has taken substantial corrective action both in staffing and policies and procedures to insure that a similar event or events cannot occur going forward.



### ***Additional Information***

More information on this item, can be found on FINRA's BrokerCheck<sup>®</sup> (<http://brokercheck.finra.org>). The Form ADV Part 2B brochure supplement that your Advisor will provide to you, along with this document, contains information regarding any disciplinary items that we deem material to your decision to select your Advisor to provide you with advisory services. Additional information about your Advisor's disciplinary history can also be viewed on BrokerCheck<sup>®</sup>.

## **Item 10**

### **Other Financial Industry Activities and Affiliations**

#### ***FIRM Registrations:***

In addition to Girard Securities, Inc.'s registration as an investment advisor, our firm is registered as a FINRA member broker-dealer. Girard Securities, Inc. is registered with The U.S. Commodity Futures Trading Commission ("CFTC") and is a National Futures Association ("NFA") member.

As a broker-dealer, Girard Securities places trades for clients for the purchase and sale of stocks, bonds, options, mutual funds, variable insurance products, and private placements. Because most of our Advisors are registered to offer you both advisory programs and services and brokerage products and services, a conflict of interest exists. The conflict involves the determination of whether advisory business (fee-based) or brokerage business (commission) is more suitable for the client. Because most of our Advisors can offer both, your advisor could be conflicted about which business to recommend to you. We attempt to mitigate this risk by reviewing the suitability of the advisory program selected by each client. Ultimately, our Advisors will discuss with you which type of business will best help you meet your goals.

You may have brokerage accounts with Girard Securities. The main differences between an advisory account and a brokerage account are the form of payment, the use of discretionary authority, and our level of responsibility to ensure that each transaction is appropriate for you. In an advisory account, you will pay an advisory fee based on the amount of assets in the account; in a brokerage account, you will pay a commission for each transaction. In an advisory account, you may grant us, your advisor, or a third-party discretionary trading authorization that allows us to place securities transactions on your behalf without notifying you prior to placing the transaction; in a brokerage account, we will discuss each transaction with you prior to placing the transaction. Having discretionary trading authorization allows us, your advisor, or the third-party to act quickly on your behalf should there be an opportunity that would benefit you. With a brokerage account, you have the opportunity to approve each trade before it is placed on your behalf.

***MANAGEMENT PERSONNEL Registrations:***

Management personnel of our firm are separately licensed as registered representatives of Girard Securities, Inc. ("Girard"), a FINRA member broker-dealer.

***ASSOCIATED PERSONNEL Registrations:***

Investment Advisor Representatives of Girard Securities, Inc. are separately licensed as registered representatives of Girard. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

Associated personnel of our Firm may also be registered advisor representatives of other registered investment advisory firms, and/or licensed as an insurance agent of various insurance companies.

While Girard Securities, Inc. and these individuals associated individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

***PARENT Company:***

Girard Securities, Inc. was acquired by RCS Capital Holdings, LLC on March 18, 2015. RCS Capital Holdings, LLC is owned by RCS Capital Corporation (NYSE: RCAP). Girard Securities is now a member of Cetera Financial Group, RCS Capital Corporation's (NYSE: RCAP) retail advice platform.

***Mutual Fund:***

Andy Martin, a registered representative of Girard, is the investment advisor to the 7Twelve Balanced Fund, an investment company registered under the Investment Company Act of 1940. We are related to the mutual fund through Andy Martin's association with Girard Securities, Inc. Girard Securities, Inc. is not the investment advisor to the 7Twelve Balanced Fund.

For additional information, the Fund Prospectus and Statement of Additional Information are available on-line at [www.7twelveportfolio.com](http://www.7twelveportfolio.com) Prospective investors should review these documents carefully before making any investment in the Mutual Fund.

***Mutual Fund:***

Porter Landreth, a registered representative of Girard Securities, Inc., and an investment advisor representative through an unaffiliated RIA, Asset One, LLC, is the sub-advisor to the Ascendant Tactical Yield Fund. The Ascendant Tactical Yield Fund is distributed by Northern Lights Distributors, LLC, a FINRA/SIPC member. Ascendant Advisors, LLC is the advisor to the fund and is not affiliated with Girard Securities, Inc. Girard is not the investment advisor to the Ascendant Tactical Yield Fund.

For additional information, the Fund Prospectus and Statement of Additional Information are available on-line at <http://ascendantfunds.com>. Prospective investors should review these documents carefully before making any investment in the Mutual Fund.

***Retirement Strategic Partners Program:***

The Firm may also receive certain revenue sharing payments from third-party firms, including plan recordkeeping platforms as well as investment managers of mutual funds and the issuers of annuities (each a "Retirement Partner"). Retirement Partners participate in activities that are designed to help facilitate the distribution of their products and services, such as marketing activities and educational programs, including attendance at conferences and presentations to the Firm's financial advisors. These revenue sharing payments are in the form of a fixed dollar amount that does not depend on the amount of the Plan's investment in any product or utilization of any Retirement Partner's services. Retirement Partners may also pay the Firm's expenses, or provide non-cash items and services, to facilitate training and educational meetings for the Firm's financial advisors, which similarly do not depend on the amount of the Plan's investment in any product or utilization of any Retirement Partners' services. Our representatives do not receive any portion of these payments. For a list of our current Retirement Partners, please send your request via email to: [mail@girardsecurities.com](mailto:mail@girardsecurities.com)

It is important to note that you do not pay more to purchase Retirement Partner products or services through the Firm, than you would pay to purchase those products or services through another broker-dealer, and your representative does not receive additional compensation for selling or recommending a Retirement Partner product or service.

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

Pursuant to SEC rule 204A-1, we have adopted a Code of Ethics ("COE") to establish rules of conduct for all supervised persons. Supervised persons are individuals that are associated with our firm who are involved with offering or providing advisory services. Supervised persons may also include our home office employees. Your Advisor is a supervised person.

The Code of Ethics sets forth high ethical standards of business conduct that we require of our employees and associated persons. The COE recognizes our Advisor's fiduciary responsibility to clients. The COE instructs our Advisors to conduct their affairs in such a manner as to avoid:

- Serving their own interests ahead of clients' interests
- Taking inappropriate advantage of their position
- Engaging in unacceptable actual or potential conflicts of interest

Girard Securities, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

As described in Item 10 above, your Advisor may also be registered as an independent contractor registered representative with Girard Securities. This may create a conflict in that your Advisor may be able to choose between offering you advisory programs or services and brokerage products or services. The amount and manner of compensation that your Advisor receives in either of these capacities presents a conflict of interest. To mitigate this conflict of interest, we require that any advisory program or advisory service that you are offered is suitable for your investment goals and financial needs. Girard Securities. conducts suitability reviews for brokerage product solicitations.

Our Code of Ethics includes policies and procedures for the review of on-going securities transaction reports that check trading patterns for both supervised persons and clients.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees and registered representatives will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the express policy of our firm that no person(s) associated with us may purchase or sell any security prior to a transaction(s) being executed for a client in the same security.

We may aggregate our associated persons' trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our associated person's accounts will be included in the pro-rata allocation.

As these situations represent potential conflicts of interest to our clients, we have established

the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal, employee, or associated person of our firm may put his or her own interest above the interest of an advisory client.
2. No principal, employee, or associated person of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the express policy of our firm that no person associated with us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such persons from benefiting from transactions placed on behalf of advisory accounts.
4. Accounts managed on a nondiscretionary basis have the authority to decline or implement any advice rendered. All of our principals, employees, and registered representatives must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
6. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
7. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure, associated persons of our firm are separately registered as securities representatives of Girard, investment advisor representatives of other registered investment advisors, and/or licensed as an insurance agent of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Girard Securities, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [mail@girardsecurities.com](mailto:mail@girardsecurities.com), or by calling us at 858-622-2140.

## **Item 12**

### **Brokerage Practices**

Girard Securities, Inc. has a reasonable belief that they are able to obtain best execution and competitive prices. Our firm executes all transactions through one of its two clearing agents or third party fixed income desk who execute transactions on our behalf. Girard Securities, Inc. will aggregate transactions when possible and when advantageous to clients. This aggregation of orders permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Aggregate trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Girard Securities, Inc.'s aggregate trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Girard Securities, Inc., or our firm's order allocation policy.
- 2) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Girard Securities, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution so that the resultant price to the customer is as favorable as possible under prevailing market conditions.
- 3) If the order 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 pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 4) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 5) Funds and securities for aggregated orders are clearly identified on Girard Securities, Inc.'s records and other intermediaries records who may handle the transactions, by the appropriate account numbers for each participating client.

6) No client or account will be favored over another.

7) Clients have the option to purchase investment products through any broker dealer and are not obligated to transact trades for those recommendations through Girard Securities, Inc. or any other broker dealer.

8) Girard Securities does not have a research department or participate in soft dollar arrangements.

## **Item 13**

### **Review of Accounts**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities transactions within the advisory accounts are continually monitored, your Advisor reviews these accounts at least once per year. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

#### **THIRD-PARTY MONEY MANAGERS**

**REVIEWS:** Clients who have these accounts should refer to the independent registered investment advisor's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment advisor.

#### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

#### **CONSULTING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.



## **Item 14**

### **Client Referrals and Other Compensation**

It is Girard Securities, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

#### ***OTHER COMPENSATION:***

We and our affiliates offer a wide variety of approved products to our Advisors to serve your needs. We have designated a subset of approved products as "Product Sponsors." Product Sponsors offer an assortment of approved products. They also train and educate our registered representatives on products and industry-related topics. Product Sponsors pay extra compensation to us and our affiliates; however clients do not pay more to purchase these products through us than clients would pay to purchase them elsewhere.

Sometimes we and our affiliates receive payments from firms that are not Product Sponsors to recognize our sales efforts. All companies may pay us and our affiliates in connection with the sale of certain products. This compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. They may also pay for training, educational meetings or training events, conferences, and entertainment for our representatives and/or clients, as permitted by industry rules.

The Firm may also receive certain revenue sharing payments from third-party firms, including plan recordkeeping platforms as well as investment managers of mutual funds and the issuers of annuities (each a "Retirement Partner"). Retirement Partners participate in activities that are designed to help facilitate the distribution of their products and services, such as marketing activities and educational programs, including attendance at conferences and presentations to the Firm's financial advisors. These revenue sharing payments are in the form of a fixed dollar amount that does not depend on the amount of the Plan's investment in any product or utilization of any Retirement Partner's services. Retirement Partners may also pay the Firm's expenses, or provide non-cash items and services, to facilitate training and educational meetings for the Firm's financial advisors, which similarly do not depend on the amount of the Plan's investment in any product or utilization of any Retirement Partners' services. Our representatives do not receive any portion of these payments. For a list of our current Retirement Partners, please send your request via email to: [mail@girardsecurities.com](mailto:mail@girardsecurities.com).

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving compensation may create a conflict of interest. Girard does not participate in sales contests or provide incentives for selling specific product to clients.



## **Item 15**

### **Custody**

Girard Securities does not custody your account assets. Your account assets are in the custody of Pershing, National Financial Services, TD Ameritrade, Charles Schwab or another approved custodian. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. It is important for clients to carefully review their custodial statements to verify the accuracy of the statement and fee calculations, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly deducts advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account.

## **Item 16**

### **Investment Discretion**

We do not have discretion over your assets. However, when you invest in one of our advisory programs we may attain a trading authorization. Depending on which advisory program you choose, you will grant us one of three levels of trading authorization:

- Limited trading authorization
- Full trading authorization
- No trading authorization

#### *Limited Trading Authorization*

Limited trading authorization allows your Advisor to make decisions on your behalf regarding purchases and sales of approved investment company securities. Investment company securities include mutual funds, unit investment trusts, closed-end funds, and exchange-traded funds.

#### *Full Trading Authorization*

Full trading authorization allows your Advisor to make decisions on your behalf regarding purchases and sales of equities, fixed income products including bonds and certificates of deposit, options, and any other security traded on a national exchange, including investment company securities. You must approve the account agreement appropriately to grant full

trading authorization.

#### *No Trading Authorization*

When you select the Planning/Consulting program, you do not grant us or your Advisor any trading authority.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

### **Item 18 Financial Information**

#### *Prepayment of Fees*

We do not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Generally, advisory fees for account management are paid quarterly in advance. For consulting or financial planning, fees are occasionally prepaid more than six months from delivery of services. In these instances, the amount of prepayment will not exceed \$1,200 per client.

#### *Girard Securities' Financial Condition*

We are required to inform you of any financial conditions that are reasonably likely to impair our ability to meet contractual commitments to you. Currently, there are no financial conditions that would impair our ability to meet our contractual commitments to you. Girard Securities, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years. Should any arise, we will notify you according to SEC guidelines.