

Triad Advisors, Inc.

Third-Party Consulting Services Program Wrap Fee Brochure

SEC File No. 801- 55518

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<http://www.com>

March 30, 2016

This Wrap Fee brochure provides clients with information about the qualifications and business practices of Triad Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at www.com or 770-840-6042. 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.

Triad Advisors, Inc. is a dually registered investment adviser and broker/dealer. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Triad Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Triad who are registered, or are required to be registered, as Investment Adviser Representatives of Triad.

Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amended the rules pertaining to the disclosure documents that advisers provide to clients as required by SEC Rules. This brochure is prepared according to the SEC’s amended rules. This section summarizes specific material changes that have been made to the brochure.

Pursuant to the amended SEC Rules, within 120 days of the close of our firm’s fiscal year (December 31st) we will deliver either:

1. a copy of the current (updated) Brochure that includes or is accompanied by the summary of material changes, or
2. a summary of material changes that includes an offer to provide a copy of the current (updated) Brochure.

We may further provide other ongoing disclosure information about material changes as necessary as well as provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Please notify us if there have been any changes to your financial situation, your objectives, or if you would like to place or modify any reasonable restrictions in the management of your account. Currently, our full brochure which includes detailed information on the changes summarized below and your Investment Adviser Representative’s personalized disclosure brochure may be requested by contacting your Investment Adviser Representative or our Compliance Department at 770-840-6042 or compliance@triad-advisors.com.

Material Changes Since the Last Update – Third-Party Consulting Services Program Wrap Brochure

This brochure by Triad Advisors, Inc. dated March 30, 2016 serves as a replacement to the Private Managed Account (“PMA”) Wrap Brochure dated August 12, 2015. Material changes to this brochure since the last update are noted below in the following sections:

1. Disciplinary Information – Triad entered into an Acceptance Waiver and Consent with FINRA on March 3, 2016 due to a failure to apply sales charge discounts to certain customers’ eligible purchase of unit investment trusts (“UITs”) in violation of FINRA Rule 2010. During the same time period, Triad failed to establish and maintain a supervisory system including written supervisory procedures, reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Rule 3010 and FINRA Rule 2010. Triad consented to a censure, a \$125,000 fine and restitution to customers totaling \$102,631.62.
2. Fees and Compensation: *Compensation and Reimbursement of Expenses to Triad Advisors, Inc. and Representatives* – Information on the types of compensation Triad and its affiliates may receive in connection with advisory services we may provide to you.
3. Other Financial Industry Activities and Affiliations: *Compensation and Reimbursement of Expenses to Ladenburg Thalmann Financial Services Inc. (LTFs) and its Affiliates* – Descriptions of arrangements we have with related persons in connection with services we may provide to you.
4. Jeffrey Rosenthal was named President and Chief Executive Officer of Triad Advisors, Inc.
5. The name of the brochure has been updated from the Private Managed Account brochure to the Third-Party Consulting Wrap Brochure.

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Services, Fees and Compensation

Client should read and consider the information contained in this brochure. There is no assurance that the objectives of any client will be achieved.

Advisory Services

Triad Advisors, Inc. (“Triad”) is registered as both an investment adviser and a broker-dealer. Each client has an Investment Adviser Representative. Investment Adviser Representatives are generally broker-dealer representatives of Triad. In addition, the Investment Adviser Representative is an advisory representative of Triad or is an advisory representative of an independently registered investment adviser.

If your Investment Adviser Representative is a Triad Investment Adviser Representative, Triad is providing consulting & advisory services to you in addition to brokerage and program services, as described in this brochure. If your Investment Adviser Representative is acting as a representative of an independently registered investment adviser, that independently registered investment adviser is providing consulting & advisory services to you, and you will receive a disclosure brochure from that firm. For the purposes of this document, the term “Advisory Firm” refers to either Triad or the independently registered investment adviser whichever is providing these services to you.

Clients who wish to participate in the Triad Third-Party Consulting Services Program (“the Program”) generally enter into an agreement with Triad or with a third party investment adviser. The advisory agreement or solicitation agreement will set forth which Advisory Firm is providing consulting services to you. Triad currently recommends the following third-party programs to its clients. Other programs may be added to this list at Triad’s discretion. Similarly, Triad may remove a program from this list at any time.

Private Managed Accounts (“PMA”)

Triad’s Private Managed Account partners provide our representatives with direct access to third party asset managers. These groups of managers deliver a variety of investment styles ranging from niche specialists to strategic asset allocation to quantitative and tactically managed portfolios. Management may include individual securities, ETFs, mutual funds, option or alternative investment products.

Ladenburg Thalmann Asset Management (“LTAM”)

LTAM offers the following solutions: Investment Consulting Services (“ICS”), the LAMP Program and the LAMP - Managed Annuity Program & 401K Retirement Platforms.

Turnkey Asset Management Programs (“TAMP”)

Turnkey Asset Management platforms offer multiple investment options to meet a wide variety of needs. These platforms may include access to separately managed account strategies, multi-managed accounts, advisor-directed unified managed accounts, and model-driven strategists. Account analytics, research, proposal generation, form selection, investment management and reporting are typically available through these solutions. Triad may add or remove a program from this list at any time.

TAMP Participating Firms:

SEI Investments Management Corporation
Envestnet
AssetMark

Matson Money
Brinker Capital

Clients inform their Investment Adviser Representatives of the investment objectives, risk tolerance, and investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the

assets they designate for investment through the Program. Based on the information provided, the Investment Adviser Representative assists the client in selecting one or more (“Managers”) to provide discretionary management services for the client’s account from those available through the Program.

Any restrictions on the management of an account imposed by a client may cause the Investment Adviser Representative to deviate from the investment decisions or recommendations that the Investment Adviser Representative would otherwise make with respect to the account.

The Investment Adviser Representative may provide additional consulting services in connection with particular Managers. For example, a Manager may offer clients a variety of investment strategies or may offer clients access to other third-party portfolio managers. In those cases, the Investment Adviser Representative will assist the client in selecting an investment strategy or specific portfolio managers. The Investment Adviser Representative may also assist the client in allocating assets among strategies or managers. In the Turnkey Asset Management Programs an Investment Adviser Representative may be acting as a solicitor to a third-party portfolio manager. The consulting services that the Investment Adviser Representative provides in connection with a particular program are set forth in the agreement that the client signs with the Advisory Firm. The Investment Adviser Representative, Manager or the third-party portfolio managers that Manager makes available, may have discretion over client assets invested in the program. Manager may also have discretion in choosing or removing client assets from one third-party portfolio manager to another. The client will receive a disclosure brochure describing each Manager selected and the various services that the Manager offers. Clients may also receive separate disclosure brochures for the third-party portfolio managers that clients may select through the Manager. Clients should read these programs carefully before deciding whether to invest through a particular Manager or select a particular portfolio manager made available through that Manager. The Investment Adviser Representatives will generally not have discretion to select Managers, investment strategies or third-party portfolio managers, unless specifically set forth in the client’s agreement with the Advisory Firm.

Portfolio Management

Accounts are managed by third-party portfolio managers and platforms made available by Triad. Clients sign a separate agreement with each Manager selected. The client’s selection of a Manager will not be effective until the client is accepted by the Manager. The client’s agreement with the Manager sets forth the terms and conditions under which the client’s accounts are managed by the Manager or by third-party portfolio managers made available through the Manager.

Execution of Trades

Triad Advisors will generally also act as broker-dealer for all programs with the exception of the TAMPs. In the TAMPs, execution of trades will be per the terms of the participating program sponsor.

Custody

An unaffiliated entity acts as custodian for the Program accounts. The custodian is named in the client’s agreement with Triad or the Manager, as applicable. National Financial Services, LLC (“NFS”) will act as custodian for all of the programs with the exception of the TAMPs. In the TAMPs, the custodian will be chosen per the terms of the participating program sponsor.

Fees and Compensation

The client pays a quarterly Wrap Fee which is calculated based on a percentage of the value of the client’s account. Fees are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the advisory agreement and not billed separately in all programs with the exception of the Turnkey Asset

Management Program. In the TAMPs, the billing procedure will be disclosed per the terms of the participating program sponsor's advisory agreement and disclosure brochure.

The maximum annual Wrap Fee rate is 2.75 % annually. The Wrap Fee rate may be a flat annual fee rate, a tiered rate, or a breakpoint schedule depending on which underlying manager or TAMP platform utilized. A linear or flat fee rate is a flat fee percentage applied to all billable assets. When a breakpoint fee rate is selected, the entire household, portfolio or account value is charged at the rate that corresponds to the asset value range in which billable asset values fall. In a tiered fee rate schedule, the household, portfolio or account value is charged the corresponding fee percentage within each range. Please review the applicable client agreement for the availability of each option.

The Wrap Fee is negotiable based on a variety of factors, such as size and type of account, complexity, range of services utilized, etc.

The applicable client agreement for each program will set forth the termination procedure. If fees are paid in advance, the applicable agreement will also describe how you may obtain a refund of a prepaid fee if the agreement is terminated before the end of the billing period and how the amount of the refund will be determined.

The Wrap Fee covers the consulting and advisory services provided by the Investment Adviser Representatives, the services provided by the selected third-party portfolio manager, program administrative services, execution of transactions and custodial services provided by the selected custodian (unless otherwise agreed between the custodian and the client).

Fees That Clients May Pay in Addition to the Wrap Fee

Manager Fees

Managers may charge the client separately for their services and for the services of any third-party portfolio managers selected by the client. The fee that the client pays to Manager will be set forth in the client's separate agreement with the Manager. This fee is in addition to the Wrap Fee paid under this agreement for services provided by the Investment Adviser Representative and Triad. For more information, see the disclosure document provided by the Manager.

Certain Performance Reporting Fees

The Investment Adviser Representative may provide certain clients with quarterly performance reports and may charge a quarterly fee for these reports in addition to the Wrap Fee. The Investment Adviser Representative will provide clients to be charged this fee with additional information about the fee, including the amount.

Other broker-dealer and custodian fees, costs and compensation

Other costs that may be assessed by broker-dealers or the custodian and that are not included in the Wrap Fee include: fees for transactions executed away from Triad, dealer mark-ups and spreads paid to market-makers. The Wrap Fee also does not cover debit balances or related margin interest, "mark-ups" and "mark-downs" or "dealer spreads" that broker-dealers (including broker dealer affiliates) may receive when acting as principal in certain transactions, brokerage commission or other charges resulting from transactions not effected through Triad. The Wrap Fee also does not cover costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, extensions, non-sufficient funds, mailgrams, legal transfers, bank wire charges, postage fees or SEC fees or other fees or taxes required by law.

Instead of being charged a transaction charge, Triad may be charged a flat basis point fee by our Custodians to cover transactions executed annually in an account. If Triad pays this charge or any other administrative fees, the Investment Adviser Representative may take those charges into account when the Investment Adviser

Representative and the Client negotiate the asset based management fee. An account in which there are no transaction charges may cost more or less than a Client would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset based fees typically assumes a normal amount of trading activity and under particular circumstances. Prolonged periods of account inactivity may result in higher compensation than if transaction charges were paid separately by Clients for each transaction.

The advisory fees do not cover charges imposed by third-parties for investments held in the account, such as contingent deferred sales charges or 12(b)-1 trails on mutual funds and variable annuity contracts. In addition, each mutual fund or third party money manager charges asset management fees, which are in addition to the advisory fees charged by our firm.

Variable annuity companies generally impose internal fees and expenses on client variable annuity expenses, including contingent deferred sales charges and early redemption fees. These fees are in addition to the advisory fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Clients should also consider the transactions costs and/or tax consequences that might result from rebalancing. Frequent rebalancing may incur additional costs and/or tax consequences versus less rebalancing. Rebalancing involves restoring your original asset allocation by shifting your funds among investment categories to regain ratios that may have been decided initially upon designing your portfolio or decided during the course of your relationship with Triad.

Managers may also actively trade option contracts or on margin for client's accounts, which could result in a high portfolio turnover ratio. Triad receives a portion of the margin interest charge for a Client's margin balance for accounts at National Financial Services ("NFS"). The receipt of this margin interest is a conflict of interest. This conflict of interest is mitigated by the review of each client's application for margin to ensure it is consistent with your stated needs, objectives and financial situation. The receipt of a portion of the margin interest charged does not reduce your advisory management fee. You may also choose to use certain assets in your account to collateralize lending via a non-purpose loan referred to as a credit line from an unaffiliated lender. The collateralized accounts will not receive a credit or adjustment of advisory fees for a non-purpose loan held in a separate non-advisory account. Investment Adviser Representatives may refer you to a third party lending institution should you wish to obtain a loan using your securities as collateral. Triad may receive a fee from this arrangement with a third party lending firm. This fee will not reduce your advisory management fee. Please see the section titled Types of Investments and Risks: Margin & Lending Risk for additional information.

Compensation and Reimbursement of Expenses to Triad Advisors, Inc. and Representatives

Triad Advisors, Inc. and its affiliates, which include Ladenburg Thalmann Financial Services Inc., Ladenburg Thalmann & Co. Inc., Securities America, Inc., Securities Service Network, Inc., Investacorp, Inc. and KMS Financial Services, Inc., (together "Ladenburg Thalmann"), and their representatives receive revenue on the products and services you purchase from several sources. These sources include fees and charges you pay and other arrangements we have in place with affiliated and non-affiliated entities including: periodic fees, periodic expenses paid from product assets such as 12b-1 fees from mutual funds and the funds available in variable annuities, financial planning and advisory service fees, a portion of the organization and offering fees and expenses for REITs, limited partnerships and other nonpublic securities offerings.

Triad receives compensation from mutual funds and variable product sponsors available to you through our representatives. These payments may include trailing commissions (including service fees known as 12b-1 payments).

We may also receive additional payments called revenue sharing payments and/or marketing allowances from certain product sponsors under special agreements with those firms, called “Strategic Partners.” Additional details concerning the Strategic Partners Program and Non-Publicly Traded Products are set forth below. We also maintain revenue and marketing allowance payment programs involving certain Real Estate Investment Trusts (commonly referred to as REITs). Representatives of product sponsors, often referred to as “wholesalers,” work with Ladenburg Thalmann and its representatives to promote their products. These product sponsors are generally granted access to our representatives to promote their products.

Consistent with rules set out by FINRA, these wholesalers and/or their firms may pay Triad for training or education of our representatives. Product sponsors may also make payments to Ladenburg Thalmann to promote the marketing of their products to clients which includes seminars for clients and potential clients. These firms may also invite representatives to due diligence or continuing education meetings regarding their products. From time to time Triad may also allow its representatives to attend off-site training sessions that may be sponsored or co-sponsored by these product sponsors. Triad prohibits the promotion of any product, including those issued by fund families, insurance carriers, or sponsors, over another based solely on additional payments or other considerations that might be received from the sale or marketing of their products. Representatives are required to make recommendations to clients based on the clients’ needs and objectives; however, receipt of such reimbursements could create an incentive by your representative to recommend products that provide such payments. We encourage you to talk with your representative about any fees or compensation they receive from the sale of investment products.

Representatives may also receive incentives to join and remain affiliated with Triad through certain compensation arrangements that could include bonuses, enhanced pay-outs, forgivable loans and/or business transition loans. The receipt of such compensation may be considered a conflict of interest, however, Representatives are required to make recommendations based on the client’s needs and objectives.

Non-Publicly Traded Products

Triad, also offers several non-publicly traded products, including, but not limited to, non-listed real estate investment trusts (“REITS”), limited partnerships (“LPs”), and 1031 exchange programs, hedge fund or funds, managed futures, tax credit programs, oil and gas programs, venture capital funds, and private equity funds. Triad conducts due diligence analysis of these products prior to making them available to the public through its representatives. Such due diligence is not a guarantee or assurance the products will not lose their value and you should read any offering document or prospectus for such products carefully as they describe the risk associated with such investments. Triad may receive due diligence and/or marketing allowance payments from certain sponsors. While the arrangements with each sponsor may vary, each product sponsor may pay a due diligence or marketing allowance fee based upon the amount of assets held at the sponsor or on the gross amount of each sale, depending on the product. However, certain non-publicly traded products may not be available in the Pinnacle account at Triad. Please contact your Representative or visit www.compassadvisors.com/customer-information for a list of available sponsors.

Revenue Sharing and Referral Arrangements with our Clearing Firms

Triad may receive reimbursement from its clearing firm, National Financial Services, LLC (“NFS”), for all or a portion of any transfer of asset fees which customers could incur from other clearing providers upon the transfer of accounts to a Triad account carried by NFS. If Triad receives this type of reimbursement, Triad may retain all or a portion of such reimbursements or, at its discretion, may pass through all or a portion of such reimbursement to its clients and/or its representatives. Triad also receives various forms of revenue from NFS based upon client activity, as well as the amount of assets custodied with these firms. In general, Triad and its affiliates share with these clearing firms the expenses of trade execution and account servicing. The revenue sources include, but are

not limited to, a percentage or portion of fees and transaction charges collected by the clearing firms and shared with Triad, which may include ticket charges, margin interest charges, IRA fees, inactivity fees, money market fund 12b-1 trails, and other fees. Triad typically does not reduce advisory fees to offset maintenance and miscellaneous charges incurred by clients in the management of their accounts. Please contact your representative or review the applicable investment advisory agreement for a schedule of transaction charges.

Other Revenue Sharing

Revenue may be shared from transactions in fixed income, structured products and unit investment trusts (UITs). Based on the spread of a fixed income transaction both Advisors Asset Management (AAM) and the Ladenburg Fixed Income desk (LFI) at Ladenburg Thalmann & Co. Inc. share a dealer concession that can float with the type of bond and maturity. Currently only AAM conducts structured products business and shares revenue based on sales levels reached. Both AAM and LFI provide a revenue share component with UITs, none of which is paid to our representatives.

Bank Deposit Sweep Program

Triad offers the Bank Deposit Sweep Program; this may be the only vehicle available for cash balances (from deposits to the account, securities transactions, dividend and interest payments and other activities) in the account. In addition to the advisory fee, Triad receives compensation in connection with these cash balances held in the account. If cash is swept into a money market fund or the Bank Deposit Sweep Program, Triad receives compensation based on the value of assets in these funds or accounts as broker-dealer. This fee will reduce the amount of interest that clients receive in connection with cash held in their accounts. We will also pay a fee to National Financial Services. Triad will not receive a fee in connections with the Bank Deposit Sweep Program with respect to cash in certain retirement accounts. In such cases, the fee will be retained by the Custodian. Your Investment Adviser Representative will not receive any portion of the Bank Deposit Sweep Program fee received by Triad. Triad has an incentive to recommend that clients select a money market fund or the Bank Deposit Sweep Program as a sweep vehicle as it may pay more compensation to Triad than other funds or available sweep options, if any. Specific program features of the Bank Deposit Sweep Program are further explained in a separate disclosure document provided to all brokerage clients. For additional information on the Bank Deposit Sweep Program including participating banks please contact your Investment Adviser Representative or the number listed on the first page of this document.

Syndicate Offerings

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. LTCO, an affiliate of Triad may act as an underwriter or manager for such offerings, and as such, will receive compensation equal to either all or a portion of the “gross spread” (the difference between the price the client pays for the security and the price at which it purchased the securities). Triad may also receive a portion of the gross spread as a member of the selling syndicate. The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement. Most Triad Investment Adviser Representatives are also registered broker-dealer representatives of Triad. Triad may share a portion of payments received from a mutual fund or in connection with an initial public offering, a secondary offering, and/or a private placement with these representatives. Triad Investment Adviser Representatives may also receive a portion of the compensation that Triad receives as a member of a selling syndicate. Thus, Triad and its representatives have an incentive to recommend purchases of sales in certain offerings and funds because Triad and its representatives will receive more compensation in connection with these securities than in connection with other types of securities that do not make such payments.

Fixed Income Trading

Certain securities, such as over-the-counter stocks and fixed income securities are traded primarily in "dealer" markets. In such markets, securities are directly purchased from, or sold to, a financial institution acting as a dealer, or "principal." Dealers executing principal trades typically include a "mark-up," "mark-down," and/or spread in the net price at which transactions are executed. When Ladenburg Thalmann & Co. Inc (LTCO), an affiliate of Triad, executes a transaction for a security traded in the dealer markets, LTCO either will execute the transaction as agent through a dealer unaffiliated with LTCO, or as principal in accordance with applicable law. Clients in the Program will not pay commissions or separate transaction charges to LTCO in connection with these transactions, however, the client will bear the cost (including any mark-up, mark-down, and/or spread) imposed by the dealer as part of the price of the security. Thus, the dealer will receive compensation in connection with most principal trades. Triad has a conflict of interest in using LTCO to execute principal transactions because LTCO will receive compensation in connection with the trade as dealer, which is in addition to the Wrap Fee. For more information about how this conflict of interest is addressed, see the "Other Financial Industry Activities and Affiliations" section below.

Triad, as broker-dealer or the custodian, may charge clients certain additional and/or minimum fees. In addition to The Wrap Fee, each mutual fund or ETF in which clients may invest also bears its own investment advisory fees and other expenses. The mutual funds available through the Program may be available directly from the funds pursuant to the terms of their prospectuses and without paying the Wrap Fee or Manager fee. Exchange-traded funds are also available outside of the Program without paying the Wrap Fee or Manager fee, subject to applicable commissions and/or transaction charges. Further, to the extent that cash used for investment comes from redemptions of a client's mutual fund or other investments outside of the Program, there may be tax consequences or additional cost from sales charges previously paid and redemption fees incurred. Such redemption fees would be in addition to the Wrap Fee on those assets.

Additional expenses associated with the specific underlying investment funds such as, redemption fees may apply. Certain mutual funds used in the Program may charge a redemption fee if shares are redeemed within a specified period of time. Clients may incur redemption fees in the event that a sell is executed or model update is implemented. Redemption fees vary by fund and are described in each fund's prospectus.

Triad may receive distribution or service ("trail") fees from the sale of certain mutual funds (including money market funds), pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services. Triad may also receive marketing reallowances and other revenue sharing payments from the sale of limited partnerships, real estate investment trusts (REITs), business development companies and other products on our platform as compensation for distribution or administrative services. These fees may be negotiated by Triad and are distributed from the fund's total assets or charged to the client as a portion of internal expenses by the product sponsor. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus or a product's offering documents. Triad may also participate in revenue sharing arrangements based on fees charged on certain mutual funds available on various custodial/recordkeeper platforms. These revenue sharing payments could potentially lead an Investment Adviser Representative to focus more on products offered by firms that make revenue sharing payments to Triad than those firms that do not make such payments when recommending services to their clients

Comparison Cost of Service

The Wrap Fee plus Manager Fee may cost clients more or less than purchasing services separately depending on the frequency of trading in the accounts, commissions charged at other broker-dealers for similar products, fees charged for like services by other broker-dealers and other factors. Among the factors that have an impact on the relative cost of the program to a particular client include the size of the account, the type of account (i.e., equity or fixed income), the size of the assets devoted to a particular strategy, and the Managers selected.

Investment Adviser Representatives receive a substantial portion of the total Wrap Fee charged per the client's the Program Agreement which may be as high as 2.52% annually. This compensation may be more or less than what the Investment Adviser Representative would receive if the client participated in other programs or paid separately for investment advice, brokerage and other services. The Investment Adviser Representatives may therefore have a financial incentive to recommend the Program over other programs or services.

However, in certain wrap fee programs, transaction or ticket charges are paid by your Investment Adviser Representative. Because of this practice you should be aware that an Investment Adviser Representative may have an incentive to limit trading activities in your account. An account in which there are no transaction charges may cost more or less than a Client would pay if investment advice, brokerage and other services were purchased separately. An arrangement with asset based fees typically assumes a normal amount of trading activity and under particular circumstances. Prolonged periods of account inactivity may result in higher compensation than if transaction charges were paid separately by Clients for each transaction. In negotiating asset based fees and transaction charges, Investment Adviser Representatives will discuss with Clients the impact of the size of their account and the likely turnover of the account based on the proposed strategy for their account. Investment Adviser Representatives may also recommend an account structure which has varying transaction charges for certain security types (mutual funds, ETFs, equity, fixed income, options and alternatives), which are charged to the Investment Adviser Representative. As a consequence your Investment Adviser Representative has a conflict of interest in recommending one security type over another as they may receive less compensation in their choice of investments in managing your account. As a fiduciary we are required to act in the client's best interest and manage these conflicts via periodic reviews of your accounts.

Account Requirements and Types of Clients

Account Requirements

Triad does not impose an account minimum. Managers impose various account minimums, as set forth in their disclosure documents.

Types of Clients

The wrap fee programs are designed to assist clients, both individuals and institutions (such as pension and profit sharing plans, trusts, estates, charitable organizations, and corporations), to clarify their investment needs and to obtain professional asset management for a convenient "wrap" fee.

Portfolio Manager Selection and Evaluation

Triad selects the Managers that are available to be selected by clients through the Program. Managers are evaluated using data and information from several sources, including the Manager and, if available, independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment and styles. Also reviewed are the Manager's disclosure brochure, marketing brochures, due diligence questionnaires and other relevant information that help demonstrate the Manager's investment process. Manager performance is monitored by Triad. Managers who under-perform relative to the applicable asset class and or styles may be removed from the Program. Triad does not calculate or verify Manager returns, but rather relies on the returns presented by the Manager and/or third-party sources. Manager performance may not be calculated on a uniform and consistent basis.

Managers generally offer a variety of investment strategies. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility

of the loss of all assets placed in the strategies. It is strongly recommended that clients diversify their investments and do not place all of their investments in high-risk investment strategies.

Investment Adviser Representatives identify specific Managers for particular clients based on asset size, any investment restrictions the client may wish to impose, any investment guidelines or policies that the client may have or other factors that may make a certain particular manager more desirable to the client. Clients are responsible for the initial selection of Managers. Investment Adviser Representatives use these same factors to recommend replacement of specific Managers for particular clients.

Ladenburg Thalmann Asset Management (“LTAM”) is a related person and acts as a portfolio manager in the Investment Consulting Services (“ICS”) program, the LAMP Program and the LAMP - Managed Annuity Program. Triad has a conflict in recommending LTAM for portfolio management service as they are a related person of Triad. Triad has a conflict of interest in recommending programs sponsored by LTAM because Triad and its affiliates earn more total compensation than if the client selects an unaffiliated program. Investment Adviser Representatives may receive different compensation in connection with different programs, regardless of whether the program is sponsored by LTAM. Thus, the Investment Adviser Representatives have an incentive to recommend certain programs over others. Triad addresses these conflicts of interest through its policies and procedures that require Investment Adviser Representatives to make suitable recommendations. However, LTAM is subject to the same review process and criteria as other portfolio managers that participate in the Third-Party Consulting Wrap programs. Please see the section titled: Other Financial Industry Activities and Affiliations for additional information regarding LTAM.

Clients will receive each Manager’s disclosure document. Clients should review the disclosure document carefully for important information about the Manager, including risks associated with the selected strategy (if applicable). Each Manager is solely responsible for the truthfulness, completeness, and accuracy of its own disclosure document. Neither Triad nor the Investment Adviser Representatives are responsible for the performance of any Manager. In addition, neither Triad nor the Investment Adviser Representative shall be responsible for any act or omission of any Manager or any misstatement or omission contained in any document prepared by or with the approval of any Manager or any loss, liability, claim, damage, or expense, whatsoever, as incurred, arising out of or attributable to such misstatement or omission or any other action or omission by a Manager.

Certain Managers seek to execute and fill transactions for institutional and other non-wrap fee/separately managed program accounts prior to those for wrap-fee/separately managed program accounts. This could have an adverse impact on the execution price clients receive if trades for institutional and non-sponsor program accounts impact the market and trading volume of the securities sought to be purchased with respect to the client’s account. Manager trading and execution practices are described more fully in each manager's disclosure document.

Client Information Provided to Portfolio Managers

As described in “Services, Fees and Compensation” above, clients inform their Investment Adviser Representatives of their investment objectives, risk tolerance, and investment time horizon and give their representative any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, the Investment Adviser Representative assists the client in selecting Managers and providing other consulting services, as applicable. The Investment Adviser Representative informs Triad regarding each Manager the client selects in the applicable account opening paperwork. The Investment Adviser Representative also provides Triad with information about the client.

Clients should promptly inform their Investment Adviser Representative of material changes in their financial circumstances or investment objectives. The Investment Adviser Representative will periodically discuss, at least once a year, whether the management of the account continues to reflect the investment objectives and financial requirements of the client.

Clients enter into a written agreement with each Manager that they select. The Manager collects information about clients directly from the clients.

Client Contact with Portfolio Managers

Clients are free to contact Managers for questions or consultation in regards to their accounts with or without their Investment Adviser Representatives. There are no restrictions placed on clients' ability to contact and consult with Managers. Clients may elect to have their Investment Adviser Representatives to discuss their account on their behalf.

Additional Information

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of their management. The following information pertains to Triad. Managers and Other Advisory Firms will provide any relevant information about them in their separate disclosure documents.

- FINRA filed a complaint against Triad on 03/22/07 (Case #2006003971501). From 1/1/06 – 3/31/06, Triad failed to report 62 of 100 corporate bond trades within the time period prescribed by FINRA Rule 6230 and in violation of FINRA Rules 2110 and 3010. During the same period, Triad failed to establish and maintain a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with Rule 6230 and in violation of Rules 2110 and 3010. Triad paid the fine of \$10,000.
- FINRA filed a complaint against Triad on 03/12/2014 (Case #2011025792001). On March 12, 2014, Triad entered into an Acceptance Waiver and Consent with FINRA concerning consolidated reports, branch audits, supervision, net capital, and Regulation S-P. Triad consented to a censure, a \$650,000 fine, restitution to customers totaling \$375,000, and a review and revision to its consolidated report and branch audit processes.
- The State of Florida entered into a Cease and Desist Order with Triad Advisors (Case #OFR 2015-277) on 7/22/2015. A Florida registered branch of Triad Advisors' broker-dealer failed to maintain a checks received blotter and Triad failed to maintain a copy of the approval of the branch's stationary and a record of the broker-dealer representative's outside business activity. Triad paid a fine of \$7,500.
- FINRA filed a complaint against Triad on 02/23/2016 (Case #2014042544301). On February 26, 2016, Triad entered into an Acceptance Waiver and Consent with FINRA due to a failure to apply sales charge discounts to certain customers' eligible purchase of unit investment trusts ("UITs") in violation of FINRA Rule 2010. During the same time period, Triad failed to establish and maintain a supervisory system including written supervisory procedures, reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases in violation of NASD Rule 3010 and FINRA Rule 2010. Triad consented to a censure, a \$125,000 fine and restitution to customers totaling \$102,631.62.

Other Financial Industry Activities and Affiliations

Triad is a full service registered broker-dealer. In this capacity, Triad is involved in the purchase and sale of various types of securities, including, but not limited to, stocks, bonds, mutual funds and government securities. More information about Triad is set forth below. Information about other Advisory Firms is set forth in their separate disclosure documents.

In addition to being a registered investment adviser, Triad is a registered full service broker-dealer. Triad is a wholly owned subsidiary of Ladenburg Thalmann Financial Services Inc. (LTFS).

Other companies that are owned by LTFS and thus affiliated with Triad are:

Ladenburg Thalmann Fund Management, LLC (LTFM)	50% owned by LTAM
Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by LTFS
Ladenburg Thalmann Capital Agency Inc.	100% owned by LTFS
Ladenburg Thalmann Asset Management, Inc. (LTAM)	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services Inc.	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS
Securities America Financial Corporation (SAFC)	100% owned by LTFS
Securities America, Inc.	100% owned by SAFC
Securities America Advisors, Inc.	100% owned by SAFC
KMS Financial Services, Inc.	100% owned by LTFS
HCHC Acquisition, Inc. (HCHC)	100% owned by LTFS
Highland Capital Brokerage	100% owned by HCHC
Securities Service Network, Inc.	100% owned by LTFS
SSN Advisory, Inc.	100% owned by SSN
Triad Hybrid Solutions, LLC.	100% owned by LTFS
Triad Insurance, Inc.	100% owned by Triad
Arbor Point Advisors, LLC	80% owned by SAFC

Ladenburg Thalmann Asset Management (LTAM)

LTAM owns 50% of Ladenburg Thalmann Fund Management, LLC, (LTFM), which is a registered investment adviser. LTFM is an adviser to an open-end registered investment company, the Boyar Value Fund, Inc. This fund is an open-end diversified management investment company. LTCO is the distributor of the fund. LTCO may share a portion of payments received from a mutual fund, Unit Investment Trust (“UIT”), Collective Investment Trust (“CIT”), or in connection with an initial public offering, a secondary offering, and/or a private placement with Triad. Investment advisor representatives may recommend that clients invest in the LTAM Alternative Strategies Fund, Boyar Fund, Ladenburg Total Portfolio Series CITs, and Ladenburg High Income Portfolio UIT, for which LTAM may act as investment adviser and LTCO may act as underwriter or distributor.

LTAM Fund Management

The Alternative Strategies Fund pays LTAM a management fee quarterly in arrears which is equal to a maximum of 0.75% per annum of the assets in the fund. For more information, see the fund’s prospectus.

LTAM CIT Management

The Ladenburg Total Portfolio Series pays LTAM an investment management fee monthly in arrears which is equal to a maximum of 0.30% per annum of the assets in the CITs.

LTAM High Income Portfolio (UIT)

For use of the Ladenburg name and providing this initial list of securities to First Trust, LTAM receives a license fee of .10% which is based on assets raised within the UIT during the offering period. In addition, LTAM receives a trust level concession from First Trust on the amount of assets raised for the UIT during its offering period, which is .15% if total assets raised exceed \$15 million and .20% if total assets raised exceed \$25 million. In addition, certain broker-dealers affiliated with LTAM, including Triad, will receive a portion of a dealer concession or agency commission in connection with units of the Ladenburg Thalmann High Income Portfolio UIT that they sell, if those units are subject to a sales charge. A higher concession percentage will be received by the affiliated broker-dealers if certain total sales levels of the UIT are met, as set forth in the UIT prospectus.

Compensation and Reimbursement of Expenses to Ladenburg Thalmann Financial Services Inc. (LTFS) and affiliates

Ladenburg Thalmann and its Affiliates are also affiliated with SEC registered investment advisory firms, which include Ladenburg Thalmann Asset Management Inc., Securities America Advisors, Inc., Arbor Point Advisors, LLC, Triad Advisors, Inc., Triad Hybrid Solutions, LLC, SSN Advisory, Inc., Investacorp Advisory Services, Inc., and KMS Financial Services, Inc., (together “Ladenburg Thalmann Advisors”). Ladenburg Thalmann Advisors has also created the Strategic Partners Program for independent investment advisors. Investment advisors are selected to participate based on several criteria including, investment strategy, investment performance, transaction reporting capabilities and training and wholesaling support. In exchange for certain benefits, such as an opportunity to participate in Ladenburg Thalmann’s national conferences and broader access to our representatives, investment advisors in the Strategic Partners Program pay to participate in the program by sharing with Ladenburg Thalmann Advisors a portion of the revenue generated by distributing their products and services and or paying a specified annual dollar amount. Ladenburg Thalmann Advisors representatives may also receive reimbursements, marketing and distribution allowances, due diligence fees, or other compensation based on deposits and/or assets under management directly from third-party asset manager program sponsors for the costs of marketing, distribution, business and client development, educational enhancement, and/or due diligence reviews incurred by Ladenburg Thalmann Advisors and/or Ladenburg Thalmann Advisors representatives relating to the promotion or distribution of the program sponsor’s products or services. Ladenburg Thalmann Advisors Strategic Partners pay a flat annual fee. In addition to a flat fee, which may be up to \$150,000 per year, Strategic Partners pay basis points on sales on assets, or a percentage of the Partner’s net advisory fee derived from assets invested through their models. It is important to understand that none of the payments made by the firms participating in the program are paid or directed to any representative who utilizes the services of these investment advisors. For a list of Strategic Partners and additional information on the program please contact your Representative or visit www.compliance-requirements.com/customer-information.

Due Diligence and Product Administration Expenses

Consistent with prudent product approval and due diligence practices Ladenburg Thalmann may require an independent third party to conduct a review of a product sponsor, investment company, investment advisor, or one of their products or services prior to making the product or service available for solicitation to the general public by representatives. Ladenburg Thalmann may incur costs in connection with the analysis provided by the due diligence analyst. Ladenburg Thalmann may in turn require that the investment company or investment advisor reimburse Ladenburg Thalmann for such expenses. In addition, Ladenburg Thalmann may at its discretion require

investment companies and investment advisors to pay annual fees to reimburse Ladenburg Thalmann for ongoing due diligence and product administration expenses.

Income Distribution Partner Program

Ladenburg Thalmann created the Income Distribution Partner program for certain third party money managers, variable products, mutual fund and fixed insurance product sponsors. These Product Sponsors are selected to participate based on several criteria including product breadth, investment performance, training, wholesaling support, and brand recognition. In exchange for certain benefits, such as broader access to Ladenburg Thalmann representatives, sponsors participating in the Income Distribution Partners program are required to pay Ladenburg Thalmann for participation. The Ladenburg Thalmann income distribution planning desk is available to assist with the development of distribution plans for clients. The income distribution plans use suitable products available from both the Income Distribution Sponsor Partners and products on the Ladenburg Thalmann Approved Product list. Advisors using the planning services are not required to use the products included in the proposal and do not receive a greater or lesser commission for utilizing these products. The marketing educational, and distribution activities paid for with revenue sharing, however, could lead representatives to consider products that make revenue sharing payments to Ladenburg Thalmann, as opposed to sponsors that do not make such payments. For a list of Income Distribution Partner Program Participants please contact your Representative or visit www.triad-advisors.com/customer-information.

Distribution Partner Program

Ladenburg Thalmann focuses on a select group of mutual fund, variable annuity and investment management companies providing them greater access to our financial advisors to provide training, education presentations and product information. The purpose is to identify creative ways to help these firms increase field visibility, identify meaningful advisor networking opportunities, present timely products and grow assets. In return for these increased services, these sponsors compensate the firm in the form of revenue sharing payments. In addition to the customary sales commissions paid in connection with sales of mutual funds, variable annuities, third party models and money market funds, these sponsors make payments to Ladenburg Thalmann to participate in the program. The payments consist of amounts up to 10 basis points on a sponsor's sales, up to 5 basis points on assets. In addition, Ladenburg Thalmann may be reimbursed by the Distributor Partner for expenses incurred for various promotional activities including but not limited to sales meetings, conferences and seminars held in the ordinary course of business. Ladenburg Thalmann may receive a flat fee of up to \$100,000 per year, per sponsor, for such reimbursements. For a list of Distribution Partner Program Participants please contact your Representative or visit www.triad-advisors.com/customer-information.

Revenue Sharing and Referral Arrangements with our Clearing Firms

Ladenburg Thalmann has a referral arrangement with NFS, whereby Ladenburg Thalmann may receive business credits or other compensation from NFS based on the amount of Ladenburg Thalmann client assets custodied by NFS which may be transferred to the advisory platform maintained by Fidelity Institutional Wealth Services Group (IWS), a division of NFS' affiliated company Fidelity Brokerage Services, LLC, by representatives, as well as representatives who may terminate their registration with Ladenburg Thalmann and FINRA and conduct business as an investment advisor representative of an independent registered investment advisor (IRIA). Ladenburg Thalmann may recommend the IWS advisory platform and provide ongoing service and support to IRIAs representatives of Ladenburg Thalmann. IRIAs are under no obligation to transfer client assets to IWS and do not receive any additional compensation or remuneration for selecting IWS. Similarly, clients do not incur any additional fees or expenses as a result of payments of business credits or compensation by NFS to Ladenburg Thalmann.

Fixed Insurance

Ladenburg Thalmann affiliates include licensed insurance agencies which may receive commissions in connection with the sale of fixed insurance products by representatives who are licensed to sell fixed insurance products. Ladenburg Thalmann, in addition to receiving commissions on the sale of these insurance products, receives payments from certain insurance sponsors for marketing, training, and distribution support. None of these additional payments, however, are paid or directed to any representative/insurance agent who sells these products. In addition, Ladenburg Thalmann representatives/insurance agents do not receive a greater or lesser commission for sales of these insurance products from which Ladenburg Thalmann receives revenue sharing payments. The marketing, educational, and distribution activities paid for with revenue sharing, however, could lead our representatives/insurance agents to consider insurance products that make revenue sharing payments to Ladenburg Thalmann – as opposed to insurance sponsors that do not make such payments – when recommending insurance products to their clients.

Premier Trust

Triad Investment Adviser Representatives may recommend Premier Trust to provide trust and administrative services.

Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

Ladenburg Thalmann & Co. Inc.

LTCO acts as a dealer with respect to certain securities, and as such, may execute transactions for Triad clients as principal. As a dealer, LTCO may receive a "mark-up," "mark-down," and/or spread in the net price at which principal transactions are executed. This compensation is in addition to other compensation that client pays to Triad and its affiliates under the Program. Thus, Triad has a conflict of interest in deciding to execute trades through LTCO on a principal basis. Triad addresses this conflict of interest in the following ways. After receiving disclosures about a specific principal transaction with LTCO, clients have the opportunity to reject the transaction before it is completed, to the extent required by applicable law. In addition, Triad has policies and procedures in place to assure that clients receive best execution with respect to principal trades, regardless of whether the trade is executed by LTCO or an unaffiliated dealer.

Triad may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. Triad has a conflict of interest in recommending these securities for several reasons. First, LTCO receives all or a portion of the gross spread – the difference between the price that the client pays for the security and the price that LTCO purchases the security for -- in connection with such sales. This gross spread is generally 7%, but may be higher or lower in connection with certain offering. If Triad is a member of the selling group, it also receives a portion of the gross spread. Triad Investment Adviser Representatives generally receive a portion of this compensation as broker-dealer representatives of Triad. In addition, LTCO has a substantial interest—both financial and with respect to its reputation—in assuring that the offering is successful by having a large number of the securities purchased. Finally, in connection with certain offerings, LTCO has an obligation to purchase and resell a certain number of securities. Thus, because of its affiliation with LTCO, Triad has incentives to recommend these investments in these offerings for these reasons, rather than based on a client's needs. To address these conflicts, Triad has policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are suitable given the client's investment objectives and assets. In addition, clients are generally given a transaction specific disclosure prior to the client's decision to invest in such securities.

Triad Insurance Inc.

Certain Triad Investment Adviser Representatives are licensed to sell life and annuity insurance products through Triad Insurance, Inc. (a wholly owned subsidiary of Triad), and various other companies. Triad Insurance, Inc., as well as the appropriately licensed Investment Adviser Representative, will receive compensation for the sale of such products. Triad may recommend the purchase of insurance products in connection with financial planning and related consulting services. Clients are under no obligation to purchase insurance products through any particular insurance agency or representative.

Other Business names and logos

Investment Adviser Representatives may have their own legal business entities whose business names and logos may appear on marketing materials as approved by Triad, or client statements approved by the Custodians. The Client should understand that these businesses are legal entities of the Investment Adviser Representative and not of Triad, nor the Custodians. Additionally, the business entity may provide services other than as an Investment Adviser Representative as disclosed herein and also provided to Client in each Investment Adviser Representative's Brochure Supplement; However, investment advisory services of the Investment Adviser Representatives are provided through Triad.

Code of Ethics

Triad has adopted a Code of Ethics for all supervised persons of the firm describing our high standard of business conduct, and fiduciary duty to our clients. All supervised persons at Triad must acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended.

The Code of Ethics is enforced through compliance monitoring activities and surveillance. In cases where the firm discovers that an employee has violated a firm policy and/or procedure, the firm's code of business conduct or code of ethics, a state or federal law, regulation of FINRA, the SEC, or other regulatory agency, the Compliance Department will take appropriate steps to investigate the circumstances and will take action commensurate with the manner of the violation. Such actions could take the form of a written warning to the employee in conjunction with the firm's Legal Department, or be as serious as disciplinary action up to and including termination. Any such investigations will be brought to the appropriate regulator's attention, if necessary, which may result in a disclosure of the violation on the employee's U-4 form, if required.

Triad Code of Ethics Rules are designed to ensure that our personnel: a) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; b) at all times place the interests of Triad clients first; c) disclose all actual or potential conflicts; d) adhere to the highest standards of loyalty, candor and care in all matters relating to Triad clients; e) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and f) not use any material non-public information in securities trading. The Code of Ethics also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of these rules, Triad personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of these rules.

Triad personnel are required to conduct their personal investment activities in a manner that is not detrimental to Triad advisory clients. They are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where Triad Investment Adviser

Representatives may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, officers of Triad, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from Triad upon request.

A full copy of our Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of our Privacy Policy at any time and a copy will be furnished within a reasonable period of time to you at your current address of record.

Interest in Client Transactions and Personal Trading

Investment Adviser Representatives may buy or sell for their own accounts, securities that are also held by their clients. Such transactions are permitted if in compliance with Triad policy on personal securities transactions. Reports of personal transactions in securities by Triad Investment Adviser Representatives are reviewed by Triad's Compliance department quarterly or more frequently if required. Client should also understand that Triad and Investment Adviser Representative may perform advisory services for various other clients, and that Triad and Investment Adviser Representative may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for the account may also be different.

As described under "Fees and Compensation" above, Triad may also recommend that clients invest in securities issued in an initial public and secondary offering transactions for which LTCO acts as an underwriter and/or a member of the selling group or Triad acts as a member of the selling group. Triad has a conflict of interest in recommending these securities for several reasons described previously. Triad has policies and procedures in place to monitor such transactions and to review all such transactions for appropriate disclosures and suitability.

Brokerage Practices

Triad acts as broker-dealer for accounts in these programs. Thus, by recommending one of these programs, the Investment Adviser Representative is recommending Triad as broker-dealer. The transaction charges paid in connection with these programs may be more or less than the client would pay for transactions through other broker-dealers. However, these transaction charges are determined taking into account the advisory services provided by Triad. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, safety of customer funds, execution capability, commission rates and responsiveness. Accordingly, although Triad will negotiate competitive rates with our custodian, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. In recommending broker-dealers for custodial services, Triad considers the following:

- Quality of overall execution services provided;
- Promptness of execution;
- Creditworthiness, financial condition, and business reputation;
- Research (if any) provided;
- Promptness and accuracy of reports on execution;
- Ability and willingness to correct errors;
- Ability to access various market centers;
- The Custodian's facilities and technology;

- Commission or transaction charged to clients;
- Execution and operational capabilities of the broker-dealer

We may simultaneously enter orders to purchase or sell the same securities for the account of two or more clients. It is our practice that these orders be “batched” for ease of execution. Since there may be several prices at which the securities transactions are executed and the orders were entered as one order for all accounts. It is our practice to treat all subject accounts equally, averaging the execution prices of the related trades and applying the average price to each transaction and account. Allocations of “batched” trades also may be rounded up or rounded down to avoid odd lot or small holdings in any client account. Triad may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

Triad receives no products, research, or services (i.e. soft dollars) that it would consider a factor in utilizing a particular broker-dealer. However, as a broker-dealer, Triad receives certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical database information and computer software that assist Triad’s investment management process, from our only custodian, National Financial Services (NFS).

National Financial Services may also sponsor and make available to Triad other products and services that benefit Triad but may not benefit all of its clients’ accounts. These benefits may include national, regional or Triad specific educational events, conferences or meetings relating to the programs or brokerage services generally. Other potential benefits may include occasional business entertainment of personnel of Triad by NFS personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Triad in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Triad’s fees from its clients’ accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of client accounts, including accounts not maintained at NFS. NFS may also make available to Triad other services intended to help Triad manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications, conferences, roundtables and webinars on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.

In addition, as broker-dealer, Triad may execute fixed income trades through Advisors Asset Management. A Triad broker-dealer representative may choose to execute through Advisors Asset Management due to their access to the bond markets, trading support services, and the ability to view competitive offerings. Triad does not receive referrals, products, research or services (i.e. soft dollars) in connection with this relationship. However, as a broker-dealer, Triad receives payments from Advisors Asset Management for having directed a volume of transactions to them for execution of orders for client accounts, which may include advisory accounts. This compensation does not affect the price that clients pay for securities or the transaction charges they pay. More information about these payments are available upon request.

Directed Brokerage

The practice of directing brokerage is not required by all advisers and we may be unable to achieve the most favorable execution of client transactions at all times. This practice may cost clients more money, however as a fiduciary, Triad endeavors to act in its clients' best interests. Triad's recommendation/requirement that clients maintain their assets in accounts at NFS may be based in part on the benefit to Triad or the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by NFS, which may create a potential conflict of interest. Clients may be able to direct brokerage transactions to a 3rd party for certain types of securities. Directing brokerage may cost clients more money because, as an example, we may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

Review of Accounts

Clients are provided with monthly or quarterly account statements from the qualified custodian, depending on the activity in the account. Reports include details of client holdings, asset allocation, and other transaction information. Also see "Custody" for additional information on custodian and account statements.

Triad or the Investment Adviser Representative may provide you with additional account review reports. Comparisons to market indices and account performance may be used to evaluate account performance in connection with these review reports. We recommend comparing the account statements you receive from the independent custodian with those you receive from us. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us.

Information in these account review reports may be provided by clients or third parties. Triad does not independently verify information provided by a custodian, client or other third party, nor does Triad guarantee the accuracy or validity of such information. Triad is not liable in connection with its use of any information provided by a client, a custodian, or other third-party in the account review reports.

Client Referrals and Other Compensation

Triad compensates other persons for client referrals. Triad enters into an agreement with such referral agents and pays them either a flat fee or a portion of the advisory fee. The referral agent discloses to the client at the time of the solicitation, the arrangement and the compensation to be received by the referral agent. The compensation to be paid in connection with these agreements is subject to negotiation between Triad, the investment adviser representative and the referring party. These referral arrangements are designed to comply with SEC regulations as set out in 17 CFR Section 275.206(4)-3. In those states that require solicitors to be licensed or filed as an investment adviser representative, we will require the solicitor to be so licensed or filed under Triad. Triad may receive solicitors' (referral) fees based on a written agreement from unrelated investment adviser firms for referring clients for financial planning and/or investment advisory services. A disclosure letter will be provided to the client prior to or at the time of entering into any solicitation arrangement for financial planning and/or investment advisory services that identifies the solicitation fee. The solicitor's fee does not increase the fees paid by the client. In addition, fixed income transactions executed through some third-party managers are generally charged a mark-up or mark-down and a percentage of this charge is shared with our firm.

Triad may enter into agreements with third parties that will solicit clients for Triad and receive compensation for solicitation efforts. In such instances, the third party solicitor will receive either a percentage of, or a set fee from, the fee charged to the client. If a solicitor is used in connection with a client's account, the structure and arrangement of the solicitation agreement, as well as the compensation paid to the solicitor, will be fully disclosed to the client, which disclosure will be acknowledged in writing by the client when participating in a Triad

program. The fee charged to a client is not affected by the use of a third-party solicitor in connection with client accounts, and a client will not be charged any additional fees for the use of such services.

As set forth in “Fees and Compensation” above, Triad and the Investment Adviser Representatives in their capacity as registered representatives of Triad, may receive compensation from third parties in connection with trades executed for or investments held in advisory accounts.

Certain mutual fund issuers and product sponsors may sponsor and pay for client luncheons, or other events, that Triad’s Investment Adviser Representatives host. These arrangements may give rise to conflicts of interest, or perceived conflicts of interest, with the firm’s clients in connection with Investment Adviser Representative recommendation of certain investment products. However, Triad’s commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with Triad’s independent decision-making process when choosing the best investment for our clients.

Additionally, we receive additional compensation from Fidelity & National Financial Services (“NFS”), which serve as our Custodian for assets held in customer accounts. More specifically, Fidelity has agreed to pay us a fee when it acts as Custodian for certain assets, namely, certain non-Fidelity No Transaction Fee (“NTF”) mutual funds. NTF mutual funds are mutual funds that are offered through advisors or brokers without any transaction charge. Triad receives additional compensation – from Fidelity, not from our clients – over and above the asset management fee we receive from our clients when such mutual funds are included in our portfolios, and such mutual funds are custodied at Fidelity. Notably, Fidelity mutual funds are excluded from this arrangement, meaning Triad does not receive this fee on any Fidelity mutual funds that are recommended or purchased for client accounts and custodied at Fidelity. Pursuant to Triad’s agreement with Fidelity, Fidelity pays Triad from 2 to 12 basis points (or from \$.02 to \$.12 for every \$100 every year), depending on the amount of eligible client assets held at Fidelity on an ongoing basis. Similar to the luncheons and events described above, this arrangement may, in theory, give rise to conflicts of interest, or perceived conflicts of interest, as Triad would receive more compensation by recommending, or investing in, non-Fidelity NTF funds for clients that are custodied at Fidelity. Clients should be aware, therefore, that Triad’s receipt of additional compensation from Fidelity under this scenario creates a potential conflict of interest since this benefit could influence Triad’s choice of (1) Fidelity over other custodians that do not furnish similar benefits and (2) non-Fidelity NTF mutual funds over other mutual funds not covered by this arrangement with Fidelity. However, Triad’s commitment to its clients and the policies and procedures it has adopted are designed to limit any interference with Triad’s independent decision-making process when choosing the most appropriate investments or custodian for our clients. In addition, as noted above, this additional compensation does not represent additional fees from your accounts to us; they are paid by Fidelity. Finally, we are committed to utilizing whatever fees we may receive under this arrangement to enhance our services to you.


To the extent that Triad is acting as a “Fiduciary” with respect to “Qualified Accounts” subject to “ERISA”, Triad will seek to avoid or remedy any situation where its receipt of compensation from Fidelity for Support Services would be a prohibited transaction under “ERISA”. For purposes of the foregoing, “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the applicable “ERISA-mirror provisions” of Sections 4975 of the Internal Revenue Code of 1986, as amended; “Fiduciary” shall be defined as that term is defined under ERISA; and “Qualified Accounts” shall mean accounts that constitute a retirement plan (including a 401(k) plan) or other employee benefit plan subject to ERISA, an account for a tax-qualified retirement plan (including a Keogh plan), or an individual retirement account under the Internal Revenue Code.

Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about their financial condition. Our firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not currently, nor at any time in the past ten years been the subject of a bankruptcy proceeding. Triad does not require prepayment of advisory fees six months or more in advance.

Privacy Policy

Rev 01/2015

FACTS	WHAT DOES TRIAD ADVISORS DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing of your personal information. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully in order to better understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security Number, Date of Birth, Address, contact information and Income • Assets and Investment Experience • Account Transactions and Retirement Assets • Tax Reporting and Investment Performance Information <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Triad Advisors chooses to share; and whether you can limit this sharing.	

Reasons we can share your personal information	Does Triad Advisors share?	Can you limit this sharing?
<p>For our everyday business purposes</p> <p>To administer, manage and service customer accounts, process transactions and provide related services for your accounts, it is necessary for us to provide access to personal information within the Triad Advisors, Inc companies and to certain nonaffiliated companies. We may share your personal information:</p> <ul style="list-style-type: none"> • To process your transactions, maintain your account(s), respond to court orders and legal investigations, report to credit bureaus, government entities and our outside auditors. • With third party administrators and vendors for the purposes of providing current and future information on your account (such as transaction history, tax information and performance reporting). • With affiliated and nonaffiliated entities that perform services for us or function on our behalf (such as check printing services, account aggregation providers, clearing broker-dealers, investment companies, and insurance companies) 	Yes	No
<p>For our marketing purposes</p> <p>To offer our products and services to you</p>	Yes	No
For our Affiliates to market to you	Yes	No
For nonaffiliates to market to you	No	We don't share

For joint marketing with other financial companies			
Federal and certain state laws give us the right to share your information with banks, credit unions, retirement plans and other financial companies with where a formal agreement exists between us and them to provide or market financial products or services to you. However, we will not share your information with these financial companies for marketing purposes if your financial advisor is not affiliated with them without your consent, but we may share information with these financial companies where necessary to service your accounts.		Yes	No
For clients of Independent registered representatives and investment advisors and Triad Advisors <ul style="list-style-type: none">• If your financial advisor terminates his or her relationship with us and moves to a New Firm, we or your financial advisor may disclose your personal information to the New Firm, unless you instruct us not to. If you do not want us or your financial advisor to disclose your personal information to the New Firm when your financial advisor terminates his or her relationship with us, you may request that we and your financial advisor limit the information that is shared with the New Firm.• Your personal information may also be shared with certain entities that are owned, controlled by or affiliated with your financial advisor, such as an independent insurance agency, accounting firm or independent investment advisory firm.• In the event your financial advisor (or his/her estate) agrees with an unaffiliated financial advisor to sell all or some portion of his/her securities, advisory or insurance business your personal information may be shared with the acquiring financial advisor and his/her New Firm. <p>If your primary address is in a state that requires your affirmative consent to share your personal information with the New Firm (such as California, Massachusetts, Maine, New Mexico, North Dakota, or Vermont), then you must give your written consent before we will allow your financial advisor to take any of your personal information to that New Firm.</p>		Yes	Yes
Who we are			
Who is providing this notice?		Triad Advisors, Inc. a dually registered broker-dealer and registered investment adviser. Your financial advisor is a registered representative of Triad Advisors and we are required to provide this notice to inform you of how we collect, share and protect your personal information.	
What we do			
How does Triad Advisors protect my personal information?		To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include ongoing employee training, computer safeguards and secured files and buildings.	
How does Triad Advisors collect my personal information?		We collect your personal information, for example, when you <ul style="list-style-type: none">• Open an investment account or deposit money• Seek advice about your investments• Give us your account information or provide employment information• Make a wire transfer We also collect your personal information from others, such as credit	

	bureaus, affiliates, or other companies
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes information about your creditworthiness • Affiliates from using your information to market to you • Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <p>Our affiliates include companies engaged in the financial services industry with Triad Advisors; financial companies such as Triad Hybrid Solutions, LLC., Ladenburg Thalmann & Co. Inc., Ladenburg Thalmann Alternative Asset Mgmt, Ladenburg Thalmann Fund Management LLC., Premier Trust, Inc., Securities America Inc., Securities America Advisors, Inc., Securities America Financial Corporation, Arbor Point Advisors, LLC, Highland Capital Brokerage, Inc. KMS Financial Services, Inc., Securities Services Network Inc., SSN Advisory, Inc., Investacorp Inc. and Investacorp Advisory Services Inc.</p>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> • Triad Advisors does not share with nonaffiliates so they can market to you.
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Triad does not engage in joint marketing.
To limit our sharing	<p>If you prefer that we not disclose your non-public personal information to persons or companies that are not Triad affiliates, you may opt out of those disclosures, except as to disclosures that are required or permitted by law. If you wish to opt out of any such disclosures of your non-public personal information, you may do so by completing the Non-public Personal Information Opt Out Form and returning it to us as instructed on the Form. Please contact us at the number below to receive a copy of our Opt Out Form.</p> <p>Please be aware, however, that we may not be able to service your needs as effectively if you opt out of information sharing. Depending on specific circumstances, we may need to close your account or cease performing certain services or cease effecting certain transactions for you if you do not allow us to share information with persons or companies whose assistance is critical. Your Triad Registered Representative or Investment Adviser Representative can discuss these matters with you as they relate to your specific circumstances.</p> <p>In addition Triad Advisors has signed the Protocol for Broker Recruiting ("Protocol") which allows the financial advisor servicing your account to take certain limited information in the event he/she leaves Triad Advisors and joins another firm which has also signed the protocol. The information your financial advisor can take is limited to your name, your address, your phone number, your email address and the title of your account. If you choose to Opt-Out Triad Advisors will notify your financial advisor of your decision to keep the information confidential and not let it be taken by your financial advisor to his/her new firm.</p>
Questions?	Triad Advisors, Inc., 5155 Peachtree Parkway, Bldg 300 Suite 3220, Norcross GA 30092. Call 1-800-720-4003 or go to www.com