

Triad Advisors, Inc.

SEC File No. 801- 55518

5155 Peachtree Parkway, Norcross GA 30092

770-840-6042

<http://www.com>

March 31, 2015

**This Brochure provides information about the qualifications and business practices of Triad Advisors, Inc., [“ADVISER”]. If you have any questions about the contents of this Brochure, please contact us at [www.com](http://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](http://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 31<sup>st</sup>) 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 brochure may be requested by contacting your Investment Adviser Representative or our Compliance Department at 770-840-6042 or [compliance@triad-advisors.com](mailto:compliance@triad-advisors.com).

Additional information about Triad is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://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 Advisors, Inc.

### ***Material Changes Since the Last Update***

This brochure by Triad Advisors, Inc. dated March 31, 2015 serves as a replacement to the Form ADV Part 2A dated March 31<sup>st</sup>, 2014. Material changes to this brochure since the last updates are noted below:

1. Fees and Compensation. Updated disclosures on the types of compensation that we may receive in connection with the following:
  - a. the Bank Deposit Sweep program
2. Brokerage Practices - Directed Brokerage. Inclusion of a section on the types of benefits or services we may receive from our Custodian.
3. The address of our principal office and place of business has changed. Our new address is 5155 Peachtree Parkway, Suite 3220, Norcross GA 30092.

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## Advisory Business

### ***About the Firm.***

Triad Advisors, Inc. (“Triad”) is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser and broker-dealer. Triad Advisors, Inc. was established in 1998.

Ladenburg Thalmann Financial Services Inc. (“LTFS”) owns 100% of Triad. LTFS is listed on the NYSE Amex exchange under the symbol LTS.

### **Types of Triad Advisory Services**

As described below, Triad offers several types of advisory programs or services including: 1) third-party programs that allow you access to money managers that specialize in specific assets categories, various investment strategies, and model programs based on your risk tolerance and investment objectives; 2) financial planning and consulting services; 3) firm and individual retirement plan services; 4) flexible managed account services (including wrap programs), or a combination of these services. Each of these services is tailored to the individual needs of each client based on the client’s investment objectives, risk tolerance, and investment time horizon, and any investment guidelines or reasonable restrictions, on an overall account basis. However, certain models, programs, or 3<sup>rd</sup> party money managers will not be tailored to the individual needs of the client, because they are only one part of an overall strategy to meet each client’s specific investment goals. For example, part of a client’s portfolio may include a small cap manager that invests only in higher risk small cap companies, and that strategy by itself would not be suitable for the client, but as part of an overall asset allocation would be.

### ***Third- Party Program Consulting Services.***

Triad offers a wide range of 3<sup>rd</sup> party Programs designed to offer a wide range of asset classes and strategies that our clients can invest through. Client inform their Triad Investment Adviser 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 our advisory Programs. Based on the information provided, the Investment Adviser Representative assists the client in selecting one or more third-party advisory programs. Certain programs are sponsored by Ladenburg Thalmann Asset Management (“LTAM”), a company affiliated with Triad, or by unaffiliated managers. 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 among other things, require Investment Adviser Representatives to make suitable recommendations.

Triad may provide additional consulting services in connection with particular programs. The consulting services that the Triad Investment Adviser Representative provides in connection with a particular program are set forth in the agreement that the client signs with Triad. These services may include assistance with the selection of portfolio managers, the selection of investment strategies, and the allocation of assets among managers or strategies. Triad and other managers may have trading discretion over any client assets in these programs; however clients must execute a written discretionary trading authority powers on a form provided by Triad or a form provided by participating managers in the program. The client will receive a disclosure brochure describing

each program selected. The client may also receive a disclosure brochure describing each portfolio manager selected. Clients should read these programs carefully before deciding whether to invest through a particular program or select a particular portfolio manager.

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.

- I. SEI Investments Management Corporation
- II. Curian Capital
- III. Matson Money / Matrix
- IV. Brinker Capital
- V. Triad - Private Managed Accounts ("PMA")
- VI. LTAM – Investment Consulting Services ("ICS"), the Ladenburg Thalmann Asset Management ("LTAM") – ICS, the LAMP Program and the LAMP - Managed Annuity Program
- VII. Fundquest

***Financial Planning and Related Consulting Services.***

Triad offers financial planning services to clients encompassing, but not limited to, the following:

- i. Personal Financial Planning
- ii. Insurance and Estate Planning
- iii. Capital Need Analysis
- iv. Tax & Cash Flow
- v. Retirement Planning
- vi. Investment Analysis and Planning
- vii. Education Planning
- viii. Performance Reports

Financial planning information will be obtained through personal interviews with clients concerning your current financial status, future goals and attitudes towards risk. Data gathered and related documents supplied by you are carefully reviewed, and a written report is issued.

Clients are under no obligation to act on our recommendation. If you elect to act on any or all of the recommendations, you are under no obligation to effect the transactions through an associated person of Triad Advisors, Inc, a registered broker-dealer. If you choose to use Triad or an affiliate to implement any recommendations from the financial plan, those activities are separate and distinct from the financial planning services provided by Triad under a planning services agreement.

***Retirement Plan Services.***

Triad offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsors"). Triad may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. Triad provides these retirement plan services ("Retirement Plan Services") through our Investment Adviser Representatives, and may charge a fee for

the Retirement Plan Services, as described in the section below “Fees and Compensation” and the Retirement Plan Consulting Agreement (“Agreement”).

Retirement Plan Services are either ERISA Fiduciary Services or ERISA Non-fiduciary Services. ERISA Non-fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (ERISA). When delivering ERISA Fiduciary Services, Triad will perform those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any ERISA Fiduciary Services, Triad will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the plan.

Sponsor may engage Triad to perform Retirement Plan Services by completing a Retirement Plan Information Form to provide information about the plan, including the plan design, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers. Triad will provide Sponsor a copy of this Form ADV Part 2 and the Agreement for review. The Agreement describes the terms of the arrangement between Triad and the Sponsor, including a description of the Retirement Plan Services and the fees to be charged by Triad. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Plan Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to Triad before Triad performs any Services. Descriptions of Retirement Plan Services available are available from our firm upon request.

In providing Retirement Plan Services, Triad and its Investment Adviser Representatives may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation: 1) as a result of a decision by the participant or beneficiary to purchase services from Triad not involving the use of plan assets; 2) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or 3) through an Individual Retirement Account rollover (“IRA Rollover”). Triad Investment Adviser Representatives will not, however, solicit services from plan participants or beneficiaries when providing Retirement Plan Services. If Triad is providing Retirement Plan Services to a plan, Investment Adviser Representatives may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on plan assets (but may consider the participant’s or beneficiary’s interest in the plan in providing that service). If a plan participant or beneficiary desires to effect an IRA Rollover, Triad may provide the participant or beneficiary with a written explanation of the options available to the plan participant or beneficiary. Any decision to effect the rollover or about what to do with the rollover assets remain that of the participant or beneficiary alone.

#### ***Investment Adviser Representative Managed Account Services.***

Triad Investment Adviser Representatives may also manage client accounts through various account structures available through the Triad Platform. All of the account structures give Investment Adviser Representatives the ability to customize asset allocation, investment selection, and investment strategies to meet the clients’ individual financial situation and investment goals. Most accounts are managed on a non-discretionary basis, meaning that the client must consent to each trade in the account. However, certain clients may grant the Investment Adviser Representative trading discretion over their accounts. This trading discretion and any limitations on it will be set forth in the client’s agreement with Triad. The services that the Investment Adviser Representative and Triad provide to clients are the same regardless of the account structure selected. In each account structure, the

Investment Adviser Representative may manage and provide advice on mutual funds, stocks, bonds, ETFs, LPs, options and Variable Annuity (VA) sub-accounts.

Investment Adviser Representative may manage various model portfolios for each VA carrier product that are maintained outside of an account structure. Although the Variable Annuities and their respective sub-accounts may be represented on various reports or statements, the Variable Annuities are held directly at the VA sponsor. Sub-account asset allocations may be limited by the VA Carrier product fund options. Certain asset allocations may also be restricted by the VA carrier. Investment Adviser Representatives will not direct reallocations of the sub-accounts through these account structures. In such cases when a reallocation is required, the Investment Adviser Representative will direct and execute such reallocation transactions directly through the VA sponsor. Clients must complete documentation necessary under the applicable variable annuity contract to grant the Investment Adviser Representative access to information necessary to perform these services. Triad has approved various VA carrier products for this service and may restrict the inclusion of a VA to an account structure at our discretion. The inclusion of VA products to an account structure is also subject to our policies and procedures.

Although the services provided are generally the same under each structure, the pricing of each one is structured differently. The available account structures include several wrap programs under which the client pays a single fee that covers the Investment Adviser Representative's advice and the execution of transactions through Triad as broker-dealer. These programs are described in one or more wrap fee brochures, which are available upon request. Clients should understand that the wrap fee may cost the client more than purchasing the program services separately, for example, paying fees for the advisory services of the model or program and Investment Adviser Representative, plus transaction charges for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the: 1) type and size of the account; 2) types of securities in the account; 3) historical and or expected size or number of trades for the account; and 4) number and range of supplementary advisory and client-related services provided to the client.

Triad also offers the Crown, Apex and Summit accounts. Under other account structures, clients pay an advisory fee to Triad plus additional charges in connection with each transaction. Triad typically manages accounts in the wrap programs differently than the accounts that pay transaction fees because of the different nature of the services provided. However, all accounts are managed with the objective to reach each the clients stated goals within their time horizon and risk tolerance, among other factors.

Several factors may influence the selection of the account structure, including but not limited to:

- i. the client's preference for a "wrap" vs. transaction charges per trade on certain or all securities
- ii. account size
- iii. anticipated trading frequency
- iv. anticipated securities to be traded
- v. management style
- vi. long term investment goals

The Investment Adviser Representative's services are tailored to the individual needs of each client. The Investment Adviser Representative assists the client in connection with establishing and monitoring of client investment objectives, risk tolerance, asset allocation goals and time horizon. Clients have the opportunity to place reasonable restrictions or constraints on the way their accounts are managed; however, such restrictions may



cause the Investment Adviser Representative to deviate from a strategy or recommendations that the Investment Adviser Representative would have made if such restrictions or constraints were not in place. Thus, the account's performance may be lower than it otherwise would have been.

The services that Triad provides under some or all of these investment options may be available from other providers for lesser fees. In addition, you may buy securities (e.g., mutual funds, exchange-traded funds, etc.) outside of our investment programs without incurring fees through our program.

### ***Assets Managed.***

Triad manages \$933,400,000 of assets on a non-discretionary basis and \$411,900,000 on a discretionary basis, for a total of \$1,345,300,000 of assets under management as of 03/01/2015.

## **Fees and Compensation**

Triad is compensated for its advisory services as set forth below. All fees are subject to negotiation. The specific manner in which fees are charged by Triad is established for a client in the client's written investment advisory agreement with Triad or the third party program sponsor, as applicable.

### ***Third-Party Program Consulting Services.***

The fees that clients pay in connection with the third-party programs are set forth in the program agreement that clients sign. For more information about these fees, see the applicable program brochure.

Triad either receives a portion of the fee collected by the third-party program sponsor or it charges a separate fee for its consulting services. The fee is charged and paid as described in the program brochure. The Investment Adviser Representative on the account receives all or substantially all of the fee received by Triad.

### ***Retirement Plan Services.***

Fees for the Retirement Plan Services ("Fees") are flexible, and Sponsor may be charged a fee based on a percentage of plan assets, an hourly rate or a flat dollar amount. Sponsor may specify whether to pay the Fees directly or may authorize the plan's recordkeeper or custodian to pay Triad from plan assets. If placed with our custodian National financial Services ("NFS"), the Fees will typically be billed monthly or quarter in advance per the section titled "Investment Adviser Representative Managed Account Services". If assets are placed at another custodian the agreement will describe the agreed upon calculation methodology for Fees paid under this section.

Sponsor may terminate this Agreement within five business days of executing this Agreement without incurring a penalty or charge. If the Agreement is terminated prior to the end of the period, Triad will be entitled to a pro-rata amount of compensation.

Sponsors receiving Retirement Plan Services may pay more or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of locations of participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by Triad, the Fees charged may be more or less than those of other similar service provider.

All fees paid to Triad for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by Triad are designed to, among other things, assist the client in determining which services are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the plan's other service providers and the fees charged by Triad to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

Retirement Plan Services clients may also use other products or services available from or through Triad and its affiliates which pay additional compensation to Triad and its affiliates. This practice creates a potential conflict of interest that may give Triad and our Investment Adviser Representatives an incentive to recommend advisory services and programs based on the compensation received. Additionally, fees and commissions may also be higher for some brokerage products and services, and the remuneration and profitability resulting from these products and services may be greater than the remuneration and profitability resulting from other programs or Retirement Plan Services. We address these conflicts through disclosure in this ADV and additional disclosures concerning compensation we may receive, directly or indirectly. Moreover, we have adopted policies to address the suitability of advisory products offered to you.

### ***Financial Planning and Related Consulting Services.***

For a full written financial plan, the fee charged will be agreed upon between the Investment Adviser Representative and the client, which will be quoted prior to the contract being executed. The fee for this service will be determined according to the complexity of the plan as well as the extent of services desired. Fees may be negotiable and will be set forth in the client's contract. Fees may also be charged on an hourly rate and agreed upon between the Investment Adviser Representative and the client.

Fees are paid upon completion of the plan unless agreed upon differently between the Investment Adviser Representative and the client. The contract may be terminated by either party upon 30 days written notice. We will, upon your written request, refund fees prorated to the amount of work completed. Clients who terminate the contract within 5 business days of signing the contract shall be provided a full refund. Fees that are paid in advance will be prorated to the date of termination, and any unearned portion will be refunded back to you.

The Fee covers only the financial planning and consulting services provided by Triad under the contract. In addition, clients who chose to implement the recommendations will incur certain fees and charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers.

Each mutual fund, ETF or private fund in which a client may invest also bears its own investment advisory fees and other expenses. Fund transactions are also subject to applicable commissions, transaction charges or other fees.

If the client chooses to implement any portion of the recommendations through Triad or an affiliate, Triad and its affiliates will receive additional compensation. For example, if the client decides to implement a portion of the recommendations through Triad wrap fee program, the client will pay program fees to Triad in connection with

program as part of the total program fee that is negotiated with the Triad Investment Adviser Representative who will generally receive a portion of advisory fees for services rendered under the program.

Similarly, if the client decides to implement a portion of the recommendations through a brokerage account at Triad, the client will pay commissions and fees to Triad. The fee that a client pays to Triad for consulting services will not be reduced if fees are paid to Triad, or its affiliates for other services. 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 and are distributed from the fund’s total assets. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund’s prospectus.

Clients may purchase securities through broker-dealers in initial public offerings, secondary offerings and special purpose acquisition company transactions. 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 “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 Investment Adviser Representatives. These Investment Adviser Representatives may also receive compensation, such as 12(b)-1 or services fees, in connection with the sale of funds. Therefore, the Investment Adviser Representative has an incentive to recommend implementing the recommendations made through the consulting services through Triad. This conflict of interest is heightened when the Investment Adviser Representative recommends securities where Triad is a member of the selling syndicate because the Investment Adviser Representative typically receives more compensation in connection with these securities than in connection with other types of securities. The Investment Adviser Representative may also have a heightened conflict of interest when recommending funds that pay compensation, because the Investment Adviser Representative may receive a portion of that compensation.

Clients have the option to purchase investment products that Triad recommends through other investment advisers, brokers or agents that are not affiliated with Triad. In addition, Triad has policies and procedures in place to monitor whether any program in which client investments or any security (or other investment purchased through Triad) is suitable for the client.

#### ***Investment Adviser Representative Managed Account Services.***

Generally, fees for investment supervisory accounts are based on a percentage of the market value of assets under management including cash. The Management Fee compensates Triad and the Investment Adviser Representative for the asset management services, investment advice and recommendations provided. The value of the assets will be based on information provided by the custodian of the assets, the client or other third party, as applicable. Triad is entitled to rely on the financial and other information that the client, any custodian, or any other third party provides to Triad. Triad does not independently verify this information nor does Triad guarantee the accuracy or validity of such information. Clients generally instruct the custodian to take instructions from Triad to debit the fee from one of client’s accounts.

#### **Crown Account.**

The Crown Account has no minimum account size and advisory fees are negotiable. The basic asset based fee schedule for the Crown Account is as follows:

<b>Portfolio Value</b>	<b>Annual Fee</b>
0 — \$150,000	2.5%
\$150,001 — \$500,000	2.15%
\$500,000 +	1.75%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions that clients may pay at other broker-dealers. All transactions are subject to postage and handling fees. Equity, ETF, and bond transaction charges are based on a combination of a flat rate plus a percentage of the aggregate amount of the trade. The current Crown transaction schedule is detailed in the Crown Advisory Agreement.

#### **Apex Account.**

The Apex Account has no minimum account size and advisory fees are negotiable. Advisory fees may be slightly higher as compared to a Crown account of similar size and complexity.

The basic asset based fee schedule for the Apex Account is as follows:

<b>Portfolio Value</b>	<b>Annual Fee</b>
0 — \$250,000	2.75%
\$250,001 — \$750,000	2.25%
\$750,001 — \$2,000,000	1.75%
\$2,000,001 +	1.50%

In addition to the advisory fee, accounts are assessed transaction charges. These transaction charges may be higher or lower than transaction charges or commissions you may pay at other broker-dealers. All transactions are subject to postage and handling fees. Transaction charges are lower than those charged to Crown Accounts. The current Apex transaction schedule is detailed in the Apex Advisory Agreement.

#### **Summit Account.**

The Summit Account has a negotiable \$50,000 minimum account size and advisory fees are negotiable. Advisory fees may be slightly higher as compared to a Crown or Apex account of similar size and complexity. This account is potentially suitable for accounts that meet the minimum, in which the Investment Adviser Representative anticipates primarily investing in mutual funds, and/or for clients that do not wish to pay transaction charges for mutual fund trades.

The basic asset based fee schedule for the Summit Account is as follows:

Portfolio Value	Annual Fee
50,000 — \$250,000	2.75%
\$250,001 — \$500,000	2.25%
\$500,001 — \$1,000,000	1.75%
\$1,000,001 +	1.50%

In addition to the advisory fee, accounts may be assessed transaction charges for trades other than mutual fund trades. The Investment Adviser Representative may buy or sell mutual funds without transaction charges for those trades. When appropriate, the Investment Adviser Representative may recommend the purchase or sale of non-mutual fund securities. The account will be charged transaction charges in connection with these trades. These transaction charges may be higher or lower than transaction charges or commissions you may pay at other broker-dealers. The current Summit transaction schedule is detailed in the Summit Advisory Agreement.

#### **All Accounts.**

The transaction charges have been established to compensate our firm for its services and reimburse us for expenses in executing transactions in the accounts. The advisory fees are typically higher for accounts that pay lower transaction charges because the combination of charges compensates Triad for the combination of services it provides in the program. The transaction charges are negotiated with our custodian and may be higher than transaction charges or commissions that you might pay if the transactions were executed at another broker-dealer. Triad and the custodian each receive a portion of the transaction fees paid by clients. Although transaction charges may be identified as “commissions” on trade confirmations, the Investment Adviser Representative does not receive any portion of these charges. 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. 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. 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.

The advisory fees and transaction charges 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. Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement.

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.

The Management 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 Management 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.

Triad may recommend or select funds for inclusion for accounts that are in Triad's Premier Funds program which Triad maintains in its capacity as a broker-dealer. Under the Premier Funds program, in exchange for certain benefits, such as broader access by Triad's representatives, mutual fund and variable annuity sponsors in the program are required to pay for participation in the program by sharing with Triad a portion of the revenue generated from the sales of their products. Certain product sponsors also provide for the payment of a marketing allowance to Triad which may be based upon a percentage of the amount of the sponsor's product purchased by clients. Triad, at its sole discretion, may under certain circumstances share all or some of any marketing allowance payments with its registered representatives as part of compensating them for marketing and distribution expenditures incurred promoting the sponsor's products. Although Triad may receive this compensation in its capacity as broker-dealer, no portion of any compensation received under the Premier Funds program is passed through to your Investment Adviser Representative in connection with your advisory account. This additional compensation, called revenue sharing, are in addition to commissions, annual service fees (known as 12b-1 fees), and other fees and expenses disclosed in a fund's prospectus fee table. These revenue sharing payments are paid out of the Investment Adviser's or other affiliate's assets—not from the fund's total assets—and, therefore, would not appear as an item in a fund's expense table. For the most current list of Premier fund families, please ask your Investment Advisory Representative or contact Triad directly at the number listed on the first page.

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 Program Fee. For more information about how this conflict of interest is addressed, see the “Other Financial Industry Activities and Affiliations” section below.

For the majority of accounts, fees are payable quarterly or monthly in advance, and automatically deducted from the account pursuant to the advisory agreement and not billed separately to you. Clients have the option of choosing monthly or quarterly billing for the majority of accounts; this election will be made on the applicable advisory agreement. Refund of fees that are paid in advance will be prorated to the date of termination, and any unearned portion will be refunded back to you. Our Investment Adviser Representatives may trade on margin for client’s accounts, which could result in a high portfolio turnover ratio and higher transaction charges in accounts with such charges. Additionally, the use of margin may also result in interest charges as well as all other fees and expenses associated with the security or account involved. Advisory fees for accounts with margin are billed net of the margin debt held in your account. Triad receives a portion of the margin interest charge for a Client’s margin balance for accounts at National Financial Services (“NFS”). Our affiliation with Triad and 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.

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, please see Item 14 Client Referrals and Other Compensation.

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.

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 and its representatives may also receive compensation, such as front-end sales charges, redemption fees, 12(b)-1 or services fees, in connection with the sale of funds including the Triad Premier Funds program. 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 participating sponsors in the Triad Premier Funds program, certain mutual funds and to recommend purchases of sales in certain offerings because the Triad and its representatives will receive more compensation in connection with these securities than in connection with other types of securities.

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 THS.

## **Performance-Based Fees and Side-By-Side Management**

Our firm does not currently charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Types of Clients**

Our firm provides portfolio management services mostly to individuals and high net worth individuals. However, we also provide advisory services for trusts, estates, corporate pension and profit-sharing plans, charitable institutions, foundations and endowments. Triad generally does not impose any requirements for opening or maintaining an account, such as a minimum account size. However, certain third-party programs and/or portfolio managers may have minimum account size requirements, as set forth in the applicable disclosure brochure.



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

Please be aware that investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

In addition, your Investment Adviser Representative has access to various research reports and model portfolios to which he or she may refer in determining investment advice provided to you. The Investment Adviser Representative chooses his or her own research methods, investment style and management philosophy. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

### ***Third-Party Program Consulting Services.***

Factors Triad considers in selecting and monitoring third-party programs performance may include comparing the performance of accounts in the programs relative to certain market indices or asset allocation objectives, other money managers, strategies, and or programs. Other factors include allocation and or manager risk analysis, comparison of expenses, and other qualitative factors and analyses. For information about material risks related to the program or specific portfolio managers in the programs, see the appropriate disclosure brochure.

### ***Retirement Plan Services.***

All investments involve risk and investment performance can never be predicted or guaranteed. The values of the account will fluctuate (perhaps significantly) due to market conditions, manager performance and other factors. Using any benchmark or index in connection with Retirement Plan Services is no promise that the performance of the plan's particular investments will experience the same results, including the results shown on the various reports that are delivered as part of these services.

As part of the Retirement Plan Services to Provide Recommendations to Select and Monitor Investment Managers, Qualified Default Investment Alternative(s) ("QDIA") or Designated Investment Alternatives ("DIAs"), Triad may provide Sponsor a list of investments, including mutual funds, to consider as options for the plan, and may provide a list of investment managers to manage the assets of the plan. Any list is for informational purposes only and Sponsor retains full authority to select all plan investments. It should not be considered a primary basis for the Sponsor's decision.

Triad will consider information provided by Sponsor about the plan when assisting with or making recommendations about the plan's Investment Policy Statement ("IPS"). It is important that this information be accurate and current. Changes in the information will impact what assistance or recommendations may be made so it is important that Triad be accurately informed.

Any report containing a proposed asset allocation model is based upon a number of factors which may include the demographics of plan participants, current asset allocations and the value of the assets. Triad may change asset allocations and investment options within the model portfolios and has no obligation to retroactively revise the report. The analyses and suggested asset allocations contained in the reports may be based on historical financial data, assumptions about future financial trends (including market appreciation or decline, rates of return and risks for various asset classes), assumptions about applicable laws and regulations, and appropriate financial planning strategies. Any projections, analyses or other information contained in or with the reports regarding various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The reports do not provide advice regarding the plan's specific securities investments. Therefore, it is important for Sponsor to monitor current events, such as changes in tax laws or in the financial markets, which

may affect Sponsor's decisions about the plan. The return rates and dollar figures contained in the report may not include all investment expenses; thus, any results shown may be reduced by such costs. Also, where applicable (and only as indicated) assumptions as to federal income tax rates, state income tax rates, and estate taxes reflected in the report would only be general estimates.

### ***Financial Planning and Related Consulting Services.***

Triad Investment Adviser Representatives will provide financial planning services primarily from financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. In order to determine a suitable course of action for an individual client, we shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, liquidity constraints and other factors unique to the client's particular circumstances. Pursuant to a written financial planning agreement we will review and analyze the information you provide to our firm and the data derived from our financial planning software. We will then deliver a written plan designed to help you achieve your stated financial goals and objectives.

Recommendations developed by your Investment Adviser Representative are based upon their professional judgment; however, we cannot guarantee the results of any of their recommendations. Results may use simplifying assumptions that do not completely or accurately reflect your specific circumstances. No financial plan or report has the ability to accurately predict the future. As investment returns, inflation, taxes, and other economic conditions vary from assumptions, your actual results will vary (perhaps significantly) from those presented.

### ***Investment Adviser Representative Managed Account Services.***

Investment Adviser Representatives have access to third party vendors that provide programs or software to analyze individual securities. We also offer Investment Adviser Representatives access to third party vendors that provide support services in portfolio design and strategy implementation. Examples of third party sources used to assist in managing assets are S&P Research, LAMP Analytics, Bloomberg, Morningstar Workstation, Thomson Reuters, various ETF & fund screeners, economic news services, statistical ratings organizations and asset allocation software included in various outside manager proposal systems. Investment Adviser Representatives may use these tools along with investor profile or questionnaires to recommend a program that will assist a client to achieve their objectives and risk tolerances.

Triad Investment Adviser Representatives also use various methods of analysis which may include charting, fundamental, technical, or cyclical. The main sources of information that the applicant may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filing with the SEC and company press releases. The investment strategies used to manage accounts may include long term purchases, short term purchases, selling securities within 30 days, short sales, margin transactions, and options trading.

## **Types of Investments and Risks**

Depending on the type of service being provided, Triad and Investment Adviser Representatives can recommend different types of securities, including mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, collective investment trusts, variable annuity subaccounts, equities, fixed income securities, options, private funds, and structured products. Investing in securities involves the risk of loss that clients should be prepared to

bear. Described below are some risks associated with investing and with some types of investments that an Investment Adviser Representative may recommend depending on the service provided.

- Market Risk. This is the risk that the value of securities owned by an investor may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries. The risk rating of any individual strategy or portfolio may be more or less than your stated risk profile in the short term, but should be consistent with your overall investment objectives and risk profile over the stated time horizon.
- Interest Rate Risk. This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- Credit Risk. This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- Closed-End Funds. Client should be aware that closed-end funds may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- Exchange-Traded Funds. ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.
- Exchange-Traded Notes (“ETNs”). An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer’s ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks. ETNs may be closed and liquidated at the discretion of the issuing company.
- Leveraged and Inverse ETFs, ETNs and Mutual Funds. Leveraged ETFs, ETNs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of the underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be

riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

- **Structured Products.** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- Options Risks. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable. Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of an European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the 'Characteristics and Risks of Standardized Options' brochure, which can be found at [www.optionsclearing.com](http://www.optionsclearing.com).
- Margin & Lending Risk. Leverage increases a portfolio's risk as price swings are amplified in a margin account and clients can lose more funds than deposited if value of securities decline. We may be required to cease trading or liquidate securities in an advisory account to meet a margin call or credit line loan demand pursuant to an executed margin or non-purpose loan agreement between you and the lender or custodian. You may lose more than your original investment.
- High-Yield Debt. High-yield debt is issued by companies or municipalities that do not qualify for "investment grade" ratings by one or more rating agencies. The below investment grade designation is based on the rating agency's opinion of an issuer that it has a greater risk to repay both principal and interest and a greater risk of default than those issuers rated investment grade. High yield debt carries greater risk than investment grade debt. There is the risk that the potential deterioration of an issuer's financial health and subsequent downgrade in its rating will result in a decline in market value or default. Because of the potential inability of an issuer to make interest and principal payments, an investor may receive back less than originally invested. There is also the risk that the bond's market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.
- Private Funds and Managed Futures. Private and managed futures funds may be purchased by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- Business Development Companies ("BDCs"). BDCs are typically closed-end investment companies. Some BDCs primarily invest in the corporate debt and equity of private companies and may offer attractive yields generated through high credit risk exposures amplified through leverage. As with other high-yield investments, such as floating-rate/leveraged loan funds, private REITs and limited partnerships, investors are exposed to significant market, credit and liquidity risks. In addition, fueled by the availability of low-cost financing, BDCs run the risk of over-leveraging their relatively illiquid

portfolios. Due to the illiquid nature of non-traded BDCs, investors' exit opportunities may be limited only to periodic share repurchases by the BDC at high discounts.

- Variable Annuities. If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- Company Stock. If company stock is available as an investment option to client in a retirement plan, and if client chooses to invest in company stock, client should understand the risks associated with holding company stock in a retirement plan. These risks may include, but are not necessarily limited to, lack of liquidity, over-dependency on client's employer, and less flexibility to change the allocation of plan assets. Client should pay careful consideration to the benefits of a diversified portfolio. Although diversification is not a guarantee against loss, it can be an effective strategy to help manage investment risk.

## 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 pertains to our company:

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.

## Other Financial Industry Activities and Affiliations

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

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.

#### Fund Management

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

#### 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.

#### Ladenburg Thalmann 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.

These recommendations create a conflict of interest because Triad, LTAM and LTCO generally receive more compensation in connection with the purchase of these funds than they do in connection with the purchase of other funds. In addition, these funds pay fees in connection with services or distribution, such as 12b-1 or service fees. These fees are paid to Triad as broker-dealer. Triad Investment Adviser Representatives may receive part of

the compensation paid to Triad in the advisor representative's capacity as a registered representative of Triad to the extent permitted by applicable law. Triad, as a fiduciary, endeavors to always act in its clients' best interest and addresses this conflict through disclosure.

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.

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.

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.

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 the 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

Our firm 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 our firm must acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended.

Our Code of Ethics Rules are designed to ensure that our personnel:

- i. observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties;
- ii. at all times place the interests of our clients first;
- iii. disclose all actual or conflicts;
- iv. adhere to the highest standards of loyalty, candor and care in all matters relating to our clients;
- v. conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or conflict of interest or any abuse of their position of trust and responsibility; and
- vi. 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, our personnel may not:

- i. effect securities transactions while in the possession of material, non-public information;
- ii. disclose such information to others;
- iii. participate in fraudulent conduct involving securities held or to be acquired by any client; and
- iv. 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.

Our personnel are required to conduct their personal investment activities in a manner that is not detrimental to our 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 our Investment Adviser Representative 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 our firm upon request.

Our Investment Adviser Representatives may buy or sell for their own accounts, securities that are also held by their clients. Conversely, they may buy and sell securities for client accounts which they themselves may own.

Such transactions are permitted if in compliance with our policy on personal securities transactions. Reports of personal transactions in securities by our Investment Adviser Representatives are reviewed by our firm'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.

In the event that you request a copy of our Code of Ethics, we will furnish a copy within a reasonable period of time to you at your current address of record.

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.

## **Brokerage Practices**

### ***Third Party Program Consulting Services.***

Triad does not recommend broker-dealers for client transactions in connection with third-party programs. Such recommendation is made by the program sponsor or the portfolio managers.

### ***Financial Planning and Related Consulting Services.***

As described in "Fees and Compensation" above, Triad may recommend that clients receiving financial planning and consulting services execute transactions through Triad as broker-dealer. If the client elects to execute transactions through Triad, the compensation paid by the client is negotiated separately as part of a separate brokerage relationship between the client and Triad. Triad receives no products, research, or services (i.e. soft dollars) that it would consider a factor in utilizing a particular broker-dealer or product sponsor. However Investment Adviser Representatives may receive reimbursement of subscription fees, for a limited time, related to financial planning software from certain product sponsors. The benefit received by our representatives do not cause clients to pay commissions higher than those obtainable from other product sponsors nor does the receipt of these benefits hinge upon sales targets or funds under administration with these product sponsors. Thus, because of this practice, Triad's Investment Adviser Representatives have an incentive to recommend these product sponsors over another firm that does not provide this support. To address this conflict, Triad has policies and procedures in place to ensure that these reimbursements are reviewed and approved prior to being paid to the Investment Adviser Representative.

### ***Retirement Plan Services.***

Triad does not recommend broker-dealers in connection with these services.

### ***Investment Adviser Representative Managed Account Services.***

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 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).

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.***

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. 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 the Custodians, which may create a potential conflict of interest.

## Review of Accounts

Client accounts are reviewed at least annually, or more frequently as agreed. Reviews of investment accounts typically look at portfolio consistency with regards to your risk tolerance, investment time horizon, performance objectives, and asset allocation instructions. Reviews also consist of covering account holdings, transactions, charges, & performance as provided on such statements and other account reports. Clients who also receive financial planning advice are reviewed on the same schedule. Reviews cover progress toward financial independence, anticipated distributions toward family legacy goals, anticipated distributions for social capital or charitable goals, as well as other goals communicated by the client. In either type of review, accounts will also be reviewed upon notice of changes in a client's circumstances.

Accounts are primarily reviewed by your Investment Adviser Representative. In addition, Triad's compliance program includes the periodic review of a sample of customer accounts for consistency with a client's risk tolerance, investment time horizon, performance objectives, and asset allocation instructions.

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.

## **Custody**

You will receive at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us.

As described under "Review of Accounts", we may provide to you reports we prepare regarding your portfolio. You are encouraged to review these reports and compare them against reports received from the qualified custodian that services your advisory account. You should immediately inform us of any discrepancy noted between the custodian records and the reports you receive from us. Any account information provided by Triad Advisors, Inc. or your Investment Adviser Representative is for informational purposes only.

## **Investment Discretion**

Investment Adviser Representatives ordinarily provide advisory services on a non-discretionary basis. However, Investment Adviser Representatives providing "Investment Adviser Representative Managed Account Services," may have trading discretion over certain client accounts. Clients grant this discretion in the Limited Trading Authorization Form provided by Triad. This discretion is generally limited to trading in an account and does not generally include the ability to move assets out of an account. Any other limitations on the discretion will also be set forth in the agreement.

## **Voting Client Securities**

### ***Proxy Voting.***

As a matter of firm policy and practice, our firm does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their accounts.

***Class Actions.***


From time to time securities held in your portfolio may be the subject of class action litigation. The decision regarding whether to file a proof of claim in a class action settlement is a question involving legal judgment. We do not instruct or give advice to you on whether or not to participate as a member of class action lawsuits and will not automatically file claims on your behalf. If you request additional assistance, we will provide any transaction information pertaining to your account that may be helpful and/or needed in order for you or your custodian to file a proof of claim in a class action.

**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

<b>FACTS</b>	<b>WHAT DOES TRIAD ADVISORS DO WITH YOUR PERSONAL INFORMATION?</b>	
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<b>Why?</b>	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.
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<b>What?</b>	<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"> <li>• Social Security Number, Date of Birth, Address, contact information and Income</li> <li>• Assets and Investment Experience</li> <li>• Account Transactions and Retirement Assets</li> <li>• Tax Reporting and Investment Performance Information</li> </ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
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<b>How?</b>	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.
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Reasons we can share your personal information	Does Triad Advisors share?	Can you limit this sharing?
<p><b>For our everyday business purposes</b></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"> <li>• 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.</li> <li>• 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).</li> <li>• 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)</li> </ul>	Yes	No
<p><b>For our marketing purposes</b></p> <p>To offer our products and services to you</p>	Yes	No
<p><b>For our Affiliates to market to you</b></p>	Yes	No
<p><b>For nonaffiliates to market to you</b></p>	No	We don't share



<b>For joint marketing with other financial companies</b>			
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
<b>For clients of Independent registered representatives and investment advisors and Triad Advisors</b> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• 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.</li></ul> <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
<b>Who we are</b>			
<b>Who is providing this notice?</b>		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.	
<b>What we do</b>			
<b>How does Triad Advisors protect my personal information?</b>		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.	
<b>How does Triad Advisors collect my personal information?</b>		We collect your personal information, for example, when you <ul style="list-style-type: none"><li>• Open an investment account or deposit money</li><li>• Seek advice about your investments</li><li>• Give us your account information or provide employment information</li><li>• Make a wire transfer</li></ul> We also collect your personal information from others, such as credit	

	bureaus, affiliates, or other companies
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing</p>
<b>Definitions</b>	
<b>Affiliates</b>	<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 &amp; 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>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies</p> <ul style="list-style-type: none"> <li>• Triad Advisors does not share with nonaffiliates so they can market to you.</li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Triad does not engage in joint marketing.</li> </ul>
<b>To limit our sharing</b>	<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>
<b>Questions?</b>	Triad Advisors, Inc., 5155 Peachtree Parkway, Bldg 300 Suite 3220, Norcross GA 30092. Call 1-800-720-4003 or go to <a href="http://www.com">www.com</a>