

## Item 1 – Cover Page



1 West Broad Street, 11th Floor  
Bethlehem, Pennsylvania 18018

(610) 849-2740

[www.QuadrantPrivateWealth.com](http://www.QuadrantPrivateWealth.com)

June 8, 2016

This brochure provides information about the qualifications and business practices of Quadrant Private Wealth Management, LLC (hereinafter “Quadrant” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (610) 849-2740. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Quadrant is a registered investment adviser. 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 the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Quadrant is 277044.

## **Item 2 – Material Changes**

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. The most recent update of our brochure was March 29, 2016. No materials changes have been made to this Brochure since that date.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Brian Cort, Chief Compliance Officer at Quadrant at (610) 849-2740.

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## **Item 4. Advisory Business**

Quadrant offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Quadrant rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Quadrant setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Quadrant Private Wealth Management, LLC is the successor firm of Quadrant Private Wealth, LLC, a registered investment adviser since May 2014. Herman L. Rij, Jason B. Cort, Brian C. Cort and Kori R. Lannon are the current executive officers of the Firm, which is wholly owned by Focus Financial Partners, LLC.

As of December 31, 2015, Quadrant had \$537,701,300 assets under management, \$507,608,000 of which was managed on a discretionary basis and \$30,093,300 of which was managed on a non-discretionary basis. In addition, we advised \$10,707,000 of self-directed retirement account assets.

While this brochure generally describes the business of Quadrant, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Quadrant’s behalf and is subject to the Firm’s supervision or control.

### **Financial Planning and Consulting Services**

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Quadrant offers clients a broad range of holistic financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow  
Forecasting
- Trust and Estate  
Planning
- Financial Reporting
- Investment  
Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence
- College Funding
- Loan Facilitation

In performing these services, Quadrant is not required to verify any information received from the client or from the client's other professionals (*e.g.*, attorneys, accountants, etc.) and is expressly authorized to rely on such information. Quadrant may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Such insurance services may be offered through an affiliate, Quadrant Insurance Wealth Structuring, LLC. Clients are advised that a conflict of interest exists if clients engage Quadrant or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Quadrant under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Quadrant's recommendations and/or services.

## **Investment Management Services**

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Quadrant manages client investment portfolios on a discretionary or non-discretionary basis. Quadrant primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), stocks, municipal and corporate bonds, alternative investments, structured notes and independent investment managers ("Independent Managers") in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Quadrant to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as private placements, direct real estate holdings, variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (*i.e.*, 529 plans). In the latter situations, Quadrant directs or recommends the allocation of client assets among the various investment options available with the product. Certain of these assets are maintained at the underwriting insurance company or the custodian designated by the product's provider.

Quadrant tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Quadrant consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Quadrant if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Quadrant determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Sponsor and Manager of Wrap Program**

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Quadrant provides wealth management services as the sponsor and manager of the Quadrant Private Wealth Management Program (the "Wrap Program"), a wrap fee program (*i.e.*, an arrangement where brokerage commissions and transaction costs are absorbed by the Firm). Accounts managed through the Wrap Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the Wrap Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the Wrap Program is available in Quadrant's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

### **Retirement Plan Consulting Services**

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Quadrant provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:



- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Quadrant as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Quadrant’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **Use of Independent Managers**

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As mentioned above, Quadrant may select certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Quadrant evaluates a variety of information about Independent Managers, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposure. Quadrant also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Quadrant continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Quadrant seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

## **Item 5. Fees and Compensation**

Quadrant offers services on a fee basis, which may include fixed and/or hourly fees, as well as

fees based upon assets under management or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

### **Financial Planning and Consulting Fees**

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Quadrant may elect to charge a fixed and/or hourly fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range up to \$20,000 or more on a fixed fee basis and/or up to \$500 on an hourly basis, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Quadrant may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Quadrant generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is

generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

## Wealth Management Fees

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Wealth management services are offered on a fee basis, meaning that clients pay a single annualized fee based upon assets under management. This management fee generally ranges up to 100 basis points (1.00%) in accordance with the following blended fee schedule:

PORTFOLIO VALUE	BASE FEE
First \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.90%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$4,000,000	0.70%
\$4,000,001 - \$5,000,000	0.60%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 - \$25,000,000	0.40%
Above \$25,000	Negotiable

This fee schedule is charged using a “waterfall application,” meaning that a client is charged varying fee rates based upon the portfolio break points set forth above. The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Quadrant on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets may be prorated to account for the interim change in portfolio value. For the initial term of the Program, the fee is calculated on a pro rata basis. In the event the Client Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding

balance is refunded or charged to the client, as appropriate.

## **Retirement Plan Consulting Fees**

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Quadrant generally charges a fixed project-based and/or annual asset-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary based on the scope of the services to be rendered.

## **Fee Discretion**

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Quadrant, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and pro bono activities.

## **Direct Fee Debit**

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Clients generally provide Quadrant with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Quadrant.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Quadrant's right to terminate an account. Additions may be

in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Quadrant, subject to the usual and customary securities settlement procedures. However, Quadrant designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Quadrant may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

## **Additional Fees and Expenses**

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In addition to the advisory fees paid to Quadrant, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

## **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Quadrant (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with

Quadrant.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Quadrant may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that Quadrant recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that Quadrant, in its sole discretion, deems appropriate, Quadrant may provide its investment advisory services on a fee-offset basis. In this scenario, Quadrant may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

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

Quadrant does not provide any services for a performance-based fee (*i.e.*, a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

### **Minimum Account Requirements**

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Quadrant does not impose a stated minimum fee or minimum portfolio size for starting or maintaining an investment advisory relationship.

### **Types of Clients**

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Quadrant offers services to individuals, families, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

### **Methods of Analysis and Investment Strategies**

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Quadrant employs a largely top-down approach utilizing a combination of fundamental and technical methods of analysis with an emphasis on risk management.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular manager, fund or issuer. For Quadrant, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market

conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Quadrant will be able to accurately predict such a reoccurrence.

## **Risk of Loss**

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Quadrant's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Quadrant will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.



Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, Quadrant may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Quadrant continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Quadrant generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Use of Private Collective Investment Vehicles*

Quadrant recommends that certain clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, etc.).

The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### *Master Limited Partnerships (MLPs)*

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.

#### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Real Estate Investment Trusts (REITs)*

Quadrant may recommend an investment in, or allocate assets among, various real estate investment trusts (“REITs”), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

### *Exchange-Traded Notes (ETNs)*

Quadrant may recommend an investment in, or allocate assets among, various exchange-traded notes (“ETNs”). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer’s credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

### *Management through Similarly Managed “Model” Accounts*

Quadrant manages certain accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

## **Item 9. Disciplinary Information**

Quadrant has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **Item 10. Other Financial Industry Activities and Affiliations**

### **Registered Representatives of a Broker-Dealer**

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Certain of the Firm's Supervised Persons, in their individual capacities, are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS") and may provide clients with securities brokerage services under a separate commission-based arrangement. A conflict of interest exists to the extent that Quadrant recommends the purchase of a security and its Supervised Person receives a portion of the commissions paid to PKS. The Firm has procedures in place to ensure that all recommendations are made in the best interests of clients regardless of any additional compensation earned. For accounts covered by ERISA (and such others that Quadrant, in its sole discretion, deems appropriate), the Firm provides investment advisory services on a fee offset basis. In this scenario, Quadrant may offset its fees by an amount equal to the aggregate commissions and 12b-

1 fees earned by the Firm's Supervised Persons in their capacities as registered representatives of PKS.

## **Licensed Insurance Agents**

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Certain of Quadrant's Supervised Persons, in their individual capacities, are licensed insurance agents and may effect the purchase of certain insurance products on a fully-disclosed commission basis. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where its Supervised Person receives insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

In addition to advisory services, Quadrant may offer its advisory clients various insurance services through a separate entity Quadrant Insurance Wealth Structuring, LLC or through a division of that entity, Quadrant Business Advisory Services or Quadrant Peer Executive Groups. Quadrant receives compensation for such insurance transactions separate from the compensation Quadrant receives for its advisory services.

## **Fees from Independent Managers**

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As discussed above, Quadrant recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Managers. In certain circumstances the Firm's compensation is included in the advisory fee charged by such Independent Managers. There may be a conflict of interest to choose such Independent Managers; however, Quadrant evaluates Independent Managers objectively and not based on the amount of compensation it may receive from a particular Independent Manager.

## Item 11. Code of Ethics

Quadrant has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Quadrant’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Quadrant’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States;

(ii) money market instruments, bankers’ acceptances, bank certificates of

deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Quadrant to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

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Quadrant generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services<sup>TM</sup> (“Schwab”) for investment management accounts.

Factors which Quadrant considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Quadrant’s clients to Schwab comply with the Firm’s duty to seek “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Quadrant determines that the commissions are reasonable in relation to the value of the brokerage and research services received. 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 Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and

responsiveness. Quadrant seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Quadrant in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Quadrant does not have to produce or pay for the products or services.

Quadrant periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

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Quadrant may receive without cost from Schwab computer software and related systems support, which allow Quadrant to better monitor client accounts maintained at Schwab. Quadrant may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (*i.e.*, not "soft dollars"). The software and related systems support may benefit Quadrant, but not its clients directly. In fulfilling its duties to its clients, Quadrant endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Quadrant's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.



Specifically, Quadrant may receive the following benefits from Schwab:

- Up to \$350,000 in transitional credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Firm's research, technology and software platforms, as well as real estate, compliance and other related business matters;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

## **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through PKS if they have not secured written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

## **Trade Aggregation**

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Transactions for each client generally will be effected independently, unless Quadrant decides to purchase or sell the same securities for several clients at approximately the same time. Quadrant may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Quadrant’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Quadrant’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the Securities and Exchange Commission. Quadrant does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion

of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Quadrant monitors its clients' investment portfolios on a continuous and ongoing basis, and conducts regular account reviews not less than quarterly. Model portfolio reviews are conducted by the Firm's centralized investment committee, while individual client account reviews are done by one or more of the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Quadrant and to keep Quadrant informed of any changes thereto. Quadrant contacts ongoing investment advisory clients at least annually to review its previous services and recommendations, and to discuss the impact resulting from any changes in their financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions. Clients in the Program may also receive periodic reports from Quadrant that may include relevant account and/or market-related information, such as an inventory of account holdings and/or portfolio performance. Clients should compare any supplemental reports they receive from Quadrant and/or the Independent Managers with the summary account statements they receive from the Financial Institutions.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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In the event a client is introduced to Quadrant by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Quadrant's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Quadrant's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Quadrant is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Periodically Focus Financial Partners, LLC ("Focus"), our parent company, holds partnership meetings and other industry and best-practices conferences, which typically include Focus firm and external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Quadrant, and facilitate access to our advisors and employees to discuss ideas, products and services. This could be deemed a conflict: the marketing and education activities conducted, and the access granted, at such meetings and conferences may lead advisors to focus on those conference sponsors in the course of their duties. Focus attempts to mitigate any such conflict by having the fees only go towards defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider, or the revenue generated by asset placement.

## **Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize Quadrant and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Quadrant.

In addition, as discussed in Item 13, Quadrant may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Quadrant.

## **Item 16. Investment Discretion**

Quadrant may be given the authority to exercise discretion on behalf of clients. Quadrant is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Quadrant is given this authority through a power-of-attorney included in the agreement between Quadrant and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Quadrant takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

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

Quadrant may accept the authority to vote a client's securities (i.e., proxies) on their behalf. Some clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18. Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Quadrant's financial condition. Quadrant has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.