

# **Blackridge Asset Management LLC**

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## **Part 2A of Form ADV**

### **Item 1 - Firm Brochure Cover Page**

**March 1, 2016**

This Brochure provides information about the qualifications and business practices of Blackridge Asset Management LLC ("BAM"). If you have any questions about the contents of this Brochure, please contact Michael Zimmer, Operations Manager, at 716-568-8560. 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.

Blackridge Asset Management LLC is an investment advisory firm registered with the State of New York. References to this registration as an investment advisor, however, do not imply any level of skill or training or implied approval by New York State or the SEC. Oral and/or written communications of an advisor are intended to provide you with information with which you can determine to hire or retain an advisor.

Additional information about Blackridge Asset Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

### **Annual Update**

As required by the Securities and Exchange Commission (SEC) regulations, the Firm Disclosure Document for Blackridge Asset Management LLC ("BAM") is subject to ongoing review by the Firm's management. This Material Changes section of the brochure is updated at least annually, or more frequently, if/when material changes have occurred since the previous release of the Disclosure Document. In the event there have been material changes, clients of Blackridge Asset Management LLC will receive a copy of this Material Changes page which reflects those noteworthy changes.

### **Material Changes Since The Last Update**

This Blackridge Asset Management LLC Disclosure Document and Brochure Supplement have been reviewed by Firm management in accordance with SEC requirements. BAM submitted an initial registration filing as a SEC-registered investment advisory firm in September 2015. Subsequently, the Firm has filed for revised registration as a New York State-registered investment advisor, effective January 11, 2016.

In conjunction with this revised registration, the Firm has designated Jeffrey Boron and Denise Nostrom as Investment Advisor Representatives of the BAM.

No additional material changes have been enacted at this time.

### **Full Brochure Available**

Blackridge Asset Management LLC will continue to provide its clients with its most current Disclosure Document and Brochure Supplement, as necessary, based on changes or new information, at any time, without charge. In addition, annually it is offered to all clients through a separate mailing. Our Disclosure Document and Brochure Supplement may be requested at any time by contacting Michael Zimmer, BAM's Operations Manager, at 716-568-8560.

Additional information about Blackridge Asset Management LLC is also available via the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Blackridge Asset Management LLC who are registered, or are required to be registered, as Investment Advisor Representatives of the Firm.

**Blackridge Asset Management LLC**  
**Form ADV Part 2A**

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## **Item 4 - Advisory Business**

### **Firm Description**

Blackridge Asset Management LLC, herein referred to as "BAM", "we", "us", or "Firm", was formed in 2015 and is a wholly owned subsidiary of Peak Reps LLC, a privately owned entity, which also owns Peak Brokerage Services LLC, a FINRA- and SIPC-member securities broker/dealer. Peak Reps LLC retains 100% ownership of BAM and is itself co-owned by eight principals with each owning only 12.5% interest in Peak Reps LLC.

BAM initially submitted application as a SEC-registered advisory firm and subsequently revised its application to request registration as a New York State-registrant firm. In conjunction with its initial applications, the Firm has requested registration in the States of Florida and Louisiana as well.

BAM offers clients a variety of advisory programs and services, as described in this brochure. For additional information about BAM, a copy of the Firm's Form ADV Part 1 is publicly available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). In addition, a copy of its Form ADV Part 2, known as its Disclosure Document and Brochure Supplement, is available in its entirety upon request by contacting Michael Zimmer, Operations Manager, at (716) 568-8560.

BAM utilizes both Solicitors who refer prospective clients to the Firm and Investment Advisor Representatives of the Firm who provide the actual advisory services to clients. Solicitors are investment professionals that refer business to BAM and promote to prospective clients one or more existing portfolio models offered through BAM Proprietary Home Office Models, Third Party Strategists and/or Separately Managed Accounts (SMAs). Our Investment Advisor Representatives (IARs), in addition to utilizing the models mentioned above, also have the ability to create models and manage those models on behalf of clients through our Advisor as Portfolio Manager Programs (APM & APM II).

In addition to the asset management model programs referenced above, BAM also offers clients a choice of utilizing a Wrap Fee Program (Ascend II, Approach and Journey Programs). By definition, a wrap fee program seeks to provide clients with a "bundle" of advisory services wrapped together with only one comprehensive fee charged to the client by the investment advisor. The "bundle" generally is inclusive of such services as investment advice, investment research, brokerage services, financial planning and/or generally related professional consulting. Wrap fees allow the advisor to charge one straightforward fee to the client, which simplifies the process for both the client and the advisor. While wrap programs may incorporate additional services not normally provided under a standard asset management program, there is no difference in how actual asset management is conducted under either arrangement.

Regardless of which program is selected, each allocation of client assets will be driven by a Client Profile Questionnaire. The asset allocation proposal for the BAM Programs is based upon a client's responses to the Questionnaire and is instrumental in assisting both the client and the advisor in making informed asset allocation decisions. Clients should consider all of their assets, income and investments when deciding if/when to adopt, modify or reject a proposed asset allocation. Clients may impose a ceiling on the percentage of assets they are willing to allocate to certain asset classes. However, if restrictions are imposed on the advisor, a client may receive an asset allocation proposal that differs from the allocation that would otherwise be considered to be appropriate. Clients who do not impose any restrictions are

likely to receive asset allocation proposals that are similar to proposals presented to other clients with similar investment profiles.

BAM is a primarily a fee-only investment advisory firm. Some IARs of the Firm, however, may be dually registered as Registered Representatives of FINRA-member securities broker/dealers, such as Peak Brokerage Services. As such, these IARs may also receive commission-based compensation from the broker/dealer for transactions conducted through their brokerage platforms. Investment advisory services are provided to clients on a discretionary basis only. BAM, however, does not act as the custodian of client assets. At this time, BAM advisory client accounts are primarily custodied at either TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), hereinafter referred to as TDA, or Charles Schwab & Co., hereinafter referred to as Schwab. Both TDA and Schwab are qualified custodians, as defined by the SEC, as well as unaffiliated SEC-registered broker/dealers. Some client accounts may, at the discretion of the Firm, be held at other qualified custodians in the pursuit of some clients' objectives. Regardless of the custodial platform utilized, each client always retains full control of their assets. They do, however, authorize BAM to transact trades on their behalf, without prior consultation, by the discretion permission contained in their advisory agreement executed with the Firm.

Asset management recommendations to clients may include direct brokerage of individual securities, open- and closed-end mutual funds, exchange-traded funds (ETFs), REITs, fixed and/or variable insurance products or other investment vehicles deemed by the Firm to be suitable. IARs of the Firm, however, are prohibited from participating in initial public offerings (IPOs), private placements or penny stock transactions without prior approval of the Firm's Chief Compliance Officer. Clients are permitted to place restrictions on the types of securities held in their portfolios.

The asset management programs offered by BAM are intended to comply with Rule 3a-4 under the Investment Company Act of 1940. Each client's account is managed on the basis of the client's financial situation and stated investment objectives and in accordance with any reasonable investment restrictions imposed by the client on the management of the assets in their account. In addition, clients will be contacted at least annually by their IAR and further notified quarterly to contact their IAR to confirm whether there have been any changes to the client's financial situation, investment objectives or if the client would like to impose or modify investment restrictions on the account.

As an initial registration filing, BAM is currently declaring no assets under management, as of this submission, while in the process of altering its initial application for SEC registration to that of a New York State-registered advisory firm.

### **Conflicts of Interest**

As fiduciaries, registered investment advisors have an obligation to disclose to clients any conflicts of interest, real or perceived, that might exist as a result of any activities they may engage in above and beyond the service provided exclusively to their advisory clients. When multiple services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which the advisor, or a related party, may receive compensation. However, financial planning clients of BAM are under no obligation to act upon any recommendations of the advisor or to effect any transactions through the advisor if they decide to follow the recommendations.

IARs of BAM may be licensed at a state level as either insurance consultants or agents/brokers and may receive commission-based income from the sale of insurance-related products to clients. BAM, however, does not share in any such commissions received. In addition, some IARs of the Firm may be dually registered as Registered Representatives of FINRA-member securities broker/dealers and may receive commission-based income from the placement of non-advisory account transactions through those broker/dealers. BAM does not share in any such commissions received and, at this time, all advisory account transactions are executed through the Firm's custodial platforms.

Clients have the option to purchase insurance or investments recommended by BAM's IARs through other brokers or agents who are not affiliated with BAM.

### **Principal Owners**

As previously stated, BAM is wholly owned subsidiary of Peak Reps LLC, a privately held corporation.

### **Types of Advisory Services**

BAM provides personalized confidential financial planning, asset management and related consulting services to individuals, high net worth individuals, pension and profit sharing plans, trusts, charitable organizations and small businesses. Recommendations to clients are made based on consultations with the client and analysis of each client's specific financial needs and may include some or all of the following services:

Determination of financial objectives	Identification of financial problems
Cash flow management	Tax planning of a general nature
Insurance review	Investment management
Education funding	Retirement planning
Estate planning	

### **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment strategies are then created that reflect the stated goals and objectives of each client. Clients may impose restrictions on investing in certain securities or types of securities. Any such restrictions must be submitted to the Firm in writing at the time the client enters into an advisory relationship.

### **Types of Agreements**

Prior to engaging BAM's services, clients are required to sign either an investment management agreement or a financial planning/consulting services agreement which defines the services that will be provided by the Firm. The agreements define the typical client relationships between BAM and its clients and may not be assigned or transferred to parties other than the original clients entering into the agreements. Since BAM does not maintain custody of client assets, however, separate agreements may also need to be executed between custodial firms and the client, in addition to the agreements of the Firm described below. Since neither BAM nor its IARs act as attorneys or accountants, their recommendations under these agreements should not be interpreted as legal or tax advice.

### **Retainer Agreements**

BAM may elect to charge a retainer to clients for financial planning, consulting and/or asset management services. Should it do so, the retainer terms will be clearly stated in the agreement signed by the client.

### **Termination of Agreements**

Either BAM or the client may terminate the aforementioned agreements at any time by notifying the other party in writing thirty (30) days prior to the desired termination date. The client will be billed at the stated rate for the time spent on the advisory activities performed prior to notification of termination. If the client made an advance or retainer payment, BAM will refund any unearned portion of the advance payment.

In addition, BAM reserves the right to terminate any advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in BAM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded to the client.

## **Item 5 – Fees and Compensation**

This section provides information concerning fees and compensation for investment advisory services and programs available through BAM. Additional information regarding fees and compensation for wrap-fee programs offered by BAM can be found in the accompanying Wrap-Fee Program Brochure. Fees for the programs offered by BAM are negotiable and may differ among clients based on a number of factors, including the type and size of the account or nature and tenure of the client relationship.

With regard to Portfolio Management and Advisory Services offered by BAM, IARs and Solicitors are compensated for their services by charging an advisory fee or combination of advisory fee and solicitation fee. Fees are disclosed as a percentage of the value of the assets under management in the client's account, subject to a stated maximum. The actual fee is disclosed prior to the client signing their respective management agreement. The advisory fee is shared between the IAR or Solicitor and BAM.

Asset-based fees are deducted from the account in arrears, on a quarterly basis, based on an average daily balance from the previous quarter. Unless otherwise directed by clients, advisory fees are deducted directly from clients' custodial accounts by the custodian(s). Clients may request a direct billing from the Firm as an alternative to the direct deduction from their accounts. The account statements sent directly to clients from the custodian as well as quarterly performance reports will reflect the deduction of fees.

### **Description of Services and Fees**

BAM offers the following asset management and consulting service programs that its IARs and/or Solicitors can use to manage client assets. APM and APM II offerings, however, are only available through the Firm's IARs and are not available through solicitors. A brief description of each offering, its respective account minimums, if any, and fee schedule are as follows:

#### **"Ascend" (APM) Program**

This Program provides investment advice to clients through an IAR and offers access to portfolios comprised of products chosen directly by the advisor. Model portfolios are constructed and rebalanced directly by the IAR using an Envestnet web-based platform. This provides the advisor the freedom to choose the best solutions available to suit investor needs. A client may elect either discretionary or non-discretionary account management and may impose restrictions on investing in certain securities or types of securities. This is an "unbundled" program, which means that transaction charges, advisory fees and certain administrative costs may be assessed separately and charged to the client.



The Ascend program allows IARs to charge tiered fee rates based on the value of the account. The tiered levels typically follow a declining schedule based on the value of the account, which means that as the account value increases, fees are charged at a reduced rate as the account value crosses into a new tier with a lower rate. IARs may, however, choose the same rate for all tiered levels. In this case all assets will be charged at the same rate no matter the account value, and there will be no reduction in rate as the account rises. If a client expects a higher level of trading activity, a wrap fee pricing structure may be more appropriate. (See Ascend II described below and in the wrap fee brochure).

The minimum Ascend Account size is \$25,000; however, BAM may elect to waive the minimum for any reason, at its discretion.

#### **“Ascend II” (APM II) Program (Wrap Fee Program)**

This Program is a wrap fee program designed to provide investment advice to clients through an IAR as well and also offers access to portfolios comprised of products chosen directly by the advisor. Model portfolios are constructed and rebalanced directly using the Envestnet web-based platform. This provides the advisor the freedom to choose the best solutions available to suit investor needs. A client may elect discretionary or non-discretionary account management and may impose restrictions on investing in certain securities or types of securities. This is a “bundled” program which means that transaction charges, advisory fees, and certain administration expenses are included in one overall fee charged to the client. For clients who expect a higher level of trading activity, a wrap fee program like the Ascend II may be appropriate. However, for clients that expect to trade less frequently an unbundled pricing structure may be more appropriate. (See Ascend Program above). Clients should consider the value of the services provided under a wrap fee program as the wrap fee may or may not exceed the aggregate cost of the services if they were provided separately.

The Ascend II program allows IARs to charge tiered fee rates based on the value of the account. The tiered levels typically follow a declining schedule based on the value of the account, which means that as the account value increases, fees are charged at a reduced rate as the account value crosses into a new tier with a lower rate. IARs may however choose the same rate for all tiered levels. In this case all assets will be charged at the same rate no matter the account value, and there will be no reduction in rate as the account rises. (See Ascend II further described in the wrap fee brochure).

The minimum Ascend II Account size is \$25,000. However, BAM may elect to waive the minimum for any reason, at its discretion. A client opening an Ascend II account should receive a copy of BAM’s Wrap Fee Brochure, which contains additional information regarding APM II, wrap fee programs in general and a disclosure of fees payable by the client.

The annual advisory fee for an Ascend or Ascend II account is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including, the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and/or other factors that the IAR deems relevant. The fee may be tiered, based on asset levels, or a flat fee for all aggregated assets. The base fee for all asset levels is 15 basis points (0.15%) charged by BAM. The IAR or Solicitor may add additional fees for services provided, up to a maximum of 2.50%. The minimum annual account fee for the Ascend and Ascend II program is \$100.

The table below is an example fee table for a tiered schedule:

Program Assets	BAM Advisor Fee	IAR or Solicitor Fee	Total Fee
First \$1MM	.20%	0-2.30%	.20 - 2.50%
\$1MM to \$5MM	.15%	0-2.35%	.15 – 2.50%
\$5MM to \$10MM	.10%	0-2.40%	.10 – 2.50%
\$10MM to \$20MM	.10%	0-2.40%	.10 – 2.50%
\$20MM +	.10%	0-2.40%	.10 – 2.50%

Clients may also incur fees and charges for brokerage and/or custodial services such as ticket charges or other expenses charged by third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees or other fees and taxes on brokerage accounts and securities transactions in connection with the management of your account. Mutual funds and exchange traded funds may also charge sales commissions and internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee. However, we will not receive any portion of these commissions, fees or additional costs incurred by clients.

The main difference between APM and APM II is that in APM accounts, clients are responsible for ticket charges and/or commissions, among the other charges listed above, which may be charged by selected custodians in addition to the advisory and/or solicitation fees charged. APM II, as a wrap fee program, is a "bundled" program in that all fees and expenses for trading are included in the total overall fee. However, APM II clients may still be subject to expenses related to mutual funds and ETFs such as deferred sales charges and internal expense ratios, which are detailed in each funds' prospectus.

#### **"Approach" Program (Third Party Strategist or TPS Program)**

This Program offers individual investors an actively managed portfolio comprised of carefully selected mutual funds or ETFs managed by independent third party management firms. It allows BAM's IARs to select from a number of third party managers that best fit a client's specific needs and objectives. Accounts in this Program are managed on a discretionary-only basis by the IAR with discretionary authority specified in the asset management agreement executed by the client. This discretion allows the IAR to execute transactions and provide other advisory services without prior consultation with the client. BAM primarily utilizes Envestnet as a third-party investment manager for this Program but may elect to utilize other managers as well. Clients participating in the TPS Program will typically pay an additional fee charged by third party manager as specified in their advisory agreement.

Many of the asset managers available to BAM's Programs are accessed through the use of investment models ("Third Party Models"), whereby the asset manager, acting as a "Model Provider," constructs an asset allocation and selects the underlying investments for each portfolio. Envestnet, as the primary third party manager, performs overlay management of the Third Party Models by implementing trade orders, periodically updating and rebalancing each Model pursuant to the direction of the Model Provider. Envestnet may, from time to time, replace existing Model Providers or hire others to create additional Models. It cannot, however, guarantee the continued availability of any Third Party Models created by particular Model Providers over time. In managing the Models, certain Model Providers may pursue an investment strategy that utilizes underlying mutual funds or exchange traded funds advised by the Model Provider or its affiliate(s) ("Proprietary Funds"). In such situations, the Model Provider or its affiliate(s) may receive fees from the Proprietary Funds for serving as investment advisor or other service provider to the Proprietary Fund (as detailed in the Proprietary Fund's prospectus). These fees

will be in addition to the management fees that a Model Provider receives for its ongoing management of the Models and creates a financial incentive for the Model Provider to utilize Proprietary Funds. Clients should discuss any questions with or request further information from their IAR concerning the use of Proprietary Funds in Third Party Models or any potential conflicts of interest this might create.

The minimum Approach Program account size is \$100,000. However, BAM may elect to waive the minimum for any reason, at its discretion.

The annual advisory fee for the Approach Program is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and other factors that the IAR deems relevant. The fee may be tiered based on asset levels or a flat fee for all aggregated assets. The base fee for asset levels is tiered from 16 to 25 basis points (0.16% - 0.25%) charged by BAM. Your IAR or Solicitor may add additional fees for services provided up to a max of 2.50%. The minimum annual account fee for the Approach Program is \$125.

In addition, fees for each Third Party Strategist may generally range from 10 to 90 basis points (0.10% - 0.90%) annually for management services provided and are dependent on the manager(s) selected. Sub-advisers providing investment management portfolio services may require certain minimum investments depending on the investment allocation strategy that the client selects. BAM does not receive 12b-1 fees from mutual funds that clients are invested in.

The total fee for the Approach Program will be made up of BAM's Program fee, the IAR or Solicitor fee, any Third Party Money Manager(s) fee and any custodian's asset-based pricing fee. TPMM and sub-advisors may use mutual funds and ETFs which may also charge commissions and internal management fees which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to advisory fees. BAM, however, does not receive any portion of these commissions, fees or additional costs incurred by clients.

A sample fee table is provided below:

Program Assets	BAM Advisor Fee	TPMM/sub advisor Fee*	Asset Based Pricing	IAR or Solicitor Fee	Total Fee
First \$1MM	.30%	.40%	.15	0% - 1.65%	.85% - 2.50%
\$1MM to \$5MM	.25%	.40%	.15	0% - 1.70%	.80 - 2.50%
\$5MM to \$10MM	.20%	.40%	.15	0% - 1.75%	.75 - 2.50%
\$10MM +	.15%	.40%	.15	0% - 1.80%	.70 - 2.50%

\*TPMM /Sub Advisor fees will vary and will be determined by the TPMM/sub-advisor. Typical TPMM fees range from 10bps (.1%) to 90bps (.9%).

#### **"Anchor" Program (Proprietary Home Office Models)**

This Program allows BAM to act as the actual investment manager on the platform. As such, the Firm builds and maintains proprietary strategic asset management models for clients. These models are traded and rebalanced directly by Envestnet on behalf of BAM based on objectives provided by the Firm. This Program allows the Firm to provide pre-set proprietary models to both its IARs and Solicitors and their clients. In certain cases, these Home Office Models may be provided by other third party money managers.

The minimum Anchor Program account size is \$25,000. However, BAM may elect to waive the minimum for any reason, at its discretion.

The annual advisory fee for Anchor Program is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and other factors that the IAR deems relevant. The fee may be tiered based on asset levels or a flat fee for all assets. Your IAR or Solicitor may add additional fees for services provided up to a max of 2.50%. The minimum annual fee for the Anchor Program is \$120.

Proprietary Home Office Models generally are comprised of mutual funds and ETFs which may also charge commissions and internal management fees which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to advisory fees. BAM, however, does not receive any portion of these commissions, fees or additional costs incurred by clients. The Anchor Program models are made available to both BAM IARs and Solicitors.

A fee table for the Anchor Program is provided below:

Program Assets	BAM Advisor Fee	IAR or Solicitor Fee	Total Fee
First \$1MM	.30%	0% - 2.20 %	.30% - 2.50%
\$1MM to \$5MM	.29%	0% - 2.21%	.29% - 2.50%
\$5MM to \$10MM	.28%	0% - 2.22%	.28% - 2.50%
\$10MM +	.28%	0% - 2.22%	.28% - 2.50%

**“Journey” Program (Separately Managed Account/Unified Managed Account Program)**

In this Program, Separately Managed Accounts (SMAs) provide individual investors with access to leading investment managers with the option of direct ownership of the individual securities held within their portfolio. This gives clients greater flexibility, more control and significant tax advantages over other investment programs. Unified Managed Accounts (UMAs) take this a step further by enabling the IAR to construct a client-specific portfolio by selecting the underlying investment vehicles and asset allocations to be used.

Clients selecting the SMA program are offered access to an actively managed investment portfolio chosen from a roster of independent asset managers (each a “Sub-Manager”) with a variety of disciplines. Unlike a mutual fund, where the funds are commingled, an SMA is a portfolio of individually owned securities that can be tailored to fit the client’s investing preferences. Either Envestnet assists the IAR in identifying prospective individual asset managers and investment vehicles that correspond to the proposed asset classes and styles or the Firm may specify the asset managers to be used. Envestnet then retains the Sub-Manager(s) through separate agreements between Envestnet and the Sub-Managers.

Clients using the UMA program are offered a single portfolio that accesses multiple asset managers and funds representing various asset classes, that is customized to the client by their IAR utilizing the Envestnet tools. The IAR may also elect to utilize more standardized asset allocations which fit a client’s specific profile and investment goals. The IAR may then further customize the portfolio by selecting the specific, underlying investment strategies or funds in the portfolio to meet a client’s needs. Once the

content of the portfolio has been established, Envestnet provides overlay management services for UMA accounts and implements trade orders based on the directions of the investment strategies contained in the UMA portfolio.

The minimum Journey account size is \$100,000 for SMA and \$150,000 for UMA. However, BAM may elect to waive these minimums for any reason.

The annual advisory fee for the Journey Program is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including, the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and other factors that the IAR deems relevant. The fee may be tiered based on asset levels or a flat fee for all aggregated assets. The base fee for asset levels is tiered from 15 to 30 basis points (0.15% - 0.30%) charged by BAM. The IAR or Solicitor may add additional fees for services provided up to a max of 2.50%. The minimum annual fee is \$150 for SMA and \$225 for UMA.

In addition, fees for each SMA Manager may generally range from 10 to 90 basis points (0.10% - 0.90%) annually for management services provided, dependent upon the manager(s) selected. Sub-advisors providing investment management portfolio services may also require investment minimums on the investment allocation strategy that the client selects.

The total fee for the TPS Program will be made up of the BAM Program fee, the IAR or Solicitor fee, the Separately Managed Account (SMA) Manager(s) or TPMMs selected and any custodian's asset-based pricing fee.

For clients utilizing the UMA program, TPMM/ sub-advisors use mutual funds and ETFs within their strategies. Mutual funds and ETFs may also charge sales commissions and internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee. However, we will not receive any portion of these commissions, fees or additional costs incurred by clients.

A sample fee table is provided below:

Program Assets	BAM Advisor Fee	SMA/TPMM Fee	Asset Based Pricing	IAR or Solicitor Fee	Total Fee
First \$1MM	.30%	.40%	.15	0% - 1.65%	.85% - 2.50%
\$1MM to \$5MM	.25%	.40%	.15	0% - 1.70%	.80% - 2.50%
\$5MM to \$10MM	.20%	.40%	.15	0% - 1.75%	.75% - 2.50%
\$10MM +	.15%	.40%	.15	0% - 1.80%	.70% - 2.50%

\*TPMM /Sub Advisor fees will vary and will be determined by the TPMM/sub-advisor. Typical TPMM fees range from 10bps (.1%) to 90bps (.9%).

#### **"Track" Consulting Services Program (CSP)**

The Track program allows the IAR to offer clients fee-based financial planning and/or consulting services in conjunction with or in lieu of fee-based asset management services offered by the Firm. The nature of these services varies based upon an analysis of individual client needs. Areas addressed may include, but are not limited to, advisory or consulting services:

Financial plan preparation.

Investment portfolio evaluation and/or monitoring.

Asset allocation modeling.

Risk management and insurance needs analysis.

Educational funding.	General advice regarding assets held away from BAM.
Retirement planning.	Employee benefits.
Business or estate planning.	Cash flow analysis and overall financial options.
Charitable donations.	Ongoing periodic consultations.

Complex or evolving planning services (Complex planning services may be either complex in nature and/or will require a significant amount of time to complete. These services must be outlined in a plan proposal providing a description of agreed upon services prior to engaging the Firm for these services.)

Compensation for consulting services is structured as a fee that is negotiable at the discretion of the IAR depending upon a number of factors including the amount of the assets being reviewed, the nature and extent of account relationships between BAM and its affiliates with the client, the type and complexity of services requested and any other factors that an IAR deems relevant. Fee options include:

- A flat fee for one-time services;
- Split billing with a specific retainer and balance due upon completion of services;
- Periodic billing for ongoing services with fees collected monthly or quarterly, in arrears or in advance; or
- Billing at an hourly rate not to exceed \$350 per hour and collected upon completion of services.

In no event will BAM or the IAR collect a fee in advance exceeding \$1,200 when services cannot be provided within six (6) months of the effective date of the Consulting Services Agreement. A client may elect to pay the fee either by personal check or by granting written authorization to deduct the fee from an existing account. Payment for services is due according to the Schedule in the client's Consulting Services Agreement. For services provided for a flat fee, or one-time only services, the Consulting Services Agreement will automatically terminate once the services have been completed by the IAR and the client has paid for the services. In the case of services provided on an ongoing basis, the Consulting Services Agreement shall automatically terminate one (1) year from the date of execution or renew annually, with notice of its renewal provided to the client thirty (30) days in advance of renewal.

BAM, the IAR or the client may, upon 5-day prior written notice to the other, terminate the Consulting Services Agreement. In the event of termination, BAM and/or the IAR may decide the amount to be charged to the client based upon the time and resources expended. Generally, a client will be charged for the portion of work performed and any unearned fees will be refunded.

#### **Fee Billing Calculation**

The Program fees charged quarterly, in arrears, as a percentage of assets under management based on the market value of the account at the end of the preceding calendar quarter. Unless otherwise agreed to by the client with the advisor, Program fees for prorated for accounts opened or closed within the quarter. The level of the Program fee will vary with the amount of assets under management and the particular investment styles and investment options or programs chosen or recommended. Clients may receive comparable services from other sources for fees that are lower or higher than those charged by BAM.

#### **Termination of Services**

Clients may terminate any of our advisory services without incurring a fee or penalty within the first five (5) business days after signing an advisory service agreement. After this initial five business day period, either the client or BAM may terminate the contract upon five (5) business days' written notice for any reason. Since fees are payable after services are performed, there are no unearned fees and the client is not due a refund upon early termination of an investment advisory contract. However, the advisor's fees

are prorated to the date of termination. Clients are still responsible for paying the balance due for our services rendered during that quarter. Clients are not charged a liquidation fee if securities are to be delivered in-kind, otherwise certain commissions and/or fees may be charged by the broker/dealer liquidating security positions.

Upon termination of our financial planning services, any pre-paid advisory fees will be prorated and, if more than \$5.00, refunded based on the number of days services were rendered during that calendar quarter. Refunds of fees paid from a tax-qualified plan or account should be returned to the plan or account so they are not treated as distributions. Some plan custodians may treat such refunds as new contributions, which may reduce the amount of other contributions you can make during that tax year. Upon termination of our consulting services, typically the initial deposit will not be refunded if we have performed services for your benefit. If we have completed the project, you will still be responsible for paying the balance due for our services rendered.

#### **Additional Information Relating to Fees**

The Program fee does not cover certain charges associated with securities transactions in clients' accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by any Funds, (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses. Further information regarding charges and fees assessed by Funds may be found in the appropriate prospectus or offering document) or other regulatory fees; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker/dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law, and (vi) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into the Program.

In addition to the redemption fees described above, a client may incur redemption fees, when the portfolio manager or IAR to an investment strategy determines that it is in the client's overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain Funds prior to the expiration of the minimum holding period of the Funds. Some mutual funds also assess redemption fees to investors upon the short term sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees. The Program fee does not cover certain custodial fees that may be charged to clients by the custodian. Clients also may be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services elected by clients. Accounts may be subject to transaction-based ticket charges assessed by the custodian for the purchase of certain mutual funds, ETFs and individual securities. Similarly, the Program fee does not cover certain non-brokerage-related fees such as individual retirement account ("IRA") trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

For smaller accounts or accounts below minimum investment amount, a minimum account fee may apply to the Program fee or fees charged by the custodian. Minimum accounts fees are expressed in annual amounts, but are determined and assessed based on the account asset value at the beginning of

each quarter. For example, if an account has a \$100 minimum annual account Program fee, it will be assessed a minimum of \$25 every quarter.

When a client selects a Sub-Manager or Model Provider, the Program fee encompasses the fees paid to the Sub-Manager or Model Provider for their services in addition to the Envestnet fees associated with making those strategies accessible and administering them in the Program. Envestnet separately negotiates the agreements between Sub-Managers and Model Providers, including fees paid, on terms and conditions that it deems acceptable. The pricing terms are routinely re-negotiated with individual Sub-Managers and Model Providers, whereby BAM, Sub-Manager or Model Provider may receive a greater or lesser percentage of the Program fee than the current percentage at the time the client selected a particular investment strategy. In general, this reapportionment does not increase the Program fee that the client pays. In the rarer case where the Program fee negotiations results in a need to increase the Program fee, the client and/or the client's advisor (if such advisor has investment discretion to act on behalf of the client) would be notified in advance of any increase in Program fees, with full opportunity to select another strategy in the Program or otherwise change client's account.

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

### **Performance Based Fees**

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

## **Item 7 – Types of Clients**

### **Description**

BAM is open to individuals, high net worth individuals, trusts, estates, 401(k) plans, pension and profit-sharing plans, charitable organizations, corporations, partnerships and other entities.

### **Account Minimums**

The standard minimum investment for a multiple manager portfolio account generally will be \$150,000. The standard minimum investment generally will be \$100,000 for TPMM strategies and \$25,000 for Proprietary Home Office Model and Advisor as Portfolio Manager Programs.

BAM reserve the right, in their sole judgment, to accept investments below these thresholds. However, a client whose account is below the standard minimum may not receive the benefits of all available investments due to the practical limitation that smaller allocations of money may create.

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

### **Methods of Analysis**

IARs affiliated with BAM use a wide variety of methods of analysis, including charting, fundamental and technical analysis to determine investment strategies for clients. The primary sources of information used to conduct these types of analysis are financial newspapers and magazines, inspections, research prepared by others, ratings services, press releases, annual reports, prospectuses and other filings with the SEC.



In addition, BAM , through Envestnet, provides IARs with a variety of portfolio construction methods utilizing an analytics module that allows choice of multiple programs and products to blend a solution that best meets client requirements.

### **Investment Strategies**

The IAR can select investment strategies using a variety of search screens on the Envestnet technology platform that are configurable to create advisor-specific selection criteria. In assisting advisor with asset allocation and portfolio construction, Envestnet uses demographic and financial information provided by the client and IAR to assess the client's risk profile and investment objectives. Envestnet uses proprietary analytical tools and commercially available optimization software applications to develop its asset allocation strategies. Factors used as inputs in the asset allocation process include historical rates of risk and return on various asset classes, correlation across asset classes, and risk premiums, among others. However, the advisor has the flexibility to choose Envestnet recommended asset allocations and portfolios or independently find potential investment solutions for their clients through the advisor's own research.

Each client's account is managed on the basis of the client's financial situation, investment objectives and instructions. The IAR works with the client to obtain sufficient information to provide individualized investment advice and is reasonably available to consult with the client on an ongoing basis. Clients are permitted to impose reasonable restrictions on the management of the account.

A quarterly custodial statement containing a description of all account activity is provided to the client. The IAR reviews overall performance of each account on a periodic basis in order to ensure that transactions are suitable based on the client's investment objectives, meet quality expectations of the client and comply with any investment restrictions requested by the client.

Clients who choose a third party money manager or SMA manager should carefully review the third party money manager's or SMA manager's Form ADV Part 2A or other Brochure for information on their investment strategies. Investment strategies vary by the third party money manager or SMA Manager selected.

### **Manager Evaluations**

Regarding asset management and investment vehicle evaluation, BAM primarily utilizes information gathered from each portfolio strategist and Envestnet through our initial and ongoing research and due diligence process. BAM employs a multiphase approach to researching and assisting in selecting managers suitable for participation in the Program ("Approved Sub-Managers"). Approved Sub-Managers are evaluated using data and information from several sources, including the manager and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the manager's Form ADV Part 2A, as well as portfolio holdings reports that help demonstrate the manager's securities selection process. To ensure accuracy, BAM attempts to verify all information by comparing it to publicly available sources. The investment professionals at the investment management firms are a primary source of information to BAM, providing quantitative and qualitative information. Before offering services provided by Approved Sub-managers to clients, BAM reviews the evaluations of these managers, the manager's Form ADV, and may request additional information from the managers to evaluate the competence and experience of managers before offering their services to clients. At least annually, BAM will review any updates to this information to determine if the manager is still suitable for clients. The President, with the guidance of BAM's

Investment Committee, will approve, disapprove or remove managers from the BAM TPM and SMA/UMA programs.

### **Risk of Loss**

**General Risk:** Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that we 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. The value of your assets will be subject to a variety of factors, such as the liquidity and volatility of the securities markets. Portfolio transactions may give rise to tax liability, for which you are responsible.

**Asset Allocation Risk:** Asset allocation risk is the risk that a client's assets may be allocated to an asset class or mandate that underperforms other asset classes. For example, fixed-income securities may underperform equities. Further, assets not invested in individual portfolio models may be invested in exchange-traded funds (ETFs). Equity ETFs are subject to risks similar to those of stocks and fixed-income-based ETFs are similar to those of bonds. Accordingly, like other market investments, they may move up or down and are subject to market volatility. Clients will bear additional expenses based on a pro rata share of the ETF's operating expenses, brokerage costs, and the potential duplication of management fees. Additional asset allocation risks with respect to investing in mutual funds and ETFs include the following:

- *Investments in Other Investment Companies:* The risk of investing in other investment companies (mutual funds, ETFs, UITs, etc.) typically reflect the risks of the types of securities in which those investment companies invest and other attending management risks. When a portfolio invests in another investment company, clients bear their proportionate share of the investment company's fees and expenses as well as their account's fees and expenses.
- *Derivatives Risk:* Using derivative securities (such as, options and futures) to hedge portfolio and other risks may increase volatility and may expose a portfolio to a greater level of market risk than the amount of cash utilized. If the changes in a derivative's value do not correspond to changes in the value of hedge target as intended, the account may not fully benefit from or could lose money on the derivative position. Derivatives that are not exchange traded can involve risk of loss if the counterparty to the contract defaults on its obligation. Derivatives may also be less liquid and more difficult to value.
- *Credit Risk:* There is a chance that an issuer of a fixed income security may fail to pay interest and/or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. These risks are greater for securities that are rated below investment grade (junk bonds) which may be considered speculative and are more volatile than investment grade securities.
- *Interest Rate Risk:* A change in market interest rates may adversely affect the value of fixed income securities. When interest rates increase, the value of fixed income securities generally will fall, and longer-term securities will be affected to a greater degree.

**Investment and Market Risk:** Recommendations are subject to investment risk, including the possible loss of the entire principal amount invested. A recommendation to invest in securities and other instruments may also involve market risk, which is the risk that the value of these positions, like other market investments, may move up or down, sometimes rapidly and unpredictably. Recommended investments at any point in time may be worth less than the original investment, even after taking into account any reinvestment of distributions.

**Information Risk:** Advice is based in large part on information received from clients, Model Portfolio Advisors, Financial Advisors, Sponsors and other third parties. In addition, recommendations are based on model portfolios by Model Portfolio Advisers. Therefore, advice given relies significantly on the

accuracy and completeness of the information provided by such persons and the skill and analytical ability of the Model Portfolio Advisors.

***Inflation Risk:*** Inflation reduces the buying power of a dollar, and may cause uncertainty among individual investors, possibly resulting in corporations backing away from projects which could further reduce the value of corporate equities.

***Regulatory Risk:*** Legislative, regulatory, and/or judicial changes that impact businesses can drastically change entire industries.

***Liquidity Risk:*** Certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.

***Opportunity Risk:*** Clients or IARs may choose a conservative product to invest in, which may cause a client to miss out on market upswings which may have increased the value of securities with higher risk. The opposite is also true; market downturns may cause a client to lose a significant amount of principal invested in higher risk securities, when their funds could have been invested in lower risk securities.

***Reinvestment Risk:*** Clients may be unable to make additional purchases of a security already in their portfolio at the same rate at which the original purchase was made.

***Currency or Exchange Rate Risk:*** Foreign securities face the uncertainty that the value of either the foreign currency or the domestic currency will increase or decrease; either of which may cause the value of the client's portfolio to fluctuate.

***Transactional Cost Risk:*** A client may incur significant transactional charges in an actively traded account. Frequent trading can decrease the value of a client's account due to increased brokerage and transaction costs. In addition, the frequent trading may cause taxable events to occur, which could increase the client's tax burden.

***Short Sale Risk:*** While a short position has unlimited capability to increase in value, it in turn increases a client's risk, as a client may be required to purchase the security at a high rate or price in order to cover the short sale.

***Margin Risk:*** Margin requirements could significantly increase if a security position declines in value resulting in forced liquidation or additional capital requirements that could cause significant losses.

Clients should understand and be willing to accept these and other types of risks before choosing to invest in securities or receive investment advisory services.

## **Item 9 – Disciplinary Information**

### **Legal and Disciplinary**

In April 2011, a client submitted a complaint to FINRA against NEXT Financial Group Inc. and Glenn C. Wiggle, a Registered Representative of NEXT Financial Group at that time. The complaint alleged that between 2007 and 2010 the client was placed in two REITs which were claimed by the client in the complaint to be unsuitable, mutual fund “A” shares were sold to facilitate “C” share classes and equities were purchased without client consent. In responding to the complaint both NEXT Financial Group and Mr. Wiggle adamantly denied the allegations and were prepared to arbitrate the issue to completion. Based on projected timeframes for arbitration settlements and estimated legal expenses, all parties agreed to a pre-arbitration settlement of the complaint. Under the terms of the settlement, without conceding the validity of the complaint, NEXT Financial agreed to a financial settlement with the client with Mr. Wiggle contributing his Errors & Omissions Insurance deductible of \$5000 to the settlement. The client in return agreed to withdraw the complaint without further future actions.

In September of 2015, another client submitted a complaint to FINRA against NEXT Financial Group and Glenn C. Wiggle, as a Registered Representative of NEXT Financial Group. The complaint alleged that Mr. Wiggle had recommended investments to the client in 2006 and 2007 that, apparently in retrospect in 2015, the client felt had been unsuitable. NEXT Financial Group has submitted a countering response indicating all investments were consistent with the client's stated objectives and suitability profile at the time the recommendations were made by Mr. Wiggle and implemented by the client. FINRA is currently reviewing the validity of the complaint and the outcome is pending at this time.

Otherwise, neither BAM nor any management person has been involved in any other legal or disciplinary event.

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

### **Affiliated Portfolio Managers**

Certain sub-advisors may be affiliated with Peak Brokerage Services (PBS). PBS is majority owned (90%) by Peak Reps LLC which is also the sole owner of BAM. BAM may have a conflict of interest in including these sub-advisors in the BAM TPM & SMA/UMA Programs. If you select one of the strategies offered by such sub-advisors, BAM and its affiliates may receive greater aggregate compensation. Additionally, certain affiliates of sub-advisors on the BAM platform, which are affiliated with PBS, may have a conflict of interest based on ownership interest of funds used in their portfolio strategies. Additionally, the sub-advisor affiliate may receive additional economic benefits in the way of either expense reimbursement or fee sharing arrangements. The funds may also reimburse the sub-advisor for marketing and distribution expenditures related to the fund family. Clients are under no obligation to act upon any recommendations of the affiliated Portfolio Manager or associated persons and may opt out of including funds with potential conflicts of interests in their portfolio.

### **Other Business Relationships with Portfolio Managers and Portfolio Funds**

Sub-advisors may have other business relationships with BAM or its affiliates, and may compensate BAM or its affiliates. Similarly, BAM or its affiliates may receive compensation from other parties in connection with services BAM provides in these relationships, such as trading, lending, prime brokerage, and custody services. As a result of these relationships, BAM may have a conflict of interest in determining which sub-advisors to include in the BAM Program. Clients are under no obligation to act upon any recommendations of the affiliated Portfolio Manager or associated persons and may opt out of including funds with potential conflicts of interests in their portfolio. BAM, PBS or their affiliates may, from time to time, enter into joint marketing activities with sub-advisors or service providers to the BAM programs. These sub-advisors or service providers may pay for, or may reimburse BAM or its affiliates for, all or a portion of the cost of the activities.

### **Broker/Dealer and Insurance Affiliations**

As previously stated, BAM is affiliated with Peak Brokerage Services (PBS), a FINRA- and SIPC-member broker/dealer through its common ownership by Peak Reps LLC. PBS provides a wide range of financial services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, as well as to state, municipal and other governmental entities. PBS is also a licensed insurance agency. Your BAM IAR may be registered as an independent contractor Registered Representative of PBS.

Clients who receive advisory or consulting services from BAM IARs may also purchase securities or insurance products offered through PBS. IARs may receive commissions, markups or markdowns as Registered Representatives or insurance agents in connection with such transactions. Additionally, the individuals who are responsible for the immediate supervision of IARs may receive a portion of those commissions as an override to compensate them for their supervisory services. This additional compensation may create a conflict of interest. Clients are under no obligation to purchase products or services recommended by an IAR or through an IAR or otherwise through PBS or its affiliates. Clients are free to implement recommendations through any broker/dealer or advisory firm. If a client requests that an IAR recommend a broker/dealer, the IAR will recommend PBS. However, the client is under no obligation to effect transactions through PBS.

#### **Potential Conflict of Interest Through Ownership/Profits Interests**

Some of IARs of BAM may have ownership units and/or profits interests in the holding company, Peak Reps LLC. A portion of the fees generated by IARs represent revenue to BAM, which may be directed to Peak Reps LLC to pay for expenses or increase the value of Peak Reps LLC. Some of that revenue may also be distributed through Peak Reps LLC to those ownership units or profits interest holders as well as through a profit sharing program. The profit or revenue distributions through Peak Reps LLC would be considered additional compensation and a further conflict of interest.

#### **Potential Conflict of Interest with Associated Investment Companies**

One or more of the persons that are IARs with BAM and Registered Representatives with PBS are also owners of Neiman Funds Management LLC (NFM) as well as IARs and owners of Independent Solutions Wealth Management LLC. NFM is the advisor to the Neiman Large Cap Value Fund, Neiman Balanced Fund, and Neiman Tactical Income Fund, which may be recommended to BAM clients. A client who chooses to invest in shares of the Neiman Large Cap Value Fund, Neiman Balanced Allocation Fund, or Neiman Tactical Income Fund should be aware that the BAM IARs referred to above may receive compensation from BAM, as well as from the Fund, and may have a vested interest in advising clients to invest in these funds.

#### **Potential Conflicts of Interest with Associated Independent Registered Investment Advisors**

In addition to or in lieu of their registrations as IARs of BAM, some IARs may have their own registered independent investment advisory firms (an "Independent RIA"), and may fulfill three different but concurrent roles:

- As a Registered Representative of PBS who may receive commissions for recommending securities;
- As an IAR of BAM who may receive a fee for rendering advisory services on behalf of BAM; and
- As an IAR of an Independent RIA who may offer advisory services outside of BAM and/or PBS.

Clients should be aware that the receipt of additional compensation while acting in concurrent roles creates a conflict of interest and may impair the objectivity of these IARs when making advisory recommendations. Clients are not obligated to purchase recommended investment products from our IARs or Associated Independent RIAs.

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

### **Code of Ethics**

BAM has adopted a Code of Ethics ("Code") which sets forth standards of business conduct, which all associated persons of BAM are required to follow. The Code also describes certain reporting requirements with which covered persons must comply. The Code includes provisions relating to the confidentiality of client information, insider trading, gifts and entertainment, and personal securities trading, among other things. BAM's clients or prospective clients may request a copy of BAM's Code by contacting us using the contact information on the cover page of this Brochure.

### **Participation or Interest in Client Transactions**

IARs will often invest in the same securities recommended to clients. Generally, these securities will be shares of open end mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of the transactions will not affect purchases or sales for clients. They may also make purchases for their own accounts at or about the same time as the purchases/sales are made in client accounts. Orders for clients and orders for IARs' own accounts may sometimes be aggregated in a "block trade" as more fully described in the Brokerage Practices section below. Aggregated orders may achieve better execution for all participating accounts and those advantages will be fairly allocated among all participating accounts.

### **Personal Trading**

IARs may hold positions in securities held or recommended to clients but may not front-run or otherwise benefit from these positions. Internal procedures have been instituted to ensure that the client is treated fairly in execution of all trades.

To avoid conflicts of interest, BAM's IARs are prohibited from buying or selling securities for their personal accounts where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public on reasonable inquiry. No IAR shall place his/her own interests over those of the client. Further, all IARs must comply with all applicable federal and state regulations governing registered investment advisors.

## **Item 12 – Brokerage Practices**

### **Selecting Brokerage Firms**

We generally recommend that clients use TDA or Schwab for our portfolio management services. Factors which we consider in recommending TD, Schwab or any other custodian or broker/dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. TD enables us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Schwab and TD also make available to our Firm other products and services that benefit BAM but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab or TD. The commission and/or transaction fees charged by TD and Schwab may be higher or lower than those charged by other custodians or broker/dealers.

Schwab and TD's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data such as trade confirmations and account statements;
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and/or
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab and TD also offer other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and/or
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab and TDA may make available, arrange and/or pay third-party vendors for the types of services rendered to BAM. They may also discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to BAM. They may provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab or TDA, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab and Fidelity, which may create a potential conflict of interest.

### **Best Execution**

The commissions paid by our clients will comply with our duty to obtain “best execution.” However, a client may pay a commission that is higher than another qualified broker/dealer might charge to effect the same transaction where we determine, in good faith, that the commission is 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 broker/dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions.

A client may direct us in writing to use a particular broker/dealer to execute some or all transactions for the client, a practice known as “directed brokerage”. In that case, the client will negotiate terms and arrangements for the account with that broker/dealer and we will not seek better execution services or prices from other broker/dealers. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case. Subject to our duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Soft Dollars**

Soft dollar practices generally refer to arrangements under which investment advisors or money managers obtain products or services (other than execution of securities transactions) from or through a broker/dealer in exchange for the advisor directing client brokerage transactions to that broker/dealer. BAM does not have any soft dollar arrangements in existence at this time, nor does it intend to have any in the future.

### **Order Aggregation**

Transactions for each client account may be executed independent of transactions for other clients. BAM may, however, aggregate orders in a block trade or trades when securities are purchased or sold through the same broker/dealer for multiple advisory accounts. An IAR must reasonably believe that the block order is consistent with BAM's duty to seek best execution and may benefit each client participating in the aggregated order. The average price per share of a block trade is allocated to each account that participated in the block trade. Accounts that participate in the same block trade are charged transaction costs, if applicable, in accordance with their advisory contracts. If a block order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day will be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, partial fills generally are filled pro rata among participating accounts. Not all IARs aggregate orders. Clients are encouraged to ask their IAR about aggregation of orders.

Model-Based - For trade orders placed by Envestnet for proprietary strategies or Third-Party Models, the custodial trade rotation is a process that provides objective preference to custodians by submitting trades for each custodian in sequence starting with a different custodian on each series of block trades. The starting custodian moves down one position on the list at the start of each new trading day.

### **Trade Errors**

Should a trade error occur in an advisory client account, the CCO will initiate corrective measures immediately upon discovery to ensure that the client is not harmed by the error. Records of trade errors and the corrective actions taken are maintained by the Firm's CCO.

## **Item 13 – Review of Accounts**

### **Regular Reports, Periodic Reviews and Review Triggers**

Clients receive statements from the custodian at least quarterly providing a detailed list of holdings with valuations and account activity as well as confirmations of all securities transactions from the clearing firm. In addition, depending on the advisor, clients may also receive a quarterly performance report prepared by Envestnet showing the allocation of the assets in the account as well as the performance of the account during the previous quarter. Advisors and/or solicitors are required to contact clients on an annual basis to determine if there have been any changes to the client's financial situation and stated investment objectives or if the client wishes to impose any reasonable investment restrictions on the management of the assets in the account.

In addition, BAM will perform periodic supervisory reviews to ensure that accounts are properly allocated using Envestnet's proprietary technology. The triggering events for identifying these accounts



primarily consist of pending changes to investment objectives of accounts (such as allocations or restrictions), events occurring within the account such as cash flows, and changes to model portfolios.

## **Item 14 – Client Referrals and Other Compensation**

### **Incoming Referrals**

We may engage solicitors to market our advisory services. If we do so, the client will receive a separate solicitor's disclosure brochure describing our solicitation arrangements, the compensation we pay to the solicitor and the terms of that relationship. The client will also receive a copy of the Form ADV Part 2A, as our disclosure brochure. If the solicitor refers a client to us, the client's total advisory fees will be based, in part, on the amount of the solicitation fee we pay to the solicitor. These clients may be paying more than our other clients for the same advisory services depending upon the amount of the client's advisory fees paid to the solicitor.

### **Referrals Out**

BAM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred by the Firm to them.

### **Other Compensation**

BAM receives no other forms of compensation for its services beyond those identified previously above and specifically stated in its agreements executed with clients.

## **Item 15 – Custody**

### **Account Statements**

It is the Firm's policy to have custody over client assets only to the extent that it requests the client's custodian to deduct advisory fees directly from the client's account(s), when authorized by the client, in lieu of fees being billed directly to the client for payment. As previously stated, all advisory client assets are held at qualified custodians, as defined by the SEC, such as Schwab and TDA. The custodians provide account statements directly to the clients at least quarterly, with copies forwarded electronically to BAM. The Firm urges all clients to carefully review such statements and compare such official custodial records to the account statements that BAM may provide to them as well.

### **Performance Reports**

Clients are urged to review the performance of their investments as reported on their account statements received directly from their account custodians. These statements, along with market and portfolio performance are reviewed with each client during periodic account reviews with their respective IAR at least annually.

### **Net Worth Statements**

On request, clients may be provided net worth statements and graphs that are generated from our client relationship management system.

## **Item 16 – Investment Discretion**

### **Discretionary Authority for Trading**

Under our Investment Management Agreements, clients grant us the discretion to manage their accounts. This includes authority to choose the securities and amounts to buy and sell for their accounts. We are not permitted to transfer funds or securities to or from any account other than in the client's name unless specifically directed by a client in writing. There are other limitations on our authority as stated in the contract. When selecting securities and determining amounts, BAM observes the investment policies, limitations and restrictions of the clients for which it advises. Client-directed investment guidelines and restrictions must be provided to the advisor in writing.

### **Power of Attorney**

Neither BAM nor its associated persons accept or maintain power of attorney over client accounts or financial affairs.

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

### **Proxy Voting**

BAM does not vote proxies on behalf of its clients. Custodians are directed to send all proxy voting materials directly to the client at their address of record. Proxy-related materials inadvertently received by the Firm will be promptly forwarded without action to either the client or to an interested third party designated by the client.

## **Item 18 – Financial Information**

### **Financial Condition**

BAM is required in this Item to provide you with specific financial information or disclosures about the Firm's financial condition. At this time, the Firm 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. As previously stated, clients are not permitted to prepay fees in excess of \$1200 per client more than six (6) months in advance.

## **Item 19 Requirements for State-Registered Advisors**

**A.** The following individuals are identified as the principal executive officers and management persons associated with BAM as of the date of this document submission, inclusive of their educational and business backgrounds:

**Glenn C. Wiggle Jr.**

**Chief Executive Officer/Chief Compliance Officer**

Mr. Wiggle was born in 1972 and graduated from Michigan State University in East Lansing, Michigan with a Bachelor of Arts degree in Finance. Mr. Wiggle currently fulfills the above management roles with BAM. In addition to his functions in BAM, Mr. Wiggle is also currently a Managing Member, Chief Compliance Officer and IAR of Independent Solutions Wealth Management LLC, an SEC-registered RIA located in Williamsville, New York which was formed in 2013. Mr. Wiggle devotes approximately 60% of his time to his functions with BAM and 40% to his functions with Independent Solutions.

Mr. Wiggle is also currently a Registered Representative of Peak Brokerage Services LLC, a FINRA- and SIPC-member securities broker/dealer. Previously, he served in that capacity with NEXT Financial Group, Inc. from 2000 until joining Peak Brokerage in 2015. He is also a Partner and Chief Compliance Officer of Neiman Funds Management LLC which was formed in 2009 and is the advisor to the Neiman Family of mutual funds. These functions are performed within the context of his roles with BAM and Independent Solutions.

Mr. Wiggle is also a founder and partner of The Financial Guys LLC, which has served individual client financial needs in the Western New York community through its 20+ team of Investment Professionals since 2000. Mr. Wiggle has been the co-host of the *Financial Guys Radio Program* heard on am930 WBEN since 2000.

#### **Daniel Neiman**

##### **President/Chief Financial Officer**

Mr. Neiman was born in 1977 and graduated from Humboldt State University with a Bachelor of Arts degree in Finance in 1999 and currently fulfills the above management roles with BAM. He has managed investment portfolios professionally since 1999 and is currently the portfolio manager for Neiman Large Cap Value Fund and Neiman Balanced Allocation Fund within the Neiman Family of mutual funds. In addition, from 1999 to 2009, Mr. Neiman managed separate discretionary stock accounts for Neiman Capital Management LLC, the advisory firm to Neiman Funds, where he also served as Chief Compliance Officer. In addition to his functions in BAM, Mr. Neiman is also currently a Managing Member, Chief Financial Officer and IAR of Independent Solutions Wealth Management LLC since it was formed in 2013. Mr. Neiman does not at this time, however, serve as an IAR of BAM or provide investment advisory services in New York or other states where the Firm may seek registration.

Mr. Neiman devotes approximately 60% of his time to his functions with BAM, approximately 20% to his functions with Independent Solutions and approximately 20% to his functions with Neiman Capital Management LLC.

#### **Michael Zimmer**

##### **Operations Manager**

Mr. Zimmer was born in 1987 and graduated from State University of New York at Buffalo with a Bachelor of Arts degree in Business Administration in 2009 and a Master of Business Administration degree in Finance in 2010. Mr. Zimmer is currently a Registered Assistant at Peak Brokerage Services since September of 2015. In addition to his duties with BAM, Mr. Zimmer is also currently the Operations Manager with Independent Solutions Wealth Management, where he has served in this role since its inception in 2013. Prior to joining Peak Brokerage, Mr. Zimmer was a Registered Assistant with NEXT Financial Group, Inc. from January 2010 until December 2014.

Mr. Zimmer has also continually worked with the management team of The Financial Guys LLC as well as Operations Manager and Compliance Assistant to Neiman Funds Management LLC. Mr. Zimmer does not at this time, however, serve as an IAR of BAM or provide investment advisory services in New York or other states where the Firm may seek registration.

Mr. Zimmer devotes approximately 40% of his time to his functions with BAM, approximately 40% to his functions with Independent Solutions and approximately 20% to his functions with Neiman Capital Management LLC.

**B.** BAM is not engaged in any other business pursuits beyond the advisory services provided to its clients. Some associated persons of the Firm may engage in preapproved outside business activities such as real estate brokerage or the sale of insurance products and may serve as Registered Representatives of Peak Brokerage Services. Details of those individuals' activities are disclosed in each of their respective Form ADV Part 2B Brochure Supplements.

**C.** Neither BAM nor its IARs accept performance-based fees or compensation for advisory business.

**D.** In April 2011, a client submitted a complaint to FINRA against NEXT Financial Group Inc. and Glenn C. Wiggle, a Registered Representative of NEXT Financial Group at that time. The complaint alleged that between 2007 and 2010 the client was placed in two REITs which were claimed by the client in the complaint to be unsuitable, mutual fund "A" shares were sold to facilitate "C" share classes and equities were purchased without client consent. In responding to the complaint both NEXT Financial Group and Mr. Wiggle adamantly denied the allegations and were prepared to arbitrate the issue to completion. Based on projected timeframes for arbitration settlements and estimated legal expenses, all parties agreed to a pre-arbitration settlement of the complaint. Under the terms of the settlement, without conceding the validity of the complaint, NEXT Financial agreed to a financial settlement with the client with Mr. Wiggle contributing his Errors & Omissions Insurance deductible of \$5000 to the settlement. The client in return agreed to withdraw the complaint without further future actions.

In September of 2015, another client submitted a complaint to FINRA against NEXT Financial Group and Glenn C. Wiggle, as a Registered Representative of NEXT Financial Group. The complaint alleged that Mr. Wiggle had recommended investments to the client in 2006 and 2007 that, apparently in retrospect in 2015, the client felt had been unsuitable. NEXT Financial Group has submitted a countering response indicating all investments were consistent with the client's stated objectives and suitability profile at the time the recommendations were made by Mr. Wiggle and implemented by the client. FINRA is currently reviewing the validity of the complaint and the outcome is pending at this time.

Otherwise, neither BAM nor any management person has been involved in any other legal or disciplinary event.

**E.** Neither BAM nor any associated persons of the Firm have any formal relationships or financial arrangements with any issuers of securities.

# **Blackridge Asset Management LLC**

**6631 Main Street  
Williamsville, NY 14221**

**716-568-8560**  
**[www.blackridgeasset.com](http://www.blackridgeasset.com)**

## **Wrap Fee Program Brochure Appendix I of Form ADV Part 2A**

**March 1, 2016**

### **Item 1 - Firm Brochure Cover Page**

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Blackridge Asset Management LLC ("BAM"). If you have any questions about the contents of this Brochure, please contact Michael Zimmer, Operations Manager, at 716-568-8560. 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.

Blackridge Asset Management LLC is an investment advisory firm registered with the State of New York. References to this registration as an investment advisor, however, do not imply any level of skill or training or implied approval by New York State or the SEC. Oral and/or written communications of an advisor are intended to provide you with information with which you can determine to hire or retain an advisor.

Additional information about Blackridge Asset Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually or whenever prompted to do so by material changes that occur after the initial release of the Firm Brochure.

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

As summarized in the Material Changes section of the Blackridge Asset Management LLC Form ADV Part 2A, the following material changes relative to the Firm's Wrap Fee Program since the Firm's August 26, 2015 initial filing are reiterated as follows:

As stated in Part 2A of this document, BAM has submitted application to be a New York State-registered investment advisory firm, as opposed to SEC-registered as originally submitted. No other material changes have occurred since its original application filing.

### **Full Brochure Available**

While the above summary is being provided to clients to make them aware of recent Material Changes, a copy of our complete Disclosure Document, Form ADV Part 2 and Appendix I, for BAM is available upon request. Under current regulations, a Brochure Supplement, Form ADV Part 2B, outlining the history and qualifications of our advisors, may be offered as a separate document. BAM, however, has elected to incorporate its Parts 2A, Appendix I and 2Bs into a single, but segregated document. If you would like to receive a copy of our Disclosure Document, Appendix I and Brochure Supplement, please contact Michael Zimmer, Operations Manager, at (716) 568-8560.

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## **Item 4 — Services, Fees and Compensation**

Blackridge Asset Management LLC, herein referred to as "BAM", "we", "us", or "Firm", was formed in 2015 and is a wholly owned subsidiary of Peak Reps LLC, a privately owned entity. BAM offers clients a variety of advisory programs and services. The Firm offers both conventional asset management platforms as well as several wrap fee advisory programs which are described below. This Appendix I to the BAM Form ADV Part 2A is referred to as the Wrap Fee Program Brochure and describes the services and accompanying fees for the wrap programs available through BAM.

### **Services**

In addition to its conventional asset management offerings, BAM also offers clients a choice of utilizing a Wrap Fee Program (Ascend II, Approach and Journey Programs). By definition, a wrap fee program seeks to provide clients with a "bundle" of advisory services wrapped together with only one comprehensive fee charged to the client by the investment advisor. The "bundle" generally is inclusive of such services as investment advice, investment research, brokerage services, financial planning and/or generally related professional consulting. Wrap fees allow the advisor to charge one straightforward fee to the client, which simplifies the process for both the client and the advisor. While wrap programs may incorporate additional services not normally provided under a standard asset management program, there is no difference in how actual asset management is conducted under either arrangement.

BAM offers the following wrap fee programs to clients as alternatives to its standard asset management platforms:

- Ascend II
- Approach Program (Third Party Money Manager (TPMM))
- Journey Program (SMA/UMA)

### **"Ascend II"**

This Program is a wrap fee program designed to provide investment advice to clients through an IAR as well and also offers access to portfolios comprised of products chosen directly by the advisor. Model portfolios are constructed and rebalanced directly using the Envestnet web-based platform. This provides the advisor the freedom to choose the best solutions available to suit investor needs. A client may elect discretionary or non-discretionary account management and may impose restrictions on investing in certain securities or types of securities. This is a "bundled" program which means that transaction charges, advisory fees, and certain administration expenses are included in one overall fee charged to the client. For clients who expect a higher level of trading activity, a wrap fee program like the Ascend II may be appropriate. However, for clients that expect to trade less frequently an unbundled pricing structure may be more appropriate. (See Ascend Program above). Clients should consider the value of the services provided under a wrap fee program as the wrap fee may or may not exceed the aggregate cost of the services if they were provided separately.

The Ascend II program allows IARs to charge tiered fee rates based on the value of the account. The tiered levels typically follow a declining schedule based on the value of the account, which means that as the account value increases, fees are charged at a reduced rate as the account value crosses into a new tier with a lower rate. IARs may however choose the same rate for all tiered levels. In this case all assets will be charged at the same rate no matter the account value, and there will be no reduction in rate as the account rises. (See Ascend II further described in the wrap fee brochure).

The minimum Ascend II Account size is \$25,000. However, BAM may elect to waive the minimum for any reason, at its discretion. A client opening an Ascend II account should receive a copy of BAM's Wrap Fee Brochure, which contains additional information regarding APM II, wrap fee programs in general and a disclosure of fees payable by the client.

#### **"Approach" Program (Third Party Strategist Program)**

This Program offers individual investors an actively managed portfolio comprised of carefully selected mutual funds or ETFs managed by independent third party management firms. It allows BAM's IARs to select from a number of third party managers that best fit a client's specific needs and objectives. Accounts in this Program are managed on a discretionary-only basis by the IAR with discretionary authority specified in the asset management agreement executed by the client. This discretion allows the IAR to execute transactions and provide other advisory services without prior consultation with the client. BAM primarily utilizes Envestnet as a third-party investment manager for this Program but may elect to utilize other managers as well. Clients participating in the TPS Program will typically pay an additional fee charged by third party manager as specified in their advisory agreement.

Many of the asset managers available to BAM's Programs are accessed through the use of investment models ("Third Party Models"), whereby the asset manager, acting as a "Model Provider," constructs an asset allocation and selects the underlying investments for each portfolio. Envestnet, as the primary third party manager, performs overlay management of the Third Party Models by implementing trade orders, periodically updating and rebalancing each Model pursuant to the direction of the Model Provider. Envestnet may, from time to time, replace existing Model Providers or hire others to create additional Models. It cannot, however, guarantee the continued availability of any Third Party Models created by particular Model Providers over time. In managing the Models, certain Model Providers may pursue an investment strategy that utilizes underlying mutual funds or exchange traded funds advised by the Model Provider or its affiliate(s) ("Proprietary Funds"). In such situations, the Model Provider or its affiliate(s) may receive fees from the Proprietary Funds for serving as investment advisor or other service provider to the Proprietary Fund (as detailed in the Proprietary Fund's prospectus). These fees will be in addition to the management fees that a Model Provider receives for its ongoing management of the Models and creates a financial incentive for the Model Provider to utilize Proprietary Funds. Clients should discuss any questions with or request further information from their IAR concerning the use of Proprietary Funds in Third Party Models or any potential conflicts of interest this might create.

The minimum Approach Program account size is \$100,000. However, BAM may elect to waive the minimum for any reason, at its discretion.

#### **"Journey" Program (SMA/UMA Manager Program)**

In this Program, Separately Managed Accounts (SMAs) provide individual investors with access to leading investment managers with the option of direct ownership of the individual securities held within their portfolio. This gives clients greater flexibility, more control and significant tax advantages over other investment programs. Unified Managed Accounts (UMAs) take this a step further by enabling the IAR to construct a client-specific portfolio by selecting the underlying investment vehicles and asset allocations to be used.

Clients selecting the SMA program are offered access to an actively managed investment portfolio chosen from a roster of independent asset managers (each a "Sub-Manager") with a variety of disciplines. Unlike a mutual fund, where the funds are commingled, an SMA is a portfolio of individually owned securities that can be tailored to fit the client's investing preferences. Either Envestnet assists

the IAR in identifying prospective individual asset managers and investment vehicles that correspond to the proposed asset classes and styles or the Firm may specify the asset managers to be used. Envestnet then retains the Sub-Manager(s) through separate agreements between Envestnet and the Sub-Managers.

Clients using the UMA program are offered a single portfolio that accesses multiple asset managers and funds representing various asset classes, that is customized to the client by their IAR utilizing the Envestnet tools. The IAR may also elect to utilize more standardized asset allocations which fit a client's specific profile and investment goals. The IAR may then further customize the portfolio by selecting the specific, underlying investment strategies or funds in the portfolio to meet a client's needs. Once the content of the portfolio has been established, Envestnet provides overlay management services for UMA accounts and implements trade orders based on the directions of the investment strategies contained in the UMA portfolio.

The minimum Journey account size is \$100,000 for SMA and \$150,000 for UMA. However, BAM may elect to waive these minimums for any reason.

## **Fees**

### **Ascend II**

The annual advisory fee for an Ascend or Ascend II account is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including, the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and/or other factors that the IAR deems relevant. The fee may be tiered, based on asset levels, or a flat fee for all aggregated assets. The base fee for all asset levels is 15 basis points (0.15%) charged by BAM. The IAR or Solicitor may add additional fees for services provided, up to a maximum of 2.50%. The minimum annual account fee for the Ascend and Ascend II program is \$100.

The table below is an example fee table for a tiered schedule:

Program Assets	BAM Advisor Fee	IAR or Solicitor Fee	Total Fee
First \$1MM	.20%	0-2.30%	.20 - 2.50%
\$1MM to \$5MM	.15%	0-2.35%	.15 - 2.50%
\$5MM to \$10MM	.10%	0-2.40%	.10 - 2.50%
\$10MM to \$20MM	.10%	0-2.40%	.10 - 2.50%
\$20MM +	.10%	0-2.40%	.10 - 2.50%

Clients may also incur fees and charges for brokerage and/or custodial services such as ticket charges or other expenses charged by third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees or other fees and taxes on brokerage accounts and securities transactions in connection with the management of your account. Mutual funds and exchange traded funds may also charge sales commissions and internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee. However, we will not receive any portion of these commissions, fees or additional costs incurred by clients.

In APM accounts, clients are responsible for ticket charges and/or commissions, among the other charges listed above, which may be charged by selected custodians in addition to the advisory and/or

solicitation fees charged. APM II, as a wrap fee program, is a “bundled” program in that all fees and expenses for trading are included in the total overall fee. However, APM II clients may still be subject to expenses related to mutual funds and ETFs such as deferred sales charges and internal expense ratios, which are detailed in each funds’ prospectus.

#### **“Approach” Program (Third Party Strategist Program)**

The annual advisory fee for the Approach Program is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and other factors that the IAR deems relevant. The fee may be tiered based on asset levels or a flat fee for all aggregated assets. The base fee for asset levels is tiered from 16 to 25 basis points (0.16% - 0.25%) charged by BAM. Your IAR or Solicitor may add additional fees for services provided up to a max of 2.50%. The minimum annual account fee for the Approach Program is \$125.

In addition, fees for each Third Party Strategist may generally range from 10 to 90 basis points (0.10% - 0.90%) annually for management services provided and are dependent on the manager(s) selected. Sub-advisers providing investment management portfolio services may require certain minimum investments depending on the investment allocation strategy that the client selects. BAM does not receive 12b-1 fees from mutual funds that clients are invested in.

The total fee for the Approach Program will be made up of BAM’s Program fee, the IAR or Solicitor fee, any Third Party Money Manager(s) fee and any custodian’s asset-based pricing fee. TPMM and sub-advisors may use mutual funds and ETFs which may also charge commissions and internal management fees which are disclosed in each fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to advisory fees. BAM, however, does not receive any portion of these commissions, fees or additional costs incurred by clients.

A sample fee table is provided below:

Program Assets	BAM Advisor Fee	TPMM/sub advisor Fee*	Asset Based Pricing	IAR or Solicitor Fee	Total Fee
First \$1MM	.30%	.40%	.15	0% - 1.65%	.85% - 2.50%
\$1MM to \$5MM	.25%	.40%	.15	0% – 1.70%	.80 – 2.50%
\$5MM to \$10MM	.20%	.40%	.15	0%– 1.75%	.75 – 2.50%
\$10MM +	.15%	.40%	.15	0% - 1.80%	.70 – 2.50%

\*TPMM /Sub Advisor fees will vary and will be determined by the TPMM/sub-advisor. Typical TPMM fees range from 10bps (.1%) to 90bps (.9%).

#### **“Journey” Program (SMA/UMA Manager Program)**

The annual advisory fee for the Journey Program is negotiable up to a maximum of 2.50%. The fee charged by the IAR depends upon a number of factors including, the amount of the assets under management, the nature and extent of other account relationships between the client and affiliates of BAM, the type and complexity of services requested and other factors that the IAR deems relevant. The fee may be tiered based on asset levels or a flat fee for all aggregated assets. The base fee for asset levels is tiered from 15 to 30 basis points (0.15% - 0.30%) charged by BAM. The IAR or Solicitor may add additional fees for services provided up to a max of 2.50%. The minimum annual fee is \$150 for SMA and \$225 for UMA.

In addition, fees for each SMA Manager may generally range from 10 to 90 basis points (0.10% - 0.90%) annually for management services provided, dependent upon the manager(s) selected. Sub-advisors providing investment management portfolio services may also require investment minimums on the investment allocation strategy that the client selects.

The total fee for the TPS Program will be made up of the BAM Program fee, the IAR or Solicitor fee, the Separately Managed Account (SMA) Manager(s) or TPMMs selected and any custodian's asset-based pricing fee.

For clients utilizing the UMA program, TPMM/ sub-advisors use mutual funds and ETFs within their strategies. Mutual funds and ETFs may also charge sales commissions and internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee. However, we will not receive any portion of these commissions, fees or additional costs incurred by clients.

A sample fee table is provided below:

Program Assets	BAM Advisor Fee	SMA/TPMM Fee	Asset Based Pricing	IAR or Solicitor Fee	Total Fee
First \$1MM	.30%	.40%	.15	0% - 1.65%	.85% - 2.50%
\$1MM to \$5MM	.25%	.40%	.15	0% - 1.70%	.80% - 2.50%
\$5MM to \$10MM	.20%	.40%	.15	0% - 1.75%	.75% - 2.50%
\$10MM +	.15%	.40%	.15	0% - 1.80%	.70% - 2.50%

\*TPMM /Sub Advisor fees will vary and will be determined by the TPMM/sub-advisor. Typical TPMM fees range from 10bps (.1%) to 90bps (.9%).

### **Other Fees and Expenses**

APM II, Approach and Journey clients may still be subject to expenses related to mutual funds and ETFs as listed above such as deferred sales charges and internal expense ratios, which are detailed in each funds' prospectus.

Clients may also pay annual maintenance fees and custodial fees within the account. In addition, clients may incur account transfer fees, asset movement fees, and/or checking fees as applicable on a per event basis. All such fees are subject to the pricing schedule set by the custodian and are shared between the custodian and BAM and your IAR receives no portion of such charges.

### **Fee Information Applicable to All Wrap Fee Accounts**

While there may be no differences in the manner in which wrap fee accounts (APM II) and non-wrap accounts (APM) are managed, a wrap fee pricing structure allows the client to pay an all-inclusive fee for account management, brokerage, clearance and administrative services. A portion of the wrap fee is paid to the IAR and to BAM for their respective services. Clients should consider that, depending upon the level of the wrap fee charges, the amount of portfolio activity in their accounts, the value of services that are provided under the investment program, and other factors, the wrap fee may or may not exceed the aggregate cost of services if they were to be provided separately. Generally, wrap fee programs are relatively less expensive for actively traded accounts; however, they may result in higher overall costs to the client in accounts that experience infrequent trading activity.

Unlike BAM's conventional platforms, advisory fees for wrap accounts automatically deducted from wrap fee accounts in advance on a quarterly basis, as opposed to in arrears. Fee deductions are noted on account statements sent to the client by the custodian. The first payment is assessed upon execution of the APM II agreement and subsequent payments are assessed at the beginning of each calendar quarter and are based upon the account value as of the last day of the preceding quarter. Fees are assessed pro-rata in the event an agreement is entered into at any time other than the first day of a calendar quarter.

All fee changes are prorated unless the change is requested to occur on the first day of a calendar quarter. The wrap fee is shared by the IAR and BAM in connection with their respective services.

#### **General Wrap Fee Program Disclosures**

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on a client's individual financial circumstances and investment goals.
- The benefits under a wrap fee program depend, in part, upon the size of a client's account and the number of transactions expected in the account. For example, wrap fee accounts may not be suitable for accounts with little trading activity.
- Participation in a wrap fee program may cost more or less than the cost of purchasing investment advice, brokerage, and other services separately.
- An IAR may have a financial incentive to recommend a wrap fee program over another program and services, as the amount of compensation the IAR receives may be more than what the IAR would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services.

#### **Additional Information Relating to Fees**

The Program Fee does not cover certain charges associated with securities transactions in clients' accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by any funds, (such as fund operating expenses, management fees, redemption fees, contingent deferred sales charges (CDSCs), 12b-1 fees and other fees and expenses. Further information regarding charges and fees assessed by funds may be found in the appropriate prospectus or offering document) or other regulatory fees.

For smaller accounts or accounts below minimum investment amount, a minimum account fee may apply to the Program Fee or fees charged by the custodian. Minimum accounts fees are expressed in annual amounts, but are determined and assessed based on the account asset value at the beginning of each quarter. For example, if an account has a \$100 minimum annual account Program Fee, it will be assessed a minimum of \$25 every quarter.

When a client selects a Sub-Manager or Model Provider, the Program Fee encompasses the fees paid to the Sub-Manager or Model Provider for their services in addition to the Envestnet fees associated with making those strategies accessible and administering them in the Program. Envestnet separately negotiates the agreements between Sub-Managers and Model Providers, including fees paid, on terms and conditions that it deems acceptable. The pricing terms are routinely re-negotiated with individual

Sub-Managers and Model Providers, whereby BAM, Sub-Manager or Model Provider may receive a greater or lesser percentage of the Program Fee than the current percentage at the time the client selected a particular investment strategy. In general, this reapportionment does not increase the Program Fee that the client pays. In the rarer case where the Program Fee negotiations results in a need to increase the Program Fee, client and/or client's advisor (if such advisor has investment discretion to act on behalf of the client) would be notified in advance of any increase in Program Fees, with full opportunity to select another strategy in the Program or otherwise change client's account.

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

As stated above, the minimum Ascend II account size is \$25,000. The minimum Approach (TPMM) account size is \$100,000. And the minimum account size for the Journey (SMA-UMA) program is \$100,000 for SMA and \$150,000. Each money manager in the Approach and the Journey programs may impose higher minimums. BAM may elect to waive the minimum for any program for any reason, at its discretion. BAM programs are open to individuals, high net worth individuals, trusts, estates, 401(k) plans, pension and profit-sharing plans, charitable organizations, corporations, partnerships and other entities.

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

BAM does not utilize any outside portfolio managers to provide account management in Ascend II accounts. Accounts are managed by IARs according to the financial information and investment objectives provided by clients.

IARs are responsible for assisting clients in the selection of Portfolio Managers and Third Party Strategists in the Approach and Journey programs based on your investment objectives and Investor Risk Rating. In addition, BAM selects Strategist's eligible for the program by utilizing due diligence provided by PMC, a subsidiary of Envestnet. PMC provides BAM an evaluation of the Strategist's regulatory/compliance history, investment methodology, performance, corporate governance, risk control and other factors that will help BAM determine the Strategist's initial as well as ongoing eligibility for the program. Envestnet is compensated by Strategists on an ongoing basis once they have been approved to be on the platform. This may pose a conflict of interest.

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

Fees based on a share of capital gains or capital appreciation of assets of an advisory client are commonly referred to as "performance-based fees." BAM does not permit IARs to accept performance-based fees and does not engage in side-by-side management.

#### **Methods of Analysis**

IARs affiliated with BAM use a wide variety of methods of analysis, including charting, fundamental and technical analysis to determine investment strategies for clients. The primary sources of information used to conduct these types of analysis are financial newspapers and magazines, inspections, research prepared by others, ratings services, press releases, annual reports, prospectuses and other filings with the SEC.

In addition, BAM, through Envestnet, provides IARs with a variety of portfolio construction methods utilizing an analytics module that allows choice of multiple programs and products to blend a solution that best meets a client's requirements.

The IAR can select investment strategies using a variety of search screens on the Envestnet technology platform that are configurable to create Advisor specific selection criteria. In assisting the advisor with asset allocation and portfolio construction, Envestnet uses demographic and financial information provided by the client and IAR to assess the client's risk profile and investment objectives. Envestnet uses proprietary analytical tools and commercially available optimization software applications to develop its asset allocation strategies. Factors used as inputs in the asset allocation process include historical rates of risk and return on various asset classes, correlation across asset classes, and risk premiums, among others. However, the advisor has the flexibility to choose Envestnet recommended asset allocations and portfolios or independently find potential investment solutions for their clients through the advisor's own research.

Each client's account is managed on the basis of the client's financial situation, investment objectives and instructions. The IAR works with the client to obtain sufficient information to provide individualized investment advice and is reasonably available to consult with the client on an ongoing basis. Clients are permitted to impose reasonable restrictions on the management of the account.

A quarterly custodial statement containing a description of all account activity is provided to the client. The IAR reviews overall performance of each account on a periodic basis in order to ensure that transactions are suitable based on the client's investment objectives, meet quality expectations of the client and comply with any investment restrictions requested by the client.

### **Risk of Loss**

**General Risk:** Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that we 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. The value of your assets will be subject to a variety of factors, such as the liquidity and volatility of the securities markets. Portfolio transactions may give rise to tax liability, for which you are responsible.

**Asset Allocation Risk:** Asset allocation risk is the risk that a client's assets may be allocated to an asset class or mandate that underperforms other asset classes. For example, fixed-income securities may underperform equities. Further, assets not invested in individual portfolio models may be invested in exchange-traded funds (ETFs). Equity ETFs are subject to risks similar to those of stocks and fixed-income-based ETFs are similar to those of bonds. Accordingly, like other market investments, they may move up or down and are subject to market volatility. Clients will bear additional expenses based on a pro rata share of the ETF's operating expenses, brokerage costs, and the potential duplication of management fees. Additional asset allocation risks with respect to investing in mutual funds and ETFs include the following:

- *Investments in Other Investment Companies:* The risk of investing in other investment companies (mutual funds, ETFs, UITs, etc.) typically reflect the risks of the types of securities in which those investment companies invest and other attending management risks. When a portfolio invests in



another investment company, clients bear their proportionate share of the investment company's fees and expenses as well as their account's fees and expenses.

- Derivatives Risk:** Using derivative securities (such as, options and futures) to hedge portfolio and other risks may increase volatility and may expose a portfolio to a greater level of market risk than the amount of cash utilized. If the changes in a derivative's value do not correspond to changes in the value of hedge target as intended, the account may not fully benefit from or could lose money on the derivative position. Derivatives that are not exchange traded can involve risk of loss if the counterparty to the contract defaults on its obligation. Derivatives may also be less liquid and more difficult to value.

- Credit Risk:** There is a chance that an issuer of a fixed income security may fail to pay interest and/or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. These risks are greater for securities that are rated below investment grade (junk bonds) which may be considered speculative and are more volatile than investment grade securities.

- Interest Rate Risk:** A change in market interest rates may adversely affect the value of fixed income securities. When interest rates increase, the value of fixed income securities generally will fall, and longer-term securities will be affected to a greater degree.

**Investment and Market Risk:** Recommendations are subject to investment risk, including the possible loss of the entire principal amount invested. A recommendation to invest in securities and other instruments may also involve market risk, which is the risk that the value of these positions, like other market investments, may move up or down, sometimes rapidly and unpredictably. Recommended investments at any point in time may be worth less than the original investment, even after taking into account any reinvestment of distributions.

**Information Risk:** Advice is based in large part on information received from clients, Model Portfolio Advisors, Financial Advisors, Sponsors and other third parties. In addition, recommendations are based on model portfolios by Model Portfolio Advisers. Therefore, advice given relies significantly on the accuracy and completeness of the information provided by such persons and the skill and analytical ability of the Model Portfolio Advisors.

**Inflation Risk:** Inflation reduces the buying power of a dollar, and may cause uncertainty among individual investors, possibly resulting in corporations backing away from projects which could further reduce the value of corporate equities.

**Regulatory Risk:** Legislative, regulatory, and/or judicial changes that impact businesses can drastically change entire industries.

**Liquidity Risk:** Certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.

**Opportunity Risk:** Clients or IARs may choose a conservative product to invest in, which may cause a client to miss out on market upswings which may have increased the value of securities with higher risk. The opposite is also true; market downturns may cause a client to lose a significant amount of principal invested in higher risk securities, when their funds could have been invested in lower risk securities.

**Reinvestment Risk:** Clients may be unable to make additional purchases of a security already in their portfolio at the same rate at which the original purchase was made.

**Currency or Exchange Rate Risk:** Foreign securities face the uncertainty that the value of either the foreign currency or the domestic currency will increase or decrease; either of which may cause the value of the client's portfolio to fluctuate.

**Transactional Cost Risk:** A client may incur significant transactional charges in an actively traded account. Frequent trading can decrease the value of a client's account due to increased brokerage and transaction costs. In addition, the frequent trading may cause taxable events to occur, which could increase the client's tax burden.

**Short Sale Risk:** While a short position has unlimited capability to increase in value, it in turn increases a client's risk, as a client may be required to purchase the security at a high rate or price in order to cover the short sale.

**Margin Risk:** Margin requirements could significantly increase if a security position declines in value resulting in forced liquidation or additional capital requirements that could cause significant losses.

Clients should understand and be willing to accept these and other types of risks before choosing to invest in securities or receive investment advisory services.

#### **Voting Client Securities**

Neither BAM nor its IARs will take any action or give any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which the client's assets may be invested. Generally, all proxy materials will be sent directly to the client. Any proxy materials received directly by BAM or its IARs will be forwarded to the client for direct action and the client understands and agrees that the client retains the right to vote all proxies which are solicited for securities held in the investment advisory account.

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

Personal identification (such as name, address, Social Security number, date of birth, assets and income), account and holdings data disclosed to BAM are provided to Envestnet and the custodian to enable us to service the Investment Advisor Representatives and client accounts. BAM only shares client personal information and account data pursuant to established BAM Privacy Policy and does not sell personally identifiable information about current or former clients to third parties. In providing services to client accounts, BAM may use third party service providers, who are contractually bound to respect and protect the privacy of client information.

BAM also receives information about a clients' stated investment objectives, investment restrictions and investor risk rating. The client's investor risk rating is based on the client's stated responses in the account opening process and classifies the client as a conservative, moderate, aggressive, etc. type of investor.

When utilizing the SMA program, BAM will forward the foregoing information on to the Sub-Manager in order for the Sub-Manager to effectively manage the client's account. Model Providers are not provided with client-specific information, except for the brokerage number, account size and information about the client's advisor.

### **Item 8 — Client Contact With Portfolio Managers**

There are no restrictions placed upon a client's ability to contact and consult with the IAR who manages the program account. However, should the client request a direct consultation, BAM and Sub-Manager personnel who are knowledgeable about the client's account and its management will be made reasonably available for consultation.

For Third-Party Models, BAM and Envestnet, as overlay manager of the Third-Party Model, will make personnel who are knowledgeable about the client's account and its management reasonable available, but BAM nor Envestnet cannot guarantee that the Model Provider will be available for direct client consultation.

## **Item 9 – Additional Information**

### **Code of Ethics**

BAM has adopted a Code of Ethics ("Code") which sets forth standards of business conduct, which all associated persons of BAM are required to follow. The Code also describes certain reporting requirements with which covered persons must comply. The Code includes provisions relating to the confidentiality of client information, insider trading, gifts and entertainment, and personal securities trading, among other things. BAM's clients or prospective clients may request a copy of BAM's Code by contacting us using the contact information on the cover page of this Brochure.

IARs will often invest in the same securities recommended to clients. Generally, these securities will be shares of open end mutual funds or stocks and bonds actively traded on a national securities exchange or market where the time and size of the transactions will not affect purchases or sales for clients. They may also make purchases for their own accounts at or about the same time as the purchases/sales are made in client accounts. Orders for clients and orders for IARs' own accounts may sometimes be aggregated in a "block trade" as more fully described in the Brokerage Practices section below. Aggregated orders may achieve better execution for all participating accounts and those advantages will be fairly allocated among all participating accounts.

IARs may hold positions in securities held or recommended to clients but may not front-run or otherwise benefit from these positions. Internal procedures have been instituted to ensure that the client is treated fairly in execution of all trades.

To avoid conflicts of interest, BAM's IARs are prohibited from buying or selling securities for their personal accounts where their decision is substantially derived, in whole or in part, by reason of their employment unless the information is also available to the investing public on reasonable inquiry. No IAR shall place his/her own interests over those of the client. Further, all IARs must comply with all applicable federal and state regulations governing registered investment advisers.

### **Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BAM or the integrity of its management. The Firm has no information to disclose applicable to this item beyond that previously disclosed in Item 9 of Form ADV Part 2A.

### **Review of Accounts**

Clients receive statements from the custodian at least quarterly providing a detailed list of holdings with valuations and account activity as well as confirmations of all securities transactions from the clearing firm. In addition, depending on the advisor, clients may also receive a quarterly performance report prepared by Envestnet showing the allocation of the assets in the account as well as the performance of the account during the previous quarter. Advisors and/or solicitors are required to contact clients on an annual basis to determine if there have been any changes to the client's financial situation and stated

investment objectives or if the client wishes to impose any reasonable investment restrictions on the management of the assets in the account.

In addition, BAM will perform periodic supervisory reviews to ensure that accounts are properly allocated using Envestnet's proprietary technology. The triggering events for identifying these accounts primarily consist of pending changes to investment objectives of accounts (such as allocations or restrictions), events occurring within the account such as cash flows, and changes to model portfolios.

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

### **Affiliated Portfolio Managers**

Certain sub-advisors may be affiliated with Peak Brokerage Services (PBS). PBS is majority owned (90%) by Peak Reps LLC which is also the sole owner of BAM. BAM may have a conflict of interest in including these sub-advisors in the BAM TPM & SMA/UMA Programs. If you select one of the strategies offered by such sub-advisors, BAM and its affiliates may receive greater aggregate compensation. Additionally, certain affiliates of sub-advisors on the BAM platform, which are affiliated with PBS, may have a conflict of interest based on ownership interest of Funds used in their portfolio strategies. Additionally, the sub-advisor affiliate may receive additional economic benefits in the way of either expense reimbursement or fee sharing arrangements. The Funds may also reimburse the sub-advisor for marketing and distribution expenditures related to the Fund family. Clients are under no obligation to act upon any recommendations of the affiliated Portfolio Manager or associated persons and may opt out of including funds with potential conflicts of interests in their portfolio.

Sub-Advisors referred to above are:

- Independent Solutions Wealth Management LLC
- Peak Wealth Group LLC
- Star Capital, Inc.
- The Retirement Guys Formula

### **Other Business Relationships with Portfolio Managers and Portfolio Funds**

Sub-advisors may have other business relationships with BAM or its affiliates, and may compensate BAM or its affiliates. Similarly, BAM or its affiliates may receive compensation from other parties in connection with services BAM provides in these relationships, such as trading, lending, prime brokerage, and custody services. As a result of these relationships, BAM may have a conflict of interest in determining which sub-advisors to include in the BAM Program. Clients are under no obligation to act upon any recommendations of the affiliated Portfolio Manager or associated persons and may opt out of including funds with potential conflicts of interests in their portfolio. BAM, PBS or their affiliates may, from time to time, enter into joint marketing activities with sub-advisors or service providers to the BAM programs. These sub-advisors or service providers may pay for, or may reimburse BAM or its affiliates for, all or a portion of the cost of the activities.

### **Broker/Dealer Affiliation and Insurance Affiliations**

As previously stated, BAM is affiliated with Peak Brokerage Services (PBS), a FINRA- and SIPC-member broker/dealer, through its common ownership by Peak Reps LLC. PBS provides a wide range of financial services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities, as well as to state, municipal and other governmental entities. PBS is also a licensed insurance agency. Your BAM IAR may be registered as an independent contractor Registered Representative of PBS.

Clients who receive advisory or consulting services from BAM IARs may also purchase securities or insurance products offered through PBS. IARs may receive commissions, markups or markdowns as registered representatives or insurance agents in connection with such transactions. Additionally, the individuals who are responsible for the immediate supervision of IARs may receive a portion of those commissions as an override to compensate them for their supervisory services. This additional compensation may create a conflict of interest. Clients are under no obligation to purchase products or services recommended by an IAR or through an IAR or otherwise through PBS or its affiliates. Clients are free to implement recommendations through any broker/dealer or advisory firm. If a client requests that an IAR recommend a broker/dealer, the IAR will recommend PBS. However, the client is under no obligation to effect transactions through PBS.

#### **Potential Conflict of Interest Through Ownership/Profits Interests**

Some of the IARs of BAM have ownership units and/or profits interests in the holding company, Peak Reps LLC. A portion of the fees generated by IARs represent revenue to BAM, which may be directed to Peak Reps LLC to pay for expenses or increase the value of Peak Reps LLC. Some of that revenue may also be distributed through Peak Reps LLC to those ownership units or profits interests' holders as well as through a profit sharing program. The profit or revenue distributions through Peak Reps LLC would be considered additional compensation and a further conflict of interest.

#### **Potential Conflict of Interest With Associated Investment Companies**

One or more of the persons assisting in making investment decisions and transactions in the underlying investments in the Neiman Large Cap Value Fund, the Neiman Balanced Allocation Fund, and the Neiman Tactical Income Fund are registered representatives of Peak Brokerage and/or are IARs of BAM and are minority owners of Peak Reps LLC. These persons are minority owners of the Neiman Funds Management LLC which is the advisor to the funds.

A client who chooses to invest in shares of the Neiman Large Cap Value Fund, Neiman Balanced Allocation Fund, or Neiman Tactical Income Fund should be aware that the BAM IARs referred to above may receive compensation from BAM, as well as from the Fund, and may have a vested interest in advising clients to invest in these funds or TPM models.

#### **Potential Conflicts of Interest with Associated Independent Registered Investment Advisors**

In addition to or in lieu of their registrations as IARs of BAM, some IARs may have their own registered independent investment advisory firms (an "Independent RIA"), and may fulfill three different but concurrent roles:

- As a Registered Representative of PBS who may receive commissions for recommending securities;
- As an IAR of BAM who may receive a fee for rendering advisory services on behalf of BAM; and
- As an IAR of an Independent RIA who may offer advisory services outside of BAM and/or PBS.

Clients should be aware that the receipt of additional compensation while acting in concurrent roles creates a conflict of interest and may impair the objectivity of these IARs when making advisory recommendations. Clients are not obligated to purchase recommended investment products from our IARs or Associated Independent RIAs.

BAM's IARs may recommend the following Independent RIA services to their clients:

- Independent Solutions Wealth Management LLC
- Peak Wealth Group LLC

- Star Capital, Inc.
- The Retirement Guys Formula

**Solicitation Activities**

From time to time, BAM may enter into solicitation agreements with individuals or entities whereby investment advisory accounts are solicited by BAM and referred to another state-registered or SEC-registered investment advisor. In these situations, BAM may be compensated for the referral activity.

BAM may also have solicitation arrangements with persons who are not our IARs. If a solicitor will receive any portion of the advisory fee paid by the client, the solicitor will deliver a written disclosure describing the arrangement. You will not pay higher fees because of the solicitor's arrangement.

**Financial Information**

BAM is required in this Item to provide you with specific financial information or disclosures about the Firm's financial condition. At this time, the Firm 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.

**Item 11 - Requirements for State-Registered Advisors****State-Registered Advisor Disclosures**

Neither BAM nor any associated persons of the Firm have any formal relationships or financial arrangements with any issuers of securities.