

# **Massey Quick Wealth Solutions, LLC**

## **Form ADV Part 2 Client Brochure**

Version Date: September 2016

### **ITEM 1: COVER PAGE**

This brochure ("Brochure") provides information about the qualifications and business practices relating to the financial consulting and investment advisory business of Massey Quick Wealth Solutions LLC ("MQWS"). If you have any questions about the contents of this brochure, please contact MQWS at (973) 525-1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Investment adviser registration, or any reference to the firm being registered, or the use of the term, "registered", does not imply a certain level of skill or training.

Additional information about MQWS is also available on the website of the United States Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Massey Quick Wealth Solutions, LLC**  
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## **ITEM 2: MATERIAL CHANGES**

This document is a Disclosure Brochure ("Brochure"). It was prepared by Massey Quick Wealth Solutions LLC (the "MQWS") in response to a rule that was promulgated by the United States Securities and Exchange Commission (the "SEC") that is applicable to registered investment advisers.

This Brochure is the initial Brochure document upon commencement of Massey Quick Wealth Solutions LLC, a joint venture between of Massey Quick & Co., LLC (an SEC registered investment advisor) and The Leo Group, LLC (also an SEC registered investment adviser). MQWS is the assignee to The Leo Group, LLC (the "Leo Group") that provided investment advisory, financial counseling and planning, and tax preparation.

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## **ITEM 4:**

### **ADVISORY BUSINESS**

#### **A: Description of Advisory Firm**

Massey Quick Wealth Solutions LLC ("MQWS") is a Limited Liability Company ("LLC") formed in the State of New Jersey. MQWS is the assignee to the Leo Group as well as FCG Global, LLC ("FCG Global") formed initially in October, 2010, also in the State of New Jersey. FCG Global was a consulting firm not registered with the SEC. All investment advisory business of FCG Global clients was managed through FCG Advisors, LLC, a registered investment advisor and Broker-Dealer. In 2012, FCG Global ceased operations and combined its financial consulting and investment advisory services under the Leo Group. From 2012 to 2016, the Leo Group provided wealth management services until the date of this brochure and will continue to provide investment management services to affiliated pooled investment vehicles. The Leo Group and Massey Quick & Co. LLC are equal owners of MQWS per the terms of the company's Operating Agreement.

#### **B: Types of Services**

MQWS is a wealth management firm that offers financial counseling services, tax strategies, investment management, employee benefit planning, and coordination of concierge services to its clients.

##### **Financial Consulting**

The primary business of MQWS is comprehensive financial planning counseling and investment advice which consists of consulting services to assist clients in a wide array of financial disciplines. Each client's needs are different and the financial counseling recommendations and advice are customized to meet the client's unique objectives. MQWS seeks to understand each client's goals, time horizon, risk tolerance, and tax position. Although each client may have unique needs, the types of services are similar and are as follows:

- Net Worth Reporting
- Asset Allocation
- Investment Planning
- Tax Planning, Preparation, & Compliance (offered through Massey Quick Tax Advisory ("MQTA"), LLC, an affiliated entity of MQWS)
- Retirement Planning
- Estate Planning
- Charitable Gifting Strategies
- Employee Benefits Analysis
- Cash-Flow Planning
- Risk Management & Insurance

##### **Investment Advisory**

Investment management services are oftentimes provided to clients to complement our Financial Consulting services. MQWS provides investment advice and portfolio management services on an ongoing basis. With the assistance of their MQWS advisor, the client decides on an investment plan that may utilize several investment strategies and investment vehicles in an attempt to achieve the objectives of the investment plan. The types of Investment Advisory services offered are as follows:

- Asset Allocation
- Discretionary and Non-Discretionary allocation of affiliated investment strategies
- Discretionary and Non-Discretionary allocation of mutual funds and exchange-traded funds
- Selection & Monitoring of unaffiliated third party alternative investments and private offerings
- Selection & Monitoring of third-party separate account managers

## Family Office Services

To help manage the complex financial lives of affluent and ultra-affluent clients, MQWS offers a suite of additional services to assist clients that can benefit from this higher level of service. The term “Family Office” refers to a firm that is created by and works exclusively for one wealthy family. Many ultra-affluent clients may prefer to have a dedicated firm overseeing their wealth and inter-generational planning. However, a dedicated family office is costly and many times ultra-affluent individuals can more cost effectively manage their wealth by sharing resources among other affluent or ultra-affluent families by utilizing a “multi-family office” approach. MQWS provides “multi-family office” services. MQWS works with many affluent and ultra-affluent clients and may offer the additional opportunity for cross-pollination of ideas that may uniquely benefit affluent clients. These services may consist of some or all of the following:

- Complex Inter-Generational Estate Planning
- Coordinated Investment Management among wide variety of public/private investments.
- Consolidated Net Worth Reporting
- Concierge Services & Other non-financial services
- Philanthropic Planning & Foundation Administration
- Extensive Tax Planning & Tax Return Preparation
- Domestic Employee Payroll & Administration
- Personal Security Analysis & Coordination

## C: Assets Under Management

MQWS has the following assets under management (“AUM”): As of June 30, 2016, MQWS had \$244,215,431 in assets under management on a discretionary basis. In addition to its discretionary regulatory AUM, MQWS advises and consults, but does not have any management, execution or trading authority, on over \$1.13 billion in assets as of June 30, 2016.

Discretionary AUM:	\$244,215,431
Non-Discretionary AUM:	\$ 0
TOTAL AUM:	\$244,215,431

## ITEM 5: FEES & COMPENSATION

### A: Financial Consulting Fees

#### Individual Engagements

MQWS may charge an annual financial consulting fee to individuals. Fees will vary based on a number of factors, including complexity of the services provided, the geographic location of the client, or on an hourly basis. In addition, the fee may vary considerably if affiliated company MQTA is preparing the client's tax returns or providing other tax services. The fees range from approximately \$5,000-\$25,000 per year for high net worth clients, \$25,000-\$75,000 per year for affluent clients and approximately \$75,000-\$150,000 per year for ultra-affluent clients. Many affluent clients and most ultra-affluent clients utilize our family office services.

Although the length of time it will take to provide a financial plan will depend on each client's personal situation, we will provide an estimate for the total fee at the start of the advisory relationship.

#### Employer Sponsored Programs

MQWS provides comprehensive financial counseling services to high-level executives of domestic and international corporations. These are referred to as “employer sponsored programs” because the corporation pays MQWS to provide financial counseling services to its executives.

The fees will vary by company but will generally be the same fee based on the level of the executive within the organization. Each program is designed specifically for each company's needs. Multi-national companies not only utilize domestic U.S. services but also benefit from the cross-border planning capabilities of MQWS to service international assignees throughout the world. The fees vary from \$8,000-\$15,000 per executive.

## **B: Investment Advisory Fee Schedule**

MQWS may provide Investment Advisory services to clients in addition to other services. The fee for investment advisory services is based upon a percentage of the market value of the assets being managed. Advisory fees are payable quarterly, in arrears, and shall be calculated by multiplying the aggregate market value of the account assets of the portfolio in accordance with the corresponding fee schedule on your Advisory Agreement and dividing such product by four (margin balances initiated by the client do not reduce the market value of account assets under management when calculating fees). The market value of the assets under management shall be based on the market value of the managed assets as of the last business day of the second month of the relevant quarter. This fee is negotiable. MQWS maintains the right to waive fees for employee accounts at its own discretion. Our current fee schedule is as follows:

- 1.00% on the first \$10,000,000 of assets under management
- .85% on assets from \$10,000,000 to \$25,000,000
- .65% on assets from \$25,000,000 to \$75,000,000
- .50% on assets from \$75,000,000 and \$150,000,000
- .35% on assets over \$150,000,000

Client's may make additions to and withdrawals from their account(s) at any time. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value.

## **Other Fees Not Paid to MQWS**

In addition to our Management Fee, you may also incur certain charges imposed by unaffiliated third parties. Such charges include, but are not limited to, fees charged by Independent Managers, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Account which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees imposed by variable annuity providers and disclosed in the annuity contract, certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

## **Tax Preparation & Services**

Certain advisory clients may also be Tax clients at MQTA. This company is not a wholly owned subsidiary of MQWS, but is a related/affiliated entity. Clients that utilize tax compliance and other tax services will enter into a written and separate agreement with MQTA. If you maintain a relationship with MQTA, MQWS may share fees in order to satisfy any fees associated with Tax Preparation & Tax Services. The default arrangement is that your MQTA fee will be deducted from an account managed by MQWS, unless you specifically direct us otherwise.

## **C: Payment of Fees**

### **Financial Consulting**

The specific manner in which we charge fees is established in the client's written Financial Consulting Agreement. Financial consulting fees are generally based on a calendar year. The annual fee may be prorated for any partial calendar year at the inception or termination of the agreement. If the client also has an Investment Advisory relationship with MQWS, the financial consulting fee will generally be deducted from a designated account. If a client that engages MQTA to prepare and file its tax return(s), MQWS may also deduct the tax fee from a designated account.

## **Investment Advisory**

The specific manner in which we charge fees is established in the client's written Investment Advisory Agreement. MQWS will generally bill our fees in arrears each calendar quarter directly debited from client accounts. Investment Advisory and Management Fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimus contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Upon termination of any account, any prepaid, unearned fees, if applicable, will be promptly refunded, and any earned, unpaid fees will be due and payable.

For limited partnerships and private offerings managed or supervised by affiliates of Leo Group Holdings, LLC, the manner of payment of the client's fee will depend upon the specific investment offering and may be in addition to other advisory or consulting fees.

Clients generally are required to have their investment management fees deducted from their accounts. In some cases, however, MQWS will bill a client for investment advisory fees if it determines that such a billing arrangement is appropriate given the circumstances.

## **Family Office Services**

Family office services are generally negotiated separately and may be paid directly by the client or deducted from a designated account if an Investment Advisory relationship exists.

## **Employer Sponsored Services**

The specific manner in which we charge a fee is established in a written services agreement with the sponsoring employer. Fees are generally billed to the sponsoring company either quarterly or annually.

## **ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

Certain members of MQWS are also members of Leo Group Holdings, LLC, an investment manager of limited partnership(s) including, Leo Group Private Debt Facility, L.P., Leo Group Private Investment Access, LP, and Leo Group Gold Opportunities Fund, LP., (collectively the "Partnerships"). Leo Group Holdings LLC receives and benefits from charging a performance-based fee (fees based on a share of capital gains on capital appreciation of the assets of a client) but only when the client has been specifically notified in writing through a separate agreement. Moreover, Leo Group Management LLC, a subsidiary of Leo Group Holdings, LLC (the "General Partner"), serves as the general partner to the Partnership(s). The General Partner has discretionary authority to manage the Partnership's activities. Currently, limited partnership interests in the Partnership are available only to Accredited Investors, as such terms are defined in Rule 501 of Regulation D of the Securities Act of 1933, and Rule 205-3 of the Investment Advisers Act of 1940, respectively.

The General Partner has engaged Lateral Investment Management LLC ("Lateral" or the "Subadvisor") to serve as the Partnership's subadvisor to the Leo Group Private Debt Facility, LP. The Subadvisor is responsible for the Partnership's portfolio management under the general supervision of the General Partner. Leo Group Private Investment Access, LP provided Lateral with a capital investment in November, 2014, which entitles the Leo Group Private Investment Access, LP fund to a revenue-share of the gross revenues of Lateral. There is no form of ownership between the LeoGroup and its affiliates and Lateral.

The General Partner has engaged Kayon Partners LLC ("Kayon" or the "Subadvisor") to serve as the Partnership's subadvisor to the Leo Group Private Investment Access, LP. The Subadvisor is responsible for the Partnership's portfolio management under the general supervision of the General Partner.

Pursuant to the Partnership's fund documents, at the end of the fiscal year, the General Partner may receive a performance fee based on the increase to a limited partner's capital account if such increase exceeds a pre-defined hurdle.

The possibility of receiving a performance-based fee may create an incentive for certain members of MQWS, the Leo Group Holdings, LLC, the General Partner to the Partnerships, the Subadvisor and other related affiliates of the members to make investments on behalf of the Partnership that are riskier or more speculative than would be the case in the absence of such an arrangement.

## **ITEM 7: TYPES OF CLIENTS**

### **Financial Consulting**

MQWS offers financial counseling services directly to individuals. MQWS also offers counseling services to individual executives through corporate-sponsored financial counseling programs between MQWS and the individual employer.

The employers are generally multi-national companies and these companies provide a financial counseling benefit to employees at certain levels within the organization.

### **Investment Advisory**

MQWS provides investment advisory and investment management services to individuals, trusts, institutions, charitable foundations, and retirement/profit-sharing plans.

We do not currently impose a minimum account size but reserve the right to implement a higher account minimum and/or waive account minimums.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A: Methods of Analysis and Investment Strategy**

In the normal course of business, MQWS is an allocator of client funds to investment managers, non-affiliated private funds and affiliated private funds. MQWS performs a due diligence analysis on these managers by reviewing and considering many factors including, but not limited to, historical returns, volatility, manager experience, style, drawdowns, portfolio/employee turnover, and operational policies and procedures. This is done through a proprietary quantitative analysis as well as in-person meetings, and statistical screening prior to the engagement of any manager. In addition, periodic performance and logistical updates are conducted in order to confirm that the manager continues to fulfill a client's mandate and goals.

### **Methods of Analysis**

In some instances, MQMWS may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

### **Investment Strategy**

In some instances, MQWS may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities purchased and sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)



MQWS uses a wide range of investment vehicles and products in an attempt to achieve the objectives of the chosen investment strategy. These investments may be individual securities, mutual funds, bonds, annuities, exchange-traded funds, proprietary managed accounts, as well as accounts managed by third parties.

With respect to the use of outside managers, MQWS evaluates such managers and their strategies based upon multiple criteria such as performance, experience, potential for so-called “style- drift”, underlying holdings, size, turnover, process, fees, as well as many other factors that may affect the manager’s performance.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MQWS) will be profitable or equal any specific performance level(s).

## **B: Material Risks Involved**

### **Risk of Loss**

In the normal course of business, MQWS is an allocator of client funds to investment managers, non-affiliated private funds and affiliated private funds. In certain circumstances MQWS may recommend the purchase or sales of individual securities (stocks, bonds, options, etc.)

However, every method of analysis has its own inherent risks. To perform an accurate market analysis MQWS must have access to current/new market information. MQWS has no control over the dissemination rate of market information; therefore, unbeknownst to MQWS, certain analyses may be compiled with outdated market information, severely limiting the value of MQWS’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

MQWS evaluates managers whose primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, MQWS may also implement and/or recommend short selling and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract.

Generally, the purchase or the recommendation to purchase an option contract by MQWS shall be with the intent of offsetting/hedging a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by MQWS is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, clients may direct MQWS, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Inverse/Enhanced Market Strategies.** MQWS may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct MQWS, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), MQWS may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating MQWS's advisory fee. MQWS's Chief Compliance Officer, Mark D. DeLotto, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.

**Non-Discretionary Service Limitations.** Clients that determine to engage MQWS on a non-discretionary investment advisory basis must be willing to accept that MQWS cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, MQWS will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**Client Obligations.** In performing its services, MQWS shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify MQWS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising MQWS's previous recommendations and/or services.

## **C: Specific Risks**

Currently, MQWS primarily allocates client investment assets to:

**Affiliated and Unaffiliated Funds.** As discussed in Item 4 and Item 5 of this Form ADV Part 2A, MQWS may recommend that clients invest a portion of their assets in affiliated and unaffiliated funds for which MQWS is the investment adviser or sub-adviser.

**Independent Managers (Private Investment Funds).** MQWS may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. MQWS shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which MQWS shall consider in recommending Independent Manager[s] include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing.

Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that MQWS references private investment funds owned by the client on any supplemental account reports prepared by MQWS, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price. The client's advisory fee shall be based upon such reflected fund value(s).

**Mutual funds and exchange traded funds.** MQWS may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent Mutual Funds and Exchange Traded Funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), in accordance with the client's designated investment objective(s). In such situations, the unaffiliated independent Mutual Funds and Exchange Traded Funds shall have day-to-day responsibility for the active discretionary management of the allocated assets. MQWS shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which MQWS shall consider in recommending Mutual Funds and Exchange Traded Funds include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. MQWS may allocate to Mutual Funds, ETFs, Independent Manager[s] and/or private investment funds, on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s). (See Independent Manager[s] above).

As disclosed above, MQWS may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct MQWS, in writing, not to employ any or all such strategies for his/her/their/it's accounts.

**Account Rebalancing for Non-Discretionary Accounts.** MQWS balance mutual fund and ETF accounts on the same date. However, unless MQWS receives timely verbal authorization to do so from clients that engage MQWS on a non-discretionary basis, non-discretionary accounts will be rebalanced subsequent to discretionary accounts.

**Variable Products.** Insurance companies issue "Variable Products" which includes variable life insurance and variable annuities which utilize underlying investment accounts to determine the performance of the cash-value or annuity account value, as the case may be. In reviewing Variable Products, MQWS may review issuing insurance carrier's rating, competitiveness of the product, client service resources, and general processes for manager selection for separate accounts underlying the Variable Products referred to as "Variable Subaccounts". As an accommodation, MQWS may review the Variable Subaccounts as part of the strategic asset allocation process. All of the aforementioned Material Risks of Loss may also apply to Variable Subaccounts. MQWS does not conduct due diligence on any of the Variable Subaccounts or their managers and does not provide advice on or recommendations of individual Variable Subaccounts. Inclusion of any Variable Subaccounts in any portfolio(s) is based upon the information provided by the issuing carrier and/or third-party database providers. MQWS does not have the ability to verify the accuracy of any information provided by or about Variable Subaccounts.

**Derivatives.** Derivatives are difficult to define but are present in a wide variety of investments. In finance, derivatives refer to contracts whose value is derived from another asset, which include stocks, bonds, currencies, interest rates, commodities, and related indexes. Oftentimes derivatives are used as a hedge to protect against downside risk but derivatives can also be used to speculate.

Purchasers of derivatives are essentially wagering on the future performance of that asset. Derivatives include such widely accepted products as futures and options. Due to the speculative nature of derivatives even when they are being employed to hedge, unique risks are present including a party's misunderstanding of the contract, inability of the derivative to match or derive its value from the other asset, and the counter-party risk between the parties to the transaction.

**Futures & Options.** MQWS does not generally employ futures and options as part of its investment strategies but we may do so from time to time. Also, clients may request that we purchase or implement certain option strategies on their behalf for a specific purpose, but such strategies are usually implemented as directed by the client. MQWS does recommend certain mutual funds, exchange-traded funds, inverse exchange-traded funds, outside managers, and alternative investments that utilize futures & options to varying degrees. There are numerous risks with any futures or options trading strategy. In focusing on the creation of cash flow from writing (selling) covered call options on some or all of a portfolio, a client assumes the obligation or risk of selling a position at a specified price, which generally is higher than where the position currently is trading. Due to the risks, MQWS provides each client interested in an options strategy with the "Characteristics and Risks of Standardized Options" (the "Pamphlet"), written and published by the Options Clearing Corporation.

**Alternative Investments.** Are normally an investment with companies or sectors that are not publicly traded. These investments are normally very illiquid; therefore, they are not ideal for clients with frequent cash needs. There is normally no public market for private equity shares, if investors need to sell their shares, they may do so at a substantial discount. These investments should be viewed as long term investments. These Investments are highly speculative and is suitable only for those who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume significant losses. Alternative Investments are not an appropriate investment for retirement funds. Before deciding to invest in Alternative Investments you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Alternative Investments prior to investing.

**Cybersecurity.** Investment advisers, including MQWS, must rely in part on digital and network technologies ("cyber networks") to maintain substantial computerized data about activities for client accounts and otherwise conduct their businesses. Such cyber networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. MQWS maintains policies and procedures on information technology security, it has certain technical and physical safeguards intended to protect the confidentiality of its internal data, and takes other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction. Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents could potentially occur, and such incidents, in some circumstances, might result in unauthorized access to sensitive information about MQWS or its clients or their investors, and/or cause damage to client accounts or MQWS's activities for clients or their investors. MQWS will seek to notify affected clients and investors of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such clients or investors to unintended parties.

## **ITEM 9: DISCIPLINARY INFORMATION**

MQWS has no legal or disciplinary events to report.

## **ITEM 10:**

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **A: Material Relationships with Affiliated Entities**

##### **Minimize Risk, LLC**

Minimize Risk, LLC is a New Jersey limited liability company licensed by the New Jersey Department of Banking and Insurance as well as various state banking & insurance departments. Minimize Risk, LLC is a related affiliate of certain members of MQWS. Minimize Risk, LLC effectuates certain insurance contracts with clients and others. MQWS and/or its certain members may engage in the insurance business through MQWS's affiliation with Minimize Risk, LLC or other third party relationships for purposes of selling insurance contracts for separate compensation. Variable life and variable annuity insurance contracts must be effectuated through a Broker-Dealer. Financial consulting and/or investment advisory clients are not obligated to use MQWS or Minimize Risk LLC to purchase insurance or annuities. Certain Leo Group professionals are licensed insurance agents and any compensation earned by such agents will vary depending upon the insurance company and product purchased. Such personnel may also be appointed as agents of the issuing insurer. Recommendations to purchase or exchange insurance products are made by Leo Holdings, LLC's professionals solely in their capacity as an insurance agent associated with Minimize Risk, LLC or third party agencies or companies. Leo Holdings, LLC does not generally have a separate insurance agreement with clients when selling insurance other than the required disclosures from the third-party agents or companies.

#### **B. Registration as a Broker-Dealer or Broker-Dealer Representative**

MQWS is not a registered Broker-Dealer. Mark DeLotto is the Chief Compliance Officer of MQWS. Peter Marquardt, who is the Chief Compliance Officer of related affiliates of Leo Holdings, LLC, is also the Chief Compliance Officer of a broker dealer owned by SenaHill Partners, LLC and a broker dealer and registered investment advisor owned by Olden Lane, LLC. Both SenaHill, LLC and Olden Lane, LLC are portfolio companies of Leo Holdings, LLC. Certain MQWS employees that hold Broker Dealer registrations may place their licenses with SenaHill or Olden Lane.

#### **C. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or an Associated Person of the Foregoing Entities**

Neither MQWS nor any MQWS employee is registered as a futures commission merchant, commodity pool operator, commodity trading advisor. Olden Lane Advisors, LLC which is owned by Olden Lane, LLC, a portfolio company of the Leo Holdings LLC, is a registered investment advisor and commodity trading advisor.

Certain members of MQWS, through a related affiliated party has made an investment in SenaHill Partners, LP ("SenaHill"). SenaHill does own a Registered Broker Dealer. MQWS does not transact advisory trades through SenaHill.

Certain members of MQWS, through a related affiliated party has made an investment in Olden Lane, LLC which owns a Broker Dealer. MQWS and the Leo Group do not transact advisory trades through Olden Lane.

Certain members of MQWS and its related affiliates may currently own, may plan to own and may be granted ownership of companies from which the Company may invest. MQWS and its related persons may also serve as a member of the Board of Directors, hold a management level position, serve in an investment banking capacity and/or serve as a consultant to companies from which the Company may invest. Any or all of these relationships and/or related transactions may cause the MQWS or its related affiliates to be involved with decisions for portfolio companies that could put it in conflict with the interests of the Company. MQWS will endeavor to notify the Members should any such conflict arise, and let them know how the MQWS plans to address any potential issues.

MQWS may from time to time direct a client to another organization for investment purposes. One such relationship currently is with SEI which manages a Bond program. MQWS may receive a referral or other fee from these other outside programs.

#### **D. Selection of Other Investment Advisors & Managers**

MQWS may utilize third-party managers and/or unaffiliated alternative investment vehicles for the purpose of providing clients with investment options to help achieve the client's investment objectives. Generally, MQWS does not receive compensation from these managers or alternative investment vehicles.

**Sub-Advisory Arrangements.** MQWS may engage sub-advisors for the purpose of assisting MQWS with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by MQWS. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by MQWS.

MQWS shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. MQWS's Chief Compliance Officer, Mark D. DeLotto, remains available to address any questions concerning MQWS's sub-advisory arrangements.

Prior to entering into a relationship, MQWS performs a due diligence review of the subadvisor. This review includes, but is not limited to, the review of regulatory filings, compliance program, investment offerings, and the performance of the strategies considered. The due diligence process includes multiple conversations and may include in-person visits to the subadvisor's place of business.

When a strategy offered through a subadvisor is appropriate for a client of MQWS, the client will be provided with the subadvisor's Form ADV, Part 2A and 2B, Privacy Notice, and any other information that may be relevant or informative to the client. In addition, each client that invests in a sub-advised strategy is required to acknowledge, in writing, the MQWS subadvisor relationship and the specific strategy offered through the subadvisor. The client will not engage the subadvisor directly; the client's advisory relationship remains with MQWS as set forth in the client's Investment Advisory agreement.

### **ITEM 11:**

#### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

##### **A: Description of Code of Ethics**

MQWS has adopted a Code of Ethics (the "Code") pursuant to SEC Rule 204A-1. This Code provides that all supervised persons of MQWS place the interests of the firm's clients ahead of their own. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at MQWS must acknowledge the terms of the Code of Ethics annually, or as amended.

**MQWS clients or prospective clients may request a copy of the firm's Code of Ethics at any time.**

##### **B: Recommendation Involving Material Financial Interest**

Under the Code, related persons of MQWS are required to disclose any personal material interest they have in a security that MQWS recommends to clients. MQWS may recommend that clients invest in partnership interests in various partnerships for whom it believes the investment would be suitable given the client's goals, objectives, risk tolerance, tax circumstances, and liquidity needs. As discussed previously, to be eligible to participate in most partnership investments, clients will need to be Accredited Investors (as such term is defined in Rule 501 of Regulation D promulgated by the SEC under the Securities Act of 1933) and may also need to qualify as Qualified Purchasers (as such term is defined in the Investment Company Act of 1940, as amended, and the rules promulgated by the SEC).

Conflicts of interest were also discussed previously in this brochure, but conflicts of interest are further detailed in the partnership's offering documents.

Prospective limited partners are encouraged to consult their own counsel as to the terms and provisions of a partnership and its offering documents.

## **C: Investing in Same Securities as Clients**

### **Same Security Transactions**

Employees & supervised individuals ("related persons") of MQWS may invest in a particular investment strategy in which MQWS clients invest. Trades on behalf of clients may be aggregated with trades on behalf of related persons only if the following conditions are met:

1. The client's trades are treated equally with the trades of the related person;
2. Each related person and each client in the trade receive average execution and average commission; and
3. The securities purchased or sold are allocated pro rata.

The account of a related person receives no favorable treatment with respect to the management of the account or the execution of transactions. Should a potential transaction on behalf of a related person likely conflict with any of MQWS's clients, MQWS will place its clients' interests first. MQWS reviews accounts that it manages on behalf of its related persons to ensure that such accounts have not received preferential treatment.

No security may be bought or sold by a principal or employee of MQWS before MQWS clients' accounts have had the opportunity to make such transactions as appropriate. All MQWS trades made by the employees who make recommendations or participate in the determination of which recommendations shall be made are reviewed by the compliance officer or designee who is supervised by the compliance officer. Principals and employees will not receive a more favorable execution price on a particular day than those received by their investment advisory clients. All MQWS employees must direct their brokers to send duplicate copies of trade confirmations and brokerage statements to the designated compliance officer. These records are used to monitor compliance with MQWS trading and compliance policies.

Associated persons of the Investment Advisor must also obtain pre-approval from the compliance officer or designated managing member before engaging in any outside business activities or private placements.

MQWS anticipates that, in appropriate circumstances and consistent with clients' investment objectives, the firm will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which MQWS, its affiliates and/or clients, directly or indirectly, have a position of interest. MQWS employees and persons associated with MQWS are required to follow MQWS's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of MQWS and our affiliates may trade for their own accounts in securities which are recommended to and/or purchased for MQWS's clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees and related persons of MQWS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of MQWS's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between MQWS and its clients.

To prevent conflicts of interest, all employees of MQWS must comply with the firm's Policies and Procedures and Code of Ethics (collectively "Supervisory Manuals") which impose restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Further, such Supervisory Manuals impose certain policies and procedures concerning the misuses of material non-public information that are designed to prevent insider trading by any officer, partner, or affiliated person of MQWS.

### **Best Execution**

MQWS has an obligation of best execution. This obligation applies to MQWS's affiliates or sub-advisors as well.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with MQWS's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. MQWS or its related affiliates, as the case may be, shall retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rate basis. Any exceptions will be explained on the order.

### **Cross Security Transactions**

An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions arise where an adviser is dually registered as a Broker-Dealer or has an affiliated Broker-Dealer.

In such circumstances, MQWS or its affiliate will determine a fair price to both parties and will not charge any mark ups or commissions. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated Broker-Dealer, buys from or sells any security to an advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private partnership fund and another client account.

MQWS is neither a Broker Dealer nor does it transact business through an affiliated Broker dealer.

### **D: Trading Securities At/Around the Same Time as Client's Securities**

Pursuant to the Code of Ethics, related persons of MQWS may invest in individual securities that also are holdings in MQWS's investment strategies. Each related person is required to conduct all personal securities transactions in a manner that is consistent with the Code and to avoid any conflict of interest.

No related person may misuse information about client accounts, abuse his or her position of trust and responsibility, or take inappropriate advantage of his/her position. MQWS has a policy concerning individual trading by related persons that it believes is reasonably designed to minimize potential conflicts of interest with its clients. In furtherance of minimizing such potential conflicts of interest, MQWS prohibits its related persons from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding such securities or communicating materials non- public information to others.

## **ITEM 12: BROKERAGE PRACTICES**

### **A: Factors Used to Select Custodians and/or Broker-Dealers**

#### **Fidelity Investments**

MQWS maintains custody arrangements with Fidelity's Institutional Wealth Services (IWS), an affiliate of Fidelity Investment Company. MQWS utilizes Fidelity as custodian of client assets although clients are free to custody their assets in their name at the brokerage firm of their choosing. MQWS may have other relationships in the future at which time this brochure shall be updated.



Fidelity as well as any future such institutions in which MQWS has a relationship are a “Qualified Custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940. Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed by MQWS.

In selecting a BD/Custodian, some of the factors that MQWS considers include:

- Trade order execution; the ability to provide accurate and timely execution of trades
- The reasonableness and competitiveness of commissions and other transaction costs
- Access to a broad range of investment products
- Access to trading desks
- Technology that integrates within MQWS’s environment, including interfacing with MQWS’s portfolio management system
- Access to research
- Ability to provide a full range of options for account registrations for MQWS’s clients
- Availability of an additional services program
- A dedicated service or back office team and its ability to process seamlessly and timely a myriad of requests from MQWS on behalf of its clients
- Ability to provide MQWS with access to client account information through an institutional website
- Ability to provide clients with electronic access to account information and investment and research tools

MQWS may place portfolio transactions through the BD/Custodian where the clients’ accounts are custodied. In exchange for using the services of the BD/Custodian, MQWS may receive, without cost, computer software and related systems support that allows MQWS to monitor and service its clients’ accounts maintained with such BD/Custodian. Additional benefits include the receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk that exclusively services institutional brokerage group participants, access to block trading services that provide the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, and/or access to an electronic communication network for client order entry and account information. Other benefits MQWS may receive include consulting, publications, and conferences on practice management, information technology, business succession, and regulatory compliance. MQWS’s receipt of such benefits is reviewed to ensure compliance with Securities Exchange Act 28(e)’s safe harbor for so-called “soft dollar” arrangements and the SEC’s latest guidelines.

If a client’s account meets the BD/Custodian’s minimum account size, MQWS generally recommends that the client enter into a Prime Brokerage Services Agreement with the BD/Custodian. This agreement permits MQWS, in its discretion, to trade away from the BD/Custodian when placing securities transactions on behalf of the client. The account will incur a trade-away fee from the BD/Custodian for each transaction that is executed on a trade-away basis. This fee is separate from the commission/transaction fee imposed by the Broker-Dealer through which the trade was executed.

Trading away may be advantageous for the client because:

- the Broker-Dealer may have expertise in a particular security or market
- the Broker-Dealer makes a market in a particular security
- a particular security is thinly traded
- the Broker-Dealer can identify a counter-party for the trade

A client may pay higher net execution costs than he/she would have paid if the transaction were placed through the BD/Custodian holding his/her account. MQWS reviews its arrangements with the BD/Custodians and other Broker-Dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. 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, but not limited to, the following:

- a Broker-Dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner.
- a Broker-Dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume.
- a Broker-Dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a Broker-Dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades.
- a Broker-Dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody.
- a Broker-Dealer's ability to provide services to accommodate special transaction needs, such as the Broker-Dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

#### 1. Brokerage for Client Referrals

MQWS does not select or recommend Broker-Dealers based on whether or not it may receive client referrals from a Broker-Dealer or third party.

#### 2. Directed Brokerage

Generally, in the absence of specific instructions to the contrary, MQWS has full discretion with respect to securities transactions placed on behalf of a client's account. This discretion includes authority, without prior notice to the client, to buy and sell securities for the client's account and establish and affect securities transaction through the BD/Custodian of the client's account or other Broker-Dealers selected by MQWS. In selecting a Broker-Dealer to execute a client's securities transactions, MQWS seeks prompt execution of orders at favorable prices. A client, however, may instruct MQWS to custody his/her account at a specified Broker-Dealer and/or direct some or all of his/her brokerage transactions to a specific Broker-Dealer.

In directing brokerage transactions, a client should consider commission expenses, execution, clearance, settlement capabilities, and custodian fees, if any, as compared to those that would result if MQWS exercised its discretion in selecting the Broker-Dealer to execute the transactions. Directing brokerage to a particular Broker-Dealer may involve the following disadvantages to a directed brokerage client:

- MQWS's ability to negotiate commission rates and other terms on behalf of such clients could be impaired
- such clients could be denied the benefit of MQWS's experience in selecting Broker-Dealers that are able to execute efficiently difficult trades
- opportunities to obtain lower transaction costs and better prices by aggregating (batching) the client's orders with orders for other clients could be limited
- the client could receive less favorable prices on securities transactions because MQWS may place transaction orders for directed brokerage clients after placing batched transaction orders for other clients.

## **B: Trading Aggregation**

### **Balancing the Interests of Multiple Client Accounts**

MQWS may manage multiple accounts with similar investment objectives and strategies or may manage accounts with different objectives or strategies that may trade in the same securities. Despite these similarities, MQWS's portfolio decisions about each client's investments and the performance resulting from these decisions may differ from those of other clients.

## **Allocating Investment Opportunities**

MQWS will not necessarily purchase or sell the same securities for the client accounts at the same time or in the same proportionate amounts for all eligible clients. It is expected, however, that client accounts with similar objectives may trade in the same securities at the same time.

MQWS will allocate investment and trading opportunities (including the sequence of placing orders if not “batched”) in a manner believed by MQWS to be fair and equitable to each client. In making these allocations, MQWS will take into account the following factors:

- the clients’ investment objectives and strategies;
- the composition, size and characteristics of the account;
- the cash flows and amount of investment funds available to each client;
- the amount already committed by each client to a specific investment;
- each client’s risk tolerance and the relative risk of the investment; and
- the marketability of the security being considered.

MQWS may deviate from strictly pro rata allocation, when appropriate, taking into account the following factors:

- to avoid creating odd lot positions in any account;
- to allocate a smaller portion to those accounts for which the purchased security would be a peripheral investment and a larger portion to those accounts for which the security would be a core investment;
- to the extent that the purchased security is especially appropriate for accounts with certain investment goals or risk tolerances;
- to satisfy demand with respect to an account’s cash position relative to its portfolio (i.e., to allocate a small portion to accounts with less cash or liquidity and a greater portion to accounts with more or highly liquid investments; and
- when a proportionate allocation would, given the size of a client account, result in a position that is too small to be meaningful or too large to maintain an appropriate level of diversification.

If it is not possible in a single transaction or at a single price to affect trades in a particular security that is appropriate for multiple accounts, MQWS, may if feasible, compute and give to each participating client account the average price for that day’s transactions in the securities.

## **Batching Orders**

When the same investment decision is made for more than one client on the same day, MQWS may place orders to buy or sell the same securities for a number of clients. Whenever possible, orders to purchase or sell the same security for multiple accounts are aggregated. All accounts that participate in an aggregated transaction shall participate on a pro rata basis. MQWS will not aggregate investment transactions for accounts unless the transaction is consistent with the terms of the applicable investment management agreement and each account’s investment objectives, restrictions, and policies.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A: Reviews**

For those clients to whom MQWS provides investment advisory services, account reviews are conducted on an ongoing basis by MQWS’s Principals and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise MQWS of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with MQWS on an annual basis.

## **B: Frequency and Nature of Reviews & Reports**

MQWS may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

## **C: Account Statements**

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or administrator for the client accounts. MQWS may also provide a written periodic report summarizing account activity and performance.

## **ITEM 14:**

### **CLIENT REFERRALS AND OTHER COMPENSATION**

#### **A: Economic Benefits Provided by Third Parties for Client Advice**

Fidelity also offers other services intended to help MQWS manage and further develop its business enterprise. These services may include: (1) educational workshops and; (2) publications and conferences on practice management and business succession; and (3) introductions to employee benefits providers, human capital consultants, and other service providers. Fidelity may make available, arrange and/or pay third-party vendors for the types of services rendered to MQWS. Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third party providing these services to MQWS. Fidelity may also provide other benefits such as educational events or occasional business entertainment of MQWS personnel. Fidelity may also sponsor client events hosted by or make donations to charities selected by MQWS or its affiliates. In evaluation whether to recommend or require that client's custody their assets at Fidelity, MQWS 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 it considers and not solely on the nature, cost, or quality of custody and brokerage services by Fidelity, which may create a potential conflict of interest. As stated above, MQWS reviews its arrangements with BD/Custodians against other possible arrangements in the marketplace.

#### **Additional Benefits and Services**

MQWS may receive Additional Services from Fidelity or another third party in the future. To the extent MQWS receives Additional Services that are not soft dollar benefits; they will be disclosed in this section. Fidelity may provide Additional Services, however, such services will not be based on the number or amount of securities transactions executed through Fidelity, and such Additional Services do not consist of fees, commissions or other remuneration contingent on the execution of securities transactions or the utilization of any other service or product.

Fidelity or another third party in the future may provide the Additional Services to MQWS in its sole discretion and at its own expense; MQWS does not pay Fidelity for the Additional Services. The Additional Services may or may not be offered to other independent investment advisors. Fidelity and any other third party in the future will enter into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

MQWS's receipt of Additional Benefits and Services, however, raises potential conflicts of interest. In providing Additional Services to MQWS, Fidelity or any future third party most likely considers the profitability to Fidelity or future third party of the assets in, and trades placed for, MQWS's client accounts maintained at Fidelity or future third party. Fidelity has the right to terminate the Additional Services Addendum with MQWS, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from Fidelity or future third party, MQWS may have an incentive to recommend to its clients that the assets under management by MQWS be held in custody with Fidelity or future third party, and to place transactions for client accounts with Fidelity.

The receipt of Additional Services does not diminish MQWS's duty to act in the best interest of its clients, including the duty to seek best execution of trades for client accounts. MQWS's participation in any arrangements may raise potential conflicts of interest; however, as part of its fiduciary duty to clients, MQWS endeavors at all times to put the interests of its clients first. MQWS reviews its relationship with Fidelity on an annual basis.

MQWS may also enter into agreements with other custodians, banks or other financial institutions that may offer a service or product that would be more beneficial for a client investment or assets (ex. Banks that offer a higher interest rate on large cash balances) where a fee may be split with the advisor. This would only be done when in the best interest of the client.

### **Recognition Awards and Ratings**

MQWS may receive an award or recognition from unaffiliated rating services, companies, and/or publications. MQWS receives no compensation or other financial benefits in receiving an award or recognition.

Awards or recognitions should not be construed by a client or prospective client as a guarantee that he/she will experience a certain level of results if MQWS is engaged, or continues to be engaged, to provide investment advisory services. They should not be construed as a current or past endorsement of MQWS by any of its clients. Awards or recognitions generally are based upon information prepared and/or submitted by MQWS.

## **ITEM 15: CUSTODY**

All client assets are held in custody by unaffiliated broker/dealers or banks. However, MQWS shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. MQWS may also provide a written periodic report summarizing account activity and performance. MQWS engages in practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

To the extent that MQWS provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by MQWS with the account statements received from the account custodian. The account custodian does not verify the accuracy of MQWS's advisory fee calculation.

Though MQWS's main custodian is IWS/Fidelity, there may be times MQWS engages other qualified custodians when a client's assets are held outside of IWS/Fidelity but MQWS advises or consults on a client's entire portfolio when a portion of those assets may be held at another custodian. This most likely would occur when advising on ERISA or other retirement plan holdings but could also apply to larger cash balances, unique equity, bond, or other security portfolios or other non-traditional assets.

## **ITEM 16: INVESTMENT DISCRETION**

For clients that have hired MQWS for investment advisory services, MQWS may have non-discretionary or discretionary authority to manage their investments, such authority having been granted by an Investment Advisory Agreement executed between MQWS and the client. MQWS receives such authority from the client at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the investment objectives of the client.

With respect to MQWS's exercising actual investment discretion over an account, this authority is granted through a limited power of attorney granted by the client to MQWS through a client-executed custodial application and/or related custodial form. A client retains the right and ability to remove any and all of MQWS's discretionary authorities over his/her account.

When selecting securities and determining the size of a particular security transaction, MQWS observes the investment policies, limitations and restrictions imposed by the clients for which it advises. Investment guidelines and restrictions must be provided to MQWS in writing.

## **ITEM 17: VOTING CLIENT SECURITIES**

MQWS may vote proxies on behalf of clients. When we do so, we only cast proxy votes in a manner consistent with the best interest of clients. Absent special circumstances, all proxies will be voted consistent with guidelines established and described in our policies and procedures, as they may be amended from time-to-time. At any time, clients may contact us to request information about how we voted proxies for that client's securities. MQWS policy is to vote client shares primarily in conformity with the recommendations of company management. In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that MQWS maintains with persons having an interest in the outcome of certain votes, MQWS will take appropriate steps to ensure that our proxy voting decisions are made in the best interest of our clients, including but not limited to abstaining from the vote.

## **ITEM 18: FINANCIAL INFORMATION**

### **A: Balance Sheet**

MQWS does not require prepayment of client fees that would necessitate MQWS to provide a balance sheet with this Brochure.

### **B: Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither MQWS nor its management has any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

### **C: Bankruptcy Petitions in Previous Ten Years**

MQWS has not been the subject of a bankruptcy petition.