



LOVETT ADVISORS LLC
Wealth Management Solutions

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Lovett Advisors LLC ("Lovett Advisors" or the "Advisor"). If you have any questions about the contents of this brochure, please contact us at 302-250-4740. 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.

Additional information about Lovett Advisors is available on the U.S. Securities and Exchange Commission's (SEC) website at www.adviserinfo.sec.gov. Lovett Advisors LLC is a registered investment adviser. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Lovett Advisors and its Advisory Persons are available on the SEC's website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 283929.

Item 2 Material Changes

There have been changes to this Disclosure Brochure that we are required to disclose to Clients. These material changes include:

- The Advisor has changed its name from Lovett Financial Advisors, LLC to Lovett Advisor LLC.
- The Advisor has updated its Services, Fees and Compensation. Please see Item 4 and Item 5.

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Lovett Advisors.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD # 283929. You may also request a copy of this Disclosure Brochure at any time, by contacting us at 302-250-4740.

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Item 4 Advisory Business

Lovett Advisors LLC ("Lovett Advisors" or the "Advisor"), is a limited liability company formed under the laws of the State of Delaware. The Advisor is 100% owned by KLFA LLC and is operated by Kim Lovett, Managing Member and Chief Compliance Officer. The firm is registered with the U.S. Securities and Exchange Commission ("SEC"). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Lovett Advisors.

Investment Advisory Services

The Advisor may perform the following services for its clients:

- Coordination and administration of appropriate accounts and related asset transfers.
- Potential selection of an appropriate independent manager to fulfill investment objectives.
- Active tax and cost efficient investment portfolio management for assets under the discretionary authority of our firm including manager and strategy selection.
- Monitoring and management of investment managers and vehicles selected for implementation.
- As necessary, rebalancing, policy and/or strategy modification and/or manager replacements.
- As requested, implementation of cost and tax efficient liquidations for unanticipated cash flow needs.
- As requested, provision of preliminary tax information (e.g. realized and unrealized gains, taxable interest and dividends) for tax planning.
- Maintain and update as requested, a "Capital Needs Analysis", an analytical process that evaluates the likelihood of meeting stated goals based on assets, liabilities and relevant economic assumptions.

Lovett Advisors shall provide investment advisory services specific to the needs of each client. Before providing investment advisory services, Lovett Advisors will ascertain each client's investment objectives. Thereafter, Lovett Advisors will allocate or recommend that the client allocate investment assets consistent with the client's investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on Lovett Advisors' services.

After reviewing your investment objectives and tolerance for risk, you will execute an Investment Policy Statement that selects one of the following investment strategies:

Ultra Conservative Growth and Income - Seeks high current income with very modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation, as measured by the Core Consumer Price Index - "CPI". This portfolio will generally have a high weighting to cash and traditional fixed income and a low weighting to equity related strategies. The Ultra Conservative

investment objective is equivalent to an ultra-low risk profile.

Conservative Growth and Income - Seeks high current income with modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation ("CPI"). This portfolio will generally have a higher weighting of cash and traditional fixed income and a lower weighting to equity related strategies. The Conservative investment objective is equivalent to a low risk profile.

Moderate Growth and Income - Seeks growth of capital as well as current income. The portfolio will invest across diversified strategies specializing in fixed income, equity, real assets, and private investments with relatively equal weightings between equity and fixed income related strategies. The Moderate investment objective is equivalent to a balanced, medium risk profile.

Fixed Income Only - Seeks to preserve principal value, maintain adequate liquidity to meet client demands, and maximize total return. This portfolio will generally utilize investment grade cash and fixed income securities such as US Treasuries, agencies, municipal bonds, agency mortgage-backed securities and corporate debt. The Fixed Income Only investment objective is equivalent to a very low risk profile.

Use of Independent Managers

Lovett Advisors may recommend that a Client utilize one or more unaffiliated investment managers or investment platforms (collectively "Independent Managers") for all or a portion of a Client's investment portfolio. In such instances, the Client may be required to authorize and enter into an advisory agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide investment management and related services. The Advisor may also assist in the development of the initial policy recommendations and managing the ongoing Client relationship. The Advisor will perform initial and ongoing oversight and due diligence over the selected Independent Manager[s] to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. The Client, prior to entering into an agreement with unaffiliated investment manager[s] or investment platform[s], will be provided with the Independent Manager's Form ADV 2A (or a brochure that makes the appropriate disclosures).

Financial Planning and Financial Consulting

We may provide financial planning/financial consulting services to you to assist with long or short-term objectives as defined by you. Such services are not ongoing in nature and are generally completed within six months of the date of the engagement. Assistance with development of a comprehensive financial plan may include, but is not limited to, advice on the following issues:

- Cash flow management
- Retirement planning
- Risk Management
- Estate Planning

Further, our firm may provide a review and update of your existing financial plan. Consultation or planning services may include any of the following at your specific request:

Review of estate planning issues.

- Review of your overall financial situation and issue of a written report of recommendations.
- Review of estate planning issues.
- Preparation of a written asset allocation report and associated recommendations.
- Preparation of a portfolio analysis report and associated recommendations.
- Hourly consultation services on a myriad of issues raised by you, on an as-needed basis.
- Review of cash flow issues.
- Review of investment risk analysis.
- General tax issues and projections.
- Review of fringe benefit considerations.
- Business related issues to include multi-generational family plan.
- Other miscellaneous services based on your unique needs.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

At no time will Lovett Advisors accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the terms of the investment advisory agreement. Please see Item 12.

Wrap Fee Programs

Lovett Advisors does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Lovett Advisors.

Assets Under Management

As of December 31, 2016, Lovett Advisors had \$109,000,500 in Client assets, all of which are on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

Item 5 Fees and Compensation

Investment Advisory Services

Investment advisory fees are paid monthly in arrears pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the month. Investment advisory fees are based on the following schedules:

Equity and Balanced Accounts

First \$2,000,000	1.25%
Next \$3,000,000	.75%

Next \$5,000,000	.60%
Next \$10,000,000	.30%
\$20,000,000 +	Negotiated

Fixed Income Only

First \$2,000,000	.65%
Next \$3,000,000	.50%
\$5,000,000+	Negotiated

Enhanced Cash Management

First \$2,000,000	.35%
Next \$3,000,000	.25%
Next \$5,000,000	.20%
Next \$10,000,000	.15%
\$20,000,000 +	Negotiated

The investment advisory fee in the first month of service is prorated from the inception date of the account[s] to the end of the first month. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Lovett Advisors will be independently valued by the Custodian. Lovett Advisors will not have the authority or responsibility to value portfolio securities.

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective month- end date. The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the total assets under management with Lovett Advisors at the end of the month. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Lovett Advisors to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The

Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Use of Independent Managers

For Clients referred by the Advisor to an Independent Manager, the Client's fee will be billed in accordance with the investment management agreement and deducted from the Client's account[s] at the Custodian and a portion of the fee will be provided to the Independent Manager.

In the event that a Client should wish to terminate their relationship with the Independent Manager, the terms for termination will be set forth in the respective agreements between the Advisor and that Independent Manager.

Financial Planning Fees

Financial planning is typically included as part of the investment advisory process. There is no separate charge for financial planning.

Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Lovett Advisors, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the Custodian and executing broker-dealer. The fees charged by Lovett Advisors are separate and distinct from these custodial and execution fees.

In addition, all fees paid to Lovett Advisors for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Lovett Advisors, but would not receive the services provided by Lovett Advisors which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Lovett Advisors to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information

Compensation for Sales of Securities

Lovett Advisors does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above. However, Lovett Advisors' Advisory Persons may separately earn compensation as described below.

Ms. Lovett is also a registered representative of MerCap Securities, LLC ("MerCap Securities"). MerCap Securities is a registered broker-dealer (CRD No.156607), member FINRA, SIPC. In one's separate capacity as a registered representative of MerCap Securities, an Advisory Person may implement securities transactions under MerCap Securities and not through Lovett

Advisors. In such instances, Ms. Lovett will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by Ms. Lovett in her capacity as a registered representative is separate and in addition to the Advisor's fees. This practice presents a conflict of interest because Ms. Lovett who is a registered representative has an incentive to execute securities transactions for the purpose of generating commissions rather than solely based on the Client. Clients are not obligated to implement any recommendation provided by Ms. Lovett. Neither the Advisor nor Ms. Lovett will earn ongoing investment advisory fees in connection with any products or services implemented in Ms. Lovett's separate capacity as a registered representative. Please see Item 10.

Ms. Lovett is also licensed as an independent insurance professional. Ms. Lovett will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. Please see Item 10.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Fees are calculated as described in the section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in our clients' advisory accounts.

Item 7 Types of Clients

Our firm provides investment advice to individuals, high net worth individuals, trusts, estates, charitable organizations, corporations and other organizations. We generally require a minimum relationship size of \$500,000 in assets under management for managed accounts, but this minimum may be waived at our discretion.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

We recognize that our clients have different investment objectives and risk tolerances based upon their goals, life style, financial commitments and a myriad of other factors. Our firm works closely with you to develop a Statement of Investment Policy and Objectives that helps define a particular investment strategy. We may then manage the account directly or may choose an independent manager that would, in our opinion, be able to execute a strategy consistent with the one defined by you. Our firm's methods of analysis include fundamental analysis and technical analysis of securities and markets.

Fundamental Analysis - Fundamental analysis examines trends in economic data, interest rates, corporate earnings, corporate balance sheets, and credit agency ratings to determine the probability of future earnings and subsequently the prospects for future stock or Bond appreciation. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis

may not result in favorable performance.

Technical Analysis - Technical analysis on the other hand takes into consideration factors such as chart trends, Volatility index, put/call ratios, momentum, volume and more. The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

To over simplify, fundamental analysis looks at the factors that could possibly affect the performance of a company or group of companies and are more long term in nature, while technical analysis considers factors that may be more market driven and more short term in nature. We review financial news, corporate rating services, research materials prepared by others, annual reports, prospectuses and filings with the Securities and Exchange Commission. Our firm also conducts interviews and due diligence with respect to the investment strategies and capabilities of prospective money managers.

To fulfill a particular investment strategy, our firm or the independent manager may elect long term purchases, short term purchases or trading strategies (securities sold within 30 days).

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long- term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short-Term Trading - short-term trading, in general, is selling securities within 30 days of purchasing the same securities as an investment strategy. Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. However, there is a risk that frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Risk of Loss

There are a number of risks associated with the various strategies we offer. Generally, your accounts are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and falling prices. Such risk may vary based on the percentage of stocks owned in a given investment strategy.

Bonds are subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary based on the percentage of bonds owned in a given strategy. In addition, long-term bonds have a higher interest rate risk and are much more sensitive to interest rate changes than are the prices of short-term bonds. In addition, bonds are also subject to credit risk, the chance that a bond issuer will fail to pay interest and principal in a timely manner or, that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Finally, some bonds may be subject to call risk. This is the chance that in a declining interest rate environment, the issuer of a bond will repay or call securities with higher coupons before their maturity dates.

Investments in specific asset classes entail different investment risks. For example, small cap stocks tend to be more volatile than large or mid-cap stocks. International stocks and emerging markets include risks due to currency fluctuations, foreign taxes, political instability and possibility of illiquid markets. Real estate investing includes risks such as declines in the value of real estate, changing economic conditions, tax laws or property taxes. Investing in Commodities is also highly volatile and subject to changing economic conditions and the vagaries of speculators among other risks. Market Neutral and Long/Short strategies entail potential liquidity risks and frequently higher fees.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless specifically agreed otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of account size or any other factors, you are strongly recommended to consult with a tax professional prior to and throughout the investing of your assets.

Moreover, your custodian may default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of client investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to us immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Lovett Advisors will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of

requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the potential speculative components of the Advisor's strategy:

Item 9 Disciplinary Information

Our firm and any of our partners, officers or employees have never been involved in any legal or disciplinary action with any federal or state statutory or regulatory agency. Likewise, our firm, our partners, officers or employees have never been subject to disciplinary action by self-regulatory organizations.

Item 10 Other Financial Industry Activities and Affiliations

Broker-dealer Affiliation

As noted in Item 5.E, Ms. Lovett is also a registered representative of MerCap Securities. In one's separate capacity as a registered representative of Mercap Securities, Ms. Lovett may implement securities transactions through MerCap Securities and not the Advisor. In such instances, Ms. Lovett will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by Ms. Lovett as a registered representative is separate and in addition to the Advisor's fees. This practice presents a conflict of interest because Ms. Lovett, who is a registered representative, has an incentive to execute securities transactions for the purpose of generating commissions rather than solely based on the Client. Clients are not obligated to implement any recommendation provided by Ms. Lovett. Neither the Advisor nor Ms. Lovett will earn ongoing investment advisory fees in connection with any products or services implemented in her separate capacity as a registered representative.

Insurance Agency Affiliations

As noted in Item 5.E, Ms. Lovett is also licensed as an independent insurance professional. Implementations of insurance recommendations are separate and apart from one's role with Lovett Advisors. As insurance professionals, Ms. Lovett may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Ms. Lovett is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Ms. Lovett or the Advisor.

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

Our firm maintains an investment policy relative to personal securities transactions. This

investment policy is part of our firm's overall Code of Ethics, which serves to establish a standard of business conduct for all of our firm's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, our firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by our firm or any person associated with our firm.

Neither our firm nor any related person of our firm recommends, buys, or sells for client accounts, securities in which our firm or any related person of our firm has a material financial interest.

Our firm and/or representatives of our firm *may* buy or sell securities that are also recommended to clients. This practice may create a situation where our firm and/or representatives of our firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if our firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of our firm's clients) and other potentially abusive practices.

Our firm has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of our firm's "Access Persons." Our firm's securities transaction policy requires that Access Person of our firm must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person's account during the previous quarter; and on an annual basis, each Access Person must provide the Chief Compliance Officer with a written report of the Access Person's current securities holdings. However, at any time our firm has only one Access Person, he or she shall not be required to submit any securities report described above.

Our firm and/or representatives of our firm *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where our firm /or representatives of our firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, our firm has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of our firm's Access Persons.

Item 12 Brokerage Practices

Recommendation of Custodian[s]

Lovett Advisors does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize Lovett Advisors to direct trades to this Custodian as agreed in the investment advisory agreement. Further, Lovett Advisors does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-

trade basis.

Where Lovett Advisors does not exercise discretion over the selection of the Custodian, the Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

Following are additional details regarding the brokerage practices of the Advisor:

Soft Dollars - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Lovett Advisors does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14.

Brokerage Referrals - Lovett Advisors does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

Directed Brokerage - All Clients are serviced on a "directed brokerage basis", where Lovett Advisors will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the Custodian, Lovett Advisors will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Custodian.

Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Lovett Advisors will execute its transactions through an unaffiliated broker-dealer selected by the Client. Lovett Advisors may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must 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 any particular Client accounts.

Item 13 Review of Accounts

Kim Lovett, Managing Member and Chief Compliance Officer, reviews all accounts on a regular basis. More frequent reviews may be necessary due to your individual circumstances, economic conditions, returns from various asset classes or general factors regarding the prospects for the financial markets. In addition to internal reviews, Ms. Lovett endeavors to meet with clients no

less than annually to review their investment objectives.

We may provide our clients with a quarterly report, in addition to reports received from the custodian, showing among other things, securities held, transactions in the account in the past quarter, security cost, security market value and performance returns as well as advisory fees paid to our firm. Such reports are generally accompanied by a performance analysis and quarterly client letter/commentary. You are encouraged to compare reports and values received from our firm with those of the custodian and to promptly report any discrepancies.

Item 14 Client Referrals and Other Compensation

Participation in Institutional Advisor Platform

As disclosed under Item 12, above, the Advisor participates in TD Ameritrade's institutional customer program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Referral Relationships

If a Client is introduced to Lovett Advisors by either an unaffiliated or an affiliated solicitor (herein "Solicitor"), Lovett Advisors may pay the Solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act as well as any applicable state securities regulations. Referral fees are paid solely from Lovett Advisors' investment management fee and does not result in any additional charges or higher fees to the Client. The Solicitor will provide the Client with a copy of Lovett Advisors' Disclosure Brochure along with a Solicitor's Disclosure Statement containing the terms and conditions of the solicitation arrangement including compensation.

Item 15 Custody

Lovett Advisors does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a qualified Custodian. Clients are required to engage the Custodian to retain their funds and securities and direct Lovett Advisors to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Lovett Advisors to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

Item 16 Investment Discretion

Lovett Advisors generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Lovett Advisors. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Lovett Advisors will be in accordance with each Client's investment objectives and goals.

Item 17 Voting Client Securities

Our firm does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact our firm to discuss any questions they may have with a particular solicitation.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.