



# ALLIANCE

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## WEALTH ADVISORS

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**Firm Disclosure Brochure  
September, 2017**

**This brochure provides information about the qualifications and business practices of Alliance Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at 570-961-1516 and/or [info@alliancewealthadvisors.com](mailto:info@alliancewealthadvisors.com).**

**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 Alliance Wealth Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## Item 2 Material Changes

Not Applicable.

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## Item 4 Advisory Business

### **ALLIANCE WEALTH ADVISORS, LLC**

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Alliance Wealth Advisors, LLC, (“Alliance”), a Delaware limited liability company, was organized in 2017 to provide wealth management and financial planning services to clients. Alliance Wealth Advisors specializes in Comprehensive Financial Planning, fee-based Wealth Management, Risk-based investing, Tax Planning, Retirement Planning, Retirement Income Strategies, Insurance Planning and Implementation: life, health, disability and long-term care. These services provided are based on the unique needs of each client.

As of September 25, 2017, Alliance had the following Regulatory Assets Under Management:

- \$142,383,432 in Discretionary Regulatory Assets Under Management;
- \$0 in Non-Discretionary Regulatory Assets Under Management; and
- \$142,383,432 in Total Regulatory Assets Under Management.

### **FINANCIAL PLANNING**

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As wealth advisors, we tailor our investment advice for each client to address his/her financial goals, objectives and risk tolerance. We endeavor to consider the client’s complete financial outlook when making investment recommendations and planning for his/her future. Therefore, we may structure our investment advice in view of any outside investments held by the client, considering each investment’s effect on the client’s total portfolio. At the request of a client, we may perform due diligence and furnish advice on current or potential outside investments or provide investment management services for certain outside investments, which may include ongoing research and analysis, benchmarking and rebalancing. Our financial planning service includes:

- Personal budgeting and cash flow
- Personal financial statements
- Life, disability and long-term care insurance consulting
- Investment due diligence, management and portfolio construction
- Financial independence planning
- Estate planning and wealth transfer
- Education and specific goal/need planning
- Foundation management and charitable giving
- Business investment analysis and succession planning

**Retirement Planning** These services may be undertaken on a comprehensive or modular basis. Clients may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm’s management efforts.

### **ASSET MANAGEMENT PROGRAMS**

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As described in Item 8, and in the Alliance Wrap Fee Brochure and the Raymond James Consulting Services Brochure, Alliance offers various discretionary asset management programs: the Alliance Wealth Management Program that utilizes Alliance asset management and passes through transaction and other fees to the client, and the Alliance Wrap Fee Program that combines Alliance management and transaction expenses into a single fee, and the Raymond James Consulting Services program which utilizes Raymond James to select portfolio managers.

For clients in the Alliance Wealth Management and the Alliance WRAP Fee programs Alliance currently utilizes multiple model portfolios as the basis for implementing a client's investment plan. The models range from conservative, moderate, moderately aggressive and aggressive. Each portfolio has varying degrees of asset categories and is reviewed with the client prior to implementation and periodically thereafter. Clients in the Alliance Wealth Management Program may impose reasonable restrictions or mandates on the management of their accounts if we determine, in our sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the Firm's management efforts.

Clients in the Alliance Wealth Management Program and the Alliance Wrap Fee Program may authorize Alliance to automatically rebalance their investments on a semiannual basis. For these clients Alliance will make appropriate adjustments by buying and selling portfolio securities if the client's asset allocation deviates by 10% or more from the desired model. Alliance will also periodically revise the model portfolios and make corresponding adjustments to client portfolios.

#### **RAYMOND JAMES CONSULTING SERVICES**

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Raymond James Consulting Services (RJCS), is a division of Raymond James & Associates, Inc. For clients in the Raymond James Consulting Services program, RJCS:

- selects portfolio managers ("sub-advisors") for the program,
- establishes custodial facilities,
- monitors performance of the client's account, and;
- provides you with accounting and other administrative services and assists the portfolio managers with certain trading activities.

Based upon the client's financial needs and investment objectives, Alliance will assist you in selecting the appropriate sub-advisor(s). The Investment Management Agreement is solely between the client and Raymond James & Associates, Inc.

There is no direct agreement between the client and the sub-advisor selected. The client may contact the sub-advisor, but generally do so through Alliance or the Raymond James Consulting Services Client Services Department.

There generally is a minimum investment of \$100,000 for all equity and balanced accounts, and \$200,000 for most fixed income accounts, although smaller accounts may be accepted based upon the specific circumstances of an account.

The clients are provided standard information on each sub-advisor prior to entering into the Investment Management Agreement. Potential sub-advisors are considered for the program if they meet the following:

- A well-defined investment style
- Proven past performance results
- Consistency of portfolio returns
- Risks taken within acceptable bounds of investment objectives
- Complementary philosophy of the manager with the existing managers. Other factors considered in the screening process include:
  - low turnover of personnel;
  - in-depth interviews with top personnel;
  - personal visit to the investment manager's office; the size of the firm;

- review of the firm's current ADV; and
- no naked options, short sales or futures; and a cooperative, open attitude.

After a sub-advisor has been selected to participate in the Raymond James Consulting Services program, Raymond James & Associates, Inc. monitors, on a quarterly basis each sub-advisor's activity to ensure they maintain consistent investment discipline and philosophy with that for which they were originally selected.

This review is performed by the Due Diligence Director. Please note, however, that past performance does not guarantee future results. For all performance analysis provided to you, Raymond James Consulting Services requires that all sub-advisors utilize the AIMR (Association for Investment Management & Research) standards to calculate performance, but the information is not presented in this format.

#### **HELD AWAY ACCOUNT SERVICES**

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We provide additional services for accounts not under our Investment Management Service where it is not possible for us to enact trades through the normal custodian, Raymond James' Investment Adviser Division ("RJ", see Item 12). These accounts, also known as "Held-Away Accounts", are primarily 401(k) accounts, 529 plans, and variable annuities. The additional services may include meeting with clients regularly to review the current holdings in these accounts, suggesting appropriate trades which are then enacted by the clients, monitoring the accounts based on information made available to us by the clients, and providing performance reporting on an ongoing basis. Held Away Account Services require the client to provide account data to us on a regular basis or to make such data available to us. Accordingly, there is a risk that our advice in connection with Held Away Accounts may be impacted to the extent that account data is not available or is inaccurate.

## **Item 5 Fees and Compensation**

### **Alliance's Investment Management Program Fee**

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The fee for the Alliance Wealth Management Program is based on the level of assets under management calculated on a monthly basis, according to the following schedule:

<b>Alliance Wealth Advisors Fee Schedule</b> (based on assets under management per client household)	
\$0 - \$249,999	2.25%
\$250K - \$749.999K	1.75%
\$750K - \$1,749,999	1.50%
\$1,750 +	1.25%

The fee for the Alliance Wrap Fee Program is also based on the level of assets under management calculated on a monthly basis, according to the following schedule:

<b>Alliance Wrap Fee Schedule</b> (based on assets under management per client household)	
\$0 - \$249,999	2.50%
\$250K - \$749.999K	2.00%
\$750K - \$1,749,999	1.75%
\$1,750 +	1.50%

The Investment Management Fee however is generally negotiated based on the level of assets under management per household. Alliance's has a minimum Investment Management Fee of \$25 per account per household under \$100,000 total per month. The Investment Management fee is payable monthly in advance and will be debited directly from the client's account(s) unless the client has made other payment arrangements with AWA. The fee will be calculated based upon the client's account as of close of trading on the last business day of each month for the prior calendar month and will be debited from the client's account on the following month. If a month ends on a Saturday, Sunday or market holiday, the month-end will be the last market business day of the month.

An initial fee will be charged for new accounts that are not open a full month. The initial billing period begins when the client signs the Alliance fee agreement and Alliance accepts the fee agreement. The initial billing period is adjusted for the number of days remaining in the initial month and will run from the date the assets are received by the custodian through the last business day of the initial month.

Fees will be first debited from any free credit cash balance or money market in the client's account and if there is not enough available, Alliance has the discretion to sell securities in order to make cash available for the fee.

To calculate the tiered household fee, Alliance will use the market value of all assets under management for the client's household and multiply that amount by the fee % applicable to that tier. The result is then multiplied by an amount equal to the number of calendar days in the applicable month divided by the number of calendar days in the year (365 or 366). Arrangements can be made to deduct one account's fee portion from another account (i.e. pay the fee for a retirement account from a non-retirement account).

If Alliance or the client terminates the fee arrangement, a pro-rated fee for the billing period will be calculated for the period beginning on the first date of the billing period through and including the date of termination through the end of the applicable billing and the amount of the pro-rated fee will be deducted from the client's account.

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#### **Brokerage fees and Commissions**

As discussed in Item 12, for clients in the Alliance Wealth Management Program, Raymond James will charge fees for services that will be deducted from a client's account in addition to the management fees listed above. Moreover, certain investments such as mutual funds and ETFs include a management fee charged by the fund's manager. These fees are not charged directly to the client but are included in the fund's overall investment return.

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#### **Fees for the Raymond James Consulting Services**

Fees for the Raymond James Consulting Services program are set forth in the Raymond James Consulting Services Brochure.

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#### **Financial Planning Fee**

Alliance Financial Planning clients will generally be charged a separate fee for financial planning that is in addition to the fee for the Alliance Wrap Fee Program. Financial planning fees start at \$500. The fee is based on the complexity of the client's financial situation, number of goals and meetings per year, however it is negotiable and in some cases it may be waived or combined with the Alliance Asset Management fee. Arrangements can be made to deduct the financial planning fee from another account

(i.e. pay the fee for a retirement account from a non-retirement account, or to have the fee paid directly to Alliance.

#### **Held Away Account Fees**

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Fees for services provided to Held-Away Accounts may be a percentage of assets under management according to the following fee schedule, or an annual fixed fee, payable quarterly in advance. Fees may be deducted from Client's account as authorized above, or receive an invoice which is due upon receipt.

Clients who request that we provide advice regarding investments held in accounts away from, such as employer 401k plans or other immobile plans, may also be charged various plan fees in addition to the advisory fee charged by our firm. Such fees may include plan administration fees, investment fees, service fees, sales charges, management fees, or other fees as well as fees inherent in the investments selected. We encourage clients to review any plan or account fees being charged with plan administrators in order to fully understand the fees and expenses of the plan.

<b>Alliance Held Away Account Fee Schedule</b> (based on assets under management per client household)	
\$0 - \$249,999	1.25%
\$250K - \$749.999K	1.00%
\$750K - \$1,749,999	0.75%
\$1,750 +	0.50%

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

Alliance does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 Types of Clients**

#### **Alliance Management Program**

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Alliance Wealth Advisors provides services primarily to individuals, institutions, businesses, trusts and pension plans.

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

#### **Investment Strategy**

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Alliance has a straightforward and holistic investment philosophy.

As we listen to our clients, we learn about their objectives, perspective on risk and liquidity needs. We then develop a plan to support their goals through professional investment management and strategic planning. We narrow down a selection of investments and an allocation tailored to their financial objectives using research and analysis. We will then present our recommendations and outline the steps needed to implement their plan. Once you have approved the plan, we put it into action by choosing investment vehicle types and serviced uniquely suited to their needs, goals and risk tolerance. We craft your portfolio carefully, making the most of the choices available to serve their precise situation. After establishing the plan, we continue to monitor its progress toward their objectives, update if necessary and provide ongoing support.



Alliance may use one or more the following analytical criteria to select the funds and securities in its recommended portfolios:

- i. Fundamental Analysis - involves analyzing individual companies and their industry groups by reviewing financial statements, management and industry outlook.
- ii. Past risk-adjusted performance and expense ratios relative to other investments within the same asset class having similar investment objectives.
- iii. Consistency of performance and rankings over time.
- iv. The historical volatility and downside risk of each proposed investment.
- v. Consistency of investment style and tenure of the portfolio manager.
- vi. How each investment complements the others in the portfolio.
- vii. Economic conditions and comparisons to other investment opportunities.

Each quarter Alliance reevaluates portfolios and rebalances them as necessary. We use our proprietary research along with Morningstar and Raymond James for equity, fund research and asset allocation research. For portfolio risk assessment, the company utilizes Money Guide Pro, a software service that provides risk management analytics for investing. Based on the risk metrics of each portfolio, the software projects the potential investment outcomes on the upside and downside for investment portfolios. Clients have access to this information via the company's client web portal. Projections on potential investment outcomes are no guarantees of outcomes and may be only used a reference in the investment decision making process.

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#### **Risks of Loss**

Past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, bonds, and pooled investment vehicles) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

We do not represent to any client, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss to the Client's invested assets. We do our very best as an investment adviser to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases. Below are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Any market, whether stocks, bonds, or other asset classes goes up and down as a result of overall market conditions. When markets go down, this can result in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Fixed Income Risk** – When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Interest Rate Risk - The value of fixed income investments tends to decline as interest rates rise. As a result, investors who own fixed income investments through pooled vehicles such as ETFs or mutual funds, and investors who seek to sell fixed income investments prior to maturity, may incur losses.
- ETF and Mutual Fund Risk – When our firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund, including equities, fixed income, commodities, and derivatives on such securities. In addition, EFTs and closed-end mutual funds may trade at a premium or discount to the net asset value of their underlying portfolio securities. As a result, there is a risk that an investment in an ETF or a closed end mutual fund may result in the client paying more for, or selling for less, the portfolio securities, than a direct investment in the underlying securities. This risk, however, is offset by the additional costs of investing directly in the underlying securities.
- Master Limited Partnerships (“MLPs”) - MLPs are collective investment vehicles, the partnership interests in which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, and environmental risks among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.
- Real Estate Investment Trusts (“REITs”) - REITs are collective investment vehicles, the interests in which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle’s shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.
- Liquidity Risk – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because Alliance and the Client’s broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.
- Concentration Risk – Portfolios managed by Alliance may from time to time be concentrated in a single security, geographic region, or asset class. The value of Client accounts will vary considerably in response to changes in the market value of that individual security, region or asset class. This may result in higher volatility.
- Foreign Investing and Emerging Markets Risk – Foreign investing involves risks not typically

associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

- Inflation, Currency, and Interest Rate Risks – Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Alliance may be affected by the risk that currency devaluations affect Client purchasing power.
- Legislative and Tax Risk – Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). In certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.
- Counterparty Risk – Counterparty risk is the risk to Alliance that the counterparty to a services contract will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to AWA, clients could potentially incur significant losses and may have access to their accounts and investments limited or restricted.
- Advisory Risk – There is no guarantee that Alliance judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Alliance judgment may prove to be incorrect, and a Client might not achieve her investment objectives. In addition, it is possible that we fail to manage our business such that Alliance remains a going concern which would be disruptive to our Clients as they would need to find a new investment advisor.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies managed by Alliance. Prospective Clients should read this entire Form ADV and all accompanying materials provided by Alliance before deciding whether to invest with us. In addition, as our investment philosophy develops and changes over time, an investment with Alliance may be subject to additional and different risk factors. Alliance will promptly amend this Brochure if and when any information regarding its investment risks becomes materially inaccurate.**

## Item 9 Disciplinary Information

Alliance is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Alliance does not have any required disclosures for this Item.

## Item 10 Other Financial Industry Activities and Affiliations

As discussed in Item 4 above, Alliance Investment Adviser Representatives are affiliated with FSIC, a broker-dealer and Yankee Advisor Network, an insurance agency that offers insurance products including fixed and variable life insurance and annuities. In such capacity, Alliance may offer for sale, insurance-related products to investment advisory clients of Alliance to be included in a client's managed portfolio or on a commission basis.

The recommendation by Alliance or Alliance representatives that a client buy a commission product presents a conflict of interest, as the receipt of commissions and maintenance of the credit facility may provide an incentive to recommend investment products based on commissions to be received, and benefits of the credit facility, rather than on a particular client's need. As a result, Alliance has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients. In addition, no client is under any obligation to purchase any commission products from Alliance or Alliance representatives. Clients are reminded that they may purchase insurance products recommended by Alliance through other non-affiliated insurance agents.

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

Alliance and persons associated with Alliance ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Alliance policies and procedures.

Alliance has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). Alliance Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Alliance or any of its associated persons. The Code of Ethics also requires that certain Alliance personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Alliance is engaging in or considering a transaction in any security on behalf of a client, no Access Person may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) a transaction in that security unless:

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

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the

markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

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

## Item 12 Brokerage Practices

Alliance generally recommends that clients utilize the custody, brokerage and clearing services of Raymond James' Investment Adviser Division ("RJ"). The factors which Alliance considers includes the respective financial strength, reputation, execution, pricing, research and overall service provided by RJ.

The commissions paid by Alliance clients comply with Alliance duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Alliance determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, if any, execution capability, commission rates, and responsiveness. Alliance seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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

The client may direct Alliance in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and Alliance will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Alliance (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Alliance may decline a client's request to direct brokerage if, in Alliance sole discretion, such directed brokerage arrangements would result in additional operational difficulties

Transactions for each client generally will be effected independently, unless Alliance decides to purchase or sell the same securities for several clients at approximately the same time. Alliance may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Alliance clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Alliance clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Alliance determines to aggregate client orders for the purchase or sale of securities, including securities in which Alliance Supervised Persons may invest, Alliance generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Alliance does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Alliance determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar

mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, Alliance may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

RJ provides us with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to RJ's retail customers. RJ also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. RJ's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of RJ's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of RJ's support services:

RJ's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Raymond James include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. RJ's services described in this paragraph generally benefit the client and the client's account.

RJ also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Raymond James' own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at RJ. In addition to investment research, RJ also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
  - facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
  - provide pricing and other market data;
  - facilitate payment of our fees from our clients' accounts; and
  - assist with back-office functions, recordkeeping and client reporting.
- RJ also offers other services intended to help us manage and further develop our business enterprise.

These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

RJ may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. RJ may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. RJ may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from RJ benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to RJ in trading commissions or assets in custody.

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**Expenses Support and Credit Facility**

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RJ has provided the firm with support for certain expenses it may incur. In addition, RJ United has provided a loan to Alliance to assist our business operations, and the loan is guaranteed by the Firm's Managing Members. The terms of the loan require that management fees to Alliance be paid to an account at United RJ for deduction of interest and principal payments on the loan before Alliance may access such management fees. The loan agreement contains various representations and covenants by Alliance including, among others, that Advisor will have at all times at least \$120 million in end client net assets under Advisor's management at United RJ ("Assets Under Management at United RJ") for a period of five years, and that Alliance will comply with all applicable laws, regulations, and agreements, and obtain all necessary licenses, consents and permits. Upon the occurrence and during the continuance of an event of default under the loan agreement, United RJ may terminate and/or accelerate the loan, which may have a material adverse effect on the Alliance ability to perform services for you.

Some of the products, services and other benefits provided by RJ and United, including the loan noted above, benefit Alliance and may not benefit Alliance client accounts.

As discussed in Item 10 above, the recommendation by Alliance or Alliance representatives that a client buy a commission product presents a conflict of interest, as the receipt of commissions and maintenance of the credit facility may provide an incentive to recommend investment products based on commissions to be received, and benefits of the credit facility, rather than on a particular client's need.

Alliance recommendation or requirement that a client place assets in RJ's custody may be based in part on benefits RJ provides to AWA, or Alliance agreement to maintain certain Assets Under Management at RJ, and not solely on the nature, cost or quality of custody and execution services provided by RJ.

Alliance places trades for its clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Alliance may use broker-dealers other than RJ to execute trades for client accounts maintained at RJ, but this practice may result in additional costs to clients so that Alliance is more likely to place trades through RJ rather than other broker-dealers. RJ's execution quality may be different than other broker-dealers.

## Item 13 Review of Accounts

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**Account Reviews**

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Alliance monitors its clients' investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Where Alliance provides advisory and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Partners of AWA. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep Alliance informed of any changes thereto. The firm contacts ongoing investment advisory clients at least annually to review its previous services and recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

## Account Statements and General Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for their accounts. Clients may also receive reports from Alliance that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on a monthly basis or as otherwise agreed upon with the client. Clients should compare the account statements they receive from their custodian with any supplemental reports they receive from Alliance and/or the Independent Managers.

## Held Away Account Services

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We review these accounts on a routine basis as data is refreshed by the custodian. We provide quarterly reports showing account performance, balances and holdings as reported by the account custodian.

## Item 14 Client Referrals and Other Compensation

Alliance is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Alliance is required to disclose any direct or indirect compensation that it provides for client referrals. Alliance does not have any required disclosures to this Item.

Alliance does not have any formal relationship or arrangement requiring disclosures to for this Item; however, the firm may occasionally refer clients to members of the community such as lawyers and accountants who have made, or may make, referrals to the firm. Consequently, there is the potential for a conflict of interest where Alliance makes such referrals.

Alliance receives an economic benefit from RJ in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of products and services from RJ is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15 Custody

An outside Financial Institution will act as the qualified custodian for client accounts. The client's selected Financial Institution will be the custodian for clients' assets in the Alliance Wealth Management Program and the Alliance Wrap Fee Program.

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, the outside Financial Institution will debit advisory fees from client accounts and remit them to Alliance or the client may arrange to pay them directly. As a result, under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account.

Clients receive account statements directly from their custodian at least quarterly. They will be sent to the email or postal mailing address the client provides to their custodian. Clients should carefully review those statements promptly when received. We also urge clients to compare the account statements to the periodic portfolio reports clients receive from us.



## Item 16 Investment Discretion

For discretionary accounts, we have full trading authority under a limited power of attorney assigned to us in the client agreement. As a result, we will determine both the investments, and how much of each, should be purchased or sold on each client's behalf. In making investment decisions, we adhere to the investment strategy outlined in each client's Investment Policy Statement.

Nondiscretionary accounts are managed for clients who are unwilling or unable to provide limited power of attorney to us.

### **HELD AWAY ACCOUNT SERVICES**

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Our Held Away Account Services clients are managed on a non-discretionary basis.

## Item 17 Voting Client Securities

Alliance is required to disclose if it accepts authority to vote client securities. Alliance does not vote client securities on behalf of its clients. Clients' proxies are voted either by the Independent Managers or the clients themselves.

## Item 18 Financial Information

Alliance is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.