

**ITEM 1: COVER PAGE FOR PART 2A APPENDIX 1 OF  
FORM ADV: WRAP FEE PROGRAM BROCHURE  
MARCH 08, 2018**

**CALCAGNINI WEALTH WRAP PROGRAM**

**SPONSORED BY:**

**CALCAGNINI WEALTH MANAGEMENT, LLC  
CRD# 293164**

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Beverly Hills, CA 90210  
(714) 269-8356**

**FIRM CONTACT:  
THOMAS J. CALCAGNINI  
CHIEF COMPLIANCE OFFICER**

This brochure provides information about the qualifications and business practices of Calcagnini Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact Mr. Thomas J. Calcagnini by telephone at (714) 269-8356 or email at [tjcal@sbcglobal.net](mailto:tjcal@sbcglobal.net). 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 Calcagnini Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Calcagnini Wealth Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

**Item 2: Material Changes to Part 2A Appendix 1 (Wrap Fee Program Brochure) of Our Form ADV:**

Calcagnini Wealth Management, LLC is a newly registered investment adviser with the Securities and Exchange Commission. As such, no material changes are noted here. Our prospective clients are strongly encouraged to read this Wrap Appendix Brochure in its entirety prior to engaging Calcagnini Wealth Management, LLC for any advisory services.

Pursuant to applicable rules, Calcagnini Wealth Management, LLC will ensure that clients receive a summary of any materials changes to this Wrap Appendix Brochure within 120 days of the close of Calcagnini Wealth Management, LLC's fiscal year. Additionally, as the firm experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. Calcagnini Wealth Management, LLC's Wrap Appendix Brochure is available upon request and may be requested by contacting the firm's Chief Compliance Officer, Mr. Thomas J. Calcagnini at (714) 269-8356.

Additional information about the firm and its investment adviser representatives is available on the SEC's website at <https://www.adviserinfo.sec.gov>.

### **Item 3: Table of Contents**

Item 1: Cover Page For Part 2A Appendix 1 .....	1
Item 2: Material Changes to Part 2A Appendix 1 .....	2
Item 3: Table of Contents .....	3
Item 4: Services, Fees & Compensation .....	4
Item 5: Account Requirements & Types of Clients .....	7
Item 6: Portfolio Manager Selection & Evaluation.....	7
Item 7: Client Information Provided to Portfolio Manager(s) .....	10
Item 8: Client Contact with Portfolio Manager(s) .....	10
Item 9: Additional Information .....	10

#### **Item 4: Services, Fees & Compensation**

- A. Description of our services, including the types of portfolio management services, provided under each program. We must indicate the wrap fee charged for each program, or, if fees vary according to a schedule, provide such schedule. Further, we are required to indicate whether fees are negotiable and identify the portion of the total fee, or range of fees, paid to portfolio managers.

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

These services are provided either on a discretionary or non-discretionary basis, in accordance with the investment objectives and strategies provided by the client. For discretionary services, client (as part of the client agreement with us) agrees that we will have a limited power-of-attorney as to what investments to make, when to make them and when to sell them. Our discretionary authority may be subject to conditions or restrictions imposed by a Client, such as when a Client restricts or prohibits transactions in a particular security.

(i) Wrap Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals, and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. All such limitations, restrictions, and investment guidelines must be provided to us in writing.

**Fee Schedule:**

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
\$0 - \$5,000,000	1.25%
\$5,000,000 - \$10,000,000	1.00%
\$10,000,001 & Up	0.75%

We generally charge an annual minimum fee of \$1,200 for clients utilizing our Wrap Asset Management service.

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Should a client open an account during a quarter, the fee will be prorated based on the number of days the account was open during the quarter. In the event our services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client. The number of days the account was managed during the quarter until termination is used to determine the percentage of the management fee earned (based on the total number of days in the quarter) and the balance is refunded. Additions and withdrawals to Client accounts intra-quarter are subject to the same billing practices. Our fees are negotiable and arrangements with any particular client may differ from those described above. In addition, for family and friends of the firm, we may, in our sole discretion, reduce or waive fees in their entirety.

Fees will be deducted from your managed account. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a)(2) of Rule 206(4)-2 under the Investment Advisers Act of 1940.<sup>1</sup>

There are times when margin strategies will be employed as part of a client's portfolio account. In these instances, margin is used to purchase additional securities, and the total value of eligible account assets increases, as does the asset-based fee. Notably, the increased asset-based fee that a client pays in these instances presents a conflict since it creates an incentive for us to recommend the use of margin. However, please note that using margin is not suitable for all investors; the use of margin increases leverage in a client's account and therefore increases overall risk. Please see Item 8 below for additional information concerning risks associated with utilizing margin in a client account.

**B. Explanation that a wrap fee program may cost you more or less than purchasing such services separately and description of the factors that bear upon the relative cost of the program, such as the cost of the services if provided separately and the trading activity in your account(s).**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

**C. Description of any fees that you may pay in addition to a wrap fee, and description of the circumstances under which you may pay these fees, including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers.**

Client accounts will incur additional fees and charges from parties other than us as noted below. These fees and charges are in addition to the advisory fee paid to us, and we do not share in any portion of these third-party fees.

The custodian and broker-dealer providing brokerage and execution services on client accounts will impose certain fees and charges. The custodian notifies clients of these charges at account opening and generally makes available a list of these fees and charges on its website. The custodian will deduct these fees and charges directly from the client's account.

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<sup>1</sup> The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian

There are other fees and charges that are imposed by other third parties that apply to investments in client accounts. Some of these fees and charges are described below:

- If a Client account invests in mutual funds or ETFs, please note that as a shareholder of the fund, a fund a management fee will apply, in addition to paying our advisory fee for managing the assets. As many of the funds available may be purchased directly, the second layer of fees could be avoided by not using our management services and by the client making their own fund investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges will apply if a client transfers into or purchases such a fund with the applicable charges in the account.
- Although only no-load and load-waived mutual funds will be purchased in a client's account, clients should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- If a client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.
- Certain retirement plans/accounts (such as IRAs and qualified retirement plans) and/or trusts may impose administration and/or service fees in addition to management fees imposed by us.
- Clients may pay dealer markups or markdowns in principal transactions with broker dealers other than our primary broker dealers, fees for trades executed away from the custodian, or commissions charged by broker dealers other than our primary brokers.
- Other charges required by law and imposed by the executing broker/dealer or custodian.

Further information regarding fees assessed by a mutual fund or variable annuity is available in the appropriate prospectus, which is available upon request from us or from the product sponsor directly.

D. If someone recommending a wrap fee program to you, receives compensation as a result of your participation in the program, we must disclose this fact. Further, we are required to explain, if applicable, that the amount of the compensation may be more than what the person would receive if you participated in our other wrap fee program or paid separately for investment advice, brokerage and other services. Finally, we must explain that someone recommending a wrap fee program may have a financial incentive to recommend the wrap fee program over other programs or services.

We do not recommend or offer the wrap program services of other providers.

The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. Clients may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged under our wrap fee program. Fees may be more or less than the client would have paid if the services (account management, custody and brokerage transactions) were purchased separately outside of the wrap program. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a commission-based brokerage account rather than a wrap program account. The investment products available to be purchased in the client account can typically be purchased by client outside of the account, through broker-dealers or other investment firms not affiliated with us.

We recommend the management account to the client and receive compensation as a result of the client's participation. This compensation includes the advisory fee described above and other things of value offered by custodians and/or broker-dealers utilized by the wrap program (as further described below). The amount of this compensation may be more or less than what we would receive if the client participated in other advisory programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, we have a financial incentive to recommend the wrap program account over other programs and services. We take our responsibilities seriously and will only recommend that clients utilize the wrap program if we believe it is appropriate and in the client's best interests.

### **Item 5: Account Requirements & Types of Clients**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans; and
- Corporations, limited liability companies and/or other business types.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$100,000 for our asset management service. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client's relationship with our firm.
- We generally charge an annual minimum fee of \$1,200 for clients utilizing our Wrap Asset Management service.

### **Item 6: Portfolio Manager Selection & Evaluation**

- A. Description of how our firm selects and reviews portfolio managers, our basis for recommending or selecting portfolio managers for particular clients, and our criteria for replacing or recommending the replacement of portfolio managers for the program and for particular clients.

Our firm does not utilize outside portfolio managers. All accounts are managed by our in-house professionals.

- B. Disclosure of whether our firm or any related persons act as a portfolio manager for a wrap fee program described in the wrap fee program brochure. We must explain the conflicts of interest that we face because of this arrangement and describe how we address these conflicts of interest. Further, we must disclose whether related person portfolio managers are subject to the same selection and review as the other portfolio managers that participate in the wrap fee program. If they are not, we must describe how we select and review related person portfolio managers.

Our firm and its related persons act as portfolio manager(s) for this wrap fee program. This may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our related person portfolio managers are not subject to the same selection and review as outside portfolio managers that participate in the wrap fee program.

- C. If our firm, or any of our supervised persons covered under or investment adviser registration, act as a portfolio manager for a wrap fee program described in the wrap fee program brochure, we must respond to Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side

Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities) of Part 2A of Form ADV (Firm Brochure).

Our firm and supervised persons act as portfolio manager(s) for this wrap fee program.

(1) Advisory Business:

See Item 4 for information about our wrap fee advisory program.

(2) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing our Wrap Asset Portfolio Management service.

(3) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Wrap Asset Management service. We do not manage assets through our other services.

(4) Participation in Wrap Fee Programs.

Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts.

(5) Performance-Based Fees & Side-By-Side Management.

We do not charge performance fees to our clients.

(6) Methods of Analysis, Investment Strategies & Risk of Loss

**Methods of Analysis:**

- Charting – Analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices.
- Fundamental – Analysis performed on historical and present data, with the goal of making financial forecasts.
- Technical – Analysis performed on historical and present data, focusing in price and trade volume, to forecast the direction of prices.
- Cyclical – Analysis performed on historical relationships between price and market trends, to forecast the direction of prices.

**Investment Strategies We Use:**

When determining an investment strategy for the client, we employ an asset allocation strategy designed for longer-term clients. Each client's goals, assets, liabilities, investment horizon and objectives, age and risk tolerance will be assessed using a comprehensive wealth plan or thoroughly evaluated by the firm. This process ensures we have a deep understanding of the client and investment goals. Based on the client's risk tolerance and investment objectives, the Firm will develop an asset allocation plan for the Client's portfolio. This allocation should not change unless the client's investment objectives or risk tolerance changes.



Please Note: Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

#### (7) Voting Client Securities

SEC Rule 206(4)-6 requires investment advisers who have voting authority with respect to securities held in their clients' accounts to monitor corporate actions and vote proxies in their clients' interests. We are required by the SEC to adopt written policies and procedures, make those policies and procedures available to clients, and retain certain records with respect to proxy votes cast. We consider proxy voting an important right of our clients as shareholders and believe that reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised.

1. Policy for voting proxies.

All proxies received by our firm will be processed and voting records retained electronically as well as records of accounts for securities our firm has voted are maintained. Based on our proxy voting guidelines outlined below, a determination of how our firm votes will be made if an inconsistency with clients' interests and Board recommendations becomes apparent. Proxies will generally be voted online.

2. Proxies voting guidelines.

Where voting authority exists, proxies are voted by our firm according to Board recommendations unless they conflict with client financial goals and objectives. We abstain on motions to limit directors' liability. Material issues such as mergers, poison pills, social investing and miscellaneous shareholder proposals are dealt with on a case-by-case basis.

In cases where clients choose to vote against Board recommendation, we assist them in casting their vote. We recognize that under certain circumstances we may have a conflict of interest between us and our clients. Such circumstances may include, but are not limited to, situations where our firm or one or more of our affiliates, including officers, directors and employees, has or is seeking a client relationship with the issuer of the security that is the subject of the proxy vote. We shall periodically inform our employees that they are under an obligation to be aware of the potential for conflicts of interest on the part of our firm with respect to voting proxies on behalf of funds, both as a result of our employee's personal relationships and due to circumstances that may arise during the conduct of our business, and to bring conflicts of interest of which they become aware to the attention of the proxy manager. We shall not vote proxies relating to such issuers on behalf of client accounts until we have determined that the conflict of interest is not material or a method of resolving such conflict of interest has been agreed upon by our management team. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence our decision-making in voting a proxy. Materiality determinations will be based upon an assessment of the particular facts and circumstances. If we determine that a conflict of interest is not material, we may vote proxies notwithstanding the existence of a conflict. If the conflict of interest is determined to be material, the conflict shall be disclosed to our management team and we shall follow the instructions of the management team. We shall keep a record of all material decisions and report them to the management team on an annual basis.

Mr. Calcagnini will maintain files relating to our proxy voting. Records will be maintained and preserved for five years from the end of the fiscal year during which the last entry was made on a record. Records of the following will be included in the files:

- A copy of each proxy statement that we receive, provided however that our firm may rely on obtaining a copy of proxy statements from the SEC's EDGAR system for those proxy statements that are available.
- A record of each vote that we cast.
- A copy of any document we created that was material to making a decision how to vote proxies, or that memorializes that decision.
- A copy of each written client request for information on how we voted such client's proxies, and a copy of any written response to any client request for information on how we voted their proxies.

We do not pay for proxy voting services with soft dollars. Also, we do not charge an additional fee to vote proxies. Our proxy voting policies and procedures are completely described in this Item. Clients may contact our CCO, Thomas J. Calcagnini by phone at (714) 269-8356 or email at [tjcal@sbcglobal.net](mailto:tjcal@sbcglobal.net) with any questions about the proxy voting process.

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

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

### **Item 8: Client Contact with Portfolio Managers**

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

### **Item 9: Additional Information**

A. We are required to respond to: 1. Item 9 (Disciplinary Information); and 2. Item 10 (Other Financial Industry Activities and Affiliations) of Part 2A of Form ADV.

1. We have determined that our firm and management have no disciplinary information to disclose.
2. We have the following financial industry activities and affiliations to disclose:

#### **(i) Insurance Company or Agency**

Certain of our firm's management persons and adviser, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While our firm does not sell such insurance products to our investment advisory clients, we permit our representatives, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that our firm recommends the purchase of insurance products where our firm's representatives receive insurance commissions or other additional compensation.

#### **(ii) Referrals to Pooled Investment Vehicle**

Outside of his responsibilities to the firm, Mr. Thomas J. Calcagnini also serve as a consultant for Eastward Capital Partners, LLC ("ECP"), a venture debt fund. In this role, Mr. Calcagnini will consult or coordinate

capital calls, distributions and provide fund documents to investors of ECP. In exchange for these services, he receives a share of the fees received by ECP.

Mr. Calcagnini will, at times, recommend an investment in ECP to certain sophisticated clients of the firm, which represents a substantial conflict of interest because, through his services on behalf of ECP, Mr. Calcagnini benefits from the profits and remuneration received by ECP, a portion of which are attributed to investments in ECP by firm clients. Further, while neither Mr. Calcagnini nor the firm will receive commissions or any other transaction-based compensation in connection with firm clients' investment in ECP, the value of clients' investment in ECP will be included in the value of the clients' advisory account assets for purposes of calculation of the investment management fee paid by such clients to the firm. Therefore, Mr. Calcagnini receives compensation **both** on client assets managed by the firm, as well as assets invested in ECP. These conflicts of interest affect the ability the firm and Mr. Calcagnini to provide clients with unbiased, objective investment advice concerning the selection of certain investments for client accounts. This could mean that other investments, with whom Mr. Calcagnini does not have an interest, may be more appropriate for firm clients than an investment in ECP. THEREFORE, A SUBSTANTIAL CONFLICT OF INTEREST EXISTS IN THE SELECTION OF INVESTMENTS FOR FIRM CLIENTS. Accordingly, each prospective investor in ECP, prior to making an investment decision to purchase interests, is encouraged to consider all factors they deem relevant to an investment in the fund, including the conflicts of interest noted above and elsewhere in the fund's Private Placement Memorandum, and to consult with their own advisors regarding such potential investment. The firm addresses the above-described conflicts of interest by ensuring that firm clients who invest in ECP are fully informed about such conflicts and encouraged to review them with their own investment, legal and other advisors. For further information on the compensation Mr. Calcagnini receives for performing these outside business activities, please refer to Mr. Calcagnini's Form ADV Part 2B – Disclosure Supplement.

To the extent that our advisers recommend the purchase of securities, insurance or other investment products where they receive commissions or other compensation for doing so, a conflict of interest exists because our advisers have an incentive to make recommendations based on compensation received rather than on a client's needs. Our firm has adopted certain procedures designed to mitigate the effects of these conflicts. As part of our fiduciary duty to clients, the firm and its representatives endeavor at all times to put the interests of the clients first; and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients through the firm's brochures, client agreement and/or verbally prior to or at the time of entering into an agreement with the firm. Clients are not obligated to implement any recommended transactions by our advisers. Should the client choose to do so, such implementations are not required to be made through our advisers, our firm or any particular insurance carrier. Clients should understand that lower fees and/or commissions for comparable services may be available from other sources.

- B. We are required to respond to: 1. Items 11 (Code of Ethics or Interest in Client Transactions and Personal Trading); 2. Item 13 (review of Accounts); 3. Item 14 (Client Referrals and Other Compensation); and 4. Item 18 (Financial Information) of Part 2A of Form ADV, as applicable to our wrap fee clients.

### **1. Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients

and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>2</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

## **2. Review of Accounts**

We review accounts on at least a quarterly basis for our clients subscribing to our Wrap Asset Portfolio Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Wrap Asset Management service.

## **3. Client Referrals & Other Compensation**

- a) If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Our firm may recommend that clients establish brokerage accounts with Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), registered broker-dealers, Members SIPC, to maintain custody of Clients' assets and to effect trades for their accounts. Our firm is independently owned and operated and not affiliated with Schwab. Our firm may also recommend that Clients establish accounts with firms other than Schwab.

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<sup>2</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

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

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Some of the products, services and other benefits provided by Schwab benefit us and may not benefit our firm's client accounts. Our recommendation/requirement that a client place assets in Schwab's custody may be based in part on benefits Schwab provides to us, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

Schwab also makes available to our firm other products and services that benefit us but may not benefit clients' accounts. These benefits may include national, regional or specific to our firm, educational events organized and/or sponsored by Schwab Institutional. Other potential benefits may include occasional business entertainment of personnel of our firm by Schwab Institutional personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our firm's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to us other services intended to help our firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to our firm by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. While, as a fiduciary, Our firm endeavors to act in its clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

But for soft dollar arrangements, we would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, we may have an incentive to continue to place Client trades through broker-dealers that offer soft dollar arrangements. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, our firm must determine in good faith, based on the "best execution" policy stated above that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

From time-to-time our firm may make an error in submitting a trade order on a client's behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for

the client to retain the gain, or our firm confers with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

### **Pershing Advisor Solutions LLC ("PAS")**

PAS makes available to our firm other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our firm's accounts, including accounts not maintained at PAS.

PAS's products and services that assist our firm in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our firm's fees from our clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

PAS also offers other services intended to help our firm manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. PAS may make available, arrange and/or pay third-party vendors for the types of services rendered to our firm. Pershing Advisor Solutions LLC may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Pershing Advisor Solutions LLC may also provide other benefits such as educational events or occasional business entertainment of our firm's personnel. In evaluating whether to recommend or require that clients custody their assets at PAS, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by PAS, which may create a potential conflict of interest.

- b) If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

Currently, we do not directly or indirectly compensate any person for client referrals to our firm. Further, we do not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them by our firm.

## **4. Financial Information**

- A. If we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we are an SEC-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or

more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

- C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.