

# **POLARIS GREYSTONE ADVISORY GROUP, LLC**

## **PART 2A OF FORM ADV**

<b>Principal Place of Business</b>	<b>Michigan Office</b>
824 E Street San Rafael, CA 94901 Phone: 415-263-5600 Facsimile: 415-263-8909	305 W. Big Beaver Road, Suite 205 Troy, MI 48084 Phone: 248-244-3007 Facsimile: 248-267-1280

**February 10, 2020**

This brochure provides information about the qualifications and business practices of Polaris Greystone Advisory Group, LLC. If you have any questions about the contents of this brochure, please contact us at 248-244-3007. 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.

Polaris Greystone Advisory Group is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Polaris Greystone Advisory Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD/CRD number. Polaris Greystone Advisory Group's IARD/CRD number is 171405.

## **ITEM 2 –MATERIAL CHANGES**

This section describes material changes to the Advisor's Brochure since its last annual amendment in March 2019.

There have been no material changes since the last annual update.

### ***Additional Information***

A complete copy of our Brochure is available free of charge to any interested party by contacting our Chief Compliance Officer at 248-244-3007.

Additional information about us is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with us who are registered, or are required to be registered, as one of our investment adviser representatives of our firm.

### **ITEM 3 - TABLE OF CONTENTS**

COVER PAGE.....	i
ITEM 2 –MATERIAL CHANGES .....	ii
ITEM 3 - TABLE OF CONTENTS.....	iii
ITEM 4 - ADVISORY BUSINESS .....	1
ITEM 5 - FEES AND COMPENSATION .....	3
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	4
ITEM 7 - TYPES OF CLIENTS.....	4
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	4
ITEM 9 - DISCIPLINARY INFORMATION.....	6
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	6
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	7
ITEM 12 - BROKERAGE PRACTICES .....	7
ITEM 13 - REVIEW OF ACCOUNTS .....	9
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION .....	9
ITEM 15 - CUSTODY.....	10
ITEM 16 - INVESTMENT DISCRETION .....	10
ITEM 17 - VOTING CLIENT SECURITIES .....	10
ITEM 18 - FINANCIAL INFORMATION.....	11

## **ITEM 4 - ADVISORY BUSINESS**

### **Our Owners and Principals**

Polaris Greystone Advisory Group, LLC is a registered investment adviser and our principal place of business is in San Rafael, California. We are organized as a limited liability company under the laws of the State of Michigan. We are formed as a joint venture company between Polaris Greystone Financial Group, LLC and South Padre Ventures 2 L.L.C. South Padre Ventures 2 L.L.C. and Polaris Greystone Financial Group, LLC each own 50% of the ownership of our firm. In January 2016, we renamed the firm Polaris Greystone Advisory Group, LLC.

Founded in November 2012, South Padre Ventures 2, L.L.C. is a limited liability company organized under the laws of the State of Texas. Doeren Mayhew is an affiliate of South Padre Ventures 2 because some owners of Doeren Mayhew are also owners of South Padre Ventures 2. From time to time Doeren Mayhew's employees may refer the trustees of qualified retirement plans to us for investment advisory and consulting services. Neither Doeren Mayhew nor its employees will receive compensation for a referral; however, those Doeren Mayhew owners who are also owners of South Padre Ventures 2, will indirectly benefit from such referrals by virtue of their ownership of our firm.

Polaris Greystone Financial Group, LLC, a limited liability company formed under the laws of the State of Delaware is currently principally-owned by Polaris Equity Management, Inc., whose sole shareholder is Jeffrey J. Powell, and Moss Equity Management, LLC, whose sole member is Todd R. Moss.

We generally require our employees to have a college degree and/or a minimum five years related experience, display a high degree of integrity in previous business background, high standards of morals and ethics and be committed to providing quality investment advice.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "Polaris Greystone Advisory", "we," "our" and "us" refer to Polaris Greystone Advisory Group, LLC and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

### **Description of Services**

We offer investment advisory services to qualified retirement plans and their participants. A description of these services is provided in more detail below.

### **Advisory Services for Qualified Plans**

As part of our services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), we will act as a fiduciary of

the plan under Section 3(21)(A) and if appointed, we provide investment advice as a fiduciary as defined in Sections 3(21)(A)(i) and 3(21) or a 3(38) of ERISA to plan participants who specifically request such advice.

As an ERISA 3(21) fiduciary investment advisor, we will make recommendations, but it is ultimately up to you, as the plan fiduciary, to decide whether and how to act. As a 3(21) advisor, we will not have discretion to invest and reinvest your assets without your prior consent. Thus, as a 3(21) advisor, we will share responsibility for the selection of investments.

We will review the plan's investment objectives, risk tolerance and goals documented in an existing investment policy statement or work with the plan fiduciary to establish specific standards to incorporate such as employee and participant demographics, nature of asset class categories, any limits or investment return objectives for the asset class categories including the designated investment alternatives, and criteria and systems used to supervise, monitor and evaluate the designated investment alternatives. We continually monitor the plan's investments, including the designated investment alternatives and will create and maintain a mutually agreed upon number of model asset allocation portfolios. Periodically, we will prepare investment reports that will document consistency of fund management, and conformance with the existing investment policy statement or the plan's specific standards.

### **Participant Advice**

The plan fiduciary may appoint us to provide investment advice to participants. Advice services are provided only to those participants who elect to meet with our representatives and accept our services. We will not have any authority or responsibility for investments held outside of the qualified plan, and the plan participants retain the sole responsibility to update us as to changes in their personal financial information.

If we are engaged to provide investment advice to participants, we will offer these services in group meetings or in one-on-one meetings conducted by telephone or in person. The participant will provide information to us about their financial situation, risk tolerance, time horizon to retirement, anticipated retirement income needs and investment objectives. Taking all of this information into consideration, we generally will make recommendations, but it is ultimately up to the plan participant to decide whether and how to act. Alternatively, when authorized by the participant, we may invest, on a discretionary basis, the participant's account in accordance with his or her objectives.

### **Assets Under Management**

We will manage your assets on a nondiscretionary basis. As of December 31, 2019, we have \$24,037,119 in assets under management on a non-discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

### **Fees for Qualified Plans**

Fee arrangements for qualified plans are individually negotiated, with the plan sponsor, depending on the nature of the engagement and the client's distinct situation including the size of their assets under advisement and other factors. Generally, our annual investment management fee is billed and payable quarterly, in advance, based on the value of the plan's assets as of the last day of the prior quarter, as reported by the plan's custodian and upon appropriate valuation information. If the investment advisory agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis.

### **Fees for Participant Advice**

If the plan fiduciary elects us to offer investment advice as an additional service to plan participants, we will negotiate the participant advice fee with the plan fiduciary. The participant fee will be described in our investment advisory agreement with the plan fiduciary. These fees may be paid by the participant using their assets in the plan or by the plan sponsor. The plan sponsor will notify participants of this service and the negotiated fee.

Our annual participant advice services fee is an asset based fee, billed and payable quarterly, in advance, based on the value of the accounts of those plan participants electing advice services as of the last day of the prior quarter as reported by the plan's custodian or third party recordkeeper. If the investment advisory agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis.

### **Termination**

Either of us may terminate the investment advisory agreement at any time by providing the other party with 30 days written notice. With respect to any prepaid fee, a prorated portion of the prepaid amount will be returned based on the number of days remaining in the applicable quarterly period after the termination date. With the exception of any advisory fees due and owing upon termination, we will not be entitled to any additional termination charge or termination fee. Termination of our agreement shall not affect liabilities or obligations incurred or arising from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by us for your account. After the termination date, we shall have no further duties or obligations to you under our agreement.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may recommend that you invest in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds (described in each fund's prospectus). These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will

incur, you should review all the fees charged by mutual funds and exchange traded funds, our firm, and others.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in "ITEM 5: FEES AND COMPENSATION", and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your account.

## **ITEM 7 - TYPES OF CLIENTS**

We offer investment advisory services to qualified retirement plans and investment education to participants of those plans. As described in "ITEM 4: ADVISORY SERVICES", we may provide investment advice to plan participants.

We require a \$500,000 minimum account size to open and maintain an account. At our discretion, we may waive this minimum.

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

### **Our Methods of Analysis and Investment Strategies**

We employ a top-down, quantitatively-driven investment selection process that focuses on the following methods to evaluate the overall financial market, market sectors and various types of securities:

- **Technical Analysis.** This can be used to identify nonrandom price patterns and trends in financial markets. We will use moving averages, support and resistance lines, stochastic statistics, relative strength, and other factors to better understand the momentum (positive or negative) of a particular market, segment of a market (sector or industry), or of a specific stock.
- **Macro-Economic Analysis.** This can be used to understand how the overall economy affects the capital markets. We will assess whether the economy is in a period of growth or recession; how the economy is affecting consumer behavior; and indicators that the economy is changing directions.

- **Sentiment Evaluations.** This can be used to understand the basic investor psychology. Typically, we find that it is best to follow investor sentiment until it reaches an extreme and reverses, at which point we would typically take a contrary position. When the bullish sentiment reading has risen to high levels, it has frequently coincided with an intermediate-term peak in stock prices. Conversely, when most investors have been bearish, stock prices have been typically near a bottom.
- **Asset Allocation Analysis.** Our equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be “style-neutral”. We assess what areas of the market are in favor and adjust our allocations accordingly.
- **Fundamental Research.** Also known as basic or pure research, this analysis is conducted to understand the health or valuations of the individual companies within our investment universe. We rate the companies based on a combination of their attributes.

We conduct our own research and receive research from third parties. Our investment strategies and advice may vary depending upon the mutual funds, and/or exchange traded funds (“ETFs”) held within your plan and each plan’s investment policy statement. Your restrictions and guidelines may affect the composition of your portfolio.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Material risks including significant or unusual risks related to our investment strategies include:

- **Issuer-Specific Changes.** Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security’s or instrument’s value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.
- **Relative Value Risk.** In the event that the perceived mispricings underlying the Adviser’s relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.



- Frequent Trading. The Adviser's strategy may involve frequent trading which will result in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

### **Recommendation of Particular Types of Securities**

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

### **ITEM 9 - DISCIPLINARY INFORMATION**

Neither our firm nor any of our associated persons has any reportable disciplinary information.

### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As a registered investment adviser, we must disclose information regarding our business activities, other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to you or our advisory business. We are also required to disclose if we receive cash or other economic benefits from a third party in connection with advising you.

As previously disclosed, we are owned equally by Polaris Greystone Financial Group, LLC, a federally registered investment adviser, and South Padre Ventures 2, L.L.C. Polaris Greystone Financial Group is currently principally-owned by Polaris Equity Management, Inc., whose sole shareholder is Jeffrey J. Powell, and Moss Equity Management, LLC, whose sole member is Todd R. Moss. Our investment advisory representatives may hold the same position at Polaris Greystone Financial Group, a related adviser under common control with us.

As described in more detail in the “ITEM 12: BROKERAGE PRACTICES”, Messrs. Moss and Powell serve on the TD Ameritrade Institutional President’s Council.

Polaris Equity Management, Inc. (“PEM”), a related person under common control and ownership with Polaris Greystone Advisory Group, is the Manager of Polaris NMX Fund, LLC. Polaris NMX Fund, LLC is a private pooled investment vehicle which makes private equity investments. PEM receives compensation for acting as Manager of Polaris NMX Fund, LLC.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our associated persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our associated persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer at 248-244-3007.

### **Personal Trading Practices**

Our firm and employees are permitted to buy or sell securities that we recommend to clients. To eliminate this conflict of interest, it is our policy that neither our associated persons nor we shall have priority over your account in the purchase or sale of securities. Our employees are prohibited from buying or selling securities for themselves or for their immediate family (i.e. spouse, minor children, and adults living in the same household) until the trades are reviewed and pre-cleared by our Chief Compliance Officer or their designee.

## **ITEM 12 - BROKERAGE PRACTICES**

We do not require that you use a specified broker-dealer. However, we have established a relationship with TD Ameritrade Institutional Services, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (“TD Ameritrade”). We recommend TD Ameritrade for brokerage services and TD Ameritrade Trust Company for custodial services. TD Ameritrade and TD

Ameritrade Trust Company are separate but affiliated subsidiaries of TD Ameritrade Holding Corporation.

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the program.

We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by TD Ameritrade, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services TD Ameritrade provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

As disclosed above, we participate in TD Ameritrade's Institutional program. There is no direct link between our participation in the TD Ameritrade program and the investment advice we give our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade's retail investors. These non-"soft dollar" benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; the ability to have our fees deducted directly from our client accounts; access to an electronic communications network for account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by for firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering our client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice to recommend TD Ameritrade for custody and brokerage services.

## **TD Ameritrade Institutional President's Council**

Previously, Messrs. Todd R. Moss and Jeffrey J. Powell served on the TD Ameritrade Institutional Advisor Panel ("Panel"). The Panel consists of independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. After their tenure of the Panel ended, Messrs. Moss and Powell were asked to continue to support the TD Ameritrade Institutional Senior Management team by joining the TD Ameritrade Institutional President's Council ("Council"). The purpose of the Council is to service as a "voice" of the Registered Investment Advisor ("RIA") community, providing feedback on industry trends, reviewing new product and service initiatives, and assisting TD Ameritrade in maintaining a "best of breed" RIA platform. Council member's terms are ongoing. TD Ameritrade reserves the right to ask Council Members to leave if they cannot meet their commitments as a member to the Council and Council members can, in turn, elect to discontinue their service at any time.

Council members' commitments include: attending joint Panel and Council events at National LINC, actively participate in shaping TD Ameritrade's strategic direction, mentor incoming Panel members, participate in the Client Satisfaction Index survey, contribute to the annual Panel member class directory for on-going peer-to-peer networking, and if called upon, participate in TD Ameritrade media interviews, case studies, and features in TD Ameritrade's Advisor Solutions magazine. Council members are required to sign confidentiality agreements. TD Ameritrade does not compensate Council members. The benefits received by our firm or our representative by serving on the Council do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by our firm or our representative in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

## **ITEM 13 - REVIEW OF ACCOUNTS**

We will review the investments, including the asset mix within the risk based models at least quarterly. If you engage our firm for investment management services only for the qualified plan, we will review your plan at least annually with the plan fiduciary. If we provide advice to the plan's participants we will offer to meet with the group of participants twice a year. Any such reviews/updates may be subject to an additional fee as agreed upon in our investment advisory agreement.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

### **Employees**

New business brought to us by an employee may increase the employee's total compensation. A portion of the compensation we pay to our sales employees is based upon a

percentage of new assets brought to our firm. If one of our sales employees refers you to us, they will disclose to you their affiliation with our firm at the time of the solicitation or referral. However, we do not employ individuals whose sole compensation is based upon the amount of business brought to us. Certain professionals who are our associated persons are eligible to receive a bonus based on the revenue collected. This additional compensation is paid by us out of our own assets, and is not directly paid by the client.

### **Third Party Solicitors**

We do not directly compensate any third parties (Solicitors) for referring clients to us.

### **ITEM 15 - CUSTODY**

When instructed, we directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) indicating the amount of our advisory fees deducted from your account(s) at least quarterly. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at 248-244-3007.

### **ITEM 16 - INVESTMENT DISCRETION**

As described in more detail in the “ITEM 4: ADVISORY BUSINESS”, we generally receive nondiscretionary authority in writing from clients at the outset of an advisory relationship in the investment advisory agreement. Whether or not we have discretion with respect to the assets of a qualified plan, the plan fiduciary can choose to allow the plan participants to authorize us to invest, on a discretionary basis, the participant’s account in accordance with his or her objectives.

### **ITEM 17 - VOTING CLIENT SECURITIES**

Qualified plan clients will specifically undertake the responsibility of responding to or voting proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you by your custodian for response and voting. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights.

## **ITEM 18 - FINANCIAL INFORMATION**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you.