



FORM ADV PART 2A APPENDIX 1 – PARTICIPANT ASSET MANAGEMENT PROGRAM WRAP FEE BROCHURE

Item 1 – Cover Page

Level Four Advisory Services, LLC
(also doing business as Level Four Wealth Management and Level Four Sports & Entertainment)
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This brochure provides information about the qualifications and investment advisory business practices of Level Four Advisory Services, LLC. Level Four Advisory Services also does business as "Level Four Wealth Management". If you have any questions about the contents of this brochure, please contact us at 866-834-1040. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about our investment advisory business is also available on the Internet at www.adviserinfo.sec.gov. You can view our information on this website by searching for "Level Four Advisory Services, LLC." You can also search using the Firm's CRD number. The CRD number for the Firm is **134086**.

Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Since filing our last annual amendment to this brochure in March 2019, the following material changes have been made to this brochure:

- Cover Page – The firm’s address has been updated and a new business name has been disclosed
- Item 4 (Services, Fee and Compensation) Additional information regarding Custody circumstances has been added.
- Item 10 (Other Financial Industry Affiliations) has been updated to include additional details of related parties)
- Privacy Policy – The firm’s Privacy Policy has been updated.

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Item 4 – Advisory Business

Level Four Advisory Services, LLC, also doing business as Level Four Wealth Management, (referred to as “LFAS”, the “Firm”, “us” and “we” in this document) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and has developed and sponsors the **Participant Asset Management Program** (referred to as the “Program”).

The Program is a wrap-fee program. Only investment advisor representatives of LFAS may serve as portfolio managers in the Program. Therefore, participants in the Program must be advisory clients of LFAS. The following bullets provide basic background regarding our Firm.

- The Firm has been registered as an investment adviser since July 2005.
- The Firm is owned and controlled by Level Four Group. Level Four Group is a holding company and the 100% owner of LFAS. Level Four Group is owned and operated by Carr, Riggs & Ingram Capital, L.L.C., a Delaware limited liability company. Carr, Riggs & Ingram Capital, L.L.C. is 100% owned by Carr, Riggs & Ingram, L.L.C., an Alabama limited liability company. No individuals own more than 25% of Carr, Riggs & Ingram, L.L.C.
- We provide fee-only investment advisory services through LFAS. The nature and extent of the specific services provided to clients, including you, will always depend on each client’s financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.
- LFAS Advisory Representatives and LFAS branch offices may use marketing names or other names that are held out to the public. Such names are known as “doing business as” names. The purpose of using a name other than LFAS or LPL Financial is for the Advisory Representative to create a brand that is specific to the Advisory Representative and/or branch, but separate from LFAS and LPL Financial. While LFAS allows its Advisory Representatives to use a name other than LFAS or LPL Financial, the Advisory Representative must disclose on advertising and client correspondence that securities are offered through LPL Financial and advisory services are offered through LFAS.

LFAS provides investment advisory services other than the Program described in this brochure including services through other wrap-fee programs. A description of all fee-based investment advisory services provided by LFAS is available in the LFAS Disclosure Brochure and the applicable wrap fee program brochure. Any of these wrap fee program brochures are available upon request by contacting LFAS at 866-834-1040. Some LFAS’ Advisory Representatives may also provide securities advice as registered representatives of LPL Financial, a broker/dealer, member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investors Protection Corporation (“SIPC”). In that separate capacity as registered representatives of LPL Financial, LFAS’ Advisory Representatives may charge commissions on a per-transaction basis when implementing their advice on behalf of clients (see Item 9 of this brochure for more details). LFAS and LPL Financial are unaffiliated companies.

When making the determination of whether one of the advisory programs available through LFAS is appropriate for their needs, clients should bear in mind that fee based accounts, when compared with commission based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, such arrangements may result in a higher annual cost for transactions. Thus,

depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Some such factors are account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and the client's tax situation.

Clients should have a conversation with their Advisory Representative and read this brochure carefully as it explains, in detail, the Program.

Description of The Program sponsored by Level Four Advisory Services, LLC

Under the Program, LFAS provides investment supervisory services defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client. Services for this program are provided primarily to participants in employer-sponsored retirement plans and small-business retirement plans. Specifically, we provide advice to individual retirement plan accounts such as, but not limited to, 403(b) and 401(k) participant accounts.

LFAS shall obtain from client's information to determine each individual client's financial situation and investment objectives. Accounts are managed on the basis of each client's financial situation and investment objectives. Clients are instructed to notify LFAS whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of accounts managed under Program. At least annually, LFAS shall contact individual clients to determine whether their financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of accounts managed. LFAS shall be reasonably available to consult with individual clients relative to the status of their accounts. Clients shall have the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct LFAS not to purchase certain securities. Client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is maintained for each client with the custodian and clients retain right of ownership of the Account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

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

Accounts managed through Program must be established and held at broker/dealer or other qualified custodian approved by LFAS. Currently, we have preferred arrangements to manage participant accounts held at TIAA-CREF Financial Services and Fidelity respective retirement plan platforms.

TIAA-CREF Financial Services accounts are held through a TIAA-CREF affiliated qualified custodian such as one of their mutual fund product sponsor companies.

Fidelity accounts are held at Fidelity Institutional Wealth Services, a Fidelity affiliated broker/dealer, member FINRA/SIPC. Fidelity and LFAS are not affiliated companies. In addition to serving as the broker/dealer, Fidelity Institutional Wealth Services maintains physical custody of all Program accounts.

Upon establishment of a Program account, LFAS will be granted trading authorization on the client's account. Accounts managed through Program are typically done so on a discretionary basis. However, upon a client's request, LFAS will manage Program accounts on a non-discretionary basis. Clients must provide LFAS written authorization to manage accounts on a discretionary basis. Written authority must be memorialized in the *Participant Asset Management Program Client Agreement*. This authority will allow LFAS to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction.

LFAS or a related person does not act as a principal (buys securities for itself or sells securities it owns to any client) in Program. LFAS or a related person does not affect transactions in which client securities are sold to or bought from a brokerage (commission-only) client.

Administrative Services Provided by ORION Advisor Services, LLC

LFAS has contracted with ORION Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing Program accounts. Due to this arrangement, ORION will have access to client accounts, but ORION will not serve as an investment adviser to Program clients.

LFAS and ORION are non-affiliated companies. LFAS compensates ORION on a fixed fee basis based on the number of accounts managed through Program. ORION charges LFAS an annual fee up to \$75 per account. The fee paid to ORION does not result in an increase to the overall fee charged by LFAS relative to other advisory programs available through LFAS.

Suitability

LFAS will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening a Program account. Clients must advise LFAS of any changes in their investment objective(s) and/or financial situation.

LFAS' services are always provided based on the individual needs of the individual client. Clients are given the ability to impose restrictions on their accounts including specific investment selections and sectors.

When managing client accounts through our Program, we will generally manage a client's account in accordance with one or more models developed by our Investment Committee. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates. More information about our models and strategies is provided at Item 6.

Aggregation of Client Orders

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. LFAS does not engage in block trading in Program accounts.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments held in Program accounts, we do not believe clients are

hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Trading Error Policy

Based on industry practice and SEC guidance to broker-dealers, a trade error under this policy is defined as including:

- Inaccurate transmission or execution of any term of an order including, but not limited to: price; number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;
- Unauthorized (because of misunderstanding or mistake) or unintended purchase, sale or allocation of securities, or the failure to follow specific client instructions; and
- Incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals or securities positions reflected in an account.

LFAS has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of LFAS to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by LFAS if the error was caused by the Firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. LFAS will not benefit or profit from trade errors.

Custody

Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

LFAS does not take physical custody of your funds or securities. However, LFAS is deemed to have custody of client funds and securities whenever LFAS is given the authority to have fees deducted directly from client accounts or if LFAS facilitates or executes your requests for third party standing letters of authorization that enable LFAS to change the timing of the amount of the transfer upon your request. Additionally, due to the fact in certain circumstances such as when clients of LFAS are referred for the provision of trust services, a related party, Preferred Legacy Trust, will be acting as a qualified custodian for client assets, LFAS is deemed to have custody for such clients. While related, LFAS and Preferred Legacy Trust remain operationally independent. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

LFAS has established procedures to ensure all client funds and securities are held at a qualified custodian (e.g. TIAA-CREF, Fidelity, and other independent qualified custodians) in a separate account for each client under that client's name.

Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. When clients have questions about their account statements, they should contact LFAS or the qualified custodian preparing the statement.

Program Fees

The annual investment advisory fee charged to Program accounts will not exceed 1.25% of the assets held in the account on an annual basis. The annual fee is negotiable with the client depending on the market value of the account, asset types, the client's financial situation and trading activity. Fee waivers or discounts may be offered to family members and friends of associated persons of LFAS which are not available to other clients.

The annual fee shall be divided and payable quarterly in advance through a direct debit in the client account. ORION is responsible for the calculation of fees and LFAS is responsible for debiting all fees from client accounts. Clients must provide their qualified custodian written authorization to debit advisory fees from their accounts and pay such fees to LFAS. Fees are based on the account's asset value as of the last business day of the calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter.

The Program is a wrap-fee program which means advisory services and transaction services are provided for one fee. This is different from traditional management programs whereby our services are provided for a fee, but transaction services are billed to clients separately on a per-transaction basis. From a management perspective, there is not a fundamental difference in the way our Advisory Representatives manage wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transaction services are paid.

Clients may incur certain charges imposed by third parties other than LFAS in connection with investments made through the account, including but not limited to fees and expenses imposed by the retirement plan sponsor, qualified custodian, and qualified retirement plan fees. Management fees charged by LFAS (which include transaction and execution fees charged) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus. LFAS and its Advisory Representatives do not retain any portion of these "other" fees. The only compensation earned by LFAS is the investment advisory fee described above.

The Program may cost the client more or less than if the assets were held in a traditional brokerage account. In a traditional brokerage account, the client is charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold investment strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a Program account.

As disclosed in this section, LFAS receives compensation as a result of a client's participation in the Program. LFAS therefore has a financial incentive to recommend the Program over other programs or services. The amount of compensation received from LFAS may be more than what it would receive if the client participated in programs sponsored by other financial firms or paid separately for investment advice, brokerage, and other services.

Item 5 – Account Requirements and Types of Clients

To become a Program participant, a program agreement (the *Participant Asset Management Program Client Agreement*) between the client and LFAS must be executed. In addition, the client will be required to complete paperwork required by the retirement plan sponsor or qualified custodian assigning LFAS as investment adviser to the account.

Termination of Services

Program services may be canceled at any time, by any of the parties, for any reason upon receipt of written notice to the other party. Services will be terminated without penalty and the client shall receive a pro-rated refund based on the amount of time remaining in the final quarter. Specific termination provisions are contained in the *Participant Asset Management Program Client Agreement*.

Minimum Account Size

LFAS requires a minimum account size of \$40,000 to open a Program account. Exceptions to this minimum may be granted at the discretion of LFAS.

Types of Clients

This service is provided to individual retirement plan participant account owners.

Item 6 – Portfolio Manager Selection and Evaluation

The Program does not allow Advisory Representatives or clients to utilize portfolio managers that are not associated with LFAS. In other words, the only portfolio managers selected for managing client assets in the Program are Advisory Representatives of LFAS including the LFAS Investment Committee members. Therefore, conflicts of interest present in other wrap-fee programs that make available both affiliated and unaffiliated portfolio managers are not present in this Program. Because the Program does not provide for a multitude of outside portfolio managers, LFAS does not have procedures designed to select outside portfolio managers. Most of the items required by this item of the Wrap Fee Program Brochure instructions do not apply to LFAS. Items that do apply are answered below.

Methods of Analysis, Investment Strategies and Risk of Loss

Depending on the client's individual needs, investment recommendations will primarily be made in no-load mutual funds, load-waived mutual funds, and Exchange Traded Funds (ETFs). Other investments may include, but are not necessarily limited to stocks, bonds, and unit investment trusts. It is not LFAS' typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. LFAS' Advisory Representatives are responsible for communicating with his/her client and gathering all client information.

LFAS' Advisory Representatives use various methods of analysis and investment strategies. Methods and strategies will vary based on the LFAS Advisory Representative providing advice. Models and strategies used by one Advisory Representative may be different than strategies used by other Advisory Representatives. Some LFAS Advisory Representatives may use just one method or strategy while other Advisory Representatives may rely on multiple. LFAS

does not require or mandate a particular investment strategy be implemented by its Advisory Representatives. Further, LFAS has no requirements for using a particular analysis method and LFAS Advisory Representatives are provided flexibility (subject to LFAS supervision and compliance requirements) when developing their investment strategies.

Although LFAS Advisory Representatives have the ability to develop and implement their own investment strategies and methods of analysis, Advisory Representatives may elect to have their accounts managed in accordance with the strategies and methods of analysis developed by the LFAS Investment Committee. In these situations, the Investment Committee will be responsible for actively determining investment recommendations and implementing such recommendations. Numerous model portfolios are developed by the LFAS Investment Committee at any one time, but generally speaking, portfolios will be designed based on the following objectives:

- Current Income,
- Balanced,
- Growth & Income,
- Growth, and
- Aggressive Growth

The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by LFAS.

A. Method of Analysis

Charting - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

Fundamental - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to

evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

B. Investment Strategies

LFAS' primary method of analysis or strategy is Strategic Asset Allocation which calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter. Some of the risks involved with using this method include having an inappropriate risk tolerance given the client's goals and objectives, investing in assets that may be too conservative or too aggressive for the client's stated risk tolerance, not properly re-balancing the portfolio to maintain the integrity of the strategic asset allocation.

In addition to strategic asset allocation, we may also use Tactical Asset Allocation which allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak. Similar risks described under strategic asset allocation are associated with tactical asset allocation.

We also use the following general investment strategies when managing accounts.

- Long-term purchases - Investments held at least a year.
- Short-term purchases - Investments sold within a year.
- Trading - Investments sold within 30 days.

C. Risk of Loss

LFAS primarily recommends mutual funds to meet the needs of its clients, although exchange traded funds, stocks and bonds may also be used. A mutual fund's investment objective and its holdings are influential factors in determining how risky a fund is. Mutual funds face risks based on the investments they hold. For example, a bond fund faces interest rate risk and income risk. Similarly, an equity sector fund is at risk that its price will decline due to developments in its industry. Overall market risk is defined as the possibility that stock or bond fund prices overall will decline over short or even extended periods. Finally,

principal risk, or the possibility that an investment will go down in value, or “lose money,” from the original or invested amount, is a risk faced by investors.

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) 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.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program. The following are some additional risks clients need to be aware of.

- ETF and Mutual Fund Risk – When LFAS invests in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETF’s 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 the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting 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.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- 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.

- **Options Risk.** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Management Risk** – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment may decrease.

Voting Client Securities

LFAS will not vote proxies on behalf of your account. While there are some investment advisers that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. In some instances, and at your specific request, your Advisory Representative may give recommendations or clarifications based on your Advisory Representative's understanding of the issues presented in the proxy materials. Your Advisory Representative may also conduct additional research on proxy issues if necessary; however, you will be solely responsible for all proxy voting decisions.

General Description of Primary Advisory Services

Because Advisory Representatives serve as portfolio managers of the Program, the following is provided as brief descriptions of LFAS' primary services. Detailed descriptions of LFAS' services other than the Program are provided in our Disclosure Brochure.

LFAS' Advisory Representative will conduct a complimentary initial meeting with the client for an information and data-gathering session. At this initial meeting, the Advisory Representative will assist the client in determining the level of financial planning services needed. If clients elect to continue with the financial planning process, the Advisory Representative will hold as many meetings or telephone conferences as necessary to gather the documents, information, goals and objectives needed to prepare the financial plan. Whether clients select a comprehensive or a modular plan, the LFAS' Advisory Representatives will meet with them to:

- Identify financial goals and objectives;
- Collect and assess all relevant data;
- Identify financial concerns and formulation of solutions; and
- Prepare a financial plan with specific recommendations for presentation to the client.

Financial Planning Services – LFAS provides advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial

goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Asset Management Services – LFAS provides advisory services in the form of Asset Management Services through the Program and other advisory programs and platforms sponsored by LPL Financial. Asset Management Services involve providing clients with continuous and on-going supervision over client accounts. This means that LFAS will continuously monitor a client's account and make trades in client accounts when necessary.

Outside Money Managers – LFAS provides advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisers. Third-party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

Participation in Wrap Fee Programs

Our Advisory Representatives may provide asset management services through both wrap-fee programs and traditional management programs including the Participant Asset Management Program. Under a wrap-fee program, advisory services and transaction services are provided for one fee. This is different from traditional management programs whereby our services are provided for a fee, but transaction services are billed to clients separately on a per-transaction basis. From a management perspective, there is not a fundamental difference in the way our Advisory Representatives manage wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transaction services are paid.

Performance-Based Fees and Side-By-Side Management

LFAS does not charge or accept performance-based fees. Regulators have defined performance-based fees as charging fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Client Assets Managed by Level Four Advisory Services, LLC

The amount of client assets managed by LFAS totaled approximately \$2,812,483,913 as of December 31, 2019. \$2,653,792,844 is managed on a discretionary basis and \$158,691,069 is managed on a non-discretionary basis.

Item 7 – Client Information Provided to Portfolio Managers

Because only Advisory Representatives of LFAS serve as portfolio managers, Advisory Representatives or their assistants are responsible for gathering all information provided by clients. Advisory Representatives will interview and work with clients to gather all information needed relative to their investment objectives and needs in order to provide management services through the Program. Clients need to contact their Advisory Representative whenever there are changes to their financial situation that will impact or materially influence the way LFAS manages accounts.

Item 8 – Client Contact with Portfolio Managers

Because only Advisory Representatives of LFAS serve as portfolio managers, there are no restrictions placed on clients' ability to contact and consult with their portfolio managers. It is the policy of LFAS to provide an "open channel" of communication between Advisory Representatives and their clients. Clients are encouraged to contact their Advisory Representative whenever they have questions about the management of their account.

Item 9 – Additional Information

Account Reviews and Reviewers

Account reviews are provided in connection with the Program. For clients participating in Program, the client's individual Advisory Representative will contact the client at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market.

The underlying investments held in Program accounts and the recommended holdings in LFAS portfolios are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as monthly, but no less than quarterly, by the LFAS Advisory Representative responsible for managing the account.

Statements and Reports

Clients will receive statements and transaction confirmations from the retirement plan sponsor or qualified custodian on at least a quarterly basis. Additionally, LFAS may provide performance reports for the account each quarter and upon client's request.

Clients are strongly urged to compare any reports received from LFAS against account statements received from the qualified custodian. Discrepancies between reports received from LFAS and the statements received from the qualified custodian should be reported immediately to LFAS and the qualified custodian.

Disciplinary Information

This item is not applicable to LFAS' brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2A instructions that are material to a client's or prospective client's evaluation of LFAS' business or the integrity of LFAS' management.

Other Financial Industry Activities and Affiliations

LFAS is not and does not have a related company that is a (1) municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) pension consultant, (7) real estate broker or dealer, (8) sponsor or syndicator of limited partnerships, or (9) law firm.

LFAS' only business is providing advisory services and investment advice to clients. However, many of LFAS' Advisory Representatives are engaged in professions other than giving investment advice. Those that are registered representatives

of a broker-dealer or licensed insurance agents may sell securities and/or insurance products to any client, and will receive usual and customary commissions for these transactions.

LPL Financial

While not directly material to accounts opened through Program, clients should be aware that some of our Advisory Representatives are registered representatives of LPL Financial. The following is important disclosure for clients that have separate accounts through LPL Financial.

Clients wishing to implement LFAS' advice are free to select any broker they wish and are so informed. If clients wish to have LFAS' associated persons implement the advice in their capacity as registered representative, LPL Financial will be used. Most of the associated persons of LFAS are registered representatives of LPL Financial and are required to use the services of LPL Financial when acting in their capacity as registered representatives. LPL Financial has a wide range of approved securities products for which LPL Financial performs due diligence prior to selection. LPL Financial's registered representatives are required to adhere to these products when implementing securities transactions through LPL Financial. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Because the associated persons of LFAS may also be registered representatives of LPL Financial, LPL Financial provides compliance support to LFAS' associated persons. In addition to compliance support, LPL Financial also provides the associated persons of LFAS, and therefore LFAS, with back-office operational, technology, and other administrative support.

LFAS recommends broker/dealers and custodians that LFAS feels will provide services in a manner and at a cost that will allow LFAS to meet its duty of best execution. However, LFAS may be limited in the broker/dealer or custodians that it is allowed to use due to LFAS's associated persons relationship with LPL Financial. LPL Financial may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there will not be a direct linkage between the investment advice provided by LFAS and the different qualified custodians, economic benefits may be received that would not be received if LFAS did not use these services to implement the investment advice provided. These benefits may include, but not necessarily be limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; receipt of compliance publications; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

LFAS also receives loans from LPL Financial in order to assist LFAS with transitioning some of our new LFAS Advisory Representatives' business onto the LPL Financial custodial platform. These loans may not be forgiven by LPL Financial based on the scope of business LFAS engages in with LPL Financial including the amount of assets held by LFAS clients at LPL Financial or revenue generated by LFAS for LPL Financial on their platform. The receipt of a loan from LPL Financial presents a conflict of interest in that LFAS has a financial incentive to maintain its relationship with LPL and continue recommending LPL Financial to clients by having the loan forgiven. Therefore, our recommendation of LPL Financial is not based exclusively on your interests, but is partially based on having loans forgiven by LPL Financial. However, to the extent LFAS recommends you use LPL Financial for such services, it is primarily because LFAS believes that it is in your interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and

advisory accounts, and other services provided by LPL Financial. To further control for this conflict of interest, you are not *required* to use LPL Financial and can use another LFAS approved brokerage platform.

Clients should understand that not all investment advisers require the use of a particular broker/dealer or custodian. Some investment advisers allow their clients to select whichever broker/dealer the client decides. By directing clients to use a particular broker/dealer, LPL Financial, LFAS may achieve the most favorable execution of client transactions and the practice requiring the use of LPL Financial may cost clients more money than if the client used a different broker/dealer or custodian.

In addition, Advisory Representatives may also sell insurance products as independently licensed insurance agents. The Advisory Representatives can earn commissions when selling securities and insurance products in these separate capacities. They may also receive 12b-1 fees from some investment companies. Some of the advice offered by the Advisory Representatives involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12b-1 fees. The Advisory Representatives may receive a portion of these 12b-1 fees from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12b-1 fees come from fund assets, and thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

LFAS may also share information with LPL Financial which has supervisory obligations over certain of LFAS' activities. As a result of the LPL relationship, LPL Financial will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about LFAS' clients, even if client does not establish any account through LPL Financial. If you would like a copy of the LPL Financial privacy policy, please contact LFAS.

Accounting Services

Some of LFAS' Advisory Representatives may establish relationships with CPA firms not related to LFAS and may provide advisory services to clients of these accounting firms. Some of those accountants may also be licensed as registered representatives of LPL Financial. In their capacities as registered representatives, the Advisory Representatives may implement securities transactions on behalf of CPA firm clients and share the usual and customary commissions received with the licensed accountants. Clients are not obligated to use the services of the CPA firm or LFAS' Advisory Representatives.

Some of LFAS' Advisory Representatives may also be separately licensed as Certified Public Accountants or Enrolled Agents with the Internal Revenue Service. They may provide accounting or tax preparation services to clients. If appropriate, advisory clients may be referred to these individuals for accounting or tax preparation services, but they are not obligated to use these services. If clients do elect to use these services, charges for tax or accounting services provided will be separate from fees charged for advisory services.

Other Registered Investment Advisory Services

LFAS is under common control with other investment advisers, Level Four Capital Management, LLC ("LFCM"), an SEC registered investment adviser and Preferred Legacy Trust, a state-regulated non-depository trust company. LFAS and LFCM have overlap in personnel and LFAS may use LFCM as a sub-advisor for client accounts. LFAS may have occasion to refer clients to Preferred Legacy Trust for trust services as may be appropriate given a client's stated needs and objectives; however, LFAS and Preferred Legacy Trust do remain operationally independent entities.

Insurance Activities

Some of LFAS' Advisory Representatives are also independently licensed insurance agents and may be affiliated with various insurance companies. When selling insurance products in this separate capacity, they may receive normal and customary commissions. Level Four Group, LLC is the sole owner of LFAS and Level Four Insurance Agency, a licensed insurance agency. Some of LFAS' Officers and Advisory Representatives own Level Four Group, LLC and sell insurance products through Level Four Insurance Agency.

Carr, Riggs & Ingram, L.L.C.

Our parent company, Level Four Group, is indirectly 100% owned and controlled by Carr, Riggs, & Ingram, L.L.C. (CRI), an Alabama limited liability company and accounting firm. Although clients of LFAS in need of accounting services will typically be referred to the client's individual Advisory Representative's related accounting firm, clients may also be referred to CRI. Because CRI is the indirect owner of LFAS, we have a financial incentive to recommend CRI over other accounting firms. Moreover, CRI may refer their clients to LFAS. As indirect owner of LFAS, CRI has an economic incentive to recommend LFAS over other financial firms offering similar services to those offered by LFAS.

CRI is also the 100% indirect owner of Auditwerx, LLC, another accounting firm and CRI Transaction Advisors, LLC, a mergers and acquisitions advisory firm and registered broker/dealer. LFAS does not have material arrangements with these firms and does not typically share or refer clients with either firm.

If you are referred to an affiliated company of LFAS or referred by an affiliated company of LFAS, please understand you are under no obligation to work with LFAS or one of our affiliated companies. You can work with any accounting firm, investment advisor or other financial professional of your choosing.

Conflict of Interest: The recommendation by LFAS representatives that a client purchase a securities or insurance commission product from the firm presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from LFAS and/or its representatives. Clients are reminded that they may purchase securities and insurance products recommended by LFAS through other, non-affiliated broker-dealers and/or insurance agencies. **LFAS' Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Miscellaneous

Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by a client, LFAS may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. LFAS does not serve as an attorney, accountant, or insurance agent, and no portion of LFAS's services should be construed as same. To the extent requested by a client, LFAS may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of LFAS in their separate individual capacities as representatives of LPL Financial ("LPL"), an SEC registered and FINRA member broker-dealer and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LFAS and/or its representatives. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the

client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by LFAS representatives that a client purchase a securities or insurance commission product from firm representatives in their individual capacities as representatives of LPL Financial and/or as insurance agents, presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from LFAS representatives. Clients are reminded that they may purchase securities and insurance products recommended by LFAS through other, non-affiliated broker-dealers and/or insurance agencies. **LFAS' Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, 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. In addition, an investment adviser has a duty of utmost good faith to act solely in the best interest of each of its clients. LFAS and its Advisory Representatives have a fiduciary duty to all clients. LFAS has established a Code of Ethics which all Advisory Representatives must adhere to. They must execute an annual acknowledgment agreeing that they understand and agree to comply with that Code of Ethics.

The fiduciary duty of LFAS and its Advisory Representatives to clients is considered the core underlying principle for LFAS' Code of Ethics and represents the expected basis for all dealings the Advisory Representatives have with clients. LFAS has the responsibility to make sure that the interests of clients are placed ahead of it or its Advisory Representatives' own investment interests. All Advisory Representatives will conduct business in an honest, ethical and fair manner. All Advisory Representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All Advisory Representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect the Advisory Representatives' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of LFAS' Code of Ethics. If current clients or potential clients wish to review LFAS' Code of Ethics in its entirety, a copy may be requested from any of LFAS' Advisory Representatives and a copy will be promptly provided.

Affiliate and Employee Personal Securities Transactions Disclosure

LFAS, our Advisory Representatives and/or our personnel may buy or sell securities in their personal accounts that we may also recommend to clients. Because this policy may create a conflict between the interests of clients and the personal investing opportunities of our personnel, we have established several procedures to control for the apparent conflict of interest.

- LFAS is and shall continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. Personnel shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, from information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry.
- It is our policy that no Advisory Representative shall prefer his or her own interest to that of the advisory client.
- Our personnel may not purchase or sell any security traded over an exchange (such as a stock position) prior to transactions in the same securities are implemented for an advisory client account.
- Most investments owned by our personnel are publicly traded and widely available (such as mutual funds).

Client Referrals and Other Compensation

Client Referrals

LFAS and its Advisory Representatives may enter into arrangements with unaffiliated investment advisory firms and unaffiliated individuals ("Solicitors") who will refer clients that may be candidates for investment advisory services to LFAS. In return, LFAS will agree to compensate the Solicitor for the referral. Compensation to the Solicitor is dependent on the client entering into an advisory agreement with LFAS. Compensation to the Solicitor will be an agreed upon percentage of LFAS' investment advisory fee or a flat fee depending on the type of advisory services LFAS provides to the referred client. LFAS' referral program will be in compliance with federal or state regulations (as applicable). The solicitation/referral fee is paid pursuant to a written agreement retained by both LFAS and the Solicitor. The Solicitor will be required to provide the client with a copy of the LFAS Form ADV Part 2A and a Solicitor Disclosure Document at the time of solicitation. The Solicitor is not permitted to offer clients any investment advice on behalf of LFAS. Advisory fee charged to clients will not increase as a result of compensation being shared with the Solicitor.

Other Compensation

Other than the receipt of advisory fees as described in Item 4 of this brochure, LFAS receives no other compensation in connection with the management services offered through the Program.

However, a Program client may select other advisory services offered by LFAS or engage an Advisory Representative to provide services on a strictly commission basis, purchase insurance products or provide accounting services. In such situations, the client will pay other fees and expenses related to this service. Further LFAS and/or our Advisory Representative will earn compensation in addition to the Program management fees.

LFAS receives economic benefits from LPL Financial in the form of loans used to assist LFAS with transitioning some of our new LFAS Advisory Representatives' business onto the LPL Financial custodial platform. The loans are forgiven if LFAS meets certain conditions in terms of maintaining a relationship with LPL Financial. Please see detailed discussion of the conditions and potential conflicts of interest in previously explained in this section.

Financial Information

This item is not applicable to this brochure. LFAS does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. LFAS is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, LFAS has not been the subject of a bankruptcy petition at any time.

CUSTOMER PRIVACY POLICY

Our Commitment to Privacy

LFAS is committed to safeguarding the confidential information of its clients. LFAS holds all personal information provided to it in the strictest confidence. Federal law gives customers the right to limit some but not all sharing of their confidential information. Federal law also requires LFAS to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.

AN IMPORTANT NOTICE CONCERNING CUSTOMER PRIVACY

How and why we collect customer information

LFAS collects and develops personal information about clients and some of that information is non-public personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the appropriate financial products and services clients obtain from the Firm. LFAS' Advisory Representatives may also be registered representatives of LPL Financial, a registered broker-dealer that is not affiliated with LFAS. LFAS may share client information with one or more of our affiliated companies (*companies related by common ownership or control*). The affiliated companies of LFAS include Level Four Group LLC and Level Four Insurance Services. LFAS may also have relationships with other non-affiliated (*companies not related by common ownership or control*) investment advisers, including LPL Financial, insurance companies, trust companies, custodians and other financial institution entities. The categories of Customer Information collected by LFAS depend upon the scope of the engagement with LFAS and are generally described below. As an investment adviser, LFAS collects and develops Customer Information about clients in order to provide investment advisory services. Customer Information collected includes:

- Information received from clients on financial inventories and questionnaires through consultation with LFAS' Advisory Representatives. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning clients' financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about clients' financial products and services transactions with LFAS.

How do we protect customer information

LFAS and its affiliated companies restrict access to Customer Information to those Advisory Representatives and employees who need the information to perform their job responsibilities within the Firm. LFAS maintains agreements, as well as physical, electronic and procedural securities measures that comply with federal regulations to safeguard Customer Information about clients.

How we share information with third parties

To administer, manage and service customer accounts, process transactions and provide related services for client accounts, it is necessary for LFAS to provide access to Customer Information within the Firm and its affiliated companies and to non-affiliated companies such as LPL Financial, other investment advisers, other broker-dealers, trust companies, custodians and insurance companies. LFAS may also provide Customer Information outside of the Firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

LFAS may also share information with LPL Financial which has supervisory obligations over certain of LFAS' activities. As a result of the LPL relationship, LPL Financial will have access to certain confidential information (e.g., financial information,

investment objectives, transactions and holdings) about LFAS' clients, even if client does not establish any account through LPL Financial. If you would like a copy of the LPL Financial privacy policy, please contact LFAS. LFAS does not share Customer Information with affiliates or non-affiliated third parties for marketing purposes.

Other important Information

If clients close an account with the Firm, LFAS will continue to operate in accordance with the principles stated in this Notice.

LFAS understands that the relationship clients have with their Advisory Representative is important. If a client's Advisory Representative ends his or her affiliation with LFAS and he or she chooses to move to a different investment adviser, or if an Advisory Representative's relationship with LFAS is terminated, the LFAS Advisory Representative may be allowed to take with him or her copies of all client and account documentation (including but not limited to: account applications; customer statements; and other pertinent forms related to the advisory services provided to the client by LFAS), so the Advisory Representative is able to continue the relationship with his or her client and continue providing advisory services through his or her new advisory firm. LFAS will also retain copies of its client and account documentation. Clients do not need to take action if it is their choice to allow their LFAS Advisory Representative to keep copies of their confidential information should he or she leave LFAS.

How do I limit sharing

Federal law gives you the right to limit only sharing for affiliates' everyday business purposes (i.e. information about creditworthiness); affiliates from using your information to market to you.; and sharing for nonaffiliates to market to you.

If you choose to opt out now; at any time in the future; or wish to withdraw your opt out request, contact us at 866-834-1040. If it is your choice to opt out there will be a 30-day period before your opt out will take effect.

If you do not want your Advisory Representative to keep copies of your confidential information should he or she decide to end the relationship with LFAS in the future, you have the right to opt out.

If LFAS provides services to a joint account, LFAS will treat the opt-out request by a joint account owner as applying to all owners on the account(s) managed or serviced by LFAS.

If you have questions about your personal information we have on file, your request should be directed to:

Level Four Advisory Services
Attn: Compliance Department
12400 Coit Road, Suite 700
Dallas, TX 75251

Please include all investment advisory account numbers you maintain with LFAS with your correspondence.

BUSINESS CONTINUITY PLAN DISCLOSURE

LFAS has developed a comprehensive business continuity plan that covers LFAS' operations. The plan is designed to ensure that LFAS is prepared to continue providing service to clients in the event a significant disruption of any kind occurs to LFAS' business operations. The plan addresses business disruptions of varying severity and scope. It provides for testing at least annually and in response to any material changes affecting LFAS' business. Although it is impossible to anticipate every scenario, the plan is reasonably designed to enable LFAS to resume doing business upon the occurrence of those events that are most likely to affect LFAS.

What follows is a description of how LFAS will respond to the following four types of disruptions: (1) A firm-only disruption, (2) a disruption that affects a single building, (3) a disruption that affects the entire city or business district, and (4) a disruption that affects the entire North Texas region. LFAS has also included information about how long it expects to take to recover from these disruptions.

Firm-Only Disruptions

To respond to a disruption that affects only LFAS, such as a computer virus, LFAS has on-site full-time employees who are fingerprinted associated persons or registered representatives of LPL Financial, to successfully guide LFAS through disruptions that may affect operations, the use of crisis communications systems and procedures that address life, health, and safety issues; damage assessment; damage mitigation; personnel mobilization and mission-critical systems. If this type of disruption takes place, LFAS intends to restore all critical services within one day after the disruption occurs. However, in light of the various types of disruptions of this nature that could take place, it may take longer to resume operations in one or more services during any particular disruption.

Disruptions that Affect a Single Building

In the event of a disruption that affects LFAS' office, such as a fire in the building, the plan calls for a response involving multiple locations. LFAS will resume critical services by moving key personnel to an alternate location, to the extent necessary. Certain key personnel may also work remotely by connecting to the LPL Financial network from a remote location. In addition to relocating key personnel to back-up facilities, LFAS will, if necessary, transfer responsibility for certain operations and support services to an offsite location. LFAS intends to resume operations in all critical service areas within one day after a disruption of this nature occurs. It may, however, take as long as two or three days to continue doing business in one or more critical service areas depending on the availability of data.

Disruptions that Affect the Entire City or Business District

If a disruption significant enough to affect the entire city or business district, such as an Act of God or a terrorist attack that cuts off access to LFAS' office, under the plan, LFAS will resume critical services at a back-up location. As above, certain key employees will work remotely and certain operations and support services would be handled at alternate locations. LFAS intends to resume operations in all of its critical service areas within one day after a disruption of this nature occurs. It may, however, take up to three or four days to recover depending on the availability of data and on the availability of key employees.

Disruptions that Affect the Entire North Texas Region

In the event of a disruption that affects the entire North Texas Region, such as a regional power outage, LFAS will resume critical service areas from back-up locations. Although LFAS intends to resume operations within one day after the disruption occurs, one or more critical service areas may not be able to resume operations until the disruption is over.

In all of the situations described above, LFAS expects to continue doing business and expects to resume operations within the specified time frames. However, in the event that a business disruption results in a significant loss of life at LFAS' office or otherwise results in key employees being unavailable or unable to report to their designated location, the recovery times described above may be significantly increased. Furthermore, although LFAS expects to continue operating regardless of the type of disruption, it is impossible to anticipate every scenario. It is, therefore, possible that a significant business disruption could occur and as a result, LFAS may be unable to continue doing business. In those situations, the plan provides procedures to help ensure that the customers have prompt access to their funds and securities.

LFAS will continue to devote substantial resources to the enhancement of its business continuity plan and procedures.