



Laurel Wealth Advisors, Inc.
WRAP FEE PROGRAM BROCHURE
(Firm CRD # 157139 / SEC #801-72334)
8008 Girard Avenue, Suite 330
La Jolla, CA 92037
Telephone: 858.459.1101
Fax: 858.456.0020
Website: www.laurelwa.com

January 1, 2010

Form ADV Part 2A Appendix I; our "Wrap Fee Program Brochure" or "Wrap Brochure" is required by the Investment Advisers Act of 1940, and is a vital document between clients ("you," and "your") and Laurel Wealth Advisors, Inc. ("Laurel Wealth," "LWA," "the Adviser," "us," "we," or "our"). This Wrap Brochure provides information about the investment advisory services, qualifications, and business practices of Laurel Wealth Advisors, Inc., an investment advisory firm registered with the Securities and Exchange Commission (the "SEC"). If you have any questions about this Wrap Brochure, please contact Laurel Wealth's Chief Compliance Officer directly at 858.459.1101.

The information provided within is not to be construed as a recommendation or an endorsement by the SEC or state securities authorities in any jurisdiction within the United States. Nothing in this document is to be construed as an offer of securities; please refer to actual fund and investment offering documents for complete disclosures. Registration as an investment adviser does not imply a certain level of skill or training, and investments involve risk, including the possible loss of principal. The written and oral communications of an adviser provide you with information that you may use to determine whether to retain or hire the adviser. As required by federal and state regulations, this Wrap Brochure is on file with the appropriate securities regulatory authorities.

Additional information about Laurel Wealth Advisors, Inc., is available on the SEC's website at
www.adviserinfo.sec.gov.

*(Click on the link, select "Investment Adviser Firm," and type in the firm's name or CRD #157139.
Results will provide you all parts of the Adviser's Form ADV.)*

ITEM 2: MATERIAL CHANGES

Description of the Advisory Firm

Laurel Wealth Advisors, Inc. ("Laurel Wealth") is a federally registered investment adviser located at 8008 Girard Avenue, Suite 330, La Jolla, California 92037. The firm has been in business since March 2011. Laurel Wealth's Principal Owners are Lee A. Tripodi, Principal & President, and Mark D. Welsh, Principal & Managing Director. *(Please refer to Form ADV Part 2B Brochure Supplements, for details of the Principal's formal education and business background.)*

Wrap Fee Program

This Wrap Fee Disclosure Brochure ("Wrap Brochure") provides information about Laurel Wealth's Wrap Fee Investment Advisory Program (the "Program"), that clients should consider before investing in the Program. The Wrap Fee Program is a transaction fee rebate program. Under the Program, clients shall receive both investment advisory management services and the execution of Program securities brokerage transactions, custody, reporting, and related services, for a single specified, bundled asset-based fee ("Program fee"). Similar services may be obtainable at lower costs on an "unbundled" basis through other firms. Clients will invest in the Program by establishing one or more Program accounts ("Managed accounts" or "accounts"). Each account is reviewed for qualification, and suitability and appropriateness will be determined based solely on the Program's cost-effectiveness to the client.

Updates

Laurel Wealth Advisors is providing the following information as part of an annual updating amendment. The Adviser produced the first Wrap Brochure for this Program in July 2019. The last other-than-annual amendment update and client mailing of this Wrap Brochure were September 2019. This amendment discusses only the changes that have occurred since then, which are as follows:

- Item 4: Advisory Business

Assets Under Management

The Adviser's Assets Under Management ("AUM") data was updated to reflect AUM as of January 1, 2020:

TYPE OF ACCOUNT	ASSETS UNDER MANAGEMENT
Discretionary	\$ 1,318,662,512
Non-Discretionary	\$ 238,401,298
Total	\$ 1,557,063,810

Full Wrap Brochure Availability

This Wrap Brochure applies to all Laurel Wealth Wrap Fee Program accounts, including any Program accounts a client may open in the future. Laurel Wealth may, at any time, amend this Wrap Brochure to reflect changes in its business practices, changes in regulations, or required yearly updates as mandated by securities regulators. Annually, either by electronic means or by hard copy, Laurel Wealth will provide clients with a copy of the updated Wrap Brochure or a summary of material changes from the Wrap Brochure previously provided. Please retain this document for future reference as it contains important information concerning Program accounts. Laurel Wealth's Form ADV Part 2A Brochure and this Wrap Brochure may also be viewed online at any time at the SEC's Investment Adviser Public Disclosure website as follows: <http://www.adviserinfo.sec.gov>, by searching for the firm by name or CRD # 157139 or by contacting us directly at 858.459.1101.

Investment products are not FDIC insured, not insured by any federal government agency, and are not a deposit or other obligation of, or guaranteed by, Laurel Wealth Advisors, Inc. They are subject to investment risks, including possible loss of the principal amount invested.

ITEM 3: TABLE OF CONTENTS

ITEM 1: FORM ADV PART 2A - APPENDIX 1.....1

ITEM 2: MATERIAL CHANGES2

ITEM 3: TABLE OF CONTENTS3

ITEM 4: SERVICES, FEES & COMPENSATION5

ITEM 5: ACCOUNT REQUIREMENTS & TYPES OF CLIENTS..... 14

ITEM 6: PORTFOLIO MANAGER SELECTION & EVALUATION 15

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS 23

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS..... 23

ITEM 9: ADDITIONAL INFORMATION 23

ITEM 10: REQUIREMENTS FOR STATE-REGISTERED ADVISERS 30

BUSINESS CONTINUITY PLAN 31

INFORMATION SECURITY PROGRAM 31

PRIVACY PRACTICES Error! Bookmark not defined.

ITEM 4: SERVICES, FEES & COMPENSATION

Types of Advisory Services

Laurel Wealth offers investment supervisory services, financial planning services, ongoing portfolio management and hourly services for clients based on the individual goals, objectives, time horizons, and risk tolerance of each client. These services include but are not limited to, the following:

- Investment Strategy
- Personal Investment Policy
- Asset Allocation
- Asset Selection
- Portfolio Monitoring

The Adviser emphasizes continuous personal client contact and interaction in providing the above services. And, works with clients to create portfolio allocations designed to complement each client's distinct defined goals and objectives, as detailed within each client's written Investment Advisory Agreement ("Advisory Agreement" or "Agreement"). Laurel Wealth provides individually tailored client investment strategies and recommendation services on a discretionary or non-discretionary basis. Advisor Representatives are restricted to providing the services and fees detailed in this document and the client's Advisory Agreement.

Assets Under Management

The following represents the amount of Laurel Wealth's Advisory Assets Under Management ("AUM") as of January 1, 2020:

TYPE OF ACCOUNT	ASSETS UNDER MANAGEMENT
Discretionary	\$ 1,318,662,512
Non-Discretionary	\$ 238,401,298
Total	\$ 1,557,063,810

Types of Investments

Laurel Wealth will generally provide investment advice and money management concerning mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, select alternative investments, and government securities. But, will use other securities as well to help diversify a portfolio, when applicable and appropriate.

Client Tailored Services

Laurel Wealth offers the same suite of services to all its clients. However, some clients will require only limited services due to the nature of their investments. Limited services are offered at a discounted rate, based on a flat fee billed either monthly in arrears, or quarterly in advance, as defined in each client's Advisory Agreement.

Client Imposed Restrictions

Clients can impose restrictions on investing in particular securities or types of securities based on their values or beliefs. Such restrictions must be submitted to Laurel Wealth in writing. Client imposed restrictions may affect the performance of the client's account and may have variations from a similarly managed account with no restrictions. Reasonable efforts are used to comply with client investment guidelines, including any reasonable limits requested by the client by standard industry practices. However, sometimes the investment structures recommended can prevent Laurel Wealth from controlling the specific outcome requested by the client. If so, the feasibility of the request will be discussed with the client to ensure their expectations are met. In the event security purchases are made outside of such instructions or restrictions, the Adviser will take reasonable steps to bring the account back in-line with the client's stated objectives. However, if the restrictions prevent the proper servicing of the account,

or if the restrictions would require the Adviser to deviate from its standard suite of services, Laurel Wealth reserves the right to end the relationship.

Investment Discretion

Laurel Wealth provides investment supervisory services on a discretionary and non-discretionary basis. Details of investment discretion and non-discretion (account management style) are disclosed fully to the client before any advisory relationship commences.

Discretionary Authorization

For discretionary account management, clients provide their Advisor Representative with discretionary management style authority via a limited power-of-attorney. They will indicate this management style preference in their written Advisory Agreement and will affirm their selection on the contract with their chosen Custodian. Under the discretionary authorization, Laurel Wealth will execute securities transactions for clients without having to obtain specific client consent before each transaction. Clients may impose restrictions on investing in certain securities or types of securities. Discretionary authority is limited to investments within a client's Managed accounts.

Non-Discretionary Authorization

Under non-discretionary authorization, Advisor Representatives must notify the client and obtain permission before the purchase or sale of each security within their account. Clients may decide not to invest in particular securities or types of securities and may refuse to approve securities transactions.

Wrap Fee Program Services

Investment Supervisory Services

Under Laurel Wealth's Wrap Fee Program, clients shall receive both investment advisory management services and the execution of Program securities brokerage transactions, custody, reporting, and related services for a single specified, bundled asset-based Wrap Fee Program fee ("Program fee").

Program clients undergo an initial interview, discussion, and due diligence process to outline their current financial situation, to allow for the provision of individualized investment advice. During this process, they will detail their financial goals, and provide the information needed to determine acceptable risk tolerance levels, in consideration of but not limited to the following factors: income and liquidity requirements, time horizon, taxes, retirement planning, legacy needs, projected social security, real estate holdings, education funding, and insurance demands. The goal of the due diligence process is to establish reasonable objectives, expectations, and guidelines for the investment of the client's account assets and to aid in the selection of an appropriate investment Portfolio to match the client's exact circumstances, desired investment structure, and permitted account assets.

Laurel Wealth will rely upon the information provided during the due diligence process, to create the framework for what is intended to be a well-diversified asset mix, in an ongoing investment strategy, aimed at generating acceptable, long-term returns at a fitting level of risk. Based on the information gathered and the amount of assets to be managed on their behalf, the Portfolio Manager assigned to the account will then assist the client in selecting an investment strategy model and will discuss recommendations with the client to confirm suitability for the client's Managed account. Once determined, clients are assigned to one of several risk profiles and a specific portfolio strategy. Each client's account will then be managed based on the client's financial situation, stated investment objectives, and any reasonable investment restrictions the client may have imposed. Program assets will be held by an independent Custodian, not Laurel Wealth, and clients will retain ownership of the securities and funds in their account (i.e., the ability to withdraw and vote securities, among others). Each client will receive regular account statements/reports, including quarterly statements directly from the Custodian, detailing all account activity and formal account reviews annually. *(See, "Item 9: Review of accounts" for additional details on account reporting.)*

Financial Planning Services

Laurel Wealth's financial plans and financial planning services could include but are not limited to investment and retirement planning assistance, tax concerns, college planning, personal savings, investment programs, and debt or credit planning. Services are based on either fixed or hourly fees, with the final fee structure documented in each client's Wrap Fee Program Advisory Agreement. In offering financial planning, a conflict exists between the interests of the Adviser and the interests of the client. The client is under no obligation to act upon Laurel Wealth's recommendation(s), and should they elect to act on any recommendations received, they are under no obligation to effect the transaction through the Adviser.

Financial Planning Services - ERISA accounts

Laurel Wealth provides investment advice to clients that are employee benefit plans or other retirement accounts (i.e., IRAs). As such, the firm is considered a fiduciary under the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code") and is required to abide by the Impartial Conduct Standards, as defined by ERISA. To comply with the Impartial Code Standards, the Adviser provides advice to clients based on their best interests and charges no more than reasonable compensation [within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2)], for such advice. The firm makes no misleading statements about investment transactions, compensation, conflicts of interest, or any other matters related to investment decisions. The Adviser maintains a non-variable compensation structure ("Level Fee") provided either based on a fixed percentage of the value of assets or a set fee that does not vary with investments recommended (as opposed to a commission or other transaction-based fees). Due to this non-variable compensation structure, while held to fiduciary standards of care, the firm is subject to fewer disclosures and reporting requirements than investment advisers operating under differing business models.

Hourly Services

The Adviser can provide hourly services for clients who need advice on a limited scope of work. Limited services are offered at a discounted rate, based on a flat fee, as defined in each client's Advisory Agreement.

Establishing A Wrap Fee Program account

To join Laurel Wealth's Wrap Fee Program, a client will :

1. complete a Client Suitability Profile,
2. complete an Investment Policy Statement ("IPS"), if appropriate for the type of account to be opened, describing the factors noted above, as well as any other factors relevant to the client's specific financial situation, to aid in the selection of a portfolio that matches the client's circumstances. The IPS will establish reasonable expectations, objectives, and guidelines for the investment of the client's account assets and set forth an investment structure detailing permitted asset classes and regular allocations for the account, among other criteria. An IPS is not a contract; an IPS is an investment philosophy summary intended to guide the client and the Adviser; it is not to be construed as offering any guarantees. *Clients are ultimately responsible for establishing their investment policy,*
3. execute the Adviser's Wrap Fee Program Advisory Agreement, authorizing the Adviser to buy, sell and trade in stocks, bonds, mutual funds, and other securities as deemed appropriate and/or contracts relating to the same, on margin (only if written margin authorization is granted) or otherwise,
4. appoint Laurel Wealth as their attorney and agent-in-fact with full authority to allocate the assets in their name and for their account,
5. open a Brokerage account with the Custodian who will maintain their account assets, and provide instructions in furtherance of such authority to the Custodian for the account,
6. deposit into their Custodial account, assets designated for participation in the Program, and
7. complete any other supporting documentation the Program requires.

Laurel Wealth is not required to verify the information it receives from clients or a client's other professionals (e.g., attorneys, accountants, etc.); the Adviser is expressly authorized to rely on the information clients make available.

The client's Program will then be supervised, and each account's investments directed, subject to the objectives, limitations, and restrictions listed in the client's documentation.

Clients are expected to promptly notify Laurel Wealth of any change in financial circumstances, investment objectives, or other material changes to their situation that might affect how their Program account(s) should be managed.

Fee Schedule

The following are the Investment Supervisory Services Fees ("Advisory fees") charged by Laurel Wealth Advisors for its regular advisory services. All management fees are negotiable under certain circumstances up to the maximum annual rates listed below, and the Adviser may, at its sole discretion, decide to waive this minimum. Wrap Fee Program clients will pay differing fees, based upon the Wrap Fee Program services chosen. (See, "Wrap Fee Program Services Client Fees," that follow.)

Investment Supervisory Services Fees

TOTAL ASSETS UNDER MANAGEMENT	ANNUAL FEE
\$1 – 249,000	up to 2.25%
\$250,000 – 499,000	up to 2.00%
\$500,000 – 999,000	up to 1.75%
\$1,000,000 – 2,499,000	up to 1.25%
\$2,500,000 – 4,999,999	up to 1.00%
Above \$5,000,000	Negotiable

*Laurel Wealth charges a minimum advisory services fee of 25 basis points per year.
Lower fees for comparable services can, at times, be available from other sources.*

Wrap Fee Program Services Client Fees

The Wrap Fee Program's annual Advisory fee for Program participation ("Program fee") shall be a percentage (%) of the market value of the assets under management by the Fee Schedules that follow, relative to each type of advisory service chosen under the Program. The maximum and minimum Program fees a client may be charged are outlined herein. *All management fees are negotiable under certain circumstances up to the maximum annual rates listed below.*

Laurel Wealth's Advisor Representatives recommend the Adviser's Wrap Fee Program and serve as the Portfolio Managers servicing Program accounts. Under the Wrap Fee Program, the Program Managers absorb all trade fee transaction costs for their clients. For clients with lower transaction volume, trade transaction costs will be paid by the Portfolio Manager. For those clients where it is suitable to have higher transaction volumes, the Portfolio Managers pay the Custodian of their brokerage services eight basis points (with a minimum of \$250) based upon the assets under their management. The final Program fee to be assessed will be reflected within the client's executed Advisory Agreement.

Laurel Wealth may, in its sole discretion, change any Program fee amount, upon thirty days' written notice to the client; no increase in any Program fee shall be effective without prior written notification to the client. Clients may accept a Program fee change or close their account. (See "Fee Negotiation Available," following.)

Investment Supervisory Services Fees

The following are the Wrap Fee Program Investment Supervisory Services fees charged by Laurel Wealth. Trading costs are covered by the firm (transactions or wrap). Fees are negotiable, and clients participating in the Program will be charged a portion of their Program fee each calendar quarter. Fees will be prorated and paid quarterly, in

advance, based upon the market value of the assets on the last business day of the previous calendar quarter. Fees can be paid via check or debited directly from the client's Custodial account. Clients should refer to their Advisory Agreement for more detail. The minimum household fee is \$2,500 (equivalent \$167,000 AUM). Laurel Wealth's Wrap Fee Program Investment Supervisory Services fees are as follows:

WRAP FEE PROGRAM

Investment Supervisory Services Program Fees

TOTAL ASSETS UNDER MANAGEMENT	ANNUAL FEE*
< \$250,000	up to 1.50 %
to \$500,000	up to 1.25 %
to \$1,000,000	up to 1.00 %
to \$2,000,000	up to 0.75 %
over \$2,000,000	up to 0.50 %

Lower fees for comparable services can, at times, be available from other sources.

Fixed & Pension Consulting Services Fees

Wrap Fee Program Fixed and Pension Consulting services fees can vary between \$250 and \$5,000, depending on the complexity of the situation. Trading costs are covered by the firm (transactions or wrap). Fees are negotiable and are paid in arrears upon completion of the services. Fees can be paid via check or debited directly from the client's Custodial account, upon completion. Clients should refer to their Advisory Agreement for more detail. The minimum fee for a Pension Consulting Fee is \$1,000.

WRAP FEE PROGRAM

Fixed & Pension Consulting Supervisory Services Program Fees

TOTAL ASSETS UNDER MANAGEMENT	ANNUAL FEE*
< \$500,000	up to 1.00 %
to \$1,000,000	up to 0.75 %
to \$2,000,000	up to 0.50 %
to \$10,000,000	up to 0.25 %
over \$10,000,000	up to 0.15 %

Lower fees for comparable services can, at times, be available from other sources.

Financial Planning Services Fees

Financial Planning Services fees can be based on a fixed or hourly fee. The fee for a financial plan is predicated upon the facts known at the start of the engagement, as agreed upon before services commence. Financial planning fees can vary between \$450 and \$10,000, depending upon the involvement of the plan. Fees are negotiable; rates will be agreed upon before engagement and are due at the time of engagement. Fees can be paid via check or debited directly from the client's Custodial account, upon completion. Clients should refer to their Advisory Agreement for more detail. Fees over \$5,000 require Principal review and approval.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. Ultimately, financial planning fees will be determined at the discretion of the Advisor Representative assigned to the account, based on the required resources and complexity of the plan. If the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for agreement.

When a fee increase is necessary, the client must approve and agree to the change of scope in advance of any additional work performed. After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one (1) month. After that, follow-on implementation work is billed separately at the rate of \$300 per hour. If a client requests a specific hourly financial planning consultation, the entire fee will be payable upon completion of the consulting service.

Alternately, Laurel Wealth may require the client to pay an initial retainer of 50% of the estimated financial planning fee in advance of any services rendered with the remaining balance payable upon completion of the contracted services. *However, under no circumstance will a client be required to pre-pay of a fee more than six months in advance and excess of \$1,200.* Laurel Wealth will not accept the pre-payment of any advisory fees greater than \$1,200, more than six months in advance.

Laurel Wealth reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Adviser's judgment, to providing proper financial advice.

Hourly Services Fees

For clients who require advice on a limited scope of work, depending on the complexity of the situation and the needs of the client, the Adviser can provide hourly services. Hourly services are billed as a flat fee, up to \$400 an hour, as defined in each client's Advisory Agreement. Hourly fees are due upon completion of the consulting service and can be paid via check or debited directly from the client's Custodial account, upon completion. Clients should refer to their Advisory Agreement for more detail.

Fee Negotiation Availability

Program fees are negotiable under certain circumstances, up to the maximum annual rates listed herein, subject to certain limitations and approval by the Adviser. To the extent fees are negotiable, some clients may pay more or may pay less than other clients for the same advisory services, depending, but not limited to: account inception date, number of related investment accounts, or total assets under management. At Laurel Wealth's discretion, accounts for members of the client's family (husband, wife, and dependent children) or related businesses may be assessed fees based on the total balance of all accounts. *Lower fees for comparable services can, at times, be available from other sources.*

Additions, Withdrawals & Terminations

Additions

Clients may make additions to their account at any time in cash or securities. The Adviser reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. If the Adviser liquidates transferred securities, clients may be subject to additional fees such as transaction fees, other fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and tax ramifications.

Withdrawals

Clients may make withdrawals from their account at any time in cash or securities. Clients must notify the Adviser upon withdrawing assets from their account. Withdrawals are subject to the usual and customary securities settlement procedures. Additionally, if the client transfers their account to another firm, the client may pay an outgoing account transfer fee.

Terminations

Clients have the right to terminate an Advisory Agreement without penalty, within five (5) business days after document execution. After that, the Agreement will continue in effect until terminated by either party for any reason upon receipt of 30-days written notice. Termination of an Agreement will not affect the validity of any action previously taken by the Adviser under the Agreement, liabilities or obligations of the parties from transactions

initiated before termination of the Agreement, or the client's responsibility to pay any Program fees due, prorated through the date of termination.

If the client executes their Advisory Agreement after the first day of a calendar quarter, upon termination, the Advisory Fee will be pro-rated for the remainder of that quarter. Effective with the date of termination, Laurel Wealth shall refrain, without liability or obligation, from taking any further action in a client's account. From the date of termination, the Adviser will no longer be entitled to receive fees, and any prepaid, unearned fees will be promptly refunded to the client on a pro-rata basis, based on the date of termination to the end of the billing period. The Adviser may also terminate an Agreement at any time by notifying the client in writing.

Compensation

Program Fees Paid to Portfolio Managers

Laurel Wealth's Advisor Representatives recommend the Adviser's Wrap Fee Program and serve as the Portfolio Managers servicing Program accounts. The Program Managers receive no extra compensation as a result of their clients participating in the Wrap Fee Program. The Advisor Representatives serving as Program Managers receive their regular and customer advisory fees, as detailed in each client's executed. Wrap Fee Program Advisory Agreement.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in a client's account(s), as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. The receipt of a portion of Advisory fees creates an incentive for Advisor Representatives to recommend that clients participate in a Wrap Fee Program rather than a non-Wrap Fee Program or over other programs or services (where clients pay for trade execution costs), or over brokerage accounts that charge commissions. This compensation cost the client more or less than purchasing such services separately for investment advice, brokerage, and other services. And, more than what would be received if the client participated in the Adviser's other programs, separately.

Other Charges

There can be other costs assessed by third-parties and the Adviser, which are not included in the Wrap Program Fee. For example, there may be fees for trades executed away from the custodian, charges imposed directly by managed investments (i.e., pooled investment vehicles, mutual funds or exchange-traded funds, closed-end investment companies, fund management fees, and other fund expenses such as deferred sales charges or as disclosed in each vehicle's prospectus or offering document), odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, annual check writing, debit card or check-writing fees (stop payment fees, returned check fees or ACH return charges), security transfer and redemption fees, reorganization processing, trade confirmation or outgoing account transfer fees, margin extension fees, margin debt interest, IRA annual maintenance or termination fees, amounts charged to produce year-end statements and account reports, other fees and taxes on brokerage accounts and securities transactions or other fees required by law.

Clients may obtain a schedule of these additional fees by contacting their Portfolio Manager or Laurel Wealth, directly. *All Wrap Fee Program fees are separate and distinct from the above fees and expenses;* clients are responsible for those fees and expenses assessed outside of the Program.

Program Considerations

A client who participates in a Wrap Fee Program arrangement should consider that, depending on the level of the Program fee charged, the amount of portfolio activity in the client's account, the value of the Custodial and other services which are provided under the arrangement, and other factors, the Program fee may or may not exceed the aggregate cost of such services if they were to be purchased separately. Because Program fees may be greater than would have been the case if the client paid separately for investment advice and brokerage and other services

or participated in another program, Advisor Representatives may have an incentive to recommend the Program over alternative programs or the purchase of such services separately. There is also a potential conflict in Program fee arrangements in that limiting the amount of trading in an account would increase the Adviser's net income from Program fees. (As the IA absorbs certain transaction costs in wrap fee accounts, the IA may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.) Because Program fee accounts, within trading limits, do not impose brokerage commissions, the best interests of the client (trading when appropriate) may differ from the self-interest of Portfolio Managers and the Adviser (no trading). *Lower fees for comparable services can, at times, be available from other sources.*

Program Fee Billing

Program fees will be assessed and billed either quarterly in advance or monthly in arrears, based on the client's selected service(s) and account asset value as of the last business day of the prior calendar quarter. The first fee will be billed upon execution of the Advisory Agreement and will be based upon the opening value of the account. If the Agreement is executed at any time other than the first day of a calendar quarter, the payment will be prorated.

Clients may choose to authorize the Custodian of the assets to charge the account for the amount of the Program fee and to remit such fee to the Adviser by required SEC procedures, or they may choose to be billed directly for any fees due. Details for each option, are as follows:

1. *Direct account Deduction of Advisory Fees* - The client will be responsible for providing written limited authorization instructions directly to their Custodian, directing the Custodian to allow Laurel Wealth to withdraw any Program fees due from their Custodial account. The limited authorization will expressly authorize Laurel Wealth to invoice the Custodian directly for the client's Program fees when due and will instruct the Custodian to automatically debit the Program fees due, straight from the client's Custodial account. The Custodian will maintain actual custody of the client's assets. Clients may elect to have their quarterly fees charged to either one account or split between their other accounts at the Custodian (if applicable). And, will receive Custodial statements showing the Program fees debited from the designated Custodial account(s). Further, the written instructions will request the Custodian provide a "transfer of funds" notice to the client at their address of record after each Program fee payment transfer occurs. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of the unpaid fees will be liquidated to pay for the unpaid balance. *(These instructions may be provided on the qualified Custodian's form, via execution of "EXHIBIT A – Wrap Fee Program Custodian Identification, Acknowledgment & Instructions" of the client's executed Wrap Fee Program Advisory Agreement, or separately by the client.)*

To bill an account, Laurel Wealth will then:

- invoice the Custodian directly for the client's Program fees due, with fee calculations made according to the Program Fee Payment Schedule and amounts reflected within the client's executed Advisory Agreement,
- provide to the Custodian an itemization of the fee billing calculation which will include the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the period covered by the fee *(for many Custodians, this invoice information will be presented in the form of a datasheet upload reflecting client invoice details, not a copy of an actual "invoice")*, and
- instruct the Custodian to send the client statements at least quarterly, showing all disbursements and activity on the client's account, to include the amounts of any assessed Program fees.

OR

2. *Direct Client Billing of Advisory Fees* - Clients will authorize Laurel Wealth to invoice them directly for the payment of any Program fees due. Clients' fee payments must be made by separate check, and

under no circumstance will any Program fees be deducted from amounts held in the client's Custodial account(s).

Laurel Wealth may also provide the client with a statement specifying the Program fees assessed to the client's account. *Laurel Wealth urges clients to compare the account statements they receive from their Custodian with any periodic portfolio report or statement they may receive from us promptly upon receipt, to ensure the accuracy of all account transactions.* The reports received from Laurel Wealth may vary from Custodial statements based on accounting procedures, reporting dates, or valuation methodologies of particular securities.

Laurel Wealth encourages clients to raise any questions with us about the custody, safety, or security of their assets or any statements received. Unless the client indicates otherwise, by promptly notifying the Adviser in writing of specific investment restrictions on the account(s), or of concerns regarding statements received, investments in line with the client's stated investment objectives the Adviser recommends or makes on behalf of a client, shall be deemed to conform with the client's investment objectives.

Custodian

Program assets will be held by an independent Custodian, not Laurel Wealth. Charles Schwab & Co., Inc. Institutional ("Schwab"), is Laurel's Program "Preferred Custodian" for its Wrap Fee Program. Laurel Wealth is independently owned and operated and not affiliated with Schwab. Schwab is an unaffiliated, FINRA-registered broker-dealer and member SIPC, who maintains custody of the client's funds and securities, collects interest and dividends and performs the normal and customary execution and custodial services such as sending clients confirmation of each transaction in their account(s) and sending account statements reflecting activity in the client's account at least quarterly. Laurel Wealth directs Program clients to Schwab and sends its trades to Schwab, the Program's broker-dealer. The client will authorize the Adviser to provide these instructions to Schwab, in furtherance of their respective services under the Program's Advisory Agreement.

Schwab provides Laurel Wealth with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent Investment Advisers on an unsolicited basis, at no charge to them so long as the Advisers maintain a total of at least \$10 million of the Adviser's clients' assets in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses, reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment. Schwab generally does not charge separately for custody services for Laurel Wealth client accounts maintained in its custody. It is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades executed through the Custodian or that settle into Schwab accounts.

Schwab also makes available to Laurel Wealth other products and services that benefit the Adviser, but that may not benefit its clients' accounts. These benefits may include national, regional, or Adviser-specific educational events organized and sponsored by Schwab Advisor Services. Other potential benefits may consist of occasional business entertainment of Laurel Wealth Associates by Schwab Advisor Services personnel, including meals, invitations to sporting events, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist the Adviser in managing and administering clients' accounts (i.e., software, and other technology and related technical training that provide access to client account data, such as trade confirmations and account statements, products and services that facilitate trade execution and the allocation of aggregated trade orders for multiple client accounts, research, pricing information, and other market data, or those that facilitate payment of Laurel Wealth's fees from client accounts). Assistance with back-office training and support functions, recordkeeping, and client reporting may also be received. Many services generally may be used to service all or some substantial number of Laurel Wealth accounts, including accounts not maintained at Schwab Advisor Services.

Also, Schwab Advisor Services makes available to the Adviser other services intended to help Laurel Wealth manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. Schwab may make available, arrange, and pay vendors for these types of services rendered to the Adviser by independent third parties and may either discount or waive fees it would otherwise charge for some of these services, or pay all or part of the fees of a third-party providing the services to the Adviser.

As a fiduciary, Laurel Wealth endeavors to act in its clients' best interests, always. Laurel Wealth carefully considers whether its Wrap Fee Program is suitable and appropriate for each client before entering into such an arrangement; not all clients are well-suited for this type of Program. When participating in the Program, and directing trades through Schwab, a client may pay a commission that is higher than another Custodian might charge to affect the same transaction. While the Adviser's requirement that Program clients maintain their assets in accounts at Schwab, may be based in part on benefits received, the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodian, Laurel Wealth believes it is imperative to its investment decision-making process to have access to the type of research and brokerage provided by Schwab.

While Laurel Wealth seeks competitive rates and best execution, clients may not necessarily obtain the lowest commission rates for client transactions directed to Schwab. To that end, Laurel Wealth has determined, in good faith, that when clients enter into the Program, the commission received is reasonable given the value of the brokerage and research services provided by its Wrap Fee Program Preferred Custodian; clients receive greater access to advanced research and advanced portfolio management tools that improve the service offered to them. And, soft dollar benefits are used to service all client accounts, not only those that paid for the benefits. Furthermore, given the client assets, the Adviser has under management, the Adviser does not believe that maintaining at least the required minimum of those assets at Schwab, to avoid paying custodial quarterly service fees, presents a material conflict of interest. In seeking best execution, the Adviser's determinative factor is not the lowest cost possible, but whether the transaction represents the best qualitative execution, taking into consideration the full range services available.

The Adviser believes its selection of Schwab as its Wrap Fee Program Preferred Custodian, is in the best interests of its clients. The scope, quality, and price of the services received to support the belief that services provided do not benefit only the Adviser. *(See, "Item:9: Additional Information - Compensation" for additional details on this topic.)*

ITEM 5: ACCOUNT REQUIREMENTS & TYPES OF CLIENTS

Minimum account Size

Laurel Wealth's account minimum is \$100,000, which can be waived by the Adviser, based on the needs of the client and the complexity of the situation. Minimums may be negotiated depending on a client's personal circumstances. Exceptions may be made, solely at the Adviser's discretion, based on a variety of factors, including but not limited to, prior or anticipated investment activity and family or employment relationships. The Adviser may, at its discretion, aggregate related accounts in the same household in determining whether the account minimum has been met.

Types of Clients

Laurel Wealth provides discretionary and non-discretionary investment advice and management supervisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

- Trusts, Estates, or Charitable Organizations
- Corporations

ITEM 6: PORTFOLIO MANAGER SELECTION & EVALUATION

Portfolio Management Selection

The Adviser does not utilize outside Portfolio Managers for management of its Wrap Fee Program. All accounts are managed by Laurel Wealth's in-house Investment Professionals; Laurel Wealth's Advisor Representatives will be the sole Portfolio Managers for its Wrap Fee Program.

Portfolio Manager Review

Laurel Wealth uses a detailed due diligence process to evaluate and approve its Portfolio Managers for the Program. Factors include, but are not limited to, accessibility; ability to customize, knowledge of products currently offered, tenure, relative cost, education, and knowledge of general economic and market factors and other criteria. The Adviser also reviews performance numbers provided the Portfolio Managers and other third-party reporting sources in its evaluation process.

Laurel Wealth monitors the performance of all participating Program Portfolio Managers to verify they are continually providing the performance and value for which they were selected. It is a requirement that Portfolio Manager strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. Laurel Wealth reserves the right to eliminate from the Program platform, any Portfolio Manager who is under-performing. If a Portfolio Manager requires replacement, the Adviser has the sole discretion to hire or replace them with another Portfolio Manager and adjust the weighting of the allocation accordingly.

Related Persons as Portfolio Managers

As Laurel Wealth's Advisor Representatives act as the Portfolio Manager(s) for the Program described herein, a conflict of interest exists in that the Portfolio Managers could place the Adviser's or their interests before a client's interests. To avoid this, Laurel Wealth has adopted Compliance procedures and a Code of Ethics that requires all firm Associates to adhere to their fiduciary duty and avoid interests, activities, and relationships that run contrary (or appear to run contrary) to the best interests of clients. The full text of the Adviser's Code of Ethics Policy is available upon request.

Portfolio Management

Investment Selection

Portfolio Managers will offer various model portfolios under the Program. Laurel Wealth typically uses investment strategies that include long-term trading, short-term trading, short sales, margin transactions, options writing (including covered options, uncovered options, or spreading strategies). Other strategies may be used, if appropriate. Model portfolios will include investments in, but not limited to, stocks, bonds, ETFs and mutual funds. Portfolio Managers will assist clients in clarifying their investment needs and will work with them in selecting an appropriate strategy or strategies, based on but not limited to, the factors detailed within their due diligence interviews, Client Suitability Profile and Investment Policy Statement. And, as designated by acceptable risk-adjusted returns and stated suitability needs. Each client's Advisory Agreement will document the criteria used to determine their precise portfolio management criterion.

Valuation, Monitoring & Evaluation

Portfolio Managers will monitor, rebalance, and manage all changes to the client's account. The client can withdraw cash or securities, or vote securities, and will receive a written confirmation or other notification of each securities transaction, with all other documents required by law to be provided to a security holder. Clients can proceed directly as a security holder against the issuer of any security in their account.

Performance-Based Fees & Side-By-Side Management

Laurel Wealth does not charge performance-based fees (*i.e.*, fees based on a share of capital gains on or capital appreciation of the assets of a client). Consequently, it does not engage in the side-by-side management of accounts charged a performance-based fee with accounts charged another type of fee (such as assets under management). As described above, Laurel Wealth provides its services for a Program fee based upon a percentage of a client's assets under management, which is by state and federal requirements.

Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

Laurel Wealth's methods of analysis include charting analysis, cyclical analysis, fundamental analysis, and technical analysis.

- *Charting Analysis* - The use of patterns in performance charts, to search for patterns used to help predict favorable conditions for buying and selling a security
- *Cyclical Analysis* - The analysis of business cycles in finding favorable conditions for buying and selling a security
- *Fundamental Analysis* - The analysis of financial statements, the general financial health of companies, and the analysis of management or competitive advantages
- *Technical Analysis* - The analysis of past market data; primarily price and volume

Clients should be aware that all investments involve risk, including the risk of loss or depreciation to the value of the client's account, which they should be prepared to bear. Significant losses can occur by investing in any security or by following any strategy, including those recommended or applied by Laurel Wealth. Laurel Wealth does not guarantee the results of the advice given.

Risks

Risks of Loss & Other Types of Risk

All investments present the risk of loss of principal – the risk that the value of securities when sold or otherwise disposed of, can be less than the price paid for the securities. There can be no assurance that a client's investment objectives will be obtained, and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk, including the significant risk of loss. Even when the value of the securities when sold is higher than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

Depending on the distinct types of investments, varying different degrees of risk will exist, and a wide range of conditions (including the pandemics, or acts of terrorism or war) may affect investments in general or specific industries or companies. The performance of any investment is subject to numerous factors that are neither within the control of nor predictable by Laurel Wealth. Market conditions may move unpredictably, or with the correlation of market components or can behave outside the range of expectations, which can result in material loss. The Adviser's investment decisions are not always profitable - securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits. Laurel Wealth does not represent or guarantee that its 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.

All clients must understand that investing in securities involves risk, including the risk of loss, which all clients should be prepared to bear.

Material Risks Involved

The following list is not all-inclusive but details many of the typical risks of which investors should be aware of when considering investments. (*Please note the below risk types address risks of which all investors should be aware, and is presented alphabetically, for ease of reading, not in order of importance.*)

- *Bank Obligations* - including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.
- *Business Risk* - the risks associated with a specific industry or a particular company within an industry.
- *Competition Risk* - the securities industry and the varied strategies and techniques engaged in by Advisers are incredibly competitive; each involves a degree of risk. Advisory firms, including many of the larger securities and investment banking firms, may have substantially greater financial resources and research staff than Laurel Wealth.
- *Conflicts of Interest Risk* - in the administration of client portfolios and financial reporting, the Adviser faces inherent conflicts of interest, as described in this Brochure. Generally, Laurel Wealth mitigates these conflicts through its comprehensive written supervisory compliance policies and procedures and Code of Ethics, which provides that the client's interest be held above that of the firm and its Associates, always.
- *Corporate Bonds* - are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values, and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the higher its interest rate risk.
- *Credit Risk* - the return on fixed-income investments (i.e., bonds and preferred stock) is dependent on the issuer of the security meeting its commitment to making agreed-upon payments. Credit risk is the risk that the issuer does not meet that obligation.
- *Currency/Exchange Risk* - overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.
- *Diversification Risk* - a portfolio may not be widely diversified among sectors, industries, geographic areas, or types of securities or may not necessarily be diversified among a wide range of issuers. These portfolios might be subject to more rapid change in value than would be the case if the investment vehicles were required to maintain a broad diversification among companies or industry groups.
- *Equity Investment* - generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an inherent risk involved when purchasing a stock that it may decrease in value; the investment may incur a loss.
- *Financial Risk* - when a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk is the possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.
- *Fixed Income Call Option Risk* - bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are disadvantages to the call provision: the cash flow pattern of a callable bond is not known with certainty, because the issuer will call the bonds when interest rates have dropped, there is exposure to reinvestment rate risk - investors will have to reinvest the proceeds received when the bond is called at lower interest rates, and the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

- *Hedging Transactions* - investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase.
- *Inflation Risk* - inflation risk results from the variation in the value of cash flow from a security due to inflation, as measured in terms of purchasing power. Inflation may erode the buying power of an investment portfolio, even if the dollar value of investment remains the same. When inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation. For all but inflation-linked bonds, adjustable bonds, or floating rate bonds, there is exposure to inflation risk because the interest rates the issuer promises to make is fixed for the life of the security.
- *Interest-Rate Risk* - the price of most fixed income securities move in the opposite direction of the change in interest rates, so fluctuations in interest rates will cause investment prices to vary. When interest rates rise, bond (fixed income) prices generally fall, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices typically rise when interest rates fall. In general, fixed-income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.
- *Lack of Registration Risk* - funds, private placements, or LP interests have neither been registered under the Securities Act or the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.
- *Legal or Legislative Risk* - legislative changes or court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.
- *Leverage Risk* - the use of leverage requires the pledging of assets as collateral and margin calls or changes in margin requirements could result in the need to pledge additional collateral or to liquidate account holdings, which could require the account to close positions at substantial losses that would not otherwise be realized. Accounts that use leverage by engaging in short sales, entering into swaps and other derivatives contracts, or different leveraging strategies, there can be an increase in the risk of loss and volatility.
- *Liquidity Risk* - liquidity is the ability to convert an investment into cash readily. Generally, assets are more liquid if there is a high interest in a standardized product. An account may invest in thinly traded, and relatively illiquid securities or those securities may not be traded at the time the account invests or may cease to be traded after the account invests. The account also may acquire significant positions in some securities. In such cases and in the event of extreme market activity, an account may not be able to liquidate its investments promptly if necessary. Also, the accounts sales of thinly traded securities could depress the market value of those securities and thereby reduce the account's profitability or increase its losses. Such circumstances or events could affect gains or losses materially and adversely. *(For example, Treasury Bills are highly liquid, while real estate properties are not.)*
- *Long-Term Trading Risk* - long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risks that will typically surface at multiple intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest-rate risk, economic risk, market risk, and political/regulatory risk.
- *Market Risk* - market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition. The price of a security, option, bond, or mutual fund can drop in reaction to tangible and intangible events and situations. External factors cause

this type of risk, independent of a security's underlying circumstances. The Adviser cannot guarantee that it will be successful in accurately predicting market risks or movements.

- *Material Non-Public Information Risk* - because of their responsibilities in connection with other activities of the Adviser, individual Associates of the Adviser may, upon occasion, acquire confidential or material non-public information or be restricted from initiating transactions in specific securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have started and may not be able to sell an investment that it otherwise might have sold.
- *Municipal Securities Risk* - municipal securities are backed by either the full faith and credit of the issuer or by revenue generated by a specific project (like a toll road or parking garage) for which the securities were issued. The latter type of securities could quickly lose value or even become virtually worthless if the expected project revenue does not meet expectations.
- *Non-U.S. Investment Risk* - investment in non-U.S. issuers or securities principally traded outside the United States may involve certain unique risks due to economic, political and legal developments, including but not limited to favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject and the imposition of withholding taxes on dividend or interest payments.
- *Political & Legislative Risk* - companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies that conduct a substantial amount of their business outside of the United States.
- *Portfolio Turnover Risk* - while not the practice of Laurel Wealth, the investment strategy of an account may require active trading of the portfolio. As a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.
- *Public Information Accuracy Risk* - the Adviser can select investments, in part, based on information and data filed by issuers with various government regulators or other sources. Even if the Adviser evaluates all such information and data or seeks independent corroboration when it's considered appropriate and reasonably available, it is not in a position to confirm the completeness, genuineness, or accuracy of such information and data. In some cases, complete and accurate information is not available.
- *Reinvestment Risk* - the risk that future proceeds from investments must be reinvested at a potentially lower rate of return. (*Reinvestment Risk primarily relates to fixed income securities.*)
- *Reliance on Management & Key Personnel Risk* - this occurs when investors have no right or power to take part in the management of a firm. Investors must be willing to entrust all aspects of management to a company's management and key personnel. The investment performance of individual portfolios depends mainly on the skill of key personnel of a firm and including its sub-advisors (if applicable). If key staff were to leave the firm, the firm might not be able to find equally desirable replacements, and the performance of the accounts could, as a result, be adversely affected.
- *Short-Sales Risk* - short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.
- *Small & Medium Cap Company Risk* - securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a higher risk of business failure, which could increase the volatility of the client's portfolio.
- *Stock Market Risk* - the market value of stocks will generally fluctuate with market conditions. While

stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term because of factors affecting the individual companies, industries, or the securities market. The past performance of investments is no guarantee of future results.

- *Strategy Risk* - the Adviser's investment strategies and investment techniques may not work as intended.
- *Strategy Restrictions Risk* - certain institutions may be restricted from directly utilizing some investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel, and accountants to determine what restrictions may apply and whether certain investments are appropriate.
- *Supervision of Trading Operations Risk* - the Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients can be exposed to risks that are specific to the securities in their particular investment portfolio.
- *Systematic Risks* - these are risks related to a broad universe of investments. These risks are also known as non-diversifiable risks as diversification within the system will not provide risk reduction if the entire system loses value.
- *Trading Limitations* - for all securities, instruments, or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies challenging to complete or continue and subject the Adviser to loss. Also, such a suspension could make it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.
- *Turnover Risk* - at times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.
- *Undervalued Securities Risk* - the identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities can sometimes offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated may not adequately compensate for the business and financial risks assumed.
- *Unsystematic Risks* - these are risks uniquely related to a specific investment. This is also known as "diversifiable risks," as, at least theoretically, unsystematic risks may be reduced significantly by diversifying between different investments.
- *Withdrawal of Capital* - the ability to withdraw funds from the funds, private placement, or LP interests is usually restricted by the withdrawal provisions contained in an Offering Memorandum. Also, substantial withdrawals by investors within a short period could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and disrupting the funds' investment strategy.

Risks of Specific Securities Utilized

Laurel Wealth seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and international equity markets. However, will utilize options writing, margin transactions, and short-sales, which generally hold a higher risk of capital loss; there is a material risk of loss using any of these strategies.

- *Margin* - Securities purchased on margin in a client's account are a firm's collateral for the loan to the client. If the account securities decline in value, so does the value of the collateral supporting loan, and, as a result, the firm can act, such as issuing a margin call and/or selling securities or other assets

in any of the accounts the investor may hold with the member, to maintain the required equity in the account. It is essential to understand the risks involved in trading securities on margin fully. These risks include but are not limited to losing more funds than deposited in the margin account, the firm forcing the sale of securities or other assets in the account(s) or selling securities or other assets without contacting the investor, or the investor not being entitled to choose which securities or other assets in their account(s) can be liquidated or sold to meet a margin call. And, a firm can increase its "house" maintenance margin requirements at any time, without the necessity of providing an advance written notice, without entitlement to an extension of time on the margin call.

- *Options Contracts* - An option is a contract that gives the buyer the right and the seller the obligation to buy or sell stock or futures contracts at a specific price for a set period. Options trading can present some or all of the following material risks (*not an exclusive list*):
 - option sellers receive fixed compensation in exchange for accepting an obligation to buy or sell an underlying asset at a price that can fluctuate widely,
 - securities price movement can make exercising options financially impractical; the options would expire worthlessly, which would result in the loss of the entire amount used to purchase the options,
 - options sold may be exercised at any time before expiration, requiring the seller to purchase or sell underlying securities at an unfavorable price,
 - sellers of naked positions run margin risks if the positions go into significant losses (*i.e., liquidation of positions by the broker*),
 - sellers of call options can lose more money than a short seller of that stock on the same rise on the underlying stock,
 - call options can be exercised outside of market hours inhibiting remedies that can be taken by the seller of those options,
 - sellers of stock options may be obligated to buy or sell securities upon exercise even if a trading market is not available or they are unable to perform a closing transaction,
 - the value of the underlying stock may unexpectedly increase or decline, leading to automatic exercises of options against the seller, and
 - options markets have the right to halt trading of options, thus preventing investors from realizing value.
- *Securities Futures Contracts* (on tangibles and intangibles) - A futures contract is a standardized, transferable, exchange-traded contract that requires delivery of a commodity, bond, currency, or stock index, at a specified price, on a specified future date. Unlike options, which the holder may or may not choose to exercise, futures contracts convey an obligation to purchase the underlying asset at a set future date. The holder of a futures contract must have sold it by that date or be prepared to pay for and take delivery of the underlying asset. Material risks can include, but are not limited to, the following:
 - futures contracts have a margin requirement that must be settled daily,
 - there is a risk that the market for a particular futures contract may become illiquid (*this could be the case if a futures price has increased or decreased by the maximum allowable daily limit (and therefore, no one is willing to buy or sell a particular futures contract)*), and
 - the market price for a particular commodity or underlying asset might move against the investor requiring that the investor sell futures contracts at a loss.

Investing carries with it the risk of missing out on more favorable returns that could be achieved by investing in alternate securities or commodities. Any of the above investment strategies may lead to a loss of investments, especially if the markets move against the client. Clients are advised that investing in securities involves the risk of loss of the entire principal amount invested, including any gains; clients should not invest unless they can bear these losses.

Past performances of any Portfolio Manager, funds or securities, or the success of a Portfolio Manager are no guarantee of future success. Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that clients, should be prepared to bear; there can be no assurance that clients will not incur losses.

Trading Errors

Even with best efforts and controls, trade errors may happen. If a trade is placed for a client's account, which causes a breach of any regulatory, contractual, investment objective or restriction parameters ("trade error"), such Trade Error will be immediately reported internally for prompt review, direction and/or action, and will be reported directly to the Custodian for action, to ensure that the client is not disadvantaged.

Laurel Wealth does not use soft dollar credits or the promise of future trade commissions to compensate any Custodian/broker-dealer for absorbing the cost of a trade error. Portfolio Managers may not correct a trade error made in a client's account by allocating the trade to a different client account (unless such client was the intended recipient of the trade in the first place). In resolving any trade error, Laurel Wealth's policy is that its clients' interests will come first, always, and trade errors will be resolved promptly and efficiently upon discovery, to help minimize damages. Generally, the client will be reimbursed for any loss incurred due to a Laurel Wealth trade error. Any gains resulting from the Adviser's trade error will either remain with the client or, be accumulated in a trade error account, to offset trade error losses. In all circumstances involving Laurel Wealth trade errors, clients will be "made whole." *In circumstances in which trade errors result from inaccurate instructions provided by the client, the trading error will remain the financial responsibility of the client.*

In summary, Laurel Wealth places client interests ahead of those of the Adviser. Clients are not required to effect transactions through any Custodian recommended by the Adviser. However, Laurel Wealth will direct its Wrap Fee Program clients to its Preferred Custodian. Laurel Wealth may but is not required to, accept clients who instruct the Adviser to execute all transactions through a particular Custodian. While a conflict of interest exists in that the Adviser may have an incentive to select or recommend a Custodian based on its interest in receiving client referrals, rather than on client interests in receiving the most favorable execution, the Adviser's Preferred Custodian meet the firm's sourcing criteria for providing a reliable and satisfactory custodial platform for its clients. Additional details of how the Adviser addresses conflicts are found in the firm's comprehensive Compliance procedures and Code of Ethics document. The full text of the Adviser's Code of Ethics Policy is available upon request.

Voting Client Securities

Proxy Voting Policy

Laurel Wealth will not ask for, nor accept voting authority for client securities; clients will receive proxy material directly from the issuer of the security or the Custodian. Under circumstances where Laurel Wealth receives proxy material on behalf of a client involving any security held in the client's account, the Adviser will promptly forward such content to the client's attention. Proxy voting for plans governed by ERISA must conform to the document in effect. In the case where the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the Plan document. It is the client's responsibility to vote their proxy. Clients can contact their Portfolio Manager directly, with questions about a particular solicitation. However, *Laurel Wealth shall not be deemed to have proxy voting authority solely because of providing advice or information about a specific proxy vote to a client in either of the above situations.* Clients should contact the security issuer before making final proxy voting decisions.

Class Action Suits, Claims or Bankruptcies

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and fact. Class action suits often arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. The client or their Agent will have the responsibility for class actions, claims or bankruptcies, involving securities purchased for or held in their account. Laurel Wealth does not provide such services and is not obligated to forward copies of class action notices received to either clients or their Agents.

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Sharing Client Information with Portfolio Managers

Laurel Wealth's Advisor Representatives serve as the Portfolio Managers of this Wrap Fee Program. As such, there is no need to ensure that another third-party managers' investment decisions remain aligned with its clients' best interests.

Clients are responsible for promptly notifying Laurel Wealth of any changes to their financial situation that will impact or materially influence the way their account(s) are managed.

Privacy Practices

Investment Advisers, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. Investment Advisers have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, Laurel Wealth has always protected the privacy of our current and former clients.

Types of Nonpublic Personal Information We Collect

Laurel Wealth collects nonpublic personal information about clients that is either provided to the Adviser by clients or obtained by us with client authorization.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained during advisory practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our Associates and, in limited situations, to unrelated third parties who need to know that information to assist the Adviser in providing services to clients. In all such cases, Laurel Wealth stresses the confidential nature of the data shared.

Protecting the Confidentiality & Security of Current & Former Client's Information

Laurel Wealth retains records relating to professional services provided to be better able to assist clients with their professional needs and, in some cases, to comply with professional guidelines. To guard client, non-public personal information, physical, electronic, and procedural safeguards are maintained that comply with our professional standards.

Client privacy, professional ethics, and the ability to provide clients with quality financial services are very important to Laurel Wealth. Please contact us directly at 858.459.1101, with any questions regarding this Privacy Policy.

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Laurel Wealth serves as the Wrap Fee Program Sponsor, and its Adviser Representatives serve as the Program's Portfolio Managers. There are no restrictions placed on a client's ability to contact their Portfolio Manager or the firm directly with any questions regarding their account.

ITEM 9: ADDITIONAL INFORMATION

Disciplinary Information

Registered Investment Advisers such as Laurel Wealth are required to disclose all material facts regarding any legal or disciplinary events that are or would be material to a client's or prospective client's evaluation of Laurel Wealth or the integrity of its management. Laurel Wealth and certain of its current and prior Addvisor Representatives have a disciplinary history involving certain regulatory actions, the details of which are summarized as follows:

Undertaking Pursuant to SEC Administrative Proceeding

On August 26, 2019, LWA consented to an offer of settlement with the SEC. Without admitting or denying the SEC's findings, the Adviser consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), concerning alleged violations of Section 206(2), 203(e)(6) and Section 206(4) and Rule 206(4)-7 of the Investment Advisers Act of 1940 relative to undisclosed personal transactions, fraudulently allocated trades, and failure to reasonably supervise and implement policies and procedures designed to prevent such activities. During the SEC review, the Adviser cooperated fully with the regulatory investigation. Before the Order entry, the firm's Compliance Program Initiative included the hiring of a new Chief Compliance Officer, implementation of compliance technology for pre-clearing personal trades, and a revision to the Adviser's Code of Ethics. The firm undertook extensive steps to improve its internal Compliance Program and to address policies and procedures governing the firm regulatory, fiduciary, and best business practices. Full Order details can be viewed here: <https://www.sec.gov/litigation/admin/2019/ia-5330.pdf>.

Other Financial Industry Activities & Affiliations

Laurel Wealth is an independent registered investment Adviser, unaffiliated with any other financial institution or securities issuer or dealer. The Adviser provides only investment advisory services. The firm is not engaged in any other business activities and offers no other services except those described in this Wrap Brochure and within Laurel Wealth's Form ADV 2A Disclosure Wrap Brochure. While the Adviser is not engaged in any other business activities and does not offer other services, Laurel Wealth's Advisor Representatives or other Associates may sell other products or provide services outside of their roles with the Adviser.

Registered Representative of Broker-Dealer

Laurel Wealth is not registered and does not intend to register as a broker-dealer. Certain of Laurel Wealth's Advisor Representatives are also Registered Representatives of registered broker-dealers and members FINRA and SIPC. When acting in their separate capacity as Registered Representatives, Advisor Representatives will sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity, variable life, or other products to clients. And, can receive normal transaction costs, and other compensation in addition to commissions. They may also suggest that clients implement investment advice by purchasing securities products through a commission-based brokerage account, in addition to or instead of a fee-based Laurel Wealth investment-advisory account. If an Associate is a Representative of a registered broker-dealer, the Associate is not acting in a brokerage capacity or on behalf of Laurel Wealth and the advisory firm in any way concerning the services provided under a Laurel Wealth Advisory Agreement.

As the receipt of commissions or other compensation in this capacity can create a conflict of interest and an incentive to recommend those products for which the Advisor Representative will receive a commission, as Registered Representative of a securities broker-dealer, the objectivity of the advice rendered to clients could be biased. Laurel Wealth addresses this conflict of interest by requiring Advisor Representatives to disclose these relationships to clients. The Advisor Representatives satisfy this requirement by advising clients of the nature of the transaction or relationship, their role in the transaction and any compensation (including commissions or otherwise) to be paid to them by the brokerage firms with which they are affiliated, at the time any of the above-noted products are purchased. Clients are under no obligation to use the services of the firm's Advisor Representatives in this separate capacity as a Registered Representative of any broker-dealer.

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser

Neither the Adviser nor any of its management persons are registered or intend to register as A Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser, or an Associated Person of the preceding entities.

Insurance Agents

Several of Laurel Wealth's Advisor Representatives providing investment advice on the firm's behalf are licensed as independent insurance agents through various insurance companies. In these capacities, they may recommend securities, insurance, or other products, and receive separate, yet customary, commission compensation resulting from the purchases and sales of securities, insurance or other products to firm clients from the firms with whom they are presently appointed and with whom they may become appointed in the future. They can also receive other compensation, including bonuses and trail commissions from the products listed above. Insurance commissions earned are separate and in addition to Laurel Wealth's Advisory fees.

This practice presents a conflict of interest because Laurel Wealth Advisor Representatives providing investment advice, who are also insurance agents, may have an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. Laurel Wealth addresses this conflict of interest by requiring them to disclose these relationships to clients. The Advisor Representatives satisfy this requirement by advising clients of the nature of the transaction or relationship, their role as an independent insurance agent and any compensation (including commissions and trails) to be paid by the various insurance companies and received by them, at the time any of the above-noted products are purchased. If products are purchased through any firms with which they are affiliated. Clients are under no obligation to act upon any recommendations of any Associate or affect any transactions through the Associate if they decide to follow any insurance recommendation suggestions received.

Other Designations

Certain Advisor Representatives of Laurel Wealth may also be licensed Real Estate Agents or may hold various other Designations. Laurel Wealth does not provide these services to clients, and the Adviser does not solicit clients to utilize these services. Actions undertaken by Associates are considered outside business activities and are separate from their actions as a Laurel Wealth Associate. As noted above, Associates are required to disclose such relationships to clients. Associates are required to advise clients of the nature of the transaction or relationship in connection with any Designation, their role, and any compensation to be paid by the various designation licensing agencies, authorities or firms, received by them at the time of any transaction.

Clients are under no obligation to act upon any recommendations of any Associate or affect any transactions through the Associate if they decide to follow any insurance recommendation suggestions received.

Selection of Other Advisors / Third-Party Money Managers

Laurel Wealth does not direct Wrap Fee Program clients to third-party money managers. Laurel Wealth's Advisor Representatives serve as the Wrap Fee Program's Program Managers.

Other Financial Industry Professionals

Laurel Wealth uses third-party resources to help run its business and provide services to its clients, the majority of which are back-office related. Laurel Wealth sources these professionals with a focus on finding the highest value-add, lowest cost providers to service its clients, acting in a client's best interest with fiduciary responsibility. While the Adviser has developed a network of professionals (e.g., accountants, lawyers, and so forth), neither the Adviser nor its Associates receive compensation in return for such use or referrals.

A potential conflict of interest can exist between the interests of Laurel Wealth, its Associates, and those of its advisory clients, as a result of the above financial industry activities and affiliations. Clients are under no obligation to implement any recommended transactions and are not obligated to purchase any securities, insurance products or otherwise from Laurel Wealth or its Advisor Representatives. Laurel Wealth makes no assurance that the above-referenced products or services are available at the lowest available cost. The Adviser mitigates conflicts of interest by placing client interests ahead of those of the Adviser, its Advisor Representatives, and its other Associates, always. Additional details of how the Adviser addresses conflicts are found in the firm's comprehensive Compliance procedures and Code of Ethics document. The full text of the Adviser's Code of Ethics Policy is available upon

request.

Other Business Relationships

Outside of the relationship referenced herein, neither the Adviser nor any of its management persons have any other material relationships or conflicts of interest with any financial industry participants. Under the Adviser's policies and procedures, Associates are required to obtain pre-approval of any outside business activities in which they intend to engage, and the Adviser monitors for potential conflicts of interest between the Associates and its clients. As noted above, Advisor Representatives are also required to disclose such relationships in their Form ADV 2B - Wrap Brochure Supplements.

Code of Ethics

As a Registered Investment Adviser, Laurel Wealth has a statutory duty to oversee the investment advisory activities of its Supervised Personnel ("Associates") who act on its behalf. The Adviser holds its Associates to a very high standard of integrity and business practices, and in keeping with its fiduciary obligation, it imposes upon Associates a duty to deal fairly and to always act in the best interest of its clients. And, to:

- render disinterested and impartial advice,
- make suitable recommendations to clients within the context of the total portfolio, given their needs, financial circumstances, and investment objectives,
- exercise a high degree of care to ensure that all material facts are disclosed to clients,
- ensure adequate and accurate representations of its business and other information about the Adviser's services and investment recommendations are presented to clients,
- disclose any conflicts of interest, and
- promote fair, ethical, and equitable practices.

In keeping with this fiduciary obligation, the Adviser has adopted a Code of Ethics to set forth standards of conduct expected of Associates, that applies to all Associates. The Code covers a variety of topics including general ethical principles, reportable securities, reporting personal securities trading, exceptions to reporting securities trading, private placements and initial public offerings, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Code also outlines and prohibits certain types of activities that are deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and details reporting requirements and enforcement procedures.

Associates must conduct all advisory activities in compliance with applicable federal and state securities laws. They must adhere to other applicable laws, rules, and regulations, including applicable laws of foreign jurisdictions, and firm policies and procedures adopted (or that may be adopted in the future). *Per the Code, the firm and its Associates must ensure that the needs of the clients come first, always.* Upon employment or affiliation and at least annually after that, all Associates are required to sign an acknowledgment that they have read, understand, and agree to comply with the firm's Code. The full text of the Adviser's Code of Ethics Policy is available upon request.

Participation or Interest in Client Transactions

Recommendations Involving Material Financial Interests

Laurel Wealth does not recommend that clients buy or sell any security in which a related person to Laurel Wealth has a material financial interest.

Investing Personal Money in the Same Securities as Clients

As noted above, from time to time, Advisor Representatives of Laurel Wealth will sell or buy securities for themselves that they also recommend to clients. This act can provide an opportunity for Advisor Representatives to buy or sell the same securities before, or after, suggesting the same securities to clients, resulting in their profiting from the recommendations provided. Laurel Wealth's policy is to always transact client business before

their own when similar securities are being bought or sold and to document any transactions that could be construed as a conflict of interest, per firm procedures.

Trading Securities at or Around the Same Time as Clients' Securities

The Adviser does not permit insider trading and has implemented procedures to ensure Associates are observing its policy regarding insider trading. Associates are aware of the rules regarding material non-public information and insider trading and seek to ensure that they do not benefit personally from the short-term market effects of their recommendations to clients. Associates may buy or sell specific security for their accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients. In all cases, transactions are affected based on the best interests of the client.

Personal Trading by Associates

Laurel Wealth recognizes that the individual investment transactions of members and Associates of the Adviser demand the application of a high Code of Ethics and require all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, Laurel Wealth believes if the investment goals of clients and members of the firm are similar, it is logical and even desirable that there be common ownership of some securities.

To prevent conflicts of interest in this area, Laurel Wealth has instituted within its Code a "Personal Trading Policy," which consists of personal trading and pre-clearance procedures for personal account transactions effected by Associates, and a transaction reporting system, to monitor compliance with this Policy. The firm's Code also includes additional policies and procedures to address insider trading and personal securities transactions, as well as many other important safeguards required of its Associates. Upon employment or affiliation and at least annually after that, Associates must sign an acknowledgment stating they have read, comprehend, and agree to comply with the firm's Code of Ethics. And, execute an affirmation stating they will conduct business in an honest, ethical, and fair manner, avoiding all circumstances that might negatively affect or appear to affect, its duty of complete loyalty to all clients.

Account Reviews

Laurel Wealth's Portfolio Managers utilize leading-edge portfolio management software and exception reporting to manage and monitor client accounts continuously. Account deviations from determined asset allocation parameters and additions or withdrawals of individual securities from the defined model Portfolio can trigger a review.

Annual Reviews

Portfolio Managers are required to maintain current information about each client. They are obligated to extend to clients the opportunity to discuss their account(s), at least annually, at a minimum. And are required to document the extensive review of each account's investment policy statements and objectives annually. At the time of the annual meeting, or at other times as appropriate, they will note any updates or changes to a client's financial situation, goals, and objectives. The review will occur for confirmation and updates needed to a client's Suitability Profile. And, for changes in a client's financial circumstances and investment profile, to maintain equilibrium with stated investment objectives, for fluctuations that may have occurred in these objectives, and to determine if a modification of a client's imposed restrictions on the management of the account, or if new reasonable account restrictions, should occur.

Quarterly Reviews

Portfolio Managers will also perform reviews of client advisory accounts no less than quarterly, for consistency with investment strategy and performance, among other things. While Portfolio Managers confirm receipt of Custodial account statements by their clients shortly after account inception, they will reconcile client accounts with Custodian statements/account information in full, also during these quarterly reviews.

Periodic Reviews

Portfolio Managers will conduct periodic reviews of client accounts to ensure account adherence to the client's investment mandates. These reviews are made to detect trading irregularities and unusual positions, to evaluate securities for investment, to confirm the continued appropriateness of asset allocation and security selection decisions, and to verify the correct execution of account transactions. They may also meet with clients as frequently as is agreed upon or as is requested by the client, or by the Portfolio Manager.

Non-Periodic Reviews

Non-periodic reviews of client accounts can be triggered by changes in an account holder's financial situation (such as retirement or termination of employment), by physical moves or relocations, receipt of an inheritance, or by changes in personal, tax, or financial status. Reviews are triggered by material market, economic or political events, macroeconomic, or company-specific events.

Firm Reviews

While Advisor Representatives provide ongoing advice to clients, conduct routine reviews of client portfolios, and are responsible for communicating with clients at least annually, representative samples of select client accounts will also be reviewed periodically by firm Principals, the Director of Operations or another designated supervisor. A firm Principal (or their Designee) will also review select client accounts to identify issues or activity which may require further research and action.

During such reviews, the firm will use a variety of analysis tools to aid them in their assessment. A series of surveillance, exception, and trading reports or any combination of these and other review methods will be used to help facilitate the examination. Reviews are based on the client's investment objectives, risk tolerance, financial and personal profile, or any combination of any of the above, in addition to other considerations. Supervisory review of accounts can also include general account activity and other triggering factors such as fees charged, performance, products used or securities concentration, and any other triggering factors as determined appropriate for analysis by the reviewing party.

Content & Frequency of Regular Reports Provided to Clients

The Adviser and/or the account Custodian shall provide the client with periodic account reports.

Custodial Statements

Clients will receive regular statements directly from the Custodian of record on their account, who maintains their investment assets and should receive quarterly statements, at a minimum. The statements will list the client's account positions, activity in the account over the covered period, and other related information. Clients, if they so choose, will also receive confirmations following each brokerage account transaction; they will indicate whether or not they wish to receive such confirmations when completing their Custodial paperwork. Laurel Wealth's statements or reports may vary from Custodial statements based on accounting procedures, reporting dates, or valuation methodologies of individual securities.

Laurel Wealth urges clients to carefully review such statements and compare such official records to the account statements or reports we may provide them, promptly upon receipt. Clients should also compare the investment performance of their Portfolio against the appropriate benchmark, and all Custodial statements against the statements they may receive from periodic portfolio reports received from Laurel Wealth.

Firm-Generated Statements

Clients can also receive periodic reports from Laurel Wealth, and additional reports, if a supplementary review is requested. These reports will provide the client with a comprehensive overview of the account's market valuation, relative market performance, and success in achieving the client's investment objectives. Laurel Wealth's statements or reports may vary from Custodial statements, based on accounting procedures, reporting dates, or valuation methodologies of individual securities.

If a client believes there are any inaccuracies or discrepancies in any reports received, whether from their Custodian or Laurel Wealth directly, or if they do not understand the information in any report, document or statement received, they should promptly, and in all cases before the next statement cycle, report any items of concern to Laurel Wealth. Any verbal communications, inquiries, or concerns about their account statements should be re-confirmed in writing. Laurel Wealth cannot and does not guarantee the accuracy or completeness of any report or any other information provided to the client or Adviser by the Custodian or another service provider to the client.

Client Referrals & Other Compensation

Client Referrals

Laurel Wealth receives client referrals, which may come from current clients, estate planning attorneys, accountants, Associates, personal friends of Associates, and other similar sources. Neither the Adviser nor any related person has any arrangement, either oral or in writing, wherein it directly or indirectly provides compensation for these referrals (i.e., where it is paid cash by or receives some economic benefit, including referral fees or any form of remuneration, commissions, equipment, or non-research services, from a professional or non-client about advising clients), outside of the benefits noted herein.

Other Compensation

Laurel Wealth receives an economic benefit from its Custodians in the form of the support products and services it makes available to us, and other independent Investment Advisers that have their clients maintain accounts at such Custodians. These products and services, how they benefit us, and the related conflicts of interest are described herein. The availability to Laurel Wealth of Custodial products and services is not based on the Adviser giving particular investment advice, such as buying particular securities for our clients.

Preferred Custodian Benefits

In addition to compensating Laurel Wealth for portfolio management, and other services to clients, the Wrap fees clients pay the Adviser allow Laurel Wealth to pay Schwab for the brokerage services it provides to clients. The fees paid to Schwab consist primarily of asset-based fees assessed on the total assets (including stocks, mutual funds, bonds, and cash) in all our clients' Wrap Fee Program accounts maintained at Schwab.

In addition to the asset-based fee described above, our firm pays Schwab certain other fees that it would otherwise charge to clients. These fees may include (a) flat dollar per trade fees for Schwab's prime brokerage and trade away services (through which our firm can have trades for client accounts at Schwab executed by broker-dealers other than Schwab), (b) transaction-based fees imposed on Schwab by regulatory organizations and exchanges and fees to offset processing costs incurred by Schwab for the exchange of securities for equity, options or other covered security sell transaction, and (c) short-term redemption fees on no-transaction-fee mutual funds (including, but not limited to, those available through Schwab).

Products & Services Available from Schwab

As noted within Item 4 and to expand upon that section, Schwab, Laurel's Wrap Fee Program Preferred Custodian, is in the business of serving independent investment advisory firms like Laurel Wealth. They provide the Adviser and clients with access to its institutional brokerage – trading, reporting, custody, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab's support services are usually available on an unsolicited basis (our firm does not have to request them) and at no charge. The accessibility to us of Schwab's products and services is not based on us giving certain investment advice, such as buying particular securities for our clients.

A more thorough description of Schwab's support services follows:

Services that Benefit Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. Schwab may also aid in payment of fees associated with the custodial transfer. The investment products available through the Custodian include some to which our firm might not otherwise have access to, or that would require a significantly higher minimum initial investment by clients. The Schwab services described herein, generally benefit clients and their accounts.

Services that May Not Directly Benefit Clients

Schwab also makes available other services and products benefiting our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as account statements and duplicate trade confirmations),
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts,
- provides pricing and other market data,
- facilitates the payment of Advisory fees from client accounts, and
- supports back-office functions, client reporting and recordkeeping.

Services that Generally Benefit Only Our Firm

Schwab offers other services intended to help manage and further develop our business enterprise. These services include:

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

Clients should be aware that Laurel Wealth's receipt of economic benefits noted herein from Schwab, the Adviser's Wrap Fee Program Preferred Custodian, creates a conflict of interest since these benefits may influence the Adviser's choice of broker-dealer over another broker-dealer who may not furnish similar software, systems support or services. Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals, and put client interests before that of our firm or associated persons.

Financial Information

Balance Sheet

Laurel Wealth neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, it does not need to include a balance sheet with this Wrap Brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Laurel Wealth nor its management has any financial conditions that are likely to impair the Adviser's ability to meet contractual commitments to clients reasonably.

Bankruptcy Petitions in Previous Ten Years

Laurel Wealth has not been the subject of a bankruptcy petition.

ITEM 10: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Laurel Wealth became a Federally-Registered Investment Adviser effective May 20, 2011.

BUSINESS CONTINUITY PLAN

Laurel Wealth has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people. The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The BCP covers human-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, a chemical event, biological event, T-1-communications line outage, Internet outage, railway accident, and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternative Offices

Alternate offices are identified to support ongoing operations in the event of significant business disruption if Laurel's headquarters office is unavailable. Laurel Wealth will observe the BCP process if a disaster dictates moving its office to an alternate location.

Summary of Business Continuity Plan

A summary of the business continuity plan is available by contacting us directly at 858.459.1101 or @ www.laurelwa.com.

INFORMATION SECURITY PROGRAM

Laurel Wealth maintains an Information Security Program to reduce the risk that client's personal and confidential information is breached. Please contact us directly at 858.459.1101 with any questions regarding this Program.