

**Firm Brochure**  
**Part 2A of Form ADV**  
**Item 1 – Cover Page**

**PROGRESSION ASSET MANAGEMENT, INC.**

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This brochure provides information about the qualifications and business practices of PROGRESSION ASSET MANAGEMENT, INC. If you have any questions about the contents of this brochure, please contact us at: (310) 218-9915, or by email at: [jbates@progressionam.com](mailto:jbates@progressionam.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about the Adviser is available on the SEC's website at [www.adviserinfo@sec.gov](http://www.adviserinfo@sec.gov).

**March 2020**

## **Item 2 - Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

There have been no material changes since the initial filing brochure to satisfy the SEC's registration requirements for PROGRESSION ASSET MANAGEMENT, INC.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact the Chief Compliance Officer by telephone at: 855-729-4222, x703 or by email at [sgoldberg@integratedadvisorsnetwork.com](mailto:sgoldberg@integratedadvisorsnetwork.com)

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## **Item 4 - Advisory Business**

### **Firm Description**

PROGRESSION ASSET MANAGEMENT, INC. is a dba of the registered entity Integrated Advisors Network LLC, collectively hereinafter (“the Adviser” or “PROGRESSION”) was founded in 2015 and is an SEC-registered investment adviser.

The Adviser is a fee-only investment management firm. The Adviser provides personalized investment advice primarily to institutions and high net worth individuals directly.

The firm does not sell securities on a commission basis as an investment adviser. The firm is not affiliated by ownership with entities that sell financial products or securities.

The Adviser does not act as a custodian of client assets, and the client always maintains asset control.

The Adviser has discretion of client accounts and places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the Adviser’s or its associated persons are disclosed in this brochure.

### ***Principal Owners of Integrated Advisors Network LLC are as follows:***

Jeff Groves owns 43%; Linda Pix owns 17%, and Michael Young owns 40% of the equity securities of the firm.

### **Types of Advisory Services**

The Adviser provides investment supervisory services, also known as asset management services.

As of February 28, 2020, Integrated Advisors Network collectively managed approximately \$1,350,168,414 in assets on a discretionary basis and \$128,819,008 on a non-discretionary basis.

PROGRESSION is a dba of Integrated Advisors Network LLC. All advisory services are offered through Integrated Advisors Network LLC. Jonathan Bates is an Investment Advisor Representative of Integrated Advisors Network LLC.

### **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system by the Investment Adviser Representative utilizing the Advisor’s programs. Investment policy statements may also be created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

### **Assignment of Investment Management Agreements**

Agreements may not be assigned without client consent.

### **Types of Services**

#### ***Investment Management***

As part of the investment management service, numerous aspects of the client’s financial affairs are reviewed, realistic and measurable goals are set, and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client’s financial situation and portfolio through regular contact with the client which often includes an annual meeting with the client. The Adviser makes use of portfolio rebalancing software to maintain client allocations according to the Investment Policy Statement in effect.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

### *Asset Management*

PROGRESSION provides investment advisory services to Clients that are tailored to the Clients' needs based on their financial situation and investment objectives. PROGRESSION is mindful of each Client's financial situation, endeavoring to ensure that the Client's investment objectives are met on an ongoing basis and that investment recommendations are suitable and comply with any client-imposed investment restrictions.

After review and assessment of Clients' needs, portfolios are designed and managed using a mix of investments including stocks, bonds, mutual funds (stock funds, bond funds and other share classes), options, warrants, real estate investment trusts ("REITS"), exchange-traded funds ("ETFs"), alternative investments, and other securities as chosen by PROGRESSION. For some Clients, it may be determined that an investment portfolio consisting primarily or exclusively of mutual funds and ETF's is most appropriate. In these situations, a portfolio of no-load or load-waived mutual funds will be created, and client assets will be allocated among various mutual funds while taking into consideration the goals and objectives of the client and the appropriate overall management style of the funds.

Initial public offerings (IPOs) are not available through the Adviser as Investment Adviser Representatives.

### *Advisory Consultation Services*

PROGRESSION offers consultations in order to discuss financial planning issues when clients do not need a written financial plan. PROGRESSION offers "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by the Client. Under an "as-needed" consultation, it will be incumbent upon the Client to identify those particular issues for which the Client seeks PROGRESSION'S advice or consultation.

### *WRAP Program*

The Adviser does not sponsor or provides investment management services to a wrap program.

### **Termination of Agreements**

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro-rata for services provided through to the date of termination. If the client made an advance payment, the Adviser would refund any unearned portion of the advance payment.

The Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser would refund any unearned portion of the advance payment.

The Adviser reserves the right to terminate any 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.

## **Item 5 - Fees and Compensation**

### **Investment Management**

The Adviser bases its range of fees as a percentage of assets under management. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. The investment management fees are negotiable at the sole discretion of the Adviser, and fees for comparable services may be available from other sources. The fee varies from 50 basis points (.50) up to 250 basis points (2.50%).

Investment management fees will be billed quarterly in arrears. Payment in full is expected upon invoice presentation. Account values are based upon pricing information supplied by the client's 3<sup>rd</sup> party qualified custodians, where their accounts are held. Fees are deducted directly from the client account to facilitate billing as authorized by the investment management agreement.

## **Advisory Consultation**

When acting solely as an investment advisory consultant, we are paid a fixed fee based on an estimate of the time required to complete the project. The fixed fee arrangements are charged quarterly in arrears and are based on an hourly or flat fee rate as appropriate to the scope and/or limitations of our services. Such fees are billed by invoice to the client and are due and payable within 15 days of receipt of the invoice. The typical fixed fee ranges from \$5,000 to \$100,000. The typical hourly fee ranges from \$200 to \$500. Each client's fee are negotiated and will be described in the consultant agreement. Under no circumstance do we charge fees in excess of \$500 per hour or more than 6 months in advance. Consulting services are typically provided on an "as needed" basis and are not ongoing.

## **Other Fees**

The client will likely incur additional fees from brokerages, custodians, administrators, and other service providers, as appropriate. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees are based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

The Adviser's services are charged on a fee-only basis, and no associated persons shall earn compensation based on a securities transaction (i.e., commission), including asset-based sales charges or service fees from the sale of mutual funds. The Adviser or the sub-advisors selected by the Adviser may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Adviser.

The Adviser, from time to time, may select or recommend to separately managed clients the purchase of proprietary investment products. To the extent, the client's separately managed portfolio includes such proprietary products, the Adviser will adjust the client's fee associated with the client's separately managed account. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Adviser. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios, so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

In some cases, there may be fees charged, which are a result of brokered trading activity by associated personnel of the Adviser that is outside of the constructs of the Adviser's investment advisory portfolios and are thus not included in the management fee. These trades are generally at the request of the client. The fees may vary in size, depending on the nature of the client's requests.

## **Conflict of Interest Between Different Fee Structures**

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client's or investors' personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure

associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

## **Item 6 - Performance Fees**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. However, the Adviser may employ certain types of investments that do charge a performance fee in which the Adviser does not participate. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees.

## **Item 7 - Types of Clients**

### **Description**

The Adviser provides services to institutions, individuals, high net worth individuals, pension and profit sharing plans, trusts, estates or charitable organizations and corporations or other business entities directly. Client relationships vary in scope and length of service.

### **Account Minimums**

To open and maintain a portfolio management account, the Adviser generally requires that the client represents and warrants that the value of their account initially is at least \$1,000,000. At the Adviser's discretion, we may accept clients with smaller accounts.

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

### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis and cyclical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

### **Market, Security and Regulatory Risks**

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

#### **Market Risks:**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

PROGRESSION's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain 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 initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. 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 offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Leverage. When deemed appropriate by the Adviser and subject to applicable regulations, the Adviser may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

Options and Other Derivative Instruments. The Adviser may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by the Adviser. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

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. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.



Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many 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 three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, 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.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to 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. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly, and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in the value or liquidity of the Adviser's foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing, and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

## **Regulatory Risks:**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing 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 an investment in the Adviser is appropriate.

**Trading Limitations.** For all securities, instruments and/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 difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

**Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations.** 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.

### **Security Specific Risks:**

**Liquidity:** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

**Currency:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Lack of Registration:** Funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

**Withdrawal of Capital:** The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time 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/or disrupting the fund's investment strategy.

## **Item 9 – Disciplinary Information**

As it relates to past, current, or prospective clients, Mr. Bates has been involved with two customer disputes. One on 11/2016 was withdrawn, and the other on 02/2002 was settled for \$31,298.81. There are no further legal or disciplinary events. He has not been involved in arbitrations, has not been subject to a self-regulatory organization or administrative proceedings, and has not filed or planning to file a bankruptcy petition.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Blockchain Holdings, Inc., Investment Related, Santa Monica, CA, Holding Company, CEO & Owner, 11/17, 1 hr./week.

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

### **Code of Ethics**

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Compliance Officer of the Adviser.

### **Participation or Interest in Client Transactions**

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers, and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers, and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers, and employees may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer of the Adviser is Sharon Goldberg. The CCO or his/her designee reviews all employee trades each quarter (except for their own trading activity that is reviewed by another principal or officer of the Firm). The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment.

## **Item 12 - Brokerage Practices**

### **Brokerage/Custodian Selection and Soft Dollars**

The Adviser has the authority over the selection of the broker/custodian to be used and the commission rates to be paid without obtaining specific client consent. The Adviser may recommend brokerage firms as qualified custodians and for trade execution. The Adviser does not receive fees or commissions from any of these arrangements.

In selecting brokers or dealers to execute transactions, Advisor will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Advisor is not required to negotiate "execution-only" commission rates thus, the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker, which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies, and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, databases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Adviser to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended.

Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

### **Research and Other Benefits**

The Adviser may receive certain benefits from the recommended broker-dealer/custodians. These benefits do not depend on the number of transactions we direct to the broker-dealer/custodian. These benefits may include: A dedicated trading desk that services our clients, a dedicated service group and an account services manager dedicated to our accounts, access to a real-time order matching system, ability to block client trades, electronic download of trades, balances and positions in the broker-dealer/custodian's portfolio management software, access to an electronic interface with broker-dealer/custodian's software, duplicate and batched client statements, confirmations and year-end summaries, and the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements.)

The Adviser participates in the institutional advisor program (the "Program") offered by Schwab Institutional member FINRA, SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. Schwab Institutional offers to independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. The Adviser receives some benefits from Schwab Institutional through its participation in the Program. The Adviser may recommend Schwab Institutional to clients for custody and brokerage services. There is no direct link between the Adviser's participation in the program and the investment advice it gives to our clients. However, the Adviser receives economic benefits through its participation in the program that is typically not available to Schwab Institutional retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Schwab Institutional may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by Schwab Institutional through the program may benefit the Adviser but may not benefit our client accounts. These products or services may assist the Adviser in managing and administering client accounts, including accounts not maintained at Pershing. Other services made available by Schwab Institutional are intended to help the Adviser manage and further develop its business enterprise. The benefits received by the Adviser or its personnel through participation in the program do not depend on the number of brokerage transactions directed to Pershing. As part of its fiduciary duties to clients, the Adviser endeavors at all times to put the interests of its clients first. You should be aware, however, that the receipt of economic benefits by the Adviser or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of Schwab Institutional for custody and brokerage services.

### **Order Aggregation**

The Adviser may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, the Adviser may also aggregate the same transaction in the same securities for many Clients for whom the Adviser has the discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Adviser is unable to fill an aggregated transaction but receives a partial fill of the aggregated transaction, the Adviser will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- The Adviser must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts, or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Adviser's written agreements.
- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.
- Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account, or fund as detailed in any written agreement. No additional compensation shall result from the proposed allocation. No Client/investor, account, or fund will be favored over any other Client/investor, account, or fund as a result of the allocation.
- Pre-allocation statement(s) specifying the participating Client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts, or funds are required prior to any allocated order. The basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Adviser.

In cases where the Client has negotiated the commission-rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade.

### **Directing Brokerage for Client Referrals**

The Adviser and its associated persons do not receive client referrals from broker-dealers or third-parties as consideration for selecting or recommending brokers for client accounts.

### **Directed Brokerage**

The Adviser allows clients to direct brokerage, but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct Advisor to use a particular broker or dealer which may result in higher trading expenses to the client who directs

brokerage. The Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms that do not permit the Adviser to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with other accounts, which may result in less favorable security prices and/or higher transaction costs.

## **Item 13 - Review of Accounts**

### **Periodic Reviews**

Each Investment Adviser Representative is required to review their client accounts not less than once a year. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. The Adviser may also perform random reviews.

### **Review Triggers**

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

### **Regular Reports**

Clients receive periodic reports on at least a quarterly basis. The written reports may include account valuation, performance stated in dollars and as a percent, net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives. Clients receive statements of account positions no less than quarterly from the account custodian.

## **Item 14 - Client Referrals and Other Compensation**

### **Incoming Client Referrals**

The Adviser receives client referrals, which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. The Firm does not compensate for referring parties for these referrals.

### **Solicitor Referrals**

The Adviser has not entered into agreements where it solicits clients and refers them to third party investment advisers. The Firm will only refer clients to investment advisers that are registered with the Securities and Exchange Commission (SEC) or with the applicable state(s). The Adviser is required to present disclosure to all prospects and clients which details the compensation to the Adviser and other general terms of the relationship between the third party and the Adviser. The Adviser has clients and prospects sign this disclosure and return it to the third party adviser. The agreement between the Adviser and the third party adviser(s) may be terminated by either party's written notice.

### **Referrals to Third Parties**

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Item 15 - Custody**

### **Custody Policy**

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets, including cash, securities, acting as a trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

The Adviser is generally considered to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") in which the Adviser may have some discretion in transferring the funds on behalf of the client. These SLOAs have been put in place upon the client's written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a client will contact the Adviser requesting that the adviser submit instructions to the custodian to remit a specific dollar amount from the account to the designated third-party (both of which are identified in the SLOA that is on file). The Adviser meets the seven conditions the SEC has set forth that are intended to protect client assets in such situations.

### **Account Statements**

All assets are held at qualified custodians, and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

### **Performance Reports**

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

## **Item 16 - Investment Discretion**

The Adviser has limited discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted either by the Adviser's investment management agreement and/or by a separate limited power of attorney where such a document is required. The Adviser has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The Adviser's discretionary authority regarding investments may, however, be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of businesses or industries. All such restrictions are to be agreed upon in writing at the account's inception.

The Adviser will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used, and the commission rates paid to the Adviser. The Adviser does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

## **Item 17 - Voting Client Securities**

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority



and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

## **Item 18 - Financial Information**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to, and the Adviser has not been the subject of a bankruptcy petition in the last ten years.

The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

The Adviser 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.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, 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.

### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Summary of Business Continuity Plan**

A summary of the business continuity plan is available upon request to the Chief Compliance Officer at 855-729-4222, x703, or email [sgoldberg@integratedadvisorsnetwork.com](mailto:sgoldberg@integratedadvisorsnetwork.com).

## **Information Security Program**

### **Information Security**

The Adviser maintains an information security program to reduce the risk that your personal and confidential information may be breached.

## **Privacy Practices**

### **Privacy Policy**

Below is the Adviser's Privacy Policy regarding client personal information.

#### ***The Adviser:***

- a) Collects non-public personal information about its clients from the following sources:



- Information received from clients on applications or other forms;
  - Information about clients' transactions with the Adviser, its affiliates and others;
  - Information received from our correspondent clearing broker with respect to client accounts;
  - Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
  - Information received from service bureaus or other third parties.
- b) The Adviser will not share such information with any affiliated or nonaffiliated third party except:
- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - When required to maintain or service a customer account;
  - To resolve customer disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the customer;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants, and auditors of the firm;
  - In connection with a sale or merger of The Adviser's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;
  - In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the customer's instruction or consent.
- c) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- d) Maintains physical, electronic, and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.