

Douglas C. Lane & Associates

FORM ADV PART 2A

BROCHURE

March 30, 2020

777 Third Avenue, 38th Floor, New York, NY 10017

Phone: 212-262-7670; Fax: 212-262-2801

www.dclainc.com

This brochure provides information about the qualifications and business practices of Douglas C. Lane & Associates (“DCLA”). 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. Registration does not imply any level of skill or training. Additional information about DCLA is also available at the SEC’s website www.adviserinfo.sec.gov

Item 2 – Material Changes

SEC-registered investment advisers who have material changes to their ADV Part 2A brochure (“Brochure”) are required to provide their clients with a summary of any material changes since the time of our last annual updating amendment and offer to provide the entire Brochure free of charge.

Our most recent prior annual updating amendment was filed on March 28, 2019. We have no material changes to report.

Clients are encouraged to review the Brochure in its entirety.

Item 3 -Table of Contents

Item 1 – Cover Page	
Item 2 – Material Changes	i
Item 3 – Table of Contents	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	6
Item 10 – Other Financial Industry Activities and Affiliations	6
Item 11 – Code of Ethics	6
Item 12 – Brokerage Practices	7
Item 13 – Review of Accounts	9
Item 14 – Client Referrals and Other Compensation	9
Item 15 – Custody	14
Item 16 – Investment Discretion	14
Item 17 – Voting Client Securities (i.e., Proxy Voting)	15
Item 18 – Financial Information	15
Item 19 – Requirements for State-Registered Advisers	15

Item 4 – Advisory Business

Douglas Lane & Associates, LLC (CRD #282563) succeeded to the advisory business of its predecessor Douglas C. Lane & Associates, Inc. (CRD #104882 / SEC #801-47055) as of January 1, 2016, and primarily does business under the name of Douglas C. Lane & Associates (“DCLA,” “we” or the “Firm”). The advisory services and management of DCLA remain the same as its predecessor.

DCLA is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, DCLA is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. (“KKR”) had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers and institutions. Some Focus Partners also manage or advise limited partnerships, private funds or investment companies as disclosed on their respective Form ADVs.

DCLA is managed by Ned Dewees and Sarat Sethi, both Managing Partners, pursuant to a management agreement between DCLA Partners LLC and DCLA. Ned and Sarat serve as officers of DCLA and are responsible for the management, supervision and oversight of DCLA.

DCLA is a registered investment advisory firm based in New York City. DCLA provides asset management for high-net-worth individuals and families, trusts, endowments, corporations, pension and retirement accounts, foundations and institutions. Our clients currently reside in 46 states and 16 countries around the world. As of December 31, 2019, DCLA had regulatory assets under management totaling \$6,300,008,970.

We provide discretionary management of client investment portfolios on a customized and individualized basis, in accordance with our clients’ needs. We primarily invest client assets in

equity securities of individual companies, and to a lesser extent invest client assets in bonds, in accordance with their financial goals, lifestyle, risk tolerance and tax sensitivity. Some clients may wish to impose minor restrictions on investing in certain securities or types of securities and we will usually accommodate those restrictions.

For those clients who seek additional guidance, we also offer a variety of financial planning services. These services include, but are not limited to, planning for retirement, education savings, charitable giving, tax and estate matters, and guidance related to mortgage and insurance topics. While we have CFP® (Certified Financial Planner) practitioners on our staff, we do not charge a fee for financial planning services. However, we believe these services add significant value to our clients as they navigate their financial lives.

DCLA is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. DCLA is also a fiduciary under the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners (collectively, “Retirement Account Clients”). As such, DCLA is subject to specific duties and obligations under ERISA and the IRC that include among other things, prohibited transactions rules which are intended to prohibit fiduciaries from acting on conflict of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a “PTE”).

Item 5 – Fees and Compensation

The only source of revenue for our Firm is the fee assessed to manage our clients’ assets. The fee is based on a client’s assets under our management according to the following schedule:

1.00% on the first	\$ 5 million
.75% on the next	\$10 million
.60% on the next	\$15 million
.50% on the next	\$20 million
.30% thereafter	

Certain employees, friends and family associated with DCLA do not pay fees, or receive discounted fees. In some cases, fees are negotiable.

DCLA will generally bill clients quarterly, in advance, utilizing a quarterly fee calculation based upon the total market value of the assets in each account at the close of business on the last business day of the preceding quarter (a three month billing period determined by the date of

inception of the client relationship, rather than a calendar quarter). In some instances, when there are special circumstances, fees, or the assets subject to fees, may be adjusted.

Clients may from time to time have cash assets invested in money-market funds which charge a management fee on the assets invested in the money-market funds. DCLA may also charge a fee on cash invested in money-market funds when such cash is considered available for long-term investment. DCLA may choose not to bill clients on cash or other asset classes or products as a concession to clients in certain circumstances.

Fee Payment Options

Clients receive a fee statement from us quarterly. As indicated in our Investment Advisory Agreement, there are two options from which to choose in paying for our services:

- Direct Debiting: Most clients choose to have their fees deducted directly from their accounts. The custodian does not validate or check our fee or its calculation.
- Pay-by-check

Our Investment Advisory Agreement with a client may be terminated at will by either party upon written notice. Fees are owed up to the date we receive written notice of termination from a client, and any fees paid in advance and unearned are refunded.

Additional Fees and Expenses:

Advisory fees payable to us do not include expenses a client pays to the broker/dealer when we purchase or sell securities for his/her account(s). In addition to our advisory fees, clients are responsible for the fees and expenses associated with the investment of their assets, which could include:

- Brokerage commissions
- Trade-away fees
- Custodial fees
- Transaction fees
- Exchange fees
- SEC fees
- Wire transfer and electronic fund processing fees

These fees are charged by and paid to the broker/dealer or custodian from the clients' accounts. We do not receive, directly or indirectly, any portion of these fees charged to our client. In addition, none of our employees receive (directly or indirectly) any compensation from the

purchase or sale of securities or investments for our clients. As a result, we are a “fee only” investment advisor.

Item 6 – Performance-Based Fees and Side-By-Side Management

Not Applicable.

Item 7 – Types of Clients

We provide our services to the following types of Clients:

- High net worth individuals and other individuals
- Trusts, estates, charitable organizations and institutions
- Corporations or other business entities
- Pension and profit sharing plans
- Others

We typically require new clients to have a minimum of \$1,000,000 to invest with us, but will waive the minimum investment amount under circumstances where we deem appropriate.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Analysis: Our investment philosophy seeks to provide above-average total returns for our clients’ capital through long-term investment in individual equity and fixed-income securities. We seek to invest in companies that have business models that can generate attractive long-term returns for our clients. We do not invest in any pooled or collective vehicles such as hedge funds or private equity funds.

Central to every investment decision we make on behalf of our clients is our proprietary fundamental research process. We have an eight-member Research Committee, six of whom hold the Chartered Financial Analyst® designation. We invest significant time and resources into our extensive research process. In addition to visiting with companies, we utilize fundamental, top-down, bottom-up analysis for determining investment decisions. Our research analysis includes the study of company annual reports, prospectuses, filings with the Securities and Exchange Commission and press releases. We do not use market timing services of any kind.

Investment Strategies: We employ a “core” strategy which we believe derives its advantage from its flexibility. We invest in companies of all size. Since we are not constrained by company size, style, or geography, we can identify what we consider to be the best investment opportunities available in the market, regardless of how they may be classified by the broader investment community. We are long-term investors who believe our clients benefit primarily

from the growth and cash generation of the companies in which we invest, rather than any trading strategies we could employ.

Risk of Loss:

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (securities that have not been sold to “lock in” the profit), which clients should be prepared to bear. Stock markets and bond markets can fluctuate substantially over time, and performance of any investment or portfolio is not guaranteed. As a result, there is a risk of loss in the value of the assets we manage for our clients. We cannot guarantee any level of performance or that clients will not experience a loss in their account assets.

Equity risk: Investing in equity securities generally involves becoming an owner in the issuer company and participating fully in its economic risks. The value of equity securities generally varies with the performance of the issuer and movements in the equity markets. As a result, clients may suffer losses if they invest in equity instruments of issuers whose performance diverges from the Firm’s expectations or if equity markets generally move in a single direction.

Fixed income risk: An issuer of bonds has agreed to return the face value of the security to the holder at maturity. Most bonds pay investors a fixed rate of interest income. While bonds are generally considered more conservative than equity investments, they carry risks that include the risk that the issuer will default on payment of principal, fluctuation in interest rates, inflation and counterparties’ inability to meet contractual obligations.

Cybersecurity risk: The computer systems, networks and devices used by DCLA and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially causing impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and

other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Insider Trading Compliance

As an SEC-registered investment adviser, we are required to implement policies and procedures from purchasing or selling the securities of any issuer on the basis of material, nonpublic information as may come into our possession. Accordingly, from time to time, we are required to restrict trading in securities which trading restrictions could impair the profitability of our trading on behalf of advisory clients.

Item 9 – Disciplinary Information

No disciplinary information to report

Item 10 – Other Financial Industry Activities and Affiliations

As noted above in Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because DCLA is an indirect, wholly-owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of DCLA. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business.

DCLA does not believe the Focus Partnership presents a conflict of interest with our clients. DCLA has no business relationship with other Focus Partners that is material to its advisory business or to its clients.

Item 11 – Code of Ethics

DCLA has a fiduciary duty to serve and act in the best interests of our clients. A copy of our Code of Ethics is available on request and is summarized below.

Our Code of Ethics is distributed to each employee at the time of hire and annually thereafter. Our policies and procedures address conduct and practices by our Firm and our employees that involve such matters as complying with all Federal Securities Laws, Rules, and Regulations applicable to our business and safeguarding of material, non-public information. We have also adopted policies and procedures governing the purchase and sale of securities by employees, which among other things, require preclearance of certain transactions, and prohibit personal trading: 1) in securities currently being researched or considered for investment in clients’

accounts (securities on the DCLA “Presentation List); and 2) in securities on the “Approved List” within five business days after the securities have been added to the “Approved List” by the DCLA Research Committee.

Item 12 – Brokerage Practices

DCLA does not act as a broker/dealer or custodian of client funds. Thus, each client is free to select a broker/dealer and custodian of their choice. We strongly recommend that clients choose a large, financially strong, low-cost broker/dealer, such as Charles Schwab, Fidelity or TD Ameritrade, as custodian. Over 75% of our clients’ assets are custodied with low cost broker/dealers or custodians, and in most cases the custodian executes the securities transactions for the client account. However, clients may choose brokers/dealers or custodians with higher costs for various personal reasons. Except in instances when we may “trade away” (as described below), equity trades are placed individually for all DCLA managed accounts using the account’s custodian broker/dealer. In most cases, these trades are placed electronically and executed within seconds of their placement. We do not attempt to time trades based on market movements during the day. We believe that clients receive appropriate execution of trades placed in this manner.

In rare cases certain clients have directed us to trade through a specific broker. These directed broker trades may, or may not, be competitive with regard to “best execution.” Employing a directed broker may mean the loss of the opportunity to receive “discount” commissions, negotiate commissions, or obtain volume discounts, any of which may, or may not, result in less competitive execution.

The vast majority of our clients’ accounts that are maintained at various broker/dealers or custodians are not charged separate custody fees. Generally, the broker/dealer serving as custodian receives compensation from the client in the form of brokerage commissions. In addition, these brokers/dealers or custodians usually receive management fees on cash balances held in money-market accounts. Occasionally, as described below, DCLA will execute trades for a client “away” from their broker/dealer or custodian and deliver the shares into the client’s account. In this case, and in addition to the commission paid to the executing broker/dealer, it is typical for the client’s broker/dealer or custodian to charge a “trade away” fee for the clearance and settlement of trades executed through the outside broker-dealer.

Research and Other Soft Dollar Benefits:

In addition to the custodian broker-dealers who execute the majority of client securities transactions, we trade with broker/dealers who provide us with research and other “soft dollar” benefits. When we have discretion to select brokers/dealers for client security trades or engage in “trade away” transactions we compensate the broker/dealer not only for completing the

transaction, but also for providing investment research to us (“Soft Dollars”). Section 28(e) of the Securities Exchange Act of 1934 allows us to pay brokers/dealers more than the lowest commission available in order to obtain research and brokerage services, as long as certain conditions are met. Section 28(e) allows us to use Soft Dollars to pay for research, as described below, used in the investment decision-making process. When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services.

We receive access to investment conferences sponsored by various brokers/dealers that we select for securities trades. These conferences provide us with access to the managements of companies that our clients own, or that we are researching for potential investment. In addition, we receive proprietary research from the brokers/dealers and other related third parties.

We may have an incentive to select or recommend a broker/dealer based on our interest in receiving research or access to conferences, rather than our clients’ interests in receiving most favorable execution and, therefore, clients may pay commissions higher than those charged by other brokers/dealers. We use Soft Dollar benefits to service all of our client accounts. We believe it would be impractical to allocate Soft Dollar benefits to client accounts proportionately to the Soft Dollar credits the accounts generate.

We receive other benefits from broker/dealers which are not provided in connection with the execution of client securities transactions (e.g., not Soft Dollars). These benefits are described in Item 14, below.

Trade Errors

From time to time, DCLA may make an error in submitting a trade on a client’s behalf. When this occurs, DCLA takes steps to make the client whole, potentially including the placement of a correcting trade with the broker/dealer which has custody of the account.

With the understanding that the client is always made whole, the treatment of any gains or losses resulting from error corrections is dependent on which custodian is processing the trade. For accounts custodied at Fidelity, any gains and losses resulting from a trade error corrected through our error account will be netted at the end of each quarter. Fidelity will donate all net gains to charity, and DCLA will reimburse Fidelity for any losses. For accounts custodied at Schwab any trade errors corrected through the error account resulting in a loss of less than \$100 are absorbed by Schwab to minimize and offset administrative time and expense. Schwab’s policy therefore relieves DCLA of the financial obligation to reimburse losses of less than \$100. If an error is corrected through the error account resulting in a gain of less than \$100, Schwab will maintain the gain to minimize and offset its administrative time and expense. DCLA will reimburse Schwab for any losses over \$100. Generally, if related trade errors result in both gains and losses in our Schwab error account they may be netted.

Item 13 – Review of Accounts

Investment advice and management of portfolios is provided by Douglas C. Lane, Ned Dewees, Sarat Sethi, John R. Sini, Jr., Matthew L. Vetto, Michael Razewski and Charlie Bustin each of whom is a portfolio manager and research analyst. Client accounts are reviewed on a continuous basis.

When we meet with clients to review their accounts, a comprehensive report is presented showing, among other things, equity and total performance versus the S&P 500 Index, asset allocation, economic sector breakdowns for equity holdings, fixed-income maturity schedules and cash-flow summaries. These meetings usually occur where the clients prefer, be it their homes, offices, our office or a local restaurant.

Item 14 – Client Referrals and Other Compensation

DCLA's parent company is Focus Financial Partners, LLC. ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include DCLA, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including DCLA. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including DCLA. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause DCLA to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including DCLA. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement. The following entities have provided conference sponsorship to Focus in the last year:

Charles Schwab & Co., Inc.
eMoney Advisors, LLC
Investnet Financial Technologies, Inc.
Fidelity Brokerage Services LLC
Fidelity Institutional Asset Management LLC
Orion Advisor Services, LLC

DCLA has arrangements in place with certain third parties, some of whom are third-party solicitors, and others of whom are financial services firms, whereby we compensate them for client referrals by paying them a percentage of the investment advisory fees we receive from the solicited clients. Solicitation arrangements inherently give rise to potential conflicts of interest because the solicitor is receiving an economic benefit for the recommendation of advisory services. Rule 206(4)-3 of the Advisers Act (the “Cash Solicitation Rule”) addresses this conflict of interest by requiring advisers who pay third party solicitors to enter into agreements requiring the solicitors to make certain disclosures to solicited potential clients. In accordance with the Cash Solicitation Rule, we require third party solicitors who introduce potential clients to us to provide the potential client with a copy of this disclosure brochure and a copy of the solicitor’s disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the compensation the solicitor is to receive.

DCLA receives client referrals from Charles Schwab & Co., Inc. (“Schwab”) through DCLA’s participation in the Schwab Advisor Network[®] (“SAN”). SAN is designed by Schwab to help investors find Registered Investment Advisors. Schwab is a broker-dealer independent of and unaffiliated with DCLA. Schwab does not supervise DCLA and has no responsibility for DCLA’s management of clients’ portfolios or other advice or services DCLA may provide. DCLA pays Schwab compensation related to clients obtained through SAN. DCLA’s participation in SAN may raise potential conflicts of interest described below.

DCLA pays Schwab “Participation Fees” on all client accounts obtained through SAN [prior to January 1, 2007,] and custodied at Schwab. Participation Fees are generally 15% of our fee and are based on a percentage of the value of the assets in the client’s account. Participation Fees are billed to DCLA quarterly and may be increased, decreased or waived by Schwab from time to time. Participation Fees are paid by DCLA and not by the client. DCLA clients referred through SAN do not pay higher fees than non-referred clients.

DCLA generally pays Schwab a Non-Schwab Custody Fee if a client account obtained through SAN is transferred from Schwab. This fee is paid by DCLA not the client. The Non-Schwab Custody Fee is a one-time payment equal to 75 basis points of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees DCLA generally would pay in a single year. Thus, DCLA will have an incentive to recommend that client accounts referred through SAN be held in custody at Schwab.

For accounts referred by SAN after January 1, 2007, DCLA pays Schwab a Participation Fee on a graduated scale. Schwab households clients’ accounts in order to give them the most favorable rate. Clients referred by Schwab do not pay higher fees to DCLA than anyone else does by reason of the referral.

The Participation Fee schedule for client accounts is based on the average daily total assets during the quarter in all client accounts of a household maintained at Schwab. The fee is calculated by Schwab and paid quarterly based on the following fee schedule:

.25% on the first	\$ 2 million
.20% on the next	\$ 3 million
.15% on the next	\$ 5 million
.10% on amounts over	\$10 million

DCLA also participates in the Fidelity Wealth Advisor Solutions Program (“WAS”), through which DCLA receives referrals from Fidelity Personal and Workplace Advisors LLC (“FPWA”), a registered investment adviser and Fidelity Investments company. DCLA is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control DCLA, and FPWA has no responsibility or oversight for DCLA’s provision of investment management or other advisory services.

Under WAS, FPWA acts as a solicitor for DCLA and DCLA pays referral fees to FPWA for each referral received, based on DCLA’s assets under management attributable to each client referred by FPWA or members of each client’s household. WAS is designed to help investors find an independent investment advisor, and any referral from FPWA to DCLA does not constitute a recommendation or endorsement by FPWA of DCLA’s particular investment management services or strategies. DCLA pays the following amounts to FPWA for referrals: for referrals made prior to April 1, 2017, an annual percentage of 0.20% of any and all assets in client accounts; for referrals made after April 1, 2017, the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven year limitation. In addition, DCLA has agreed to pay FPWA a minimum annual fee amount in connection with its participation in WAS. These referral fees are paid by DCLA and not the client.

To receive referrals from the WAS, DCLA must meet certain minimum participation criteria, but DCLA may have been selected for participation in WAS as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in WAS, DCLA may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and DCLA may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to DCLA as part of WAS. Under an agreement with FPWA, DCLA has agreed that DCLA will not

charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A to cover solicitation fees paid to FPWA as part of WAS. Pursuant to these arrangements, DCLA has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when DCLA's fiduciary duties would so require, and DCLA has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, DCLA may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in WAS does not limit DCLA's duty to select brokers on the basis of best execution. While DCLA recognizes that the pricing of WAS set by FPWA, can cause a conflict given the lower pricing of fixed income securities; DCLA as a fiduciary is required to act in the best interest of the client and allocate assets that best meets the client's stated objectives.

DCLA participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. DCLA receives some benefits from TD Ameritrade through its participation in the Program. There is no direct link between DCLA's participation in the program and the investment advice it gives to its Clients, although DCLA receives economic benefits through its participation in the program that are typically not available to TD Ameritrade 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 DCLA employees; access to block trading (which provides the ability to aggregate securities transaction 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 DCLA by third party vendors. The benefits received by DCLA or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, DCLA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by DCLA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence DCLA's recommendation of TD Ameritrade for custody and brokerage services

DCLA may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for

participating in AdvisorDirect, DCLA may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with DCLA and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise and has no financial responsibility for DCLA's management of client portfolios or DCLA's other advice or services. DCLA pays TD Ameritrade an on-going fee for each successful client referral ("Solicitation Fee"). For referrals that occurred through AdvisorDirect before April 10, 2017, this fee is a percentage (not to exceed 25%) of the advisory fee that the client pays to Advisor ("Solicitation Fee"). For referrals that occurred through AdvisorDirect on or after June 9, 2017 the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 25% of 1%, unless such client assets are subject to a Special Services Addendum. In the case of a Special Services Addendum, the Solicitation Fee is an annualized fee based on the amount of referred client assets that does not exceed 10% of 1%. DCLA will also pay TD Ameritrade the Solicitation Fee on any assets received by DCLA from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired DCLA on the recommendation of such referred client. DCLA will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

DCLA's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdviserDirect to investment advisors that encourage their clients to custody assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, DCLA may have an incentive to recommend to clients that the assets under management by DCLA be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, DCLA has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. DCLA's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

DCLA serves on the TD Ameritrade Institutional Client Experience ("Panel"). The Panel consists of a number of independent investment advisors that inform and provide feedback to TD Ameritrade Institutional ("TDAI") on issues relevant to the independent advisory community. DCLA has been appointed to serve on the Panel for a three-year term by TDAI. TD Ameritrade,

Inc. (“TD Ameritrade”) does not compensate DCLA for serving on the Panel but TDAI pays or reimburses DCLA for the travel, lodging and meal expenses DCLA incurs in attending in person Panel meetings. The potential benefits received by DCLA or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TDAI.

DCLA is a manager within the UBS Managed Account Consulting (MAC) program, a dual-contract, managed account program. DCLA’s fee for investment advisory services is a negotiated fee and is based on an annual percentage of assets under management; this fee is paid by the client and is separate from any fee charged by UBS.

DCLA is a participating investment advisor in the Raymond James Outside Managed (OSM) Program. DCLA’s fee for investment advisory services is a negotiated fee and is based on an annual percentage of assets under management; this fee is paid by the client and is separate from any fee charged by Raymond James.

DCLA is a participating investment advisor in the Stifel Horizon Program. DCLA’s fee for investment advisory services is a negotiated fee and is based on an annual percentage of assets under management; this fee is paid by the client and is separate from any fee charged by Stifel.

Item 15 – Custody

DCLA has legal custody over client accounts when DCLA has the authority to debit advisory fees, has the authority through standing letters of authorization (“SLOAs”) to direct transfers to third parties and when DCLA personnel serve as trustee for advisory clients, other than trustee service which arises from a family or personal relationships.

DCLA believes that all qualified custodians selected by our clients send account statements to the client. Clients should carefully review these statements. In some cases, a client may also request quarterly statements from DCLA. Clients should compare the statements they receive from DCLA with the statements they receive from the independent qualified custodian. For tax and other purposes, the custodial statement is the official record of our clients’ accounts.

Item 16 – Investment Discretion

DCLA almost always manages client accounts on a discretionary basis; non-discretionary accounts are only accepted to accommodate existing family-relationships or mandates. Clients grant us a limited power of attorney to exercise discretionary trading authority over their accounts in our Investment Advisory Agreement, and inform us of any restrictions on our discretionary authority in the “Client Investment Objectives and Restrictions” Annex to our

Investment Advisory Agreement. The most common restrictions prohibit us from buying or selling a specific stock or stocks within specific economic or industrial sectors.

Item 17 – Voting Client Securities

As a general rule, DCLA does not vote proxies on behalf of its advisory clients. Clients receive their proxies and other solicitations directly from their custodian. In rare instances where proxy voting is mandated by the client, DCLA has retained Broadridge Investor Communication Solutions, Inc. (“Broadridge”) to act as the voting agent. We will generally follow the recommendations provided by Broadridge. However, at any time, DCLA can recommend our own vote should we disagree with Broadridge. A copy of proxy-voting history as well as our proxy voting policy is available upon request. If clients have any questions concerning proxies, they may contact us at (212) 262-7670.

Item 18 – Financial Information

Not Applicable.

Item 19 – Requirements for State-Registered Advisors

Not Applicable