



AND



A Wholly-owned subsidiary of Avestar Capital, LLC

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March 30, 2020

**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Avestar Capital, LLC. If you have any questions about the contents of this brochure, contact us at 212-706-4140. 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 Avestar Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Avestar Capital, LLC is 287525.

Avestar Capital, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our initial registration, dated March 30, 2020 we have made the following material changes to our Form ADV:

We have a new affiliated business relationship with Global Capital Strategies II, LLC ("GCS"), a federally registered investment adviser and a wholly-owned subsidiary of Avestar Capital, LLC ("Avestar", "We", or "Us"). CGS provides discretionary and non-discretionary investment advisory services to its own clients, as well as serves as the investment sub-adviser to Avestar clients via a sub-advisory agreement. Details regarding products, services and fees charged by GCS are described throughout this brochure.

We launched a number of privately pooled investment vehicles, managed by affiliated persons of Avestar, that we recommend to certain of our investors as part of their overall investment strategy. Mr. Xerxes Mullan sits on the Board of Directors for Avestar Global Value Strategy SP & Avestar Global Growth Strategy SP, both a part of the segregated portfolios of Avestar Global Opportunities SPC. Mr. Mullan's also has a control and ownership interest in the Avestar Structured Note SPV GP, LLC, a general partner to the Avestar Structured Note SPV, LP, a private fund. There is an inherent conflict of interest when we recommend proprietary products to our clients. We seek to manage such conflicts through our internal reviews and compliance policies and procedures.

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Item 4 Advisory Business

Description of Firm

Avestar Capital, LLC ("Avestar") is a federally registered investment adviser based in New York, NY. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We are wholly owned by Avestar Holdings, LCC, a Delaware limited liability company. Xerxes Mullan is the majority owner and managing member of Avestar Holdings. No other member of Avestar Holdings holds a 25% or more ownership stake. In September 2019, Avestar purchased the assets of Global Capital Strategies, LLC and created Global Capital Strategies II, LLC ("GCS II"). GCS II will operate as a wholly-owned subsidiary of Avestar and a related adviser.

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

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet your needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions, and over the commission rates to be paid. Discretionary authority is typically granted by the investment advisory agreement you sign with us, a power of attorney, or trading authorization forms.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s) and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay us a higher advisory fee as a result of any sub-advisory relationships.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by us. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. You may impose restrictions on investing in certain securities or types of securities in your account. In such cases, this may prevent you from investing in certain models that are managed by us.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing us with your restrictions and guidelines in writing.

We also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with us, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by us on a non-discretionary basis.

GCS II

Each account is managed individually and reflects our deep understanding of your stated investment objectives. We create a strategy around your wealth, investment objectives and risk tolerance, which constantly evolves as family, business and economic circumstances change. We work on behalf of you, managing your liquid assets in public equities and ETF's, fixed income securities, cash equivalents, private equity funds, and hedge funds, when appropriate. When appropriate opportunities arise, we will trade in international markets and when protection is deemed necessary, in declining markets, we may take reverse market exposure. We use a combination of quantitative and technical analysis to select and manage investment holdings. Client portfolios generally have exposure to both domestic and international markets.. Paying attention to the distinguishing elements of your profile, our overall objectives are protection of capital and appreciation of after-tax wealth.

GCS II works with you to develop an investment strategy and an asset allocation appropriately aligned with your individual investment objectives and constraints.

A Portfolio Manager and/or Wealth Strategist, who is a Registered Investment Adviser Representative, manages your relationship. Their role is to oversee your investment portfolios, make specific recommendations about how your assets are invested, be cognizant of your risk profile based on your investment objectives, financial profile and risk tolerance, and understand the specific and unique needs of your family or business. When appropriate, our team will create a comprehensive financial plan tailored to your needs. Such plan will consider income, debt, expenditures, insurance policies, retirement assets, trusts, savings and any other pertinent data, to give you a holistic picture of your financial profile. Our financial plan considers your current lifestyle, future allocations and can include "what-if" scenarios. The plan is monitored and reviewed with you on a periodic basis to help guide and keep your goals within target. You may impose certain restrictions on investing in certain securities or types of securities.

In addition, we can coordinate tax and estate planning with other professionals to identify and implement unique and customized strategies. Similarly, when a capital raise or lending need arises for you, we work with to find you a suitable investment bank or lender.

GCS II- Financial Planning Services

The financial planning relationship takes a comprehensive view of different aspects of your current financial situation to develop a plan that allows us to help you meet your goals and objectives. During the financial planning process, you will participate in meetings to identify and prioritize your objectives, gather information, propose recommendations, and track your progress towards your goals. Your financial planning relationship includes ad hoc meetings, as needed, as well as meetings with your other specialized advisors (attorneys, accountants, etc.).

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify us if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Financial Consulting Services

We offer financial consulting services that primarily involve advice related to specific financial-related

topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, cash flow management, financial administration, or financial decision making/negotiation.

Due diligence Services

We provide due diligence and research services for clients interested in private funds including hedge funds, private equity, venture capital, and real estate.

Selection of Other Advisers

Avestar has entered into a contractual relationship with Dynasty Financial Partners, LLC ("Dynasty"), which provides Avestar with operational and back office support including access to a network of service providers. Through the Dynasty network of service providers, Avestar may receive preferred pricing on trading technology, custody, compliance and other related services. Dynasty charges a "Platform Fee," unless otherwise disclosed, you will be charged, separate from and in addition to your annual investment management fee, as described in Item 5 below. In addition, Dynasty's subsidiary, Dynasty Wealth Management, LLC ("DWM") is an SEC registered investment adviser, that provides access to a range of investment services including: separately managed accounts ("SMA"), mutual fund and ETF asset allocation strategies, and unified managed accounts ("UMA") managed by external third party managers (collectively, the "Investment Programs"). Avestar and its clients may separately engage the services of Dynasty and/or its subsidiaries to access the Investment Programs. Under the SMA and UMA programs, Avestar will maintain the ability to select the specific, underlying third party managers that will, in turn, have day-to-day discretionary trading authority over the requisite client assets.

DWM sponsors an investment management platform (the "Platform" or the "TAMP") that is available to the advisers in the Dynasty Network, such as Avestar. Through the Platform, DWM and Dynasty collectively provide certain technology, administrative, operations and advisory support services that allow advisers to manage their own portfolios and access independent third-party managers that provide discretionary services in the form of traditional managed accounts and investment models. Advisers can allocate all or a portion of client assets among the different independent third-party managers via the Platform. Avestar also uses the model management feature of the TAMP by creating our own asset allocation model and underlying investments that comprise the model. Through the model management feature, we are able to outsource the implementation of trade orders and periodic rebalancing of the model when needed.

Avestar will maintain the direct contractual relationship with each client and obtain, through such agreements, the authority to engage independent third-party managers, DWM and/or Dynasty, as applicable, for services rendered through the Platform in service of such client. When Avestar uses third party managers, Avestar delegates discretionary trading authority to DWM and/or independent third-party managers to effect investment and reinvestment of client assets with the ability to buy, sell or otherwise effect investment transactions and allocate client assets. If a client is participating in certain Investment Programs, DWM or the designated manager, as applicable, is also authorized without prior consultation of Avestar or the client to buy, sell, trade or allocate such client's assets in accordance with the client's designated portfolio and to deliver instructions to the designated broker-dealer and/or custodian of such client's assets.

Private Investment Funds

Avestar provides discretionary investment advisory services to privately offered, pooled investment funds (individually, a "**Fund**" and collectively as the "**Funds**"). Avestar serves as the investment manager to each Fund. The detailed terms, fees, expenses, strategies and risks applicable to the Funds are described in each Fund's organizational and offering documents.

Types of Investments

We offer advice related to equity securities, corporate debt securities (other than commercial paper), commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, options contracts on securities, options contracts on commodities, money market funds, real estate, REITs, PIPEs, derivatives, structured notes, ETFs, interests in partnerships investing in real estate, interests in partnerships investing in oil and gas interests, or private funds (including hedge funds and private equity funds).

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management

As of December 31, 2019, we provided continuous management services for \$552,270,850 of client assets on a discretionary basis, and \$89,093,206 of client assets on a non-discretionary basis for a total of \$641,364,056 in regulatory assets under management.

Item 5 Fees and Compensation

Portfolio Management Services

Avestar Advisory Fee Table

Total Household	Fee Range	
Assets Under Management (AUM)*	From	To
Less than \$1mm	0.20%	2.00%
\$1mm-2.5mm	0.20%	1.50%
\$2.5-\$10mm	0.20%	1.25%
\$10mm-\$25mm	0.20%	1.00%
\$ 25mm ++	0.20%	0.75%

**This does not include and as applicable*

Custodian Fee

Manager Fees

Technology Fee

Our fee for portfolio management services is based on a percentage of the assets in your account and ranges from .025% to 2.0% depending upon the type of service and the amount of assets that we are managing.

Our annual portfolio management fee is billed and payable, quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. When assets in excess of \$50,000 are deposited into or withdrawn from an account after the start of the quarterly billing period an adjustment is made in the form of a credit or debit to reflect the interim change in portfolio value for the period between the date of the deposit/withdrawal until the end of the quarter. Such adjustments are reflected in the fee calculations for the next quarterly period. In the event the advisory agreement is terminated, the fee for

the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate. No increase in the annual fee percentage shall be effective without 60 days' prior written notification to you;

Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given us written authorization permitting the fees to be paid directly from your account. For discretionary accounts, in the event that there is not sufficient cash in the Account to pay Advisor's fee, the Advisor shall sell Assets to pay the fee. The qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Financial Planning Services

We charge a fixed fee for financial planning services, which is negotiated depending upon the complexity and scope of the plan, your financial situation, and your objectives. Generally, our minimum fee for such service starts at \$2500 and varies depending on the complexity of your financial situation. Fees are payable as invoiced. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

You may terminate the financial planning services agreement upon 30 days written notice to us. Since fees are payable in arrears, you will be responsible for a prorated fee based on services performed.

Family Office Services

We charge a flat rate for family office consulting services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. Generally, our minimum fee for such service starts at \$2500 and varies depending on the complexity of your financial situation. An estimate of the total cost will be determined at the start of the advisory relationship. In limited circumstances, the cost could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. Fees are due upon completion of the services rendered.

You may terminate the family office services agreement upon 30 days written notice to us. Since fees are payable in arrears, you will be responsible for a prorated fee based on services performed.

GCS II

Fees are paid quarterly, in advance, at the rate schedule below, based on the appraised value of actively managed assets.

Advisory Fee Schedule

Total Managed Household Value	Investment Objective								
	AG	MG	CG	AG&I	MG&I	CG&I	AI	MI	CI
First \$500,000	2.00 %	1.80 %	1.70 %	1.60 %	1.50 %	1.40 %	1.30 %	1.20 %	1.00 %
Next \$500,000	1.50 %	1.35 %	1.28 %	1.20 %	1.13 %	1.05 %	0.98 %	0.90 %	0.75 %
Next \$4 million	1.00 %	0.90 %	0.85 %	0.80 %	0.75 %	0.70 %	0.65 %	0.60 %	0.50 %
Over \$5 million	0.50 %	0.45 %	0.43 %	0.40 %	0.38 %	0.35 %	0.33 %	0.30 %	0.25 %

AG - Aggressive Growth

AG&I - Aggressive Growth & Income

AI - Aggressive Income

MG - Moderate Growth

MG&I - Moderate Growth & Income

MI - Moderate Income

CG -Conservative Growth

CG&I - Conservative Growth & Income

CI - Conservative Income

For example, if \$5 million is being invested in the Conservative growth Investment Objective, the first \$500,000 will be billed at 1.7%, the next \$500,000 at 1.28%, and the next \$4 million at 0.85%, resulting in a net fee of approximately 0.94%. On an exception basis, fees can be negotiated at the discretion of GCS II, particularly in the case of portfolios and relationships with less complexity and superior advocacy. Accounts are billed as of the last day of each calendar quarter.

You sign a Fee Debit Authorization agreement as part of the GCS II contract, which authorizes GCS II and our custodian to directly debit fees from your accounts. Fees assessed on accounts initiated or terminated during a calendar quarter are prorated. Upon termination of any account, any prepaid, unearned fees will be refunded less expenses, and any earned, unpaid fees will be due and payable.

GCS II's Investment Advisory Agreement fees may include financial planning. You may incur charges and/or fees imposed by custodians, brokers or other third parties. GCS II may, if deemed appropriate use Mutual funds and exchange-traded funds in clients' portfolios. These funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to GCS II's fee. GCS II does not receive any compensation beyond the above stated advisory fees from mutual funds. Lower fees for comparable services may be available from other sources.

Due diligence Services

We charge a flat fee for due diligence, which is negotiable depending on the scope of the due diligence services to be provided.

Selection of Other Advisers

Our annual fee is billed and payable on a pro-rata basis, quarterly in advance, based upon the market value of the assets being managed by Avestar on the last day of the previous quarter. Adjustments will be made for deposits and withdrawals in excess of \$50,000 during the quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the management fee is payable in proportion to the number of days in the quarter for which you are a client. In the event the portfolio management agreement is terminated, the fee for the final billing period will be prorated through the effective date of termination, and the outstanding or unearned portion of the fee will be charged or refunded to you, as appropriate. Our management fee is negotiable, depending on individual client circumstances.

As discussed above, Avestar uses Dynasty's TAMP services. TAMP related charges are not included in the investment management fee you pay to Avestar. You will be charged, separate from and in

addition to your investment management fee, any applicable Platform Fees as well as applicable independent manager fees. Avestar does not receive any portion of the fees paid directly to Dynasty or the service providers made available through its platform, including the independent managers.

Each of the Platform Fees and independent manager fees are determined by the particular program(s) and manager(s) with which your assets are invested and are calculated based upon a percentage of your assets under management, as applicable. The Platform Fee generally ranges from 0 - 0.45% annually, independent fixed income manager fees generally range from 0 - 0.90% annually, and independent equity manager fees generally range from 0 - 1.50% annually.

You will note four separate fee debits on your custodial statement. Those debits represent the following: 1) Avestar's investment management fee, 2) Avestar's investment management fee for reporting, 3) the sum of any Platform Fee(s) and independent manager fee(s), as applicable, and 4) custodial charges. You should review such statements to determine the total amount of fees associated with your requisite investments, and you should review your investment management agreement with Avestar to determine the investment management fee you pay to us.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, us, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

We may trade client accounts on margin. You must sign a separate margin agreement before margin is extended to your account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where we have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

In addition to commissions or asset-based fees, Fidelity Clearing & Custody Solutions ("Fidelity") and other Prime Brokers charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Fidelity account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer.

Private Investment Funds

Avestar provides discretionary investment advisory services to privately- offered pooled investment funds (individually, a "**Fund**" and collectively as the "**Funds**"). Avestar serves as the investment manager to each Fund. A related person of Avestar serves as the General Partner to the Funds. The detailed terms and fees applicable to the Funds are described in each Fund's organizational and offering documents.

All expenses incurred in connection with evaluating (regardless of whether such investments are ultimately made), purchasing, holding and disposing of investments in an underlying private investment fund ("**Underlying Fund**") (including, but not limited to, research reports, brokerage commissions, margin interest, expenses related to short sales, custodial fees, commissions on investments in underlying funds and clearing and settlement charges) will be borne by the investors in the relevant pooled investment vehicle managed by Avestar in addition to any fees directly or indirectly charged by Avestar, related general partner, managing member, similar control persons and entities. The expenses and fees of the Underlying Funds are in addition to the expenses, the management fees and incentive fees (if any), charged by Avestar. Specific information regarding our advisory fees as it relates to private funds can be found in the applicable Private Offering Memorandum or offering documents. All fees and expenses assessed to the private funds are fully disclosed to investors in the respective Fund's Private Placement Memorandum or offering documents and in Investor Subscription documents.

Compensation for the Sale of Securities or Other Investment Products

Certain Persons providing investment advice on behalf of our firm are registered representatives with Bhargava Capital or ARQ Advisors, securities broker-dealers, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Advisors may recommend that you (in your separate capacity as a brokerage customer) buy or sell securities which are entirely separate from investments made for your advisory account. For these separate brokerage recommendations, you may be charged a sales charge, plus on-going "12b-1 fees" or similar types of compensation that will continue for as long as you own the investment, as described in the prospectuses for those products; not all mutual funds pay 12b-1 fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with us.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of Bhargava Capital or ARQ Advisors. If these persons earn commission on the sale of variable annuities recommended to you, we will not include the annuity accounts in the total value used for our advisory billing/fee computation for two-year period of time after the annuity contract is sold. After the two-year period, the value of the annuity sub accounts will be added to the value of your total assets for billing purposes. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with us.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with us.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your retirement plan or your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA

that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with us. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by us.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

We do not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to private investment funds, individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, foundations, and corporations or other businesses entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data are used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk or minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus may not be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short Sales - Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling.

Risk: Short selling is very risky. Investors should exercise caution before short selling is implemented.

A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling because the stock price cannot fall below zero.

Risks: A short seller has to undertake to pay the margin interest on the borrowed securities as long as the short seller chooses to keep the short position open. If the company declares dividends the short seller will have to pay that amount to the lender. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the investor can end up taking huge losses.

Risk: Margin interest can be a significant expense. Since short sales can only be undertaken in margin accounts, the interest payable on short trades can be substantial, especially if short positions are kept open over an extended period.

Risk: Shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have "hard-to-borrow" fees. These fees are based on an annualized rate that can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance and may be substantial.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option Writing - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk: Options are complex investments and can be very risky if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Trading - We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). We may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial

situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities when we allocate your assets among various classes of securities or third-party money managers. We may rely on investment model portfolios and strategies developed by the third-party money managers and their portfolio managers. We may replace/recommend replacing a third-party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to us immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

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

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some, or all, of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit are generally the safest type of investment since the principal amount is insured by the federal government up to a certain amount.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Interest rate risk: applies to debt investments such as bonds. It is the risk of losing money because of a change in the interest rate. For example, if the interest rate goes up, the market value of bonds will drop.

Currency risk: applies when you own foreign investments. It is the risk of losing money because of a movement in the exchange rate. For example, if the U.S. dollar becomes less valuable relative to the Canadian dollar, your U.S. stocks will be worth less in Canadian dollars.

Credit risk: The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. You can evaluate credit risk by looking at the credit rating of the bond.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). Stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment pools that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small capitalized or speculative companies, or uses leverage (i.e., borrows money) to a significant degree. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. While some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the Underlying Index or other benchmark, if it's investment objective is to track one, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or

benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield a similar performance.

Commercial Paper: Commercial paper ("CP") is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Variable Annuities: A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate, and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Real Estate: Real estate is known for its ability to serve as a portfolio diversified and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually

pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). Some REITs must refinance or erase large balloon debts periodically. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner may not invest any capital but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Options Contracts: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. Unless you are using options to hedge, write/sell covered calls, or sell fully collateralized puts, it is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold. Covered call strategies may lose the entire value of the underlying security less the premium they received from writing/selling the option.
- Writers of Naked Calls risk unlimited losses as the underlying stock rises.
- Writers of Naked Puts risk the entire value of the underlying security if it goes to 0 minus the premium they received to write/sell the option.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or fall unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

PIPES: In a Private Investment in Public Equity ("PIPE") transaction, investors typically purchase securities directly from a publicly traded company in a private placement. Depending on the structure of the transaction, this can be done at a premium to or at a discount from the market price of the company's common stock. Because the sale of the securities is not pre-registered with the U.S. Securities and Exchange Commission ("SEC"), the securities are "restricted" and cannot be immediately resold by the investors into the public markets. Accordingly, the company will usually agree as part of the PIPE transaction to register the restricted securities with the SEC. Thus, the PIPE transaction can offer the company the speed and predictability of a private placement, while providing investors with a nearly liquid security. Risks of investing in PIPES include but may not be limited to substantial entry requirements, limited liquidity, limited investor control, potential for unfunded commitments, and loss of investment.

Derivatives: Derivatives are types of investments where the investor does not own the underlying

asset, but he makes a bet on the direction of the price movement of the underlying asset via an agreement with another party. There are many different types of derivative instruments, including options, swaps, futures, and forward contracts. Derivatives have numerous uses as well as various risks associated with them, but they are generally considered an alternative way to participate in the market. Investors frequently use derivatives for three reasons: to hedge a position, to increase leverage, or to speculate on an asset's movement. The key to making a sound investment is to fully understand the risks associated with the derivative, including, but not limited to counter-party, underlying asset, price, and expiration risks. The use of a derivative only makes sense if the investor is fully aware of the risks and understands the impact of the investment within a portfolio strategy. Due to the variety of available derivatives and the range of potential risks, a detailed explanation of derivatives is beyond the scope of this disclosure.

Structured Products: A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

Private Investment Funds:

Avestar provides discretionary investment advisory services to private investment funds (individually, a "**Fund**" and collectively as the "**Funds**"). Avestar acts as the investment manager to each Fund. The detailed terms, strategies and risks applicable to the Funds are described in each Fund's organizational and offering documents. Details of the guidelines, parameters and restrictions on investments relating to the Fund clients may be found in the applicable Fund's Private Placement Memorandum.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Bhargava Capital LLC or ARQ Advisors securities broker-dealers, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. See the *Fees and*

Compensation section in this brochure for more information on the compensation received by registered representatives who are affiliated with us.

Recommendation of Other Advisers

Avestar maintains a business relationship with Dynasty Financial Partners, LLC ("Dynasty"). Dynasty offers operational and back office core service support including access to a network of service providers. Through the Dynasty network of service providers, Avestar may receive preferred pricing on trading technology, transition support, reporting, custody, brokerage, compliance, and other related consulting services.

While Avestar believes this open architecture structure for operational services best serves the interests of its clients, this relationship potentially present certain conflicts of interest due to the fact that Dynasty is paid by Avestar or its clients for the services referenced above. In light of the foregoing, Avestar seeks at all times to ensure that any material conflicts are addressed on a fully-disclosed basis and handled in a manner that is aligned with its clients' best interests. Avestar does not receive any portion of the fees paid directly to Dynasty, its affiliates or the service providers made available through Dynasty's platform. In addition, Avestar reviews such relationships, including the service providers engaged through Dynasty, on a periodic basis in an effort to ensure clients are receiving competitive rates in relation to the quality and scope of the services provided.

Demand Deposit MarketplaceSM Program

We may refer you to the Demand Deposit MarketplaceSM Program (the "DDM Program") operated by Stable Custody Group II, LLC with administrative assistance from Reich & Tang Deposit Solutions, LLC. We receive compensation for client participation in the DDM Program, such as an advisory fee and/or a percentage of the fee income generated through the DDM Program.

A recommendation by us that you participate in the DDM Program presents a conflict of interest, as the receipt of related compensation provides an incentive to recommend the product based on such compensation, rather than on a particular client's need. You are not under any obligation to purchase any products or services recommended by us or our representatives. You are reminded that they may purchase or select other potentially similar products or services recommended by us through parties from which we do not stand to receive any additional benefit or compensation.

Private Investment Funds

Mr. Mullan sits on the Board of Directors for Avestar Global Value Strategy SP & Avestar Global Growth Strategy SP, both a part of the segregated portfolios of Avestar Global Opportunities SPC. Mr. Mullan also has a control and ownership interest in the Avestar Structured Note SPV GP, LLC, a general partner to the Avestar Structured Note SPV, LP, a private fund. His duties as a Board member of Avestar Global Value Strategy SP & Avestar Global Growth Strategy SP and ownership of Avestar Structured Note SPV GP, LLC do not create a material conflict of interest to his other advisory services provided through Avestar Capital, LLC.

Investors to whom private funds are offered will receive a private placement memorandum and other offering documents. You should refer to the offering documents for a complete description of the fees, expenses, investment objectives, risks and other relevant information associated with investing in the private Fund. Persons affiliated with us may have made an investment in the private funds and have an incentive to recommend the Fund over other investments when the private Fund's fees are greater than separately managed accounts.

Related Advisor

In September 2019, Avestar purchased the assets of Global Capital Strategies, LLC and created Global Capital Strategies II, LLC ("GCS II"). The business of GCS II will continue to operate as

a wholly-owned subsidiary and related adviser of Avestar.

Foreign Affiliate

Avestar is affiliated with Avestar Advisory LLP through common ownership. Avestar Advisory is an offshore entity, provides services to clients located in India.

Licensed Insurance Agents

Persons associated with us are also licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with us.

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

Description of Our Code of Ethics

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

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

We serve as the general partner or are affiliated with one or more private funds (privately-offered pooled investment vehicles) in which you may be solicited to invest. Avestar, certain members of its management, and other knowledgeable employees may acquire, directly or indirectly, investment interests in our Funds or have other financial interests (e.g. General Partner, Officers, Board Members, etc.) in the Funds. This presents a conflict of interest because we have investments and/or are compensated by the private Funds. Conflicts that arise are mitigated through our fiduciary obligation to act in the best interest of our clients, contractual limitations that govern our activities as adviser or general partner, as applicable, and the requirement of Avestar not to place its interests before its clients' interests when managing the Funds. If you are an investor in our Funds, please refer to the Funds' offering documents for detailed disclosures.

Personal Trading Practices

Avestar or its employees buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. Personal trading by our employees is reviewed by our Chief Compliance Officer, or a designee.

Aggregated Trading

Avestar or its employees may buy or sell securities for you at the same time we or persons associated with us buy or sell such securities for our own accounts. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with us shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We recommend the brokerage services of Bhargava Capital LLC and ARQ Advisors, and custodial services of National Financial Services LLC and Pershing Advisor Solutions ("PAS"). The recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that the recommended broker dealer provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the broker dealer, including the value of the broker's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the broker provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Recommendation of Prime Broker

In some circumstances we may suggest that the client use a particular broker-dealer to act as custodian for the funds and securities we manage. In those cases, we generally only recommend broker-dealers capable of acting as a "prime broker." Under "prime broker" arrangements, we may, on

a transaction-by-transaction basis, either use the "prime broker"/custodian or select other broker-dealers, who will execute transactions for settlement into your "prime brokerage" account. In making suggestions as to "prime broker"/custodians, we will consider, among other things, the clearance and settlement capabilities of the broker-dealer where other broker-dealers execute transactions, the broker-dealer's ability to provide effective and efficient reporting to you and our firm, the broker-dealer's reliability and financial stability, including the prospects that the broker-dealer will provide valuable research services and products.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

In limited circumstances, and at our discretion, you may instruct us to use one or more particular brokers for the transactions in your accounts. If you choose to direct us to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent us from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Aggregated Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given transaction. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by us or persons associated with us may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We generally do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with us, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with us.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Item 13 Review of Accounts

The Managing Team will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We may provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

FINANCIAL PLANNING

The Managing Team will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. We will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Written updates to the financial plan will be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

We receive economic benefits from a non-client for providing investment advice or other advisory services to you. Through our participation in certain programs or use of a custodian we are entitled to receive economic benefits. As part of our fiduciary duty, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us from a non-client in and of themselves creates a potential conflict of interest and may influence our choice in providing services to your account. This arrangement does not cause you to pay any additional transaction fees beyond those that are traditionally charged by us and/or other service providers.

Dynasty has assisted Avestar in negotiating or facilitating payments from Fidelity in the form of credits to be applied toward qualifying third-party service provider expenses incurred in relation to transition costs or the provision of core services. This may include, but is not limited to, support of Avestar's research, marketing, technology or software platforms. In some instances, Dynasty may serve in an administrative capacity to support the disbursement of these funds furnished by the custodian.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Clients and prospective clients should review Item 10 for information about parties the Adviser may refer clients to and additional compensation the Adviser may receive from these parties.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of us are licensed insurance agents, and are registered representatives with Bhargava Capital or ARQ Advisors, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

Currently, we do not directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

Item 15 Custody

As paying agent for Avestar, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes us to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a qualified bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Private Investment Funds

We serve as the investment adviser, related general partner, managing member, similar control persons and entities to the: Avestar Structured Note SPV, LP, Avestar Global Value Strategy SP & Avestar Global Growth Strategy SP, both a part of the segregated portfolios of Avestar Global Opportunities SPC (the Funds). In our capacity as General Partner to the Funds, we will have access to the Funds' cash and securities, and as such we are deemed to have custody over such funds and securities. We provide each limited partner in the Funds with audited annual financial statements. If you are a Fund investor and have questions regarding the financial statements or if you did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms. If you engage us to provide investment advisory services on a discretionary basis, we have the authority to determine the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with us, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by us on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized us to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

We do not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We have not filed a bankruptcy petition at any time in the past ten years nor do we take physical custody of client funds or securities except for in our management of the Funds, nor serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We may disclose your non-public personal information to non-affiliated third parties. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with us. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such

disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.