

# Ladenburg Thalmann Asset Management Inc.

## **LAMP – MANAGED ANNUITY PROGRAM BROCHURE**

SEC File No. 801-54909  
277 Park Avenue, 26<sup>th</sup> Floor  
New York, NY 10172  
(800) 995-5267  
<http://www.ltam.com>

**This brochure provides information about the qualifications and business practices of Ladenburg Thalmann Asset Management Inc. If you have any questions about the contents of this brochure, please contact us at (800) 995-5267 or [lamp@ladenburg.com](mailto:lamp@ladenburg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Ladenburg Thalmann Asset Management Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

03/30/2020

## **Item 2 – Summary of Material Changes**

This section provides a summary of material changes that were made to this brochure since the other than annual amendment was submitted on March 13<sup>th</sup>, 2020. Ladenburg Thalmann Asset Management Inc. (“LTAM”) may make interim changes to this brochure throughout the year. Each brochure must be filed with the SEC and can be viewed at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Material Changes:

- There are no material changes.

## Table of Contents

Item 2 – Summary of Material Changes .....	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business .....	4
LTAM Advisory Services .....	4
Assets Managed.....	4
Item 5 - Fees and Compensation .....	4
Item 6 - Performance-Based Fees and Side-By-Side Management .....	5
Item 7 - Types of Clients.....	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Item 9 - Disciplinary Information .....	6
Item 10 - Other Financial Industry Activities and Affiliations .....	6
Payments from Third Parties.....	8
Conflicts of Interest .....	9
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	9
Item 12 - Brokerage Practices .....	10
Item 13 - Review of accounts.....	10
Item 14 - Client Referrals and Other Compensation.....	10
Item 15 - Custody .....	10
Item 16 - Investment Discretion.....	11
Item 17 - Voting Client Securities.....	11
Item 18 - Financial Information .....	11
Ladenburg Thalmann Asset Management – Privacy Notice.....	12

## **Item 4 - Advisory Business**

### ***LTAM Advisory Services***

Each client has a financial adviser, who may be an advisory representative of Ladenburg Thalmann Asset Management Inc. (“LTAM”), Triad Advisors, LLC., Triad Hybrid Solutions, LLC., Investacorp Advisory Services, Inc., Securities America Advisors, Inc., KMS Financial services, Inc., SSN Advisory, Inc., and Arbor Point Advisors, LLC., all of which are affiliates of LTAM, as described in “Other Financial Industry Activities and Affiliations” below. The financial adviser may also be registered as, or an advisory representative of, an investment adviser that is not affiliated with LTAM. The financial adviser may also be a broker-dealer representative of Ladenburg Thalmann & Co. Inc., (“LTCO”), Triad Advisors, LLC., Securities America, Inc., KMS Financial Services, Inc., Securities Service Network, LLC., or Investacorp, Inc. Clients who wish to participate in the LAMP – Managed Annuity Program will enter into a LAMP-Managed Annuity Program agreement. The agreement will set forth which investment advisory entity is providing consulting services in connection with the client’s account.

In addition to signing the LAMP-Managed Annuity Program agreement, clients must complete documentation necessary under the applicable variable annuity contract to grant the applicable adviser and LTAM the authority and access to information necessary to perform the services set forth in the agreement.

Clients inform their financial advisers of the investment objectives, risk tolerance, and investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets under the variable annuity contract that they want managed in the LAMP–Managed Annuity Program. Based on the information provided, the financial adviser assists the client in selecting an investment strategy for the client’s account from those available through the program.

A team of investment managers employed by Ladenburg Thalmann Asset Management Inc. (“LAMP Managers”) manage the accounts in LAMP on a discretionary basis by allocating the assets between available sub-accounts in accordance with the investment strategy that the client selects and information provided by the client. Any restrictions on the management of an account imposed by a client may cause the LAMP Managers to deviate from the investment decisions they would otherwise make in managing the account. LTAM will not have discretion to select a different investment strategy without the client’s written authorization.

LTAM provides various other types of advisory services in addition to and separate from the services described in this brochure. These services are described in other LTAM brochures. More information about these services is available upon request.

### ***Assets Managed***

LTAM managed \$1,828,232,410.00 of assets on a discretionary basis and \$1,252,731,886.00 of assets on a non-discretionary basis as of 12/31/2019.

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

Each account of the program will generally be charged an asset-based fee (“Fee”) on a quarterly basis in arrears. The Fee will be calculated based on the value of the assets in the program. The rate used to calculate the Fee is subject to negotiation between the financial adviser and each client. The actual fee rates paid by the client will be set forth in the client’s agreement. The maximum annual Fee rate is 1.50%. In the agreement, clients will choose to have the Fee deducted either from their annuity contract or an alternative non-retirement brokerage account, or in some instances, the client may choose to receive a bill. Deduction of fees directly from the client’s annuity contract may cause the client’s contract riders to be reduced, forfeited or trigger a contingent deferred sales charge. In addition, Program Fees drawn directly from a non-qualified variable annuity account may be considered constructive income to the extent of the contract gain, and therefore may be subject to income tax and penalties if the client is under age 59 ½. Neither Adviser nor LTAM provides tax

advice, and Client should consult a tax professional for information about potential tax consequences related to the Program Fee and other aspects of the variable annuity contract.

Either party at any time upon written notice may terminate the program agreement and a *pro rata* portion of the Fee will be due by the client based on the number of days elapsed during in the quarter prior to receipt of the notice of termination.

The Fee covers the advisory services provided by the applicable adviser, and investment management services provided by LTAM, as described in the agreement. The Fee does not cover any other costs in connection with the variable annuity contract. Clients will typically pay a commission and other fees in connection with the purchase of the variable annuity contract. The Fee is not offset by the receipt of such compensation by an affiliate of LTAM. A broker-dealer affiliated with LTAM, may receive compensation in connection with a client's purchase of the variable annuity contract and in connection with certain sub-accounts under the contract. This compensation will typically be shared with the investment adviser, if the adviser is also a registered representative of the affiliated broker-dealer. Thus, investment adviser may receive compensation in connection with both the sale of the variable annuity contract and the provision of investment advice in the program. Thus, the investment adviser may have an incentive to recommend this type of investment or other types of investments. The affiliated broker-dealers have procedures in place to ensure that the purchase of the variable annuity contract is suitable. LTAM and the affiliated adviser review each new account to ensure that the provision of investment advice in connection with the account is suitable.

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

Neither LTAM nor any of its supervised persons receives performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

LTAM provides program services to individuals and retirements accounts.

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

Investing in securities involves risk of loss that clients should be prepared to bear. LTAM does 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. LTAM cannot offer any guarantees or promises that any client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

LTAM uses several strategies utilizing the sub-accounts that are available for selection under the client's variable annuity contract. Each strategy will consist of a targeted, strategic allocation. LTAM selects sub-accounts for each asset class in each strategy. The selection is based on due diligence conducted by LTAM, which evaluates the sub-accounts on a variety of performance measures and selects those with the above average ratings for inclusion in the strategies. LTAM periodically reviews each strategy and removes or replaces those sub-accounts that no longer meet the qualifications necessary for inclusion in the applicable strategy. At its discretion, LTAM may also add additional asset classes and funds to each strategy as well as replace sub-accounts to correspond to any changes made to the applicable strategy. LTAM also rebalances accounts periodically if the accounts' asset allocations move beyond acceptable variance levels set for each strategy due to market movements. LTAM when managing the contract may not necessarily know the ancillary riders associated with the contracts. If the client and/or adviser effect one of these riders or annuitize the contract, this may impede LTAM's ability to effectively manage the contract or terminate LTAM's management completely. Investing in securities involves risk of loss of principal that the client should be prepared to bear.

## Item 9 - Disciplinary Information

On August 25, 2016, pursuant to an offer of settlement by LTAM and as part of an enforcement sweep of 13 investment advisers, the SEC entered an order against LTAM (the "Order") making findings -- which LTAM neither admitted nor denied -- and imposing sanctions consisting of a cease-and-desist order and a civil money penalty. The Order indicates that LTAM violated Section 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and rule 206(4)-1(a)(5) thereunder by incorporating into certain advertisements for the Alpha Sector strategies offered through an LTAM wrap-fee program some inaccurate performance information provided by F-Squared Investments, Inc. ("F-Squared"), without having a reasonable basis to conclude that the information was true. The Order also indicates that LTAM violated the Advisers Act's recordkeeping provisions by failing to maintain records to substantiate the advertised performance information supplied by F-Squared. The Order acknowledges that LTAM's wrap-fee brochure disclosed that LTAM did not verify performance information supplied by third-party managers used in the wrap-fee program. For more information about any disciplinary events that are material to an evaluation of Triad Advisors, LLC, Triad Hybrid Solutions, LLC, Investacorp Advisory Services, Inc., Securities America Advisors, Inc., KMS Financial Services, Inc., SSN Advisory, Inc., or Arbor Point Advisors, LLC, or a separately registered investment adviser, please see their disclosure brochure.

## Item 10 - Other Financial Industry Activities and Affiliations

Ladenburg Thalmann Asset Management Inc. ("LTAM") is an investment advisory firm and has been in business since October 29th, 1982. LTAM is a wholly-owned subsidiary of Ladenburg Thalmann Financial Services Inc. ("LTFS"). In turn, LTFS is a wholly-owned subsidiary of Advisor Group Holdings, Inc. (AGHI), which is owned primarily by a consortium of investors through RCP Artemis Co-Invest, L.P., an investment fund affiliated with Reverence Capital Partners LLC. The consortium of investors includes RCP Genpar Holdco LLC, RCP Genpar L.P., RCP Opp Fund II GP, L.P., and The Berliniski Family 2016 Trust.

LTFS owns 100% of both LTAM and LTCO, a registered broker-dealer. As such, LTCO, Investacorp, Inc., Triad Advisors, LLC, and Securities America, Inc., Securities Service Network, LLC., and KMS Financial Services, Inc., may execute trades on behalf of clients who receive advisory services from LTAM.

### *Other Industry Affiliates*

LTAM has the following affiliates, which are wholly-owned by LTFS, which is a wholly-owned subsidiary of AGHI:

Ladenburg Thalmann Financial Services, Inc. (LTFS)	100% owned by AGHI
Ladenburg Thalmann & Co. Inc. (LTCO)	100% owned by LTFS
Triad Advisors, LLC	100% owned by LTFS
Triad Hybrid Solutions, LLC	100% owned by LTFS
Investacorp, Inc.	100% owned by LTFS
Investacorp Advisory Services	100% owned by LTFS
Premier Trust, Inc.	100% owned by LTFS
Securities America Financial Corporation (SAFC)	100% owned by LTFS
Securities America, Inc.	100% owned by SAFC
Securities America Advisors, Inc.	100% owned by SAFC
Arbor Point Advisors, LLC	Majority owner SAFC
KMS Financial Services, Inc.	100% owned by LTFS
Securities Service Network, LLC. (SSN)	100% owned by LTFS
SSN Advisory, Inc.	100% owned by LTFS
Highland Capital Brokerage Insurance Company	100% owned by LTFS
Valor Insurance Agency, Inc.	100% owned by LTFS

LTAM also has related persons, as they are under common control of LTFS's parent company, AGHI. LTAM's affiliates below and your Advisory Representative cannot conduct or recommend business through these related persons, these relationships do not create a material conflict of interest. The following chart details the related persons, which are wholly-owned subsidiaries of Advisor Group, Inc. (AGI), which is a wholly-owned subsidiary of Advisor Group Holdings, Inc.

Advisor Group, Inc. (AGI)	100% owned by AGHI
Royal Alliance Associates, Inc. (RAA)	100% owned by AGI
Financial Service Corporate (FS Corp)	100% owned by AGI
FSC Securities, Corporation (FSC)	100% owned by FS Corp
SagePoint Financial Inc (SPF)	100% owned by AGI
Woodbury Financial Services, Inc (WFS)	100% owned by AGI
Vision2020 Wealth Management Corp.	100% owned by AGI

Certain principal executive officers of LTAM may be employees, officers, or directors of affiliates listed above. These permitted additional responsibilities could be viewed as creating a conflict of interest in that the time and effort of the directors, officers, principals and employees of LTAM because they will not be devoted exclusively to the business of LTAM and may have conflicts of interest due to their loyalties to the different entities. Certain of LTAM's principal executive officers, members of the LTAM investment committee and other individuals who determine investment advice given to clients are registered representatives of LTCO.

LTAM financial advisers may recommend that clients invest in the Alternative Strategies Fund and Ladenburg Funds for which LTAM acts as investment adviser, and LTCO acts as distributor. Transactions for the funds are generally executed through LTCO. For more information see the prospectus.

These recommendations create a conflict of interest because LTAM and LTCO generally receive more compensation in connection with the purchase of these investments than they do in connection with the purchase of other investments.

Certain of LTAM's principal executive officers, members of the LTAM investment committee and other individuals who determine investment advice given to clients are registered representatives of LTCO. LTAM financial advisers may recommend Premier Trust to provide trust and administrative services. Premier Trust provides full disclosure with respect to its trust and administrative services and related costs.

As explained above, LTCO acts as a dealer with respect to certain securities, and as such, may execute transactions for LTAM clients as principal. As a dealer, LTCO may receive a "mark-up," "mark-down," and/or spread in the net price at which principal transactions are executed. This compensation is in addition to other compensation that client pays to LTAM and its affiliates. Thus, LTAM has a conflict of interest in recommending or deciding to execute trades through LTCO on a principal basis. LTAM addresses this conflict of interest in the following ways. After receiving disclosures about a specific principal transaction with LTCO, clients have the opportunity to reject the transaction before it is completed, to the extent required by applicable law. In addition, LTAM has policies and procedures in place to assure that clients receive best execution with respect to principal trades, regardless of whether the trade is executed by LTCO or an unaffiliated dealer.

LTAM may also recommend that clients invest in securities issued in an initial public and/or secondary offerings ("new issues") for which LTCO acts as a manager, underwriter and/or a member of the selling group. LTAM has a conflict of interest in recommending these securities for several reasons. First, LTCO receives all or a portion of the gross spread – the difference between the price that the client pays for the security and

the price that LTCO purchases the security for -- in connection with such sales. This gross spread is generally 7%, but may be higher or lower in connection with certain offerings. LTAM financial advisers generally receive a portion of this compensation as broker-dealer representatives of LTCO. In addition, LTCO has a substantial interest—both financial and with respect to its reputation—in assuring that the offering is successful by having a large number of the securities purchased. Finally, in connection with certain offerings, LTCO has an obligation to purchase and resell a certain number of securities. Thus, because of its affiliation with LTCO, LTAM has incentives to recommend these investments in these offerings for these reasons, rather than based on a client's needs. To address these conflicts, LTAM has policies and procedures in place to make sure that securities in initial public offerings are recommended only to clients for whom they are suitable given the client's investment objectives and assets. In addition, clients are generally given transaction specific disclosure prior to the client's decision to invest in such securities. Securities acquired in initial public and secondary offerings may be oversubscribed and LTAM has policies and procedures in place for the allocation process.

Please also note that LTAM compensates its financial advisers for the costs of marketing, distribution, business and client development and educational enhancement incurred by the financial adviser for the promotion of LTAM's services. This compensation may be based on assets under management or otherwise advised.

#### ***Payments from Third Parties***

In addition to the various types of compensation LTAM's affiliates may earn from clients in connection with effectuating the investment advice LTAM renders to clients, these affiliates may also receive payments from third parties in connection with services rendered to LTAM's clients.

For example, LTCO and other affiliated broker-dealers may receive distribution or service ("trail") fees from the sale of certain unaffiliated mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services. These fees are distributed from the fund's total assets. LTCO may pay a portion of the distribution fees it earns to LTAM's financial advisers in their capacity as broker-dealer representatives of LTCO. For certain accounts custodied at NFS, LTCO credits 12b-1 fees received for LTAM financial consultants back to the client accounts. LTAM's affiliated broker-dealers may also participate in revenue-sharing arrangements based on fees paid by mutual funds to participate in no-transaction-fee (NTF) platforms made available by custodians.

In addition, LTCO and other affiliated broker-dealers typically receive compensation in connection with cash held in brokerage accounts. For most accounts, the Bank Deposit Sweep Program (the "BDSP") is the only vehicle available for cash balances (from deposits to the account, securities transactions, dividend and interest payments and other activities) in the account. LTCO will receive a fee in connection with the BDSP based on the value of the cash in the program. This fee will reduce the amount of interest that clients receive in connection with cash held in their accounts. The financial adviser will not receive any portion of the BDSP fee received by LTCO. In addition, LTCO will not receive a fee in connection with the BDSP with respect to cash in certain retirement accounts. In such cases, the fee will be retained by the custodian. For more information, see the disclosure document available through a LTAM financial adviser or at: <http://www.ladenburg.com/bank-deposit-sweep-programs>.

LTAM's affiliates may also receive payments called "revenue sharing payments" and/or "marketing allowances" from certain product sponsors ("Strategic Partners") including mutual funds, insurance companies, and Non-Traded products such as Real Estate Investment Trusts ("REITS"). These payments are not shared with LTAM's financial advisers. For more detailed information about the products in the Strategic Partners program, you may request the complete disclosure document from your financial adviser.



Qualified custodians are another source of revenue to LTAM's affiliated broker-dealers. In this regard, LTAM's affiliates may receive revenue based upon client activity, as well as the amount of assets custodied with these firms. The types of revenue include, but are not limited to, margin interest charges, IRA fees, inactivity fees, 12b-1 trails and other fees set forth in the custodian's Schedule of Client Fees and Charges.

### ***Conflicts of Interest***

The various compensation arrangements discussed in this section of the Brochure present conflicts of interest for LTAM, because they incentivize the firm and its financial advisers to select or recommend products that provide such payments. To mitigate these conflicts, LTAM prohibits its financial advisers and other supervised persons from selecting or recommending any product based solely on payments that LTAM, its employees or its affiliates may receive in connection with the promotion of that product. Instead, LTAM requires financial advisers and other supervised persons to advise and make recommendations in clients' best interests, taking into account clients' needs, investment objectives and risk tolerances. LTAM offers a number of investment advisory programs that may include the Ladenburg Funds, a series of mutual funds that are managed by LTAM. Since LTAM receives an internal management fee from the funds, a potential conflict of interest exists.

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

LTAM has adopted a Code of Ethics for all supervised persons of LTAM, describing its high standards of business conduct, and fiduciary duty to clients. All supervised persons at LTAM must acknowledge the terms of the Code of Ethics and personal securities transactions and holdings annually, or as amended. The Code of Ethics sets forth detailed policies and procedures regarding the personal trading of its personnel. The Code of Ethics also contains policies and procedures to prevent the misuse of material, non-public information by LTAM's officers and employees. A copy of the LTAM Code of Ethics may be obtained by writing to: Ladenburg Thalmann Asset Management Inc., 277 Park Avenue, 26th Floor, New York, NY 10172.

LTAM personnel are required to conduct their personal investment activities in a manner that is not detrimental to its advisory clients. LTAM personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics.

LTAM may give advice, take action, or hold or deal in securities for some clients or accounts, including LTAM's own accounts, which differs or may be similar at times from the advice it gives, action it takes, or securities it holds or deals for other clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of LTAM will: (a) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (b) at all times place the interests of clients first while, at the same time, allowing employees to invest for their own accounts; (c) disclose all actual and potential conflicts; (d) adhere to the highest standards of loyalty, candor and care in all matters relating to clients; (e) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (f) not use any material non-public information in securities trading.

The Code of Ethics also establishes policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of LTAM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. LTAM and its employees may not enter orders for accounts in which they have a beneficial ownership interest to benefit from their knowledge of clients' orders in a particular security ("front-running"). This includes orders in securities that are derivatives (options, warrants, etc.) of the security being purchased

or sold by the client. Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between LTAM and its clients.

Certain clients also may maintain accounts at LTCO for which LTAM does not act in an advisory capacity. In providing execution services to these accounts separate and apart from the client's advisory accounts, LTCO may enter into transactions as principal. These activities are separate and apart from LTAM's advisory services.

The Code of Ethics is enforced through compliance monitoring activities and surveillance. In cases where the firm discovers that an employee has violated a firm policy and/or procedure, the firm's code of business conduct or code of ethics, a state or federal law, regulation of the SEC, or other regulatory agency, the Compliance Department will take appropriate steps to investigate the circumstances and will take action commensurate with the manner of the violation. Such actions could take the form of a written warning to the employee in conjunction with the firm's Legal Department, or be as serious as disciplinary action up to and including termination. Any such investigations will be brought to the appropriate regulator's attention, if necessary, which may result in a disclosure of the violation on the employee's U-4 form, if required.

## **Item 12 - Brokerage Practices**

With respect to the program, LTAM generally does not aggregate orders.

None of LTAM's affiliated broker-dealers acts as broker-dealer with respect to the trading of sub-accounts in the program. A broker-dealer affiliate of LTAM may earn a commission in connection with the sale of the variable annuity contract to the client.

LTAM does not generally receive research or other products or services, otherwise known as "soft dollars" in connection with the program.

## **Item 13 - Review of accounts**

LTAM reviews the accounts in the program periodically. These investment reviews are part of the ongoing investment review process which includes peer analysis, performance ranking, risk analysis, investment manager conference calls, and model rebalancing.

LTAM does not independently verify information provided by a variable annuity sponsor, client or other third party, nor does LTAM guarantee the accuracy or validity of such information. LTAM is not liable in connection with its use of any information provided by a client, a variable annuity sponsor, or other third-party in any performance reviews it provides to clients.

Certain LTAM financial advisers may provide written reports to their clients.

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

LTAM does not enter into agreements with third parties that will solicit clients for the program.

## **Item 15 - Custody**

LTAM does not maintain physical possession of any client assets. All client assets are held by an independent qualified custodian, which may be a broker-dealer, bank or trust company. Clients will receive account statements from the broker-dealer, bank or other qualified custodian holding the clients' assets. Clients should carefully review those statements. Clients who also receive account reviews from LTAM should compare them to the account statements they receive from the qualified custodian. The account statements received

from the qualified custodian are the official statement of clients' accounts. Any account information provided by LTAM is for informational purposes only. LTAM may have standing letters of authorization granting it first-party asset movement authority on its clients' accounts at certain of LTAM's qualified custodians. LTAM provides the qualifying Custodian the client's authorization in writing. The qualifying Custodian has a record that the client has identified the accounts for which the transfer is being effected as belonging to the client (both sending and receiving accounts). LTAM's authority to transfer client assets between clients' accounts at the same qualified custodian or between another independent qualified custodian, (which may be a broker-dealer, bank or trust company) in which both have access to the sending and receiving account numbers and client account name(s) are deemed to be first party asset movement and does not constitute custody.

## **Item 16 - Investment Discretion**

As described in "Advisory Business" above, clients engage LTAM to manage their assets on a discretionary basis. Before LTAM assumes discretionary authority over any account, the client must sign an investment management agreement with LTAM. As set forth in the agreement, LTAM will trade sub-accounts available through the variable annuity contract on a discretionary basis in accordance with the investment strategy selected by the client and any limitations set by the variable annuity sponsor. LTAM will not have discretion to select a different investment strategy without the client's written authorization.

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

LTAM is expressly precluded from taking any action or rendering any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities in the program. The client expressly retains the authority and responsibility with respect to voting proxies for the account(s) or will delegate discretion with respect to voting such proxies to a third party. If LTAM receives any proxy materials that pertain to securities held in the Account, LTAM will forward the materials to the person designated by the client.

## **Item 18 - Financial Information**

LTAM does not require prepayment of advisory fees six months or more in advance. LTAM has never been the subject of a bankruptcy petition.

## Ladenburg Thalmann Asset Management – Privacy Notice

FACTS		What does Ladenburg Thalmann Asset Management Inc. do with your personal information?	
Why?		Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.	
What?		<p>The types of personal information we collect and share depend on the product or services you have with us. This information can include:</p> <ul style="list-style-type: none"><li>▪ Social Security number</li><li>▪ Assets and investment experience</li><li>▪ Income and employment information</li><li>▪ Account transactions and retirement assets</li></ul> <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>	
How?		All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Ladenburg Thalmann Asset Management Inc. (“LTAM”), chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information		Does LTAM share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		Yes	No
For our marketing purposes – to offer our products and services to you		Yes	No
For joint marketing with other financial companies		No	We do not share
For our affiliates’ everyday business purposes – information about your transactions and experiences		Yes	No
For our affiliates to market to you		No	We do not share
For nonaffiliates to market to you		No	We do not share
Questions?	Go to <a href="http://www.ltam.com/contact.html">www.ltam.com/contact.html</a>		

This Privacy Notice applies to products and services used primarily for personal, family, trusts, corporation or entity, and ERISA account purposes. We reserve the right to change this Privacy Notice, and any of the practices described within this policy, at any time. Ladenburg Thalmann Asset Management Inc., a SEC registered investment adviser. 3/2020

Who We Are	
Who is providing This Notice?	Ladenburg Thalmann Asset Management Inc.
What We Do	
How does Ladenburg Thalmann Asset Management protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We train our employees in the proper handling of personal information. We require companies that help provide our services to you to protect the confidentiality of personal information they receive.</p>
How Does Ladenburg Thalmann Asset Management collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>▪ Open an account;</li> <li>▪ Seek advice about your investments;</li> <li>▪ Enter into an investment advisory relationship;</li> <li>▪ Tell us about your investment or retirement portfolio;</li> <li>▪ Apply for insurance.</li> </ul> <p>We also collect personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>▪ Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ Affiliates from using your information to market to you</li> <li>▪ Sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies. Our affiliates include the following entities:</p> <ul style="list-style-type: none"> <li>▪ <i>Ladenburg Thalmann Financial Services, Inc.;</i></li> <li>▪ <i>Ladenburg Thalmann &amp; Co. Inc.;</i></li> <li>▪ <i>Investacorp, Inc.; Investacorp Advisory Services, Inc.;</i></li> <li>▪ <i>Triad Advisors, LLC; Triad Hybrid Solutions, LLC;</i></li> <li>▪ <i>Securities America, Inc.; Securities America Advisors, Inc.;</i></li> <li>▪ <i>Securities America Financial Corp.; Arbor Point Advisors, LLC;</i></li> <li>▪ <i>Securities Service Network, LLC; SSN Advisory, Inc.;</i></li> <li>▪ <i>KMS Financial Services, Inc.;</i></li> <li>▪ <i>Premier Trust, Inc.; Valor Insurance Agency, Inc.;</i></li> <li>▪ <i>Highland Capital Brokerage Insurance Company;</i></li> <li>▪ <i>Advisor Group, Inc.;</i></li> <li>▪ <i>Royal Alliance Associates, Inc.; SagePoint Financial Inc.;</i></li> <li>▪ <i>Financial Service Corporate; FSC Securities, Corporation;</i></li> <li>▪ <i>Woodbury Financial Services, Inc.; Vision2020 Wealth Management Corp.</i></li> </ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>We may share your personal information with your financial advisor's new brokerage or investment advisory firm.</i></li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>We do not currently have nonaffiliated joint marketing partners.</i></li> </ul>
Other important information	
<p>If your primary address is in a state that requires your affirmative consent to share your personal information with a New firm (such as California, Massachusetts, Maine, New Mexico, North Dakota or Vermont), except to the extent that the laws of your state of residence provide for exceptions to the consent requirement, then you must give your written consent before we will share, or will allow your financial adviser to take any of your personal information to that New firm.</p>	