

# Palisade Investments, LLC

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This brochure provides information about the qualifications and business practices of *Palisade Investments, LLC*. If you have any questions about the contents of this brochure, please contact *Robin DeSota* at (775) 299-4600 x 701 or [rdesota@palisadeinvestments.com](mailto:rdesota@palisadeinvestments.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 *Palisade Investments, LLC* is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for *Palisade Investments, LLC*. You may search for information by using the firm's CRD number. The CRD number for *Palisade Investments, LLC* is **124776**

\*Registration as an investment Adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

In the past our firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

### Item 3 – Table of Contents

Item 1 - Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business .....	5
General Description of Primary Advisory Services.....	5
Limits Advice to Certain Types of Investments.....	6
Tailor Advisory Services to Individual Needs of Clients .....	7
Client Assets Managed by Palisade Investments, LLC .....	7
Item 5 – Fees and Compensation .....	7
Item 6 – Performance-Based Fees and Side-By-Side Management .....	8
Item 7 – Types of Clients.....	9
Minimum Investment Amounts Required.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Risk of Loss.....	10
Item 9 – Disciplinary Information .....	12
Item 10 – Other Financial Industry Activities and Affiliations .....	12
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	12
Code of Ethics Summary.....	12
Item 12 – Brokerage Practices .....	14
Handling of Trade Errors. ....	14
Block Trading Policy .....	15
Item 13 – Review of Accounts.....	15
Account Reviews and Reviewers.....	15
Statements and Reports .....	15
Item 14 – Client Referrals and Other Compensation.....	16
Item 15 – Custody.....	16
Item 16 – Investment Discretion.....	16
Item 17 – Voting Client Securities.....	17
Item 18 – Financial Information .....	17
Item 19 - Social Media Policy.....	18
Item 20 – Requirements for State-Registered Advisers.....	19
Executive Officer and Management Personnel.....	19
Other Business Activities .....	20
No Performance Based Fees .....	20
No Arbitrations.....	20
Information Required by Part 2B of Form ADV: <i>Brochure Supplement</i> .....	20
Item 1 – Cover Page .....	20

Item 2 – Educational Background and Business Experience .....	20
Item 3 – Disciplinary Information.....	20
Item 4 – Other Business Activities.....	20
Item 5 – Additional Compensation .....	20
Item 6 – Supervision .....	21
Item 7 – Requirements for State-Registered Advisers – Legal and Financial Disclosure .....	21

#### **Item 4 – Advisory Business**

*Palisade Investments, LLC* is an investment Adviser registered with United States Securities and Exchange Commission and is a Limited Liability company formed under the laws of the State of Nevada.

Palisade Investments, LLC and its predecessor firms Palisade Investments and Everest Capital Management, has been in business since June of 1998 and is owned 100% by Robin DeSota. The business was first registered as Everest Capital Management in 1998. The name changed in 2001 to Palisade Investments. A misfiling of registration in 2003 makes the registration appear to be started in 2004 – even though the business started in 1998.

Palisade Investments specializes in retirement plans and wealth management.

**Pension Consulting** - Palisade Investments will provide the Client with investment Advisory services that may include:

- I. Meeting with plan sponsor to determine (1) current investment categories and options (2) permitted and restricted investment categories and (3) appropriate number of investment options
- II. Developing an Investment Policy Statement (IPS)
- III. Assistance with the selection of investment options in each selected investment category
- IV. Developing strategic portfolios to be used as guidelines by participants in participant directed retirement plans
- V. Providing quarterly reports detailing the performance of each client's investment options as they are measured against criteria within the Investment Policy Statement
- VI. At least annually, an adviser representative will be available to meet with the investment committee to review performance information and to determine if there have been any material changes to the client's situation
- VII. Providing one-on-one Advisory services to eligible participants in the retirement plan

**Financial Planning Services** – When offered and/or agreed upon, *Palisade Investments, LLC* provides Advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax considerations (not tax advice), asset allocation, risk management, retirement planning, and other areas. The role of a

financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

**Asset Management Services** - *Palisade Investments, LLC* provides Advisory services in the form of Asset Management Services. Asset Management Services involve providing clients with continuous and on-going supervision over client accounts. This means that *Palisade Investments, LLC* will continuously monitor a client's account and make trades in client accounts when necessary and permitted.

**Limits Advice to Certain Types of Investments.**

*Palisade Investments, LLC* provides investment advice on the following types of investments.

- Mutual Funds. Palisade Investments, LLC does not get paid commissions or from funds directly
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Exchange Traded Notes (ETNs)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign Issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance (Advisory only – not paid commissions from insurance companies)
- Variable annuities (Advisory only – not paid commissions from insurance companies)
- United States government securities
- Options contracts on securities and commodities
- Interests in partnerships investing in real estate, oil and gas interests

*Palisade Investments, LLC* does not provide advice on foreign issues, hedge funds and other types of private (i.e. non-registered) securities.

When providing Asset Management Services, the firm will typically construct each client's account holdings using mutual funds or ETFs to build diversified portfolios. It is not *Palisade Investments, LLC's* typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate

special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

*Palisade Investments, LLC's* services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and/or questionnaires to determine the client's investment objectives and suitability information.

### **Client Assets Managed by Palisade Investments, LLC**

The amount of clients' assets managed by *Palisade Investments, LLC* totaled \$328,781,134 as of January 1st, 2019 with \$33,024,353 managed on a discretionary basis and \$295,756,781 managed on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

The specific manner in which fees are charged by Palisade Investments is established in a client's written agreement with Palisade Investments. Palisade Investments, LLC bills its fees on a quarterly basis. Clients will be billed in advance each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Palisade Investments to directly debit fees from client accounts. Accounts initiated during a calendar quarter will be charged a prorated fee. Institutional contracts may be terminated at the end of any quarter with 30 days advanced written notice. Since Institutional contracts go through the end of a quarter, refunds are not applicable. Retail contracts are cancellable at any time with 30 days-notice by either party. Any refund of fees due the client is prorated based on the termination date and the remaining days left in the calendar quarter:  $\text{refund} = (\text{days left in the calendar quarter after termination date} / \text{days in the calendar quarter}) \times \text{Fees paid by the client for the quarter}$ . The refund of fees is due to the client 30 days after the termination date.

All Palisade Investments, LLC fees are negotiable and can typically range from 0.10% to 2.0% per annum if based on a percentage of assets or can be a fixed fee arrangement based on services provided and assets managed or a combination of the two. Palisade Investments' fees are

exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded 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 Palisade Investments' fee, and Palisade Investments shall not receive any portion of these commissions, fees, and costs.

Fees are negotiable based on the size of account, market environment, number of locations, agreed upon workload, and other factors determined from time to time as important to the provision of service by Palisade Investments, LLC. Some clients may be charged more or less than other similar clients. Accounts may also be subject to minimum or maximum fees. Fees are typically based on the assets under advisement. The assets under advisement are based quarterly on the last business day balance of the account(s) each quarter. In general, our fees typically do not exceed 2.0% of assets advised though there could be exceptions.

In cases where minimum fees are imposed on qualified plan clients, Palisade Investments recommends fees are paid directly by the client. Ultimately, it is the responsibility of the client to choose how to pay the fees.

When required by a regulatory agency, Clients will receive invoices for each billing. The invoice will include (a) the fee formula (b) the time period used to calculate the fee, (c) the dollar amount of assets used to calculate the fee and (d) the qualified custodian will be notified of the amount to be deducted.

From time to time, negotiation of fees may result in a 'fixed fee' arrangement. The fixed fees that are not a result of either minimums or higher asset values in qualified plans are the result of negotiation. A reason for fixed fees may be, but is not limited to, a more limited scope of services.

Item 12 further describes the factors that Palisade Investments considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because *Palisade Investments, LLC* **does not charge or accept performance-based fees** which can be



defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

## **Item 7 – Types of Clients**

*Palisade Investments, LLC* generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Banks or thrift institutions
- Investment companies
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with *Palisade Investments, LLC* and/or the sponsor of third-party money manager platforms.

## **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by *Palisade Investments, LLC*. However, all clients are required to execute an agreement for services prior to commencing any work.

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

### ***Palisade Investments, LLC* uses the following investment strategies when managing client assets and/or providing investment advice.**

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **Use of Primary Method of Analysis or Strategy**

*Palisade Investments, LLC*'s primary method of analysis or strategy is strategic asset allocation. Some of the risks involved with using this method include correctly determining appropriate asset allocation, market risk, and security selection risk.

## **Primarily Recommend One Type of Security**

*Palisade Investments, LLC* primarily recommends only one type of security - mutual funds including exchange traded funds. Some of the risks involved with only recommending this type of security include market risks and security selection risk.

## **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs and in some instances mutual funds.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Client portfolios are constructed based on a client’s goals and needs. We follow the principles of Modern Portfolio Theory and Asset Allocation in that a higher allocation to equity type investments increases expected return and also the expected volatility of the portfolio. We focus on the overall total return of the portfolio. Clients seeking higher returns will have higher allocations to equity type investments and a relatively low allocation to bonds and cash. More aggressive investors should expect to see large price fluctuations in their portfolio values and be prepared for potential losses over extended periods of time for as long as ten or more years. More conservative investors will have relatively high allocations to bonds and cash and relatively low allocations to equity type investments. It is expected, but not guaranteed, that conservative investors will have less price fluctuation of their portfolio values. Clients with shorter time horizons will generally be more conservative while clients with longer time horizons will generally be more aggressive.

Client portfolios will generally be constructed using mutual funds, Exchange-Traded Funds (ETFs), Exchange-Traded Notes (ETNs), and other money managers. Occasionally, individual securities such as bonds or stocks might also be used. We utilize both actively managed funds as well as passive (index) funds. There is the risk that the funds we choose will underperform other

funds with similar objectives. In such cases, the underperformance of a particular fund will affect the overall portfolio of the client and could result in lower performance

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Palisade Investments or the integrity of Palisade Investments' management. Periodically, Palisade Investments is subject to audits by the appropriate regulatory agency whether the Securities and Exchange Commission or the State Regulatory Agency. Palisade Investments is subject to an examination of books and records from time to time by either State regulatory agencies or the Securities and Exchange Commission. A June 2010 examination of books and records resulted in findings that documentation of the annual offer of Form ADV was insufficient and annual updating amendments were not filed in a correct manner, resulting in a fine and the order to retain an outside compliance consulting firm.

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

*Palisade Investments, LLC* is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading Adviser, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

### **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

Palisade Investments has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Palisade Investments must acknowledge the terms of the Code of Ethics annually, or as amended.

Palisade Investments anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Palisade Investments has management

authority to effect, and will recommend to investment Advisory clients or prospective clients, the purchase or sale of securities in which Palisade Investments, its affiliates and/or clients, directly or indirectly, have a position of interest. Palisade Investments' employees and persons associated with Palisade Investments are required to follow Palisade Investments' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Palisade Investments and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Palisade Investments' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Palisade Investments will not interfere with (i) making decisions in the best interest of Advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. 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 Palisade Investments' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, 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 Palisade Investments and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Palisade Investments' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Palisade Investments will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Palisade Investments' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Robin DeSota at [rdesota@palisadeinvestments.com](mailto:rdesota@palisadeinvestments.com).

It is Palisade Investments LLC policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Palisade Investments will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any Advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person

controlled by or under common control with the investment adviser, acts as broker for both the Advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Palisade Investments has selected TD Ameritrade as its custodian for private clients because of overall value and service. Other custodians can/may be used. Services include custody of assets, trade execution, research, monthly statements, a wide variety of mutual fund options, options trading, online platforms, and good relative size and dependability. Clients may pay lower or higher costs at another broker or custodian. Palisade Investments does not receive any hard-dollar compensation from TD Ameritrade or other custodians. Palisade Investments receives research services, software, an online trading platform and other online services solely as a result of its custodian relationship with TD Ameritrade or other custodians. In addition, Palisade Investments receives discounted products and services as a result of its custodial relationships. Any beneficial research and services received from custodial relationships is used for the benefit of all clients regardless of whether or not said clients' funds are held with a particular custodian.

Palisade Investments is provided research, online access and other platform related services as a result of the custodian relationships, recordkeeper relationships, and relationships with money management firms such as mutual funds. In addition, Palisade Investments receives access to discounted products and services from its relationships with custodians and money management firms.

### **Handling of Trade Errors.**

*Palisade Investments, LLC* has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of *Palisade Investments, LLC* to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by *Palisade Investments, LLC* if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. *Palisade Investments, LLC* may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

*Palisade Investments, LLC* will never benefit or profit from trade errors.

### **Block Trading Policy**

Transactions implemented by *Palisade Investments, LLC* for client accounts are generally effected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and could be used by the firm when *Palisade Investments, LLC* believes such action may prove advantageous to clients. When *Palisade Investments, LLC* aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When *Palisade Investments, LLC* determines to aggregate client orders for the purchase or sale of securities, including securities in which *Palisade Investments, LLC* may invest, the firm will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, *Palisade Investments, LLC* does not receive any additional compensation or remuneration as a result of aggregation.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Accounts are reviewed periodically which can be either quarterly, semi-annually, annually or as desired or needed depending upon the unique situation of the account. The nature of the review is consistent with the principles covered under Item 8. The review is performed by the Investment Adviser Representative for that client. In the event the assigned Investment Adviser Representative is unable to perform the review, another Investment Adviser Representative may perform the account review. A report of the review will be provided to the client as per the frequency of the review and may be written or may be provided verbally.

## **Statements and Reports**

Client account custodians shall issue statements to clients either quarterly in the case of Qualified Plans or monthly in the case of private clients of TD Ameritrade. Both types of accounts have internet access to accounts to also verify account balances and activity.

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

*Palisade Investments, LLC* does not directly or indirectly compensate anyone for client referrals. From time to time, *Palisade Investments, LLC* may contract with telemarketing services or telemarketing individuals to set up meetings with possible clients.

The only form of other compensation received from Advisory services is the fees charged for providing investment Advisory services as described in Item 5 of this brochure. *Palisade Investments, LLC* receives no other forms of compensation in connection with providing investment advice.

### **Item 15 – Custody**

Custody, as it applies to investment Advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment Adviser has the ability to access or control client funds or securities, the investment Adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, *Palisade Investments, LLC* does not have custody of client funds or securities.

When fees are deducted from an account, *Palisade Investments, LLC* is responsible for calculating the fee and delivering instructions to the custodian. At the same time *Palisade Investments, LLC* instructs the custodian to deduct fees from the client's account; *Palisade Investments, LLC* will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

### **Item 16 – Investment Discretion**

When providing asset management services, *Palisade Investments, LLC* maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.



If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to ***Palisade Investments, LLC*** so long as the limitations are specifically set forth or included as an attachment to the client agreement.

#### **Item 17 – Voting Client Securities**

*Palisade Investments, LLC* will not vote proxies on behalf of your account. Palisade Investments does not give advice on voting proxies. While there are some investment Advisers that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm.

#### **Item 18 – Financial Information**

This item is not applicable to this brochure. *Palisade Investments, LLC* does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, *Palisade Investments, LLC* has not been the subject of a bankruptcy petition at any time (*Please refer to Information Required by Part 2B of Form ADV: Brochure Supplement for more information*).

## Item 19 – Social Media Policy

Palisade Investments or supervised persons of Palisade Investments use the following social media websites to contact clients or for other business purposes:

- LinkedIn

The following is a non-exclusive list of social media websites that supervised persons may not use to conduct business on behalf of the firm, or use for other business purposes unless the supervised person has received prior written approval from Palisade Investments:

- Facebook
- Instagram
- Snapchat
- Twitter
- AdvisorTweets.com
- YouTube
- Flickr
- Redditt
- Personal Blogs

In order to comply with the requirements of the *Advisers Act*, Palisade Investments has adopted the following policies and procedures:

- Palisade Investments has established an internal training program for employees' use (both personal and business-related) of social media websites.
- Employees of Palisade Investments are required to certify that they understand Palisade Investments' social media policies and procedures.
- All client communication is documented and stored by Palisade Investments in accordance with the "Electronic Communication and Retention" section of this manual.
- Palisade Investments acknowledges that social media websites are considered to be a form of advertising. Therefore, in order to comply with Rule 206(4)-1 of the *Advisers Act*, no social media accounts can contain the publication or posting of any client testimonials. For example, supervised persons are prohibited from showing recommendations on their LinkedIn page. Further, Palisade Investments will not publish any testimonials or third-party advertisements that attest to Palisade Investment's conduct as an adviser.
- Palisade Investments and all supervised persons are not required to disable the "Like" feature on any permitted social media. However, to ensure compliance with Rule 206(4)-1 of the *Advisers Act*, the account must be monitored and any posting that is "testimonial" must be removed. In addition, the following disclosure must be added to the user's profile:

- *Clicking the “Like” button or sharing content or a page does not constitute a testimonial for or endorsement of our investment advisory firm, any associated person, or our services. Clicking the “Like” button is merely a mechanism to circulate our permitted social media page(s). “Like” is not meant in the traditional sense. In addition, postings to our permitted social media page(s) must refrain from recommending us or providing testimonials for our investment advisory firm. Clicking a ‘skill’ and/or ‘endorsement’ button(s) does not constitute a testimonial. Because the SEC and state securities regulators generally prohibit testimonials, any such postings are subject to swift removal.*
- Supervised persons of Palisade Investments will not use social media to make any untrue statements or any statements that are otherwise false or misleading.
- Supervised persons of Palisade Investments are prohibited from using social media for inappropriate purposes. This includes prohibitions against posting copyrighted or offensive material, or using social media to defame or slander others. All client information will be kept confidential and will not be shared via any social media website.
- Management personnel of Palisade Investments will have access to any social media account that is used for business purposes, including employees’ personal accounts if they are used for any business purposes. Management personnel will monitor all client communication that occurs through social media websites and will conduct periodic reviews to ensure that all supervised persons are adhering to Palisade Investments’ policies and procedures.
- When a supervised person is no longer associated with Palisade Investments, they will cease using social media to interact with Palisade Investments’ clients.

## **Item 20 – Requirements for State-Registered Advisers**

### **Executive Officer and Management Personnel**

Managing Member of Palisade Investments, LLC, Chief Compliance Officer and Investment Adviser Representative: Robin DeSota.

Robin N. DeSota. Born 1966

Bachelor’s Degree – California Polytechnic State University, San Luis Obispo

Master’s Degree – University of Massachusetts, Amherst

1998 – Present: Investment Adviser Representative/ Founder – Palisade Investments, LLC

(Palisade Investments, LLC was previously registered as Everest Capital Management from 1998 to 2001 and Palisade Investments from 2001 through 2011. The registration was misfiled in 2003 thereby appearing as though it was newly registered in 2004.

Robin DeSota holds the Accredited Investment Fiduciary (AIF®) designation. The AIF® designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of

Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation of the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

### **Other Business Activities**

Robin DeSota and Palisade Investments, LLC do not have any other outside business activities to disclose.

### **No Performance Based Fees**

As previously disclosed in Item 6, *Palisade Investments, LLC* does not charge performance based fees.

### **No Arbitrations**

*Palisade Investments, LLC* or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

### **Information Required by Part 2B of Form ADV: Brochure Supplement**

The following are responses to each item found in the Form ADV Part 2B instructions.

#### **Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

#### **Item 2 – Educational Background and Business Experience**

Please see Item 19 of this Disclosure Brochure for Robin DeSota's education and business experience background.

#### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, Robin DeSota has never been subject to a legal or disciplinary event.

#### **Item 4 – Other Business Activities**

Please see Item 10 and Item 19 of this Disclosure Brochure for details regarding Robin DeSota's other business activities.

#### **Item 5 – Additional Compensation**

Other than the fees detailed in Item 5 of this Disclosure Brochure, Robin DeSota receives no other compensation related to Advisory services provided to clients.

**Item 6 – Supervision**

Robin DeSota is the sole affiliate of Palisade Investments, LLC and ultimately responsible for all activities and services provided by the firm.

**Item 7 – Requirements for State-Registered Advisers – Legal and Financial Disclosure**

Robin DeSota has not been the subject of any client arbitrations or similar legal disputes.

## ***CUSTOMER PRIVACY POLICY NOTICE***

### **Privacy Policy**

Palisade Investments, LLC, a Registered Investment Adviser, considers client privacy to be a fundamental aspect of our client relationships. We are committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information.

In the course of providing you with Advisory services, we may collect, retain, and use client information for the purpose of administering our operations, providing client service, and complying with legal and regulatory requirements. This information may come from sources such as account applications, investment policy statements, your transactions, and other forms from other written, electronic or verbal correspondence from your brokerage, attorney, accountant or other Adviser you may employ. We do not sell, exchange or disclose client information with outside organizations unless the third party is essential in administering our operations or except as required or permitted by law.

No confidential information, whatever the source, regarding any customer or client, may be disclosed except the following: (1) As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account (2) As required by regulatory authorities or law enforcement officials who have jurisdiction over Palisade Investments, LLC, or as otherwise required by any applicable law and (3) To the extent reasonably necessary to prevent fraud and unauthorized transactions. Adviser may disclose information about client or client's account to a non-affiliated third party at client's written request.

Finally, to further safeguard client information digitally, we maintain password protected systems, updated anti-virus and anti-spyware software, and encrypted hardware and software firewalls.